

Notice of Meeting and Agenda Audit, Scrutiny and Petitions Board

| Date | Time | Venue |
|-----------------------|-------|--|
| Monday, 21 March 2016 | 10:00 | CMR 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN |

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Bill Brown: Councillor Maria Brown: Councillor John Caldwell: Councillor Eddie Grady:
Provost Anne Hall: Councillor James MacLaren: Councillor Bill Perrie:

Councillor Jim Sharkey (Convener): Councillor Cathy McEwan (Depute Convener)

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.

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 www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Items of business

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.

- | | | |
|----------|--|----------------|
| 1 | AUDIT SCOTLAND REPORT - HOUSING BENEFIT SUBSIDY AUDIT 2014/15 | 5 - 38 |
| | Report by the Director of Finance & Resources. | |
| 2 | AUDIT SCOTLAND FOLLOW UP REPORT: "MAJOR CAPITAL INVESTMENT IN COUNCILS" | 39 - 48 |
| | Report by the Director of Finance & Resources. | |
| 3 | ANNUAL INTERNAL AUDIT PLAN 2016/17 | 49 - 64 |
| | Report by the Chief Auditor. | |
| 4 | HEALTH & SOCIAL CARE INTEGRATION: FINANCIAL ASSURANCE AUDIT | 65 - 80 |
| | Report by the Chief Auditor. | |
| 5 | PETITION: ROAD SAFETY, SHORTROODS ROAD, PAISLEY | 81 - 84 |
| | Report by the Director of Finance & Resources. | |
| 6 | PETITION: RENFREW ROAD, PAISLEY | 85 - 88 |
| | Report by the Director of Finance & Resources. | |
| 7 | PETITION: REMOVAL OF STAFF FROM RECYCLING CENTRES | 89 - 90 |
| | Report by the Director of Finance & Resources. | |
| 8 | WARD 15 (CHILDREN'S WARD) ROYAL ALEXANDRA HOSPITAL (LEAD OFFICER, COLIN GRAINGER) | 91 - 96 |
| | Report by Lead Officer. | |



To: Audit, Scrutiny & Petitions Board

On: 21 March 2016

Report by: Director of Finance and Resources

Heading: Audit Scotland Report – Housing Benefit Subsidy Audit 2014/15

1. Summary

- 1.1 Audit Scotland published their report "*Housing benefit subsidy certification 2014/15*" in January 2016 (copy attached as Appendix 1)

This report outlines the key messages from the Audit Scotland report and provides information as to the Renfrewshire Council position with regard to the issues raised.

2. Recommendations

- 2.1 To note the Audit Scotland report "*Housing benefit subsidy certification 2014/15*"
-

3. Background

- 3.1 Councils have a legal obligation to administer Housing Benefit (HB) on behalf of the Department for Work and Pensions (DWP). Councils reclaim most of the HB that they pay to claimants by submitting subsidy claims to the DWP and these are certified annually by the Council's appointed external auditor, Audit Scotland. The subsidy claim form details amounts paid in respect of total HB awarded, the value of overpayments and the amount of backdated awards.

The HB subsidy scheme has built in incentives to encourage local authorities to take appropriate action to minimise overpayment of Housing Benefit.

- 3.2 The Council's external auditor is Audit Scotland, who audited all 32 Local Authorities' subsidy claims for 2014/15. The auditor is required to conclude annually whether the subsidy claim is fairly stated and certify it accordingly. Any errors identified are reported to the DWP.

- 3.3 Renfrewshire Council's Chief Executive received a letter from Audit Scotland on 20 November 2015 which certified the Council's subsidy claim with no financial errors (copy attached as Appendix 2)

The letter did highlight one claim where a mistake had been made in relation to income declared. This mistake did not constitute a financial error and therefore did not impact the subsidy claim. The case has subsequently been rectified by the Benefits Service.

- 3.4 At the end of January 2016, Audit Scotland published its report *"Housing benefit subsidy certification 2014/15"* The objective of the report was to provide information regarding the extent to which auditors reported errors during the certification of the 2014/15 Housing Benefit (HB) Subsidy claim process across Scotland.

- 3.5 Importantly the report details the type of errors which were identified that could result in a local authority losing subsidy, highlighting issues which could be common across a number of councils and ultimately could result in the DWP reclaiming subsidy from local authorities.

- 3.6 The report states that Scottish councils paid out £1.778 billion in HB during 2014/15 .Of that £1.778 billion the DWP contributed £1.761 billion through subsidy payments (99%). With regards to Renfrewshire £65.8 Million in HB was paid out during 2014/15 and £65.4 Million was claimed back from the DWP (99.4%)

- 3.7 The report also stated, through the audit certification process, that Audit Scotland had identified errors which resulted in subsidy being over claimed by £1.134 million (0.06% of expenditure) This subsidy may be reclaimed from the affected Local Authorities by the DWP.

- 3.8 In addition to the errors identified by Audit Scotland, the report also confirmed that 1 local authority was unable to claim £0.244 million in subsidy as a result of exceeding the pre agreed DWP threshold limit for HB Overpayments caused by Local authority error (detailed in sections 35-37 of the Audit Scotland report) Exhibit 5 in the same section of the report shows that Renfrewshire are comfortably within the lower threshold.

- 3.9 Overall Audit Scotland reported 43 errors following their 2014/15 review and confirmed that these errors occurred across 18 of the 32 local authorities. The areas where most errors were identified were in the calculation of claimant income and the classification of expenditure. As stated in paragraph 3.3 above, no errors were reported for Renfrewshire Council.
- 3.10 Renfrewshire Council's Benefits Service monitors the subsidy process very closely. This monitoring has resulted in no errors being identified by the 2014/15 review.
- 3.11 Section 23 of the Audit Scotland Report explains that Local Authorities are paid an administration subsidy to administer the HB scheme. £30.3 Million is paid to Scottish local authorities, for Renfrewshire the amount received for 14/15 was £1.1 Million.
- 3.12 The report illustrates the decrease in the level of subsidy received by local authorities since 2012/13 (see section 24 of the Audit Scotland report for reference). Renfrewshire Council has experienced reductions in administration grant for the past 5 years with an overall reduction of 40% since 2011/12
- 3.13 Audit Scotland state that local authorities must regularly review their processes and procedures to ensure that they operate in the most efficient and effective way possible. Members may be assured that the benefits service reviews processes on an ongoing basis, and regularly takes opportunities to make improvements. The Service is committed to the principle of Continuous Improvement.
- 3.14 Sections 38-42 of the Audit Scotland report cover overpayments and highlight that Overpayments on the whole have increased for all local authorities across Scotland. They suggest that this may be due to the combination of the DWP issuing real time information (obtained from Her Majesty's Revenues and Customs (HMRC) and the DWP's introduction of a new Fraud and Error Incentive Scheme (FERIS).
- 3.15 Renfrewshire Council has experienced similar increased levels of overpayments and this has been reported on a quarterly basis to the Finance and Resources Policy Board.
- 3.16 In sections 44-48 of its report Audit Scotland highlights the Subsidy changes in relation to temporary homeless accommodation from 2017/18. Members can be assured that the Benefits Service are vigilantly monitoring the details as they emerge from DWP and are working closely with stakeholders (the Council's Housing Service, Adult

Services and local Housing Associations) to ensure that they are well informed of how HB changes may impact them.

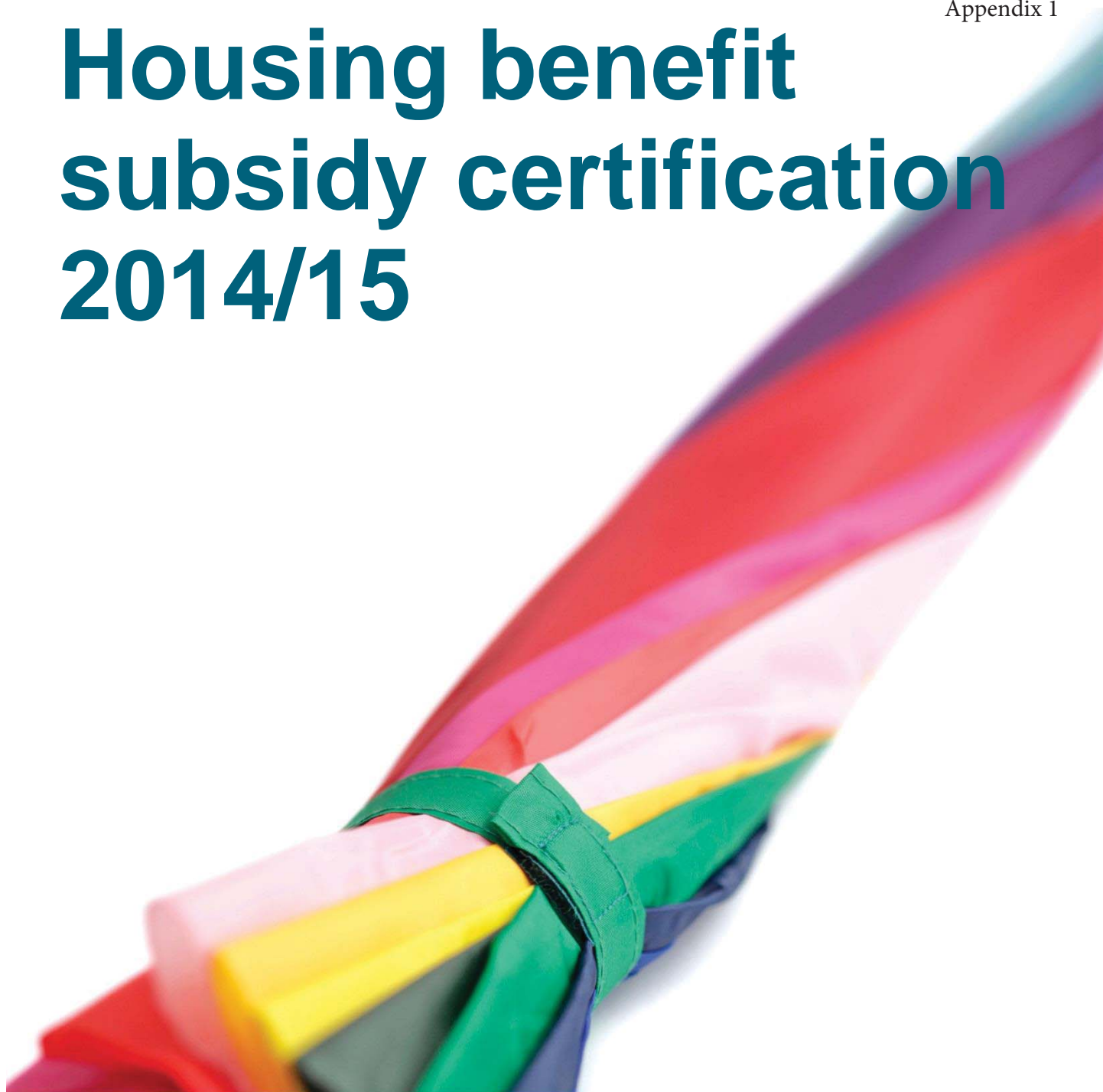
- 3.17 Officers within the Service have examined the full Audit Scotland report in detail and from the insights which the report provided have agreed actions to take forward.
- 3.18 Regular reports with regards benefits processing performance will continue to be provided to the Finance & Resources Policy Board; along with associated updates on welfare reform activities.

Implications of the Report

1. **Financial** – The amount of subsidy which the Council can claim from the DWP is maximised, where possible. Any gap between HB paid out and subsidy claimed must be funded by the Council.
2. **HR & Organisational Development** – *none*
3. **Community Planning:**
Community Care, Health & Well-being – *an efficient benefits processing service ensures that those who are entitled to receive benefits do so in good time*
4. **Legal** - *none*
5. **Property/Assets** - *none*
6. **Information Technology** - *none*
7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – *none*
9. **Procurement** – *none*
10. **Risk** – *none*
11. **Privacy Impact** - *none*

Author: Emma Shields ext 6880

Housing benefit subsidy certification 2014/15



Prepared by Audit Strategy
January 2016

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

Contents

| | |
|--|-----------|
| Purpose of this report..... | 4 |
| Introduction | 4 |
| Key messages..... | 4 |
| Background to HB expenditure and subsidy income from DWP | 5 |
| Audit testing methodology..... | 8 |
| 2014/15 certification results | 9 |
| Local authority error and administrative delay subsidy | 10 |
| Other issues: overpayments arising from fraud and error | 11 |
| Looking forward..... | 13 |
| Appendix 1: variations in HB expenditure and claimant numbers | 16 |
| Appendix 2: Details of errors and auditor comments | 18 |
| Expenditure classification | 18 |
| Income | 20 |
| Reconciliations | 22 |
| Eligible rent | 23 |
| Benefit cap | 24 |
| Uncashed cheques..... | 24 |
| Interim benefit subsidy | 24 |
| Modified schemes | 25 |
| Appendix 3 | 27 |
| Rent rebates..... | 27 |
| Rent allowances | 27 |

Purpose of this report

Introduction

1. Audit Scotland has reviewed the housing benefit (HB) subsidy certification letters of all 32 Scottish local authorities for 2014/15. This report provides an overview of the findings of that review and the extent to which auditors reported errors during the certification process.
2. As well as identifying areas where the Department for Work and Pensions (DWP) may reclaim subsidy from local authorities, it also highlights common issues that councils should take note of in order to maximise the amount of subsidy that could be claimed in the future.
3. The final section of this report looks at the DWP's planned reforms and the potential impact on HB subsidy in the future.

Key messages

4. In 2014/15 Scottish councils paid out £1.778 billion in HB of which £1.761 billion (99%) was recovered from the DWP through subsidy. In 2013/14, £1.772 billion was paid out and £1.768 billion (99.8%) was recovered from the DWP.
5. Auditors identified 43 errors in subsidy claims and reported them in their 2014/15 certification letters in respect of 18 local authorities which was an improvement over 2013/14 when auditors identified 60 errors in subsidy claims of 19 local authorities.
6. The errors identified during the 2014/15 certification process resulted in subsidy being over claimed by £1.134million (0.06% of expenditure) in the year-end claims submitted by local authorities to the DWP. This represents a significant increase over the £0.274 million (0.01% of expenditure) of over claimed subsidy that was identified in 2013/14. This increase is mainly due to Falkirk Council's year-end claim including an error in the interim benefit subsidy received of £0.823 million.
7. Additionally, one local authority was unable to claim a total of £0.244 million in subsidy as a result of exceeding the DWPs pre-agreed threshold limits for local authority error and administrative delay overpayments. This is, however, a significant improvement from 2013/14 when five Scottish local authorities were unable to claim a total of £0.784 million in subsidy.
8. Auditors reported that most errors were identified in the classification of expenditure and the calculation of claimant income. As these were the same categories where most errors were identified in 2013/14, local authorities should ensure that effective management arrangements are in place to help minimise processing errors, overpayments and administrative delays and, where overpayments have occurred, that they are correctly calculated and classified.

9. Local authorities should also review HB and housing service arrangements in order to ensure that they are prepared to meet the significant challenges posed by future planned subsidy reforms such as the reduction in administration subsidy, and the impact of changes to homeless accommodation subsidy.

Background to HB expenditure and subsidy income from DWP

10. Local authorities administer HB, a means tested social security benefit, on behalf of the DWP. HB is intended to help claimants meet housing costs for rented accommodation in both the private and social rented sector.
11. HB is split into two categories; rent rebates, where the local authority is the landlord, and rent allowances, where the landlord is, for example, a social sector organisation such as a housing association, or a private individual.
12. Local authorities submit subsidy claim forms to the DWP at the end of each financial year in order to reclaim most of the HB paid to claimants. The subsidy claim form contains various cells which detail the local authority's HB expenditure in areas such as the total rent rebate and total rent allowance paid, and the value of overpayments identified.
13. Each year the local authority's appointed external auditor is required to conclude whether the subsidy claim is fairly stated and certify it accordingly. Any errors identified are reported to the DWP in a covering letter that accompanies the final claim.
14. The HB subsidy scheme has built in incentives to encourage local authorities to take appropriate action to minimise HB overpayments, and expenditure above DWP set limits in respect of administrative delays.
15. Exhibit 1 below shows that there has been an overall reduction in the number of HB claimants since 2013/14. However, this does not correlate with HB expenditure in exhibit 2 which saw a reduction of 1% from £1.791 billion in 2012/13 to £1.772 billion in 2013/14, before rising slightly by 0.3% in 2014/15 to £1.778 billion.

Exhibit 1: No. of HB claimants in Scotland

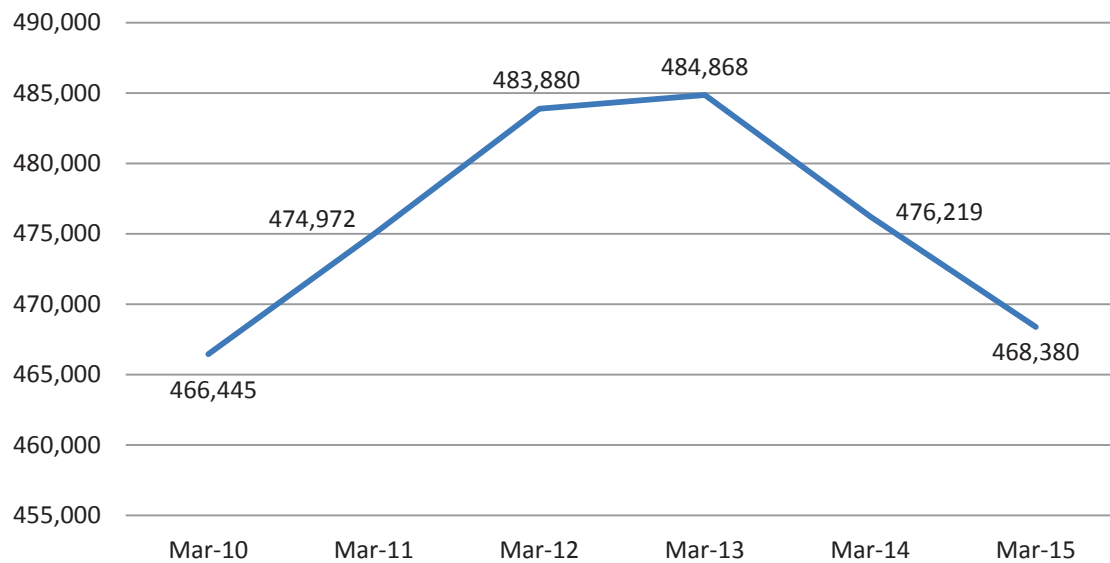
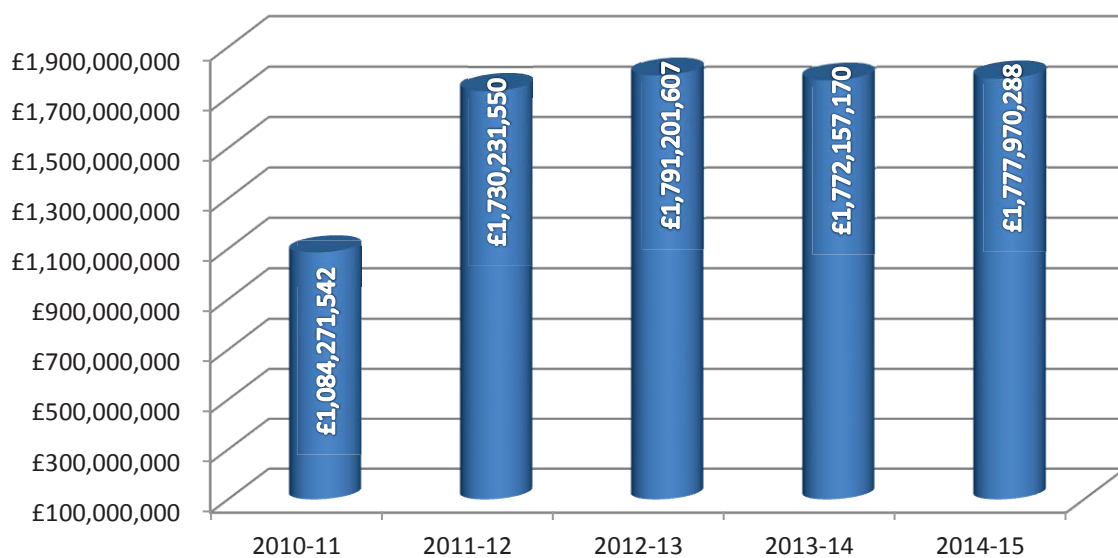


Exhibit 2: Total HB Spend in Scotland



16. Table 1 below shows that the average amount spent per claimant, using claimant numbers at the end of each financial year as a guide, has been rising.

Table 1 average spend per claimant

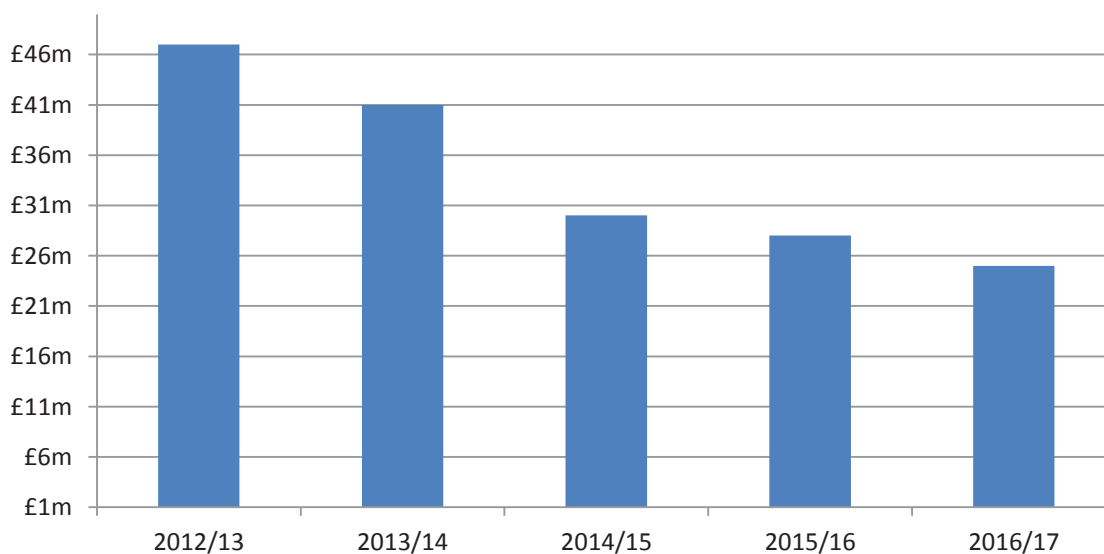
| Year | Claimant numbers in March | Average spend per claimant |
|---------|---------------------------|----------------------------|
| 2010/11 | 474,8972 | £2,283 |
| 2011/12 | 483,880 | £3,576 |
| 2012/13 | 484,868 | £3,694 |
| 2013/14 | 476,219 | £3,721 |
| 2014/15 | 468,380 | £3,796 |

17. As detailed in Appendix 1, of all 32 Scottish councils, only Orkney Islands Council showed a small rise in the number of claimants in 2014/15.
18. However, there was a greater variation in individual councils' expenditure levels from 2013/14 to 2014/15 from an increase of £1,053,949 (0.9%) in Fife Council, to a decrease of £463,783 (2.3%) in Stirling Council.
19. Factors in the 0.3% increase in overall expenditure in 2014/15 are increasing rent levels and claimants qualifying for increased levels of HB due to reduced levels of household income.
20. The most likely factor in the overall decrease in expenditure in 2013/14 is the reduction in claimant numbers.
21. Likely factors in the decrease in the number of HB claimants in the last two years include:
 - people working longer before retiring
 - falling unemployment levels in some areas
 - claimants moving into work, possibly due to the claimant commitment changes in Jobseeker's Allowance and the reducing numbers of people qualifying for Employment Support Allowance, Incapacity Benefit and Personal Independence Payments
 - a small number of claimants moving to Universal Credit and therefore becoming ineligible for HB.
22. In 2014/15, Scottish local authorities processed 157,617 new claims and 1,426,059 changes of circumstance and paid out £1.778 billion in HB to local residents. £1.761 billion, 99% of this expenditure was recovered from the DWP in subsidy. In comparison, in 2013/14, 162,887 new claims and 1,280,139 changes of circumstance were processed and £1.772 billion was paid out with £1.768 billion (99.8%) recovered from the DWP.
23. The DWP also paid an administration subsidy of £30.3 million to Scottish local authorities to administer the HB scheme in 2014/15. However, as detailed in exhibit 3 below, the level of administration subsidy has been significantly reduced from £46.5 million in 2012/13 to £30.3 million in 2014/15 (-34.8%) due to DWP efficiency measures and government reforms such as

the end of council tax benefit in 2013. Administration funding will reduce further in 2016/17 to £25.2 million.

24. It is essential therefore that local authorities regularly review their processes and procedures to ensure that they operate in the most efficient and effective way possible. This could involve taking a risk-based approach to certain aspects of the service such as the level of automation within benefit IT systems e.g. changes notified from DWP systems, quality checking and targeted intervention activity.

Exhibit 3: Level of administration subsidy



Audit testing methodology

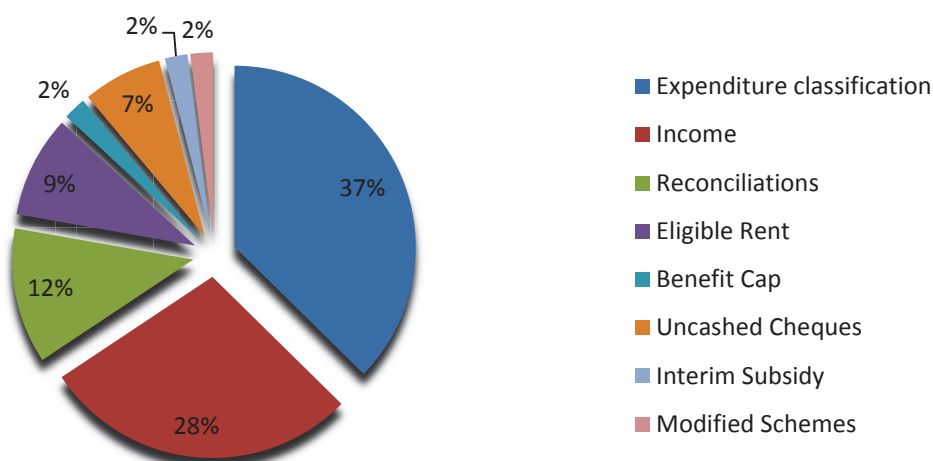
25. The DWP requires that final subsidy claims are reviewed by external auditors using the HB COUNT testing and reporting methodology. Where auditors identify errors and are unable to conclude that the errors are isolated, HB COUNT methodology requires that an additional sample of cases is tested which is focused on the particular error that has been found.
26. HB COUNT methodology requires auditors to extrapolate the results of the initial and additional testing by multiplying the subsidy claim cell (or sub-population) total by the proportion of the sample value that is found to be in error, and agree an amendment to the claim form with the local authority. Where an amendment cannot be agreed, the auditor includes details of the error and testing carried out in their covering letter to the DWP.

27. Low value errors identified in audit sample testing can result in a relatively large amount of subsidy being reclaimed by the DWP as a result of the extrapolation methodology.

2014/15 certification results

28. Auditors identified 43 errors in 2014/15 subsidy claims and reported them in their covering letters in respect of 18 local authorities. This is an improvement from 2013/14 where auditors identified 60 errors in respect of 19 local authorities.
29. The errors identified in the 2014/15 certification resulted in subsidy being over claimed by £1.134 million (0.06% of expenditure) in year end claims submitted by local authorities to the DWP (£0.274 million or 0.01% of expenditure in 2013/14). The increase from 2013/14 is mainly due to an error of £822,941 in relation to the entry for interim subsidy in Falkirk Council's claim form.
30. Auditors also brought to the DWP's attention exceptions to DWP practices and other areas which auditors were unable to conclude in their 2014/15 covering letters for five local authorities.
31. The categories of errors identified by auditors in 2014/15 are shown in exhibit 4 below and were mainly due to expenditure misclassification and the incorrect calculation of claimant income which could equally apply to rent rebate or rent allowance claims. These are the same categories where most errors were found in 2013/14.

Exhibit 4: Types of errors reported by auditors



32. In order to help reduce subsidy loss, local authorities should ensure that effective management arrangements are in place to help minimise processing errors, overpayments and administrative delays and, where overpayments have occurred, these should be accurately calculated and correctly classified. These arrangements would typically include an effective quality review process where claims are reviewed on a risk based approach. Where errors are identified, these should be analysed and used to help identify areas for improvement leading to appropriate improvement action plans being put in place.
33. The issues and types of errors identified during the certification of the 2014/15 subsidy claims are discussed in Appendix 2. Where adjustments could not be made to subsidy claims, the potential impact should the DWP decide to reclaim subsidy in respect of these errors is also shown. Errors reported in covering letters to the DWP that do not affect subsidy for 2014/15 are also discussed as they could result in a loss of subsidy in the future.

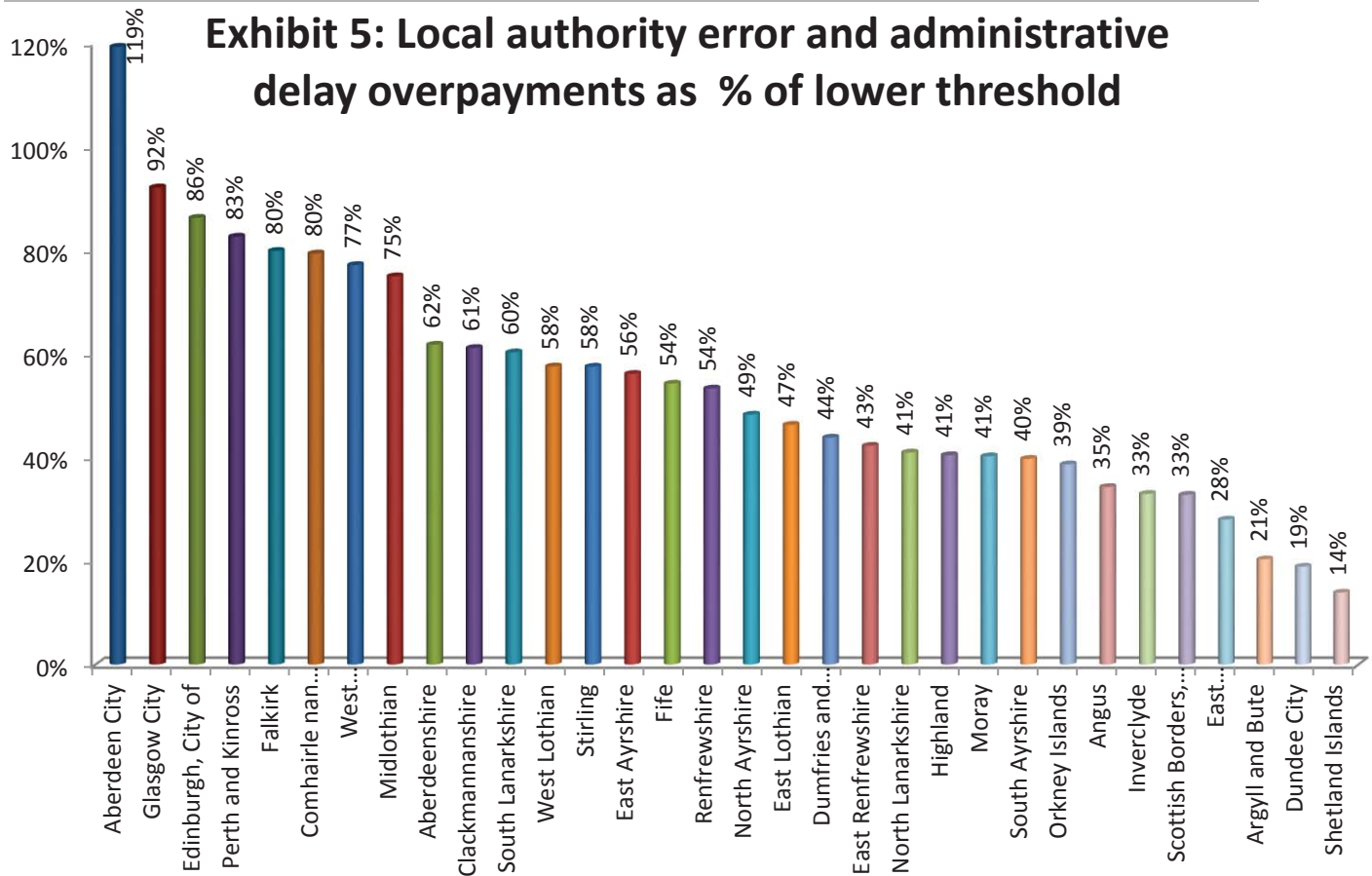
Local authority error and administrative delay subsidy

34. The DWP awards local authorities additional subsidy in respect of their local authority (LA) error and administrative delay overpayments where the total value of these overpayments is within a specified percentage of the total value of all correct payments made. Details are shown in table 2 below:

Table 2: level of subsidy paid in respect of LA error and administrative delay overpayments

| Total value of LA error/admin delay overpayments as percentage the total value of expenditure | | Subsidy paid |
|---|-------------------------|--------------|
| Lower threshold | Less than 0.48% | 100% |
| | Between 0.48% and 0.54% | 40% |
| Upper threshold | Greater than 0.54% | 0% |

35. During 2014/15, Aberdeen City Council was the only Scottish local authority to exceed the upper threshold (five local authorities, including Aberdeen City Council, were above the upper threshold in 2013/14). The maximum amount of additional subsidy unable to be claimed was £0.244 million (in 2013/14, the losses ranged from £23,281 to £0.243 million in respect of the five local authorities).
36. No authorities were between the upper and lower thresholds. A review was undertaken by Audit Scotland of the other 31 local authorities where the level of local authority error and administrative delay overpayments was below the DWPs lower threshold in 2014/15. Exhibit 5 below shows that the value of LA error and administrative delay overpayments ranged from 14% to 92% of the DWPs lower threshold.

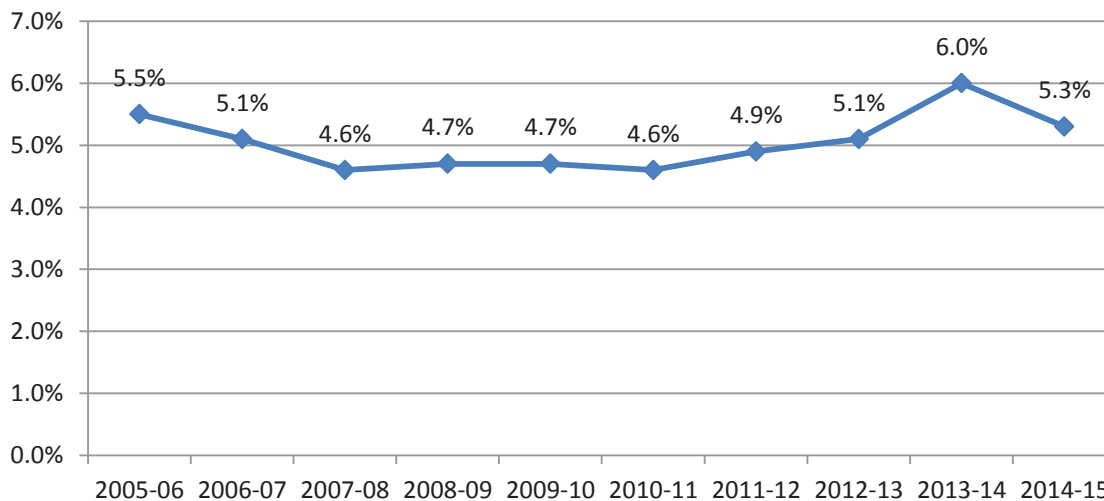


37. Local authorities should have suitable arrangements in place to monitor overpayment levels on an on-going basis in order to avoid subsidy loss where possible. Effective accuracy checking processes should also be in place to help minimise errors.

Other issues: overpayments arising from fraud and error

38. Following a steady rise over the last five years in HB fraud and error, DWP statistics for the UK for 2014/15 show a fall in overpayments of 0.7% of expenditure (to 5.3% from 6% in 2013/14) as detailed in exhibit 6 below.

Exhibit 6: HB Overpayments as a percentage of HB expenditure



Source: DWP Fraud and Error in the Benefit System: 2014/15 biannual National Statistics, Great Britain

39. However a review of the levels of fraud and error overpayments from the annual subsidy claims shows that the level of overpayments identified across all Scottish local authorities since 2012/13 has been rising in value while in percentage terms it has remained fairly static at between 2-3% of HB expenditure as detailed in exhibit 7 below.

Exhibit 7: HB overpayments from subsidy claims

| | Overpayments | HB expenditure | Overpayments as a % of expenditure |
|---------|--------------|----------------|------------------------------------|
| 2012/13 | £30,262,024 | £1,791,201,607 | 2% |
| 2013/14 | £52,241,533 | £1,772,157,170 | 3% |
| 2014/15 | £61,371,065 | £1,777,970,288 | 3% |

40. This inconsistency is because national statistics are not being calculated by totalling overpayments identified across all local authorities. Instead they are calculated by taking errors identified as part of the DWPs sample testing of benefit cases and extrapolating the results across the whole UK HB caseload. This methodology results in adding approximately £1 million of error to the national statistics for every £1 of error identified by DWP.
41. The likely reasons for the value of overpayments identified during 2014/15 in Scottish authorities rising include the additional activities undertaken by councils in response to the DWPs Fraud and Error Incentive Scheme (FERIS) which was introduced in December 2014 in order to try to reduce the then increasing levels of fraud and error within HB caseloads.

Overpayments may also have risen due to the issuing to local authorities of the DWP's Real Time Information. This data matches Her Majesty's Revenue and Customs' (HMRC) system for collecting Pay as You Earn (PAYE) information from employers and pension providers with council benefit IT systems. These data matches highlight discrepancies between income details held within HB systems and the HMRC system which could indicate that HB is being overpaid.

42. Although many Scottish local authorities did not meet the required FERIS savings thresholds in order to qualify for additional funds during 2014/15, the DWP has committed to reviewing the FERIS thresholds with a view to reducing the savings required in order to help local authorities receive additional funding. This change would apply from April 2016 and will hopefully result in Scottish local authorities increasing their funding from DWP.

Looking forward

2015/16 certification changes

43. Following DWP led local authority subsidy workshops, the DWP made the following changes to the HB COUNT audit certification process from 2015/16:
 - differences due to rounding issues between the HB system outturn reports and entries made on the subsidy claim form do not require to be included in the covering letter
 - amendments to claims agreed with auditors will not be classified by DWP as qualifications.

Temporary homeless accommodation

44. From 2017/18, the DWP subsidy for temporary homeless accommodation will be radically reformed. The temporary accommodation management fee currently paid as part of a customer's HB and Universal Credit will be abolished. Instead the DWP has indicated that there will be a new grant system in order to allow local authorities to determine how best to deliver homeless accommodation provision in their local area.
45. The Chancellor of the Exchequer announced in the 2015/16 Autumn Statement that additional Discretionary Housing Payment funding will be available to local authorities to "protect the most vulnerable", including those in temporary accommodation. At the time of this report full details of what this means for local authorities had not been made available.
46. Expenditure on temporary accommodation owned by the local authorities is not separately disclosed on the subsidy claim form. For this type of accommodation, local authorities claim subsidy on HB entitlement calculated using the rent charge plus significant eligible service charges. These service charges vary across local authorities and the results from a survey of 12 Scottish local authorities carried out by the Institute of Revenues, Ratings and Valuations (IRRV) in 2012 showed that the weekly eligible rent charges for council-owned temporary

accommodation ranged from £100 to £450 per week. In comparison, the local housing allowance rates range from £72 in the Scottish Borders to £127 in Aberdeen and Aberdeenshire for one bedroom properties and from £129 in Dumfries & Galloway to £277 in Lothian for four bedroom properties.

47. Expenditure on certain aspects of temporary accommodation, (board and lodging and leased or licensed accommodation) which are shown separately in subsidy claims is detailed in Appendix 3. Overall, in Scotland, £52.646 million in rent rebates and £1.634 million in rent allowances was paid out in 2014/15 (£52.757 million and £1.803 million respectively in 2013/14) in respect of board and lodging, leased and licensed accommodation. The majority of this expenditure, £32.83 million (60%) was paid out by the City of Edinburgh Council and Glasgow City Council. It should be noted that this amount excludes the significant spend on council owned temporary accommodation which cannot be identified from subsidy claims.
48. Due to the high weekly rents for homeless accommodation, any change to subsidy rules may have a significant impact on local authority homeless services' finances. Local authorities should review their homeless service provision in order understand their costs and how these are funded. The review should also look at:
- the type of temporary accommodation used to ensure value for money and that the best outcomes for claimants are being achieved
 - the cost of temporary accommodation being used to identify if there are any alternative cheaper options
 - contracts for the provision of accommodation to ensure value for money is being achieved
 - ensuring value for money is achieved during tendering exercises
 - alternative delivery models
 - trying to ensure that, whenever possible, people presenting themselves as homeless are not accommodated in expensive bed and breakfast accommodation.

Pension aged claimants

49. Details are still unclear although there is a suggestion that HB for those claimants of pensionable age will continue to be administered by local authorities going forward. The DWP is giving consideration to transferring the responsibility for funding the administration of HB for pensioners to local authorities in order allow local authorities to deliver services in a way that is right for their area.

Administration grant

50. The DWP have said that the HB administration grant will reduce over the Spending Review period. As previously mentioned, for 2015/16, the administration grant for Scottish local authorities will reduce to £27.8 million and will be further reduced to £25.2 million in 2016/17.

Social rented sector rents

51. The Chancellor of the Exchequer announced in his November 2015 autumn statement that eligible rent for subsidy purposes in respect of social sector rents will be capped at the local housing allowance rate. It appears that this also applies to all social sector housing including supported accommodation and will apply to any new tenancies agreed from April 2016 with HB entitlement changing from April 2018.
52. At present local housing allowance is used to calculate eligible rent for tenants renting from private landlords. In Scotland the majority of council house rents are lower than the equivalent local housing allowance rate. However, due to local housing allowance rates being frozen for the next four years, this may not be the case in the future. This could have an impact on council house rental income and rent arrears in the future.

Appendix 1: variations in HB expenditure and claimant numbers

**Exhibit 8: Variations in local authority
HB expenditure from 2013-14 to 2014-15**

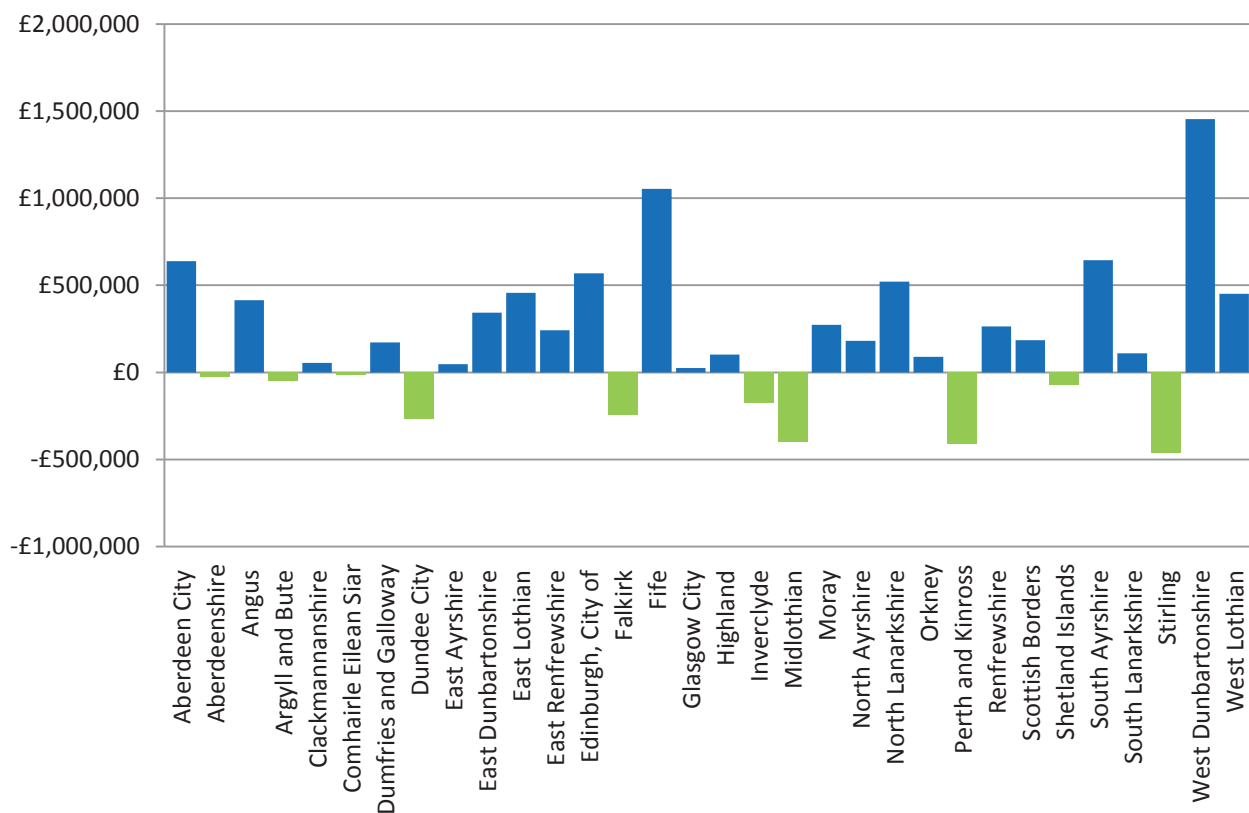
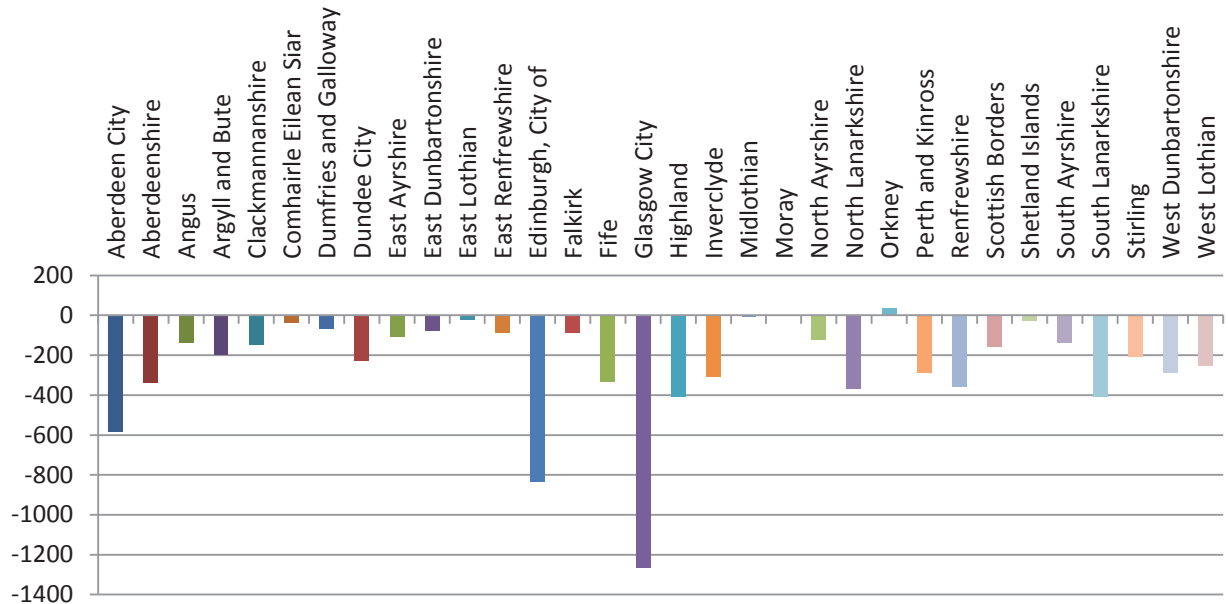


Exhibit 9: Change in HB claimant numbers from 2013-14 to 2014-15



Moray Council's change in claimant numbers was insignificant

Appendix 2: Details of errors and auditor comments

The table below shows issues identified by auditors during the certification of the 2014/15 subsidy claims and where amendments to claim forms were agreed with auditors.

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|--|---|-----------------|--|
| Expenditure classification The subsidy claim requires that HB expenditure is correctly classified across the various cells contained in the form. This is particularly important as different types of expenditure attract different rates of subsidy. | | | |
| Aberdeen City Council | Misclassification of a rent rebate case as an eligible overpayment instead of local authority error overpayment | £272 | £17,383 cell adjustment = £6,953 in subsidy |
| Aberdeen City Council | Misclassification of two rent allowance cases as eligible overpayments instead of local authority error overpayments. | £155 | £4,266 cell adjustment = £1,706 in subsidy |
| Aberdeen City Council | Misclassification of two cases as prior year eligible overpayments instead of local authority error overpayments. | £2,937 | £50,868 cell adjustment = £20,347 in subsidy |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|-----------------------------|---|-----------------|---|
| Dumfries & Galloway Council | Expenditure classified as board & lodging & non self-contained licensed accommodation where a registered housing association is the landlord instead of a self-contained licensed accommodation & accommodation owned or leased by a registered housing association where a registered housing association is the landlord. | £0 | No change as the cells attract the same subsidy rates |
| Dumfries & Galloway Council | Expenditure classified as rent allowance board & lodging & non self-contained licensed accommodation where a registered housing association is the landlord instead of rent rebate leased or licensed accommodation where the local authority is the landlord in cells. | £0 | No change as the cells attract the same subsidy rates |
| Dumfries & Galloway Council | A local housing allowance claim was incorrectly classified as a rent rebate. A further 48 incorrect cases were identified. | £45,000 | £45,000 claim amended |
| East Renfrewshire Council | One claim was misclassified between rent rebate leased or licensed accommodation expenditure up to the lower of the local housing allowance rate (LHA) and expenditure above 90% of the LHA rate. | £519 | £519 claim amended |
| East Renfrewshire Council | Misclassification between duplicate payments in the current year and duplicate payments for the prior year | £738 | No change as the cells attract the same subsidy rates |
| Midlothian Council | Misclassification of two rent rebate cases as eligible overpayments instead of local authority error overpayments. | £109 | £2,873 adjustment = £1,149 in subsidy |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|--|--|-----------------|---|
| Midlothian Council | Misclassification of two rent allowance cases as eligible overpayments instead of local authority error overpayments. | £66 | £1,039 adjustment = £416 in subsidy |
| Moray Council | An error in classification of modified scheme expenditure on claim. | £11 | £11 claim amended |
| North Lanarkshire Council | A total of 239 cases were incorrectly classified as regulated tenancies. | £559,796 | No impact on subsidy |
| North Lanarkshire Council | A total of 98 cases were incorrectly included as eligible overpayments of rent rebates for prior years due to an error in importing data from the debtors system. | £87,077 | £87,077 claim amended |
| North Lanarkshire Council | 18 claims were incorrectly classified as having backdated HB. | £11,940 | no impact on subsidy |
| North Lanarkshire Council | System error resulted in three cases being misclassified between rent rebate attracting full subsidy but not otherwise separately identified, eligible overpayments and prior year eligible overpayments | £380 | £3,776 error = £2,266 in subsidy |
| Shetland Islands Council | Rent allowance expenditure on that part of weekly eligible rent at or below the rent officer's determination was understated and total expenditure up to the maximum rent was overstated in error. | £2,856 | £2,856 claim amended but no impact on subsidy |
| Income <p>The accurate calculation of a claimant's income is vital for ensuring HB entitlement is accurate and the correct HB awards are made. This can be a complex area with many claimants for example, receiving variable income from zero hour contracts or from being self-employed.</p> | | | |
| Aberdeen City Council | Error in calculating earnings disregards in four claims | £408 | £14,997 |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|-----------------------------|--|-----------------|--|
| Aberdeen City Council | Error in calculating 15 rent rebate claimants earned income. | £514 | £18,534 |
| Aberdeen City Council | Error in calculating 14 rent allowance claimants earned income. | £199 | £4,068 |
| Angus Council | Error in calculating 15 claimants earned income. | £866 | £10,325 |
| City of Edinburgh Council | Error in calculating a claimants earned income. Deemed to be an isolated error. | £1 | £0 |
| Dumfries & Galloway Council | Error in calculating the claimants' sons earning & backdated. The error was deemed to be an isolated error. | £14.15 | £14 no impact on subsidy |
| Dumfries & Galloway Council | Claimant's wages incorrectly entered from payslips in 3 cases | £100 | £100 |
| East Ayrshire Council | Error in calculating a claimants earned income. | £79 | £1,898 Claim amended |
| The Highland Council | Error in calculating a rent rebate claimants earned income. | £0.15 | £0 |
| The Highland Council | Error in calculating a rent allowance claimants earned income. | £6.88 | £6.88 Claim amended |
| Midlothian Council | Error in calculating three claimants earned income. | £45 | £3,686 |
| Orkney Islands Council | Error in calculating self-employed earnings. | £169 | £1,114 |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|---|--|--|--|
| Reconciliations <p>Reconciliations are an important control within HB systems. Auditors are required, as part of the certification process, to check that HB per the subsidy claim form agrees with the reconciliation figures from the HB IT system for the amount of benefit granted and paid. In addition, the subsidy claim form contains in-year reconciliation cells which are calculated automatically. Auditors should seek to confirm that the figure in each total expenditure cell is supported by an analysis of that expenditure.</p> | | | |
| Clackmannanshire Council | A difference was noted between rent allowance payment summaries from the local authority's ledger system and the amount of HB claimed per the subsidy form due to the local authority's decision to disregard income through the local scheme for war widows and disablement pensions in excess of that disregarded by DWP. The difference indicated that the local authority had paid out more in the period than it had claimed. | £102,442 subsidy claim was the lower value | £0 |
| East Renfrewshire Council | A difference was identified in the rent allowance reconciliation. The council claimed the lower value as subsidy. | £43 | £0 |
| Fife Council | The local authority uses an HB IT system only used by a small number of other local authorities. The software provider had not provided instructions on the process for reconciling benefit granted, as recorded on the benefit system, to benefit paid. The authority uses its own methodology to carry out the reconciliation. At the certification date there were a number of un-reconciled differences and work was on-going to reconcile these | Unknown | Unknown |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|---------------------------|---|-----------------|--|
| Fife Council | In-year reconciliation cells on the subsidy claim form did not agree. | £3,724 | £3,724 |
| North Lanarkshire Council | In-year reconciliation cells on the subsidy claim form did not agree. | £1 | £1 |

Eligible rent

The accurate calculation of a claimant's eligible rent is an essential element of every HB calculation. Eligible rent is the reasonable rent for a suitable property in a particular area. Eligible rent may include certain service charges such as lift maintenance, but it must not include charges for items such as meals, heating or furniture.

The DWPs size criteria means that an element of rental payment is not eligible for HB for those working age social tenants whose properties have more rooms than deemed necessary. Local housing allowance rates and rent officer determinations are used to ensure that tenants of private landlords have eligible rents of an appropriate rate relative to local housing indicators.

| | | | |
|-----------------------------|--|------|------------------------------------|
| Dumfries & Galloway Council | One incorrect eligible rent identified after taking account of deductions. | £75 | £75 claim amended |
| East Lothian Council | One claim was underpaid due to the local housing allowance rate not being updated. There is no eligibility for additional subsidy in respect of underpaid subsidy. | | £0 |
| The Highland Council | One claim was overpaid due to an ineligible cost for a garage being used in the HB award calculation. | £237 | £237 claim amended |
| Stirling Council | HB was underpaid in one case due to the rental figure not having been updated as notified by the landlord. | £163 | No change as subsidy under claimed |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|---|---|-----------------|--|
| Benefit cap <p>The benefit cap is a limit on the total amount of certain benefits that most working age claimants receive. Where a claimant's benefit income exceeds the cap, HB will be reduced as the amount of benefit paid above the cap limit will be taken off HB payments.</p> | | | |
| Dumfries & Galloway Council | 3 cases were identified where the benefit cap had been removed in error | £96 | £96 |
| Uncashed cheques <p>Local authorities may pay HB by cheque to claimants and/or landlords. At the year end, an adjustment is required in the subsidy claim form to account for cheques which were issued prior to 1 April 2014 that have not been cashed.</p> | | | |
| Moray Council | Uncashed cheques were omitted from the subsidy claim | £6,927 | £6,927 claim amended |
| The Highland Council | Uncashed cheques for July to September 2014 had been incorrectly included on the claim | £1,531 | No change as subsidy under claimed |
| West Dunbartonshire Council | The balance for uncashed cheques had been added to rather than subtracted from the total subsidy claimed. | £79,756 | £79,756 claim amended |
| Interim benefit subsidy <p>Interim benefit subsidy is amounts received by local authorities from DWP throughout the year in respect of HB expenditure and administration subsidy.</p> | | | |
| Falkirk Council | The incorrect interim benefit subsidy figure was included in the claim | £822,941 | £822,941 Claim amended |

| Local authority | Details | Amount of error | Total potential recovery of subsidy by DWP |
|---|--|-----------------|--|
| Modified schemes <p>Modified schemes are where a local authority operates a discretionary local scheme to disregard any war pension over and above the statutory disregards. This discretionary expenditure receives subsidy of 0.2% of the total subsidy claimed before any local scheme expenditure and is capped at 75% of the total cost of the discretionary scheme.</p> | | | |
| North Lanarkshire Council | <p>During 2013/14 the authority upgraded its HB IT system. This created two issues:</p> <ol style="list-style-type: none"> 1. the war pension disregard was not recorded for those claims, within modified schemes that had not been subject to a benefit recalculation after the new system went live. 2. an issue has been identified with in respect of retrospective changes of circumstances on rent allowance modified schemes. <p>The local authority had been in discussion with the software provider and had been advised that the issue cannot be corrected via the system.</p> | | No change as claim amended |
| | | TOTAL | £1,133,944 |

Auditors' comments

| Local authority | Comments |
|----------------------|---|
| Dundee City Council | The parameters for polygamous marriages were not updated on the benefit IT system. |
| The Highland Council | The council was unable to run its IT software provider's update prior to submitting the original claim in April 2015 due to |

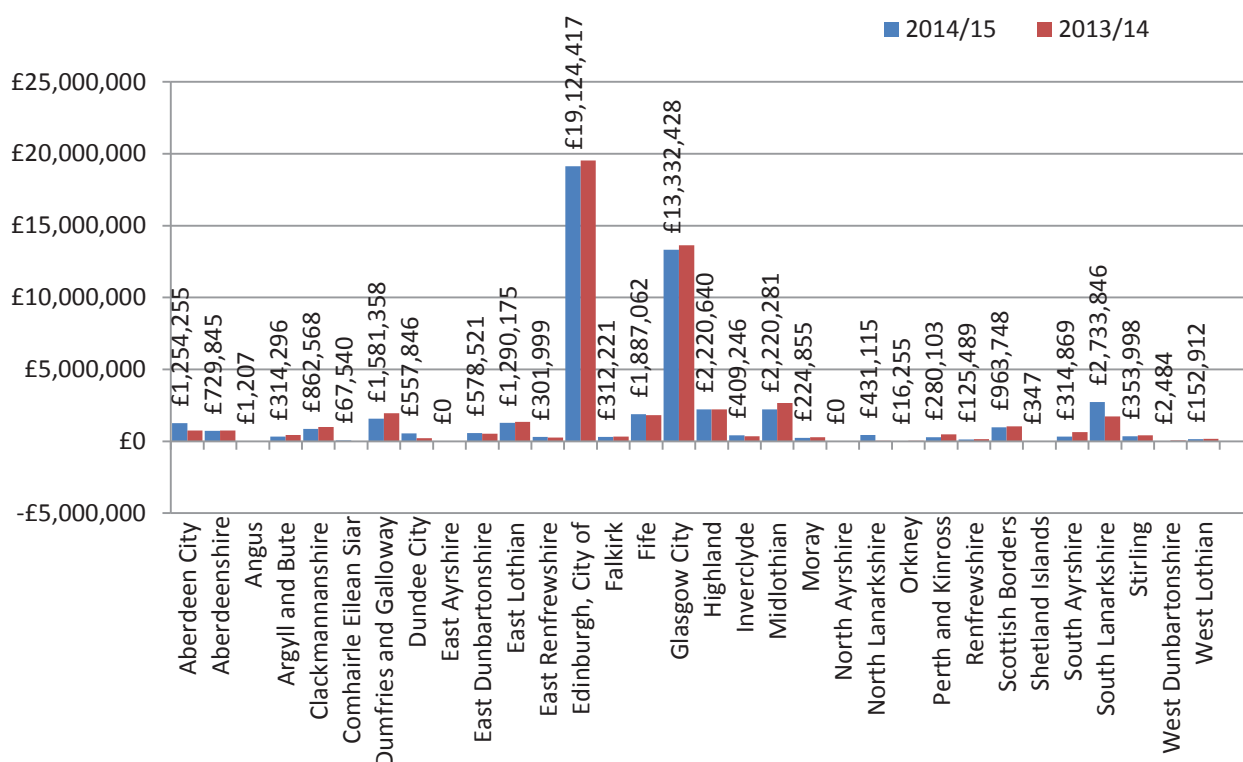
| Local authority | Comments |
|-----------------------------|---|
| | connectivity restrictions. The software update has subsequently been run and the subsidy claim form was revised as appropriate. |
| Scottish Borders Council | The parameters for polygamous marriages were not updated on the benefit IT system. |
| Perth & Kinross Council | <p>In one HB claim the council had corrected a previous year error which arose due to an incorrect (higher) rent figure being used following a rent officer decision (error value £1,774.80). The correction resulted in the amounts being subtracted from the headline cells 94 and 99 rather than being treated as a local authority error.</p> <p>As HB cannot exceed the 'maximum rent' as per the rent officer determinations applicable to any particular case, the overpaid sum was not deemed to have been HB in the first instance.</p> <p>Due to the unusual nature of the correction for this specific case advice was sought from the DWP and it was agreed that there was no impact on the claim as the overpaid amount was not deemed to have been HB in the first instance.</p> <p>DWP are reviewing the need for additional guidance to be issued nationally to clarify this issue.</p> |
| Dumfries & Galloway Council | One local authority operated property which is registered with the Care Inspectorate as a 'care at home' facility with nine residents who received approximately £50,000 of HB during 2014/15. The registration status, and therefore the HB entitlement, is being questioned by three of the resident's representatives. The council provides HB in accordance with the current classification but the appropriateness of this is still being considered. |

Appendix 3

Rent rebates

53. This section relates to the £52.646 million (£52.757 million in 2013/14) of expenditure where claimants have been housed by the local authority in temporary board and lodging accommodation, non-self-contained licensed accommodation, leased or self-contained licensed accommodation **where the local authority is the landlord**.

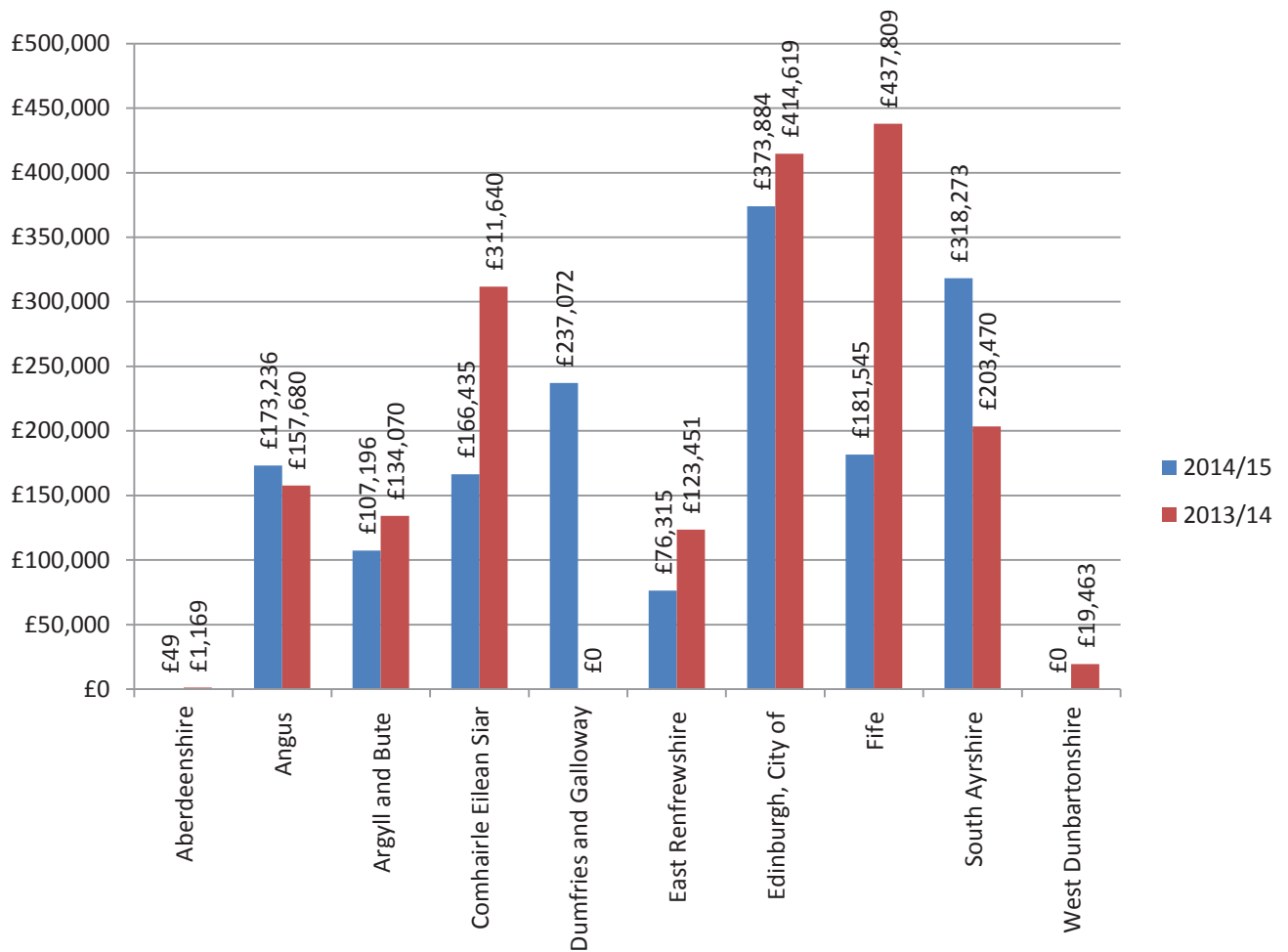
Exhibit 10: Total value of Rent Rebates



Rent allowances

54. The chart below details the £1.634 million (£1.803 million in 2013/14) of expenditure on temporary board and lodging accommodation, non-self-contained licensed accommodation, leased or self-contained licensed accommodation **paid to registered housing associations** to assist the local authority in discharging its statutory homeless function, or to prevent the claimant being or becoming homeless.

Exhibit 11: Total value of Rent Allowances



20 November 2015

Alan Russell
Director of Finance and Resources
Renfrewshire Council, Renfrewshire House
Cotton Street
Paisley
PA1 1AD

Dear Alan

Renfrewshire Council - Housing Benefit Subsidy 2014/15 Final Claim

Our work on the 2014/15 housing benefit subsidy claim is now complete and I have submitted the claim, along with my auditor's certificate, to the Department of Work and Pensions. Our work did not identify any financial errors on the claim but there is one item to bring your attention.

One of the cases selected (case 21244) was for a claimant who had been on incapacity long-term benefit and other members in the household in receipt of income. The system shows that in December 2014 his details changed to state retirement pension following information from Job Centre Plus. Officers coded an overpayment for the period 20 October to 7 December 2014. However, the claimant had in fact been in receipt of state retirement pension since 29 November 2011. The claimant had not advised the council of the change in circumstances. Officers did not include an error for the period April 2014 to 20 October 2014 in the housing benefit (HB) subsidy claim.

We were provided with sufficient evidence that the error in the claim (IB claimed instead of SRP) did not have an impact on the HB entitled/paid to the claimant. As a result of our query officers visited the household and identified further errors with the case from income not being declared. This will have an impact on the 2015/16 claim.

Secondly, the process for claims with errors such as this was not followed. The claim should have, but had not, been referred to the fraud team who would then make a decision on the case. In this instance, the claim was amended but the error within it was never appropriately acted on i.e. sent to the fraud team.

We will follow-up the actions taken as part of our 2015/16 audit work.

Thank you to the staff in benefits for their help during the audit. Please do not hesitate to contact either myself or Kenny McFall (0141 618 7257) if we can be of any further assistance.

Yours sincerely



Anne McGregor
Senior Audit Manager

cc (by email)

Alastair MacArthur, Head of Finance
Rhona McGrath, Head of Customer & Business Services
Andrea McMahon, Chief Auditor
Emma Shields, Operational Services Manager



To: Audit Scrutiny and Petitions Board

On: 21st March 2016

Report by: Director of Finance and Resources

Heading: Audit Scotland follow up report “Major capital investment in councils”

1. Summary

- 1.2 Audit Scotland recently published a follow up report titled “Major capital investment in councils”. The overall aim of this report is to follow up on the recommendations contained within the original report which was issued during March 2013.
- 1.3 This follow up report assesses to what extent councils have improved performance in managing their capital investment programmes and projects.

2. Recommendations

- 2.1 It is recommended that the Board note the contents of the report.

3. Background

- 3.1 Audit Scotland’s recently published follow up report “Major capital investment in councils” seeks to assess to what extent councils have improved performance in managing their capital expenditure programmes and projects since the original report was published during 2013.
- 3.2 This follow up draws on baseline assessments undertaken by councils’ external auditors during 2014/15. Audit Scotland has supplemented the work undertaken by external auditors by performing a detailed evaluation of a range of capital

investment projects from eight councils. (Renfrewshire Council was not selected for this assessment).

The report, a copy of which is attached for reference in Appendix 1 is organised into three main parts;

- Part 1 : Capital investment in councils since 2013.
- Part 2 : Councils' management of capital investment programmes & projects.
- Part 3 : Appendices covering the targeted follow up, good practice examples, alternative funding methods and an update on those projects which were examined in the 2013 report.

4.0 **Summary of the Key Messages**

- 4.1 A summary of the key messages highlighted by Audit Scotland is detailed below. For each key message a statement on Renfrewshire Council's current and planned future position is shown in italics.

Key Message 1

Between 2012/13 and 2014/15, councils spent £7billion on capital investment. They have taken a range of actions in response to the recommendations contained within the 2013 report. These actions include implementing revised structures to help them manage and monitor of capital investment activity more effectively. There are examples of councils displaying aspects of good practice but, overall, they need to increase the pace of improvement to comply with the 2013 good practice guide.

In February 2015 the Leadership Board agreed management structure changes as part of the Better Council Change Programme. Changes were made to elements of the corporate landlord functions, including asset, energy and property and construction services by transferring them from Housing and Property Services to the Finance and Resources Directorate. This change brings the technical management of the significant elements of the capital programme closer to the management of the resources function and to provide a renewed emphasis on Property Services role as a key resource and a major strategic factor in delivering capital investment.

In addition to the above structural changes, the Council has, over a period of time, developed the strategic role of the Project Management Unit (PMU). The work of the PMU is primarily to support major reform projects as part of the Better Council Change Programme. The PMU has developed a robust project management framework which is based on the acknowledged project and programme management principles. This framework has been embedded within front line services and extensively used by capital project managers. The PMU also shares advice, processes, procedures and best practice with other council departments.

Key Message 2

Councils need to improve the quality of their capital investment strategies and plans. The strategies which exist demonstrate how planned capital investment is expected to contribute to councils' overall strategic priorities. But only just over a third of councils have a long term investment strategy in place and these do not identify opportunities for collaboration with other bodies. All councils have a capital plan outlining expected programme and project costs. The plans do not set out the rationale for prioritising and progressing major projects, and the expected benefits of these projects. Some councils choose to not have a separate capital investment strategy and plan. Instead they combine the features of both in a single document but these rarely demonstrate how capital investment contributes the councils' strategic objectives.

The principles governing Renfrewshire Council's approach to capital investment were approved by Council in September 2012. In considering its strategy for investment, the Council has sought to ensure capital spending remains affordable, financially stable and deliverable within the resources made available over the medium to longer term. In this context the Council agreed that the rationale for the council's capital investment strategy should reflect the medium term financial planning outlook and should only progress on the basis of the following key principals:

- a) New capital investment must be underpinned by specific investment cases capable of delivering financial efficiencies which offset the associated cost of borrowing and/or those costs incurred to deliver sustainable revenue savings (spend to save initiatives).*
- b) Future capital investment decisions will continue to be prioritised to support the ongoing lifecycle maintenance and renewals programmes to ensure the assets the council holds continue to maximise their economic benefit in terms of service delivery to the council's citizens. These lifecycle maintenance and renewals programmes are prepared using information from asset condition surveys and asset management improvement plans all of which assist technical project managers to prioritise programmes within the approved resource limits to ensure the council maintains its duty of statutory compliance requirements in relation to physical assets.*
- c) In terms of prudent financial management capital investment will not rely on anticipated future years capital receipts. Commitments will only be taken forward on the basis of capital receipts being secured and actually received.*

In relation to collaborating with other local authorities it should be noted that Renfrewshire Council has collaborated with NHS Greater Glasgow & Clyde in the provision of Renfrew Health Centre, and also has a shared accommodation project at Johnstone Town Hall with Police Scotland and Macmillan Cancer Support. Further, Renfrewshire has recently joined with 4 other West of Scotland authorities in commissioning a third party provider to manage residual waste at a shared facility which will be operational in 2019.

Renfrewshire Council is also one of the eight local authorities participating in the City Deal agreement to improve the transport infrastructure/public transport network, provide new sites for housing and introduce schemes to generate employment. These significant projects will be delivered in partnership and collaboration other councils, and the Scottish and UK Governments over the next 6-7 years.

Key Message 3

There are some examples of where councils have improved their structures and processes to help them manage and monitor capital investment activity more effectively. But they need to do further work to comply fully with the 2013 good practice guide, such as developing processes to routinely revisit and review business cases throughout the life of every capital project. Similarly, most councils are not carrying out formal mid-term reviews of projects, or post project evaluations. Those that do so are not doing it regularly or in a consistent manner. This limits councils' ability to identify areas of good practice; share lessons learned and identify the benefits that individual projects have realised.

Renfrewshire Council's Project Management Unit (PMU) have developed and implemented a "Concise Guide to Project Management". This guide, which has been universally rolled out to departments, seeks to present a quality approach to managing projects. Project officers, whether they are based in the PMU or in service departments, use this guide and the associated templates to ensure a consistent approach to managing capital projects is delivered throughout the council. The guidance provides project managers with a step by step guide covering areas such as project success factors, drivers and objectives, options appraisal and business cases, milestones and planning, roles and responsibilities, risk and issue management, transition to business as usual and amongst other things benefits realisation. In addition, project managers from Property Services will also utilise the Royal Institute of British Architects (RIBA) gateway review process to manage major capital build projects – this is a nationally recognised process utilised by both contractors and commissioners in order to manage project lifecycles.

Key Message 4

Elected members are not able to scrutinise the performance of capital programmes effectively because they are not receiving adequate information on capital investment. The majority of councils' progress reports to elected members on major capital projects focus on reporting capital spending in the current year. Some councils do not report cumulative capital spending, covering several years, against the total capital budget for individual projects. Councils do not routinely report to elected members project risks or non financial information, such as benefits realised from capital investment activity. Councils provide some training to elected members on capital investment matters but no council has a continuing programme of training in place on capital issues.

The council has a well developed methodology for reporting the progress of individual capital investment projects and this is contained within the aforementioned “Concise Guide to Project Management”. Members are provided with regular reports containing information in relation to annual performance against budgets. Larger scale projects, such as the Scottish Housing Quality Standards (SHQS) Investment Programme are subject to specific and detailed reports. These reports provide members with an update on progress of the project, the reports also identify any risks and mitigating factors within the project, they also report on any deviations from key project milestones and advise members of any management action required to complete or realise the full benefits (both financially and non financially) of larger scale projects.

The project management framework, as used by capital project managers, has a separate section “Benefits Realisation” and this highlights the benefits of any capital investment. In addition to this, adjustments to the revenue base budget as a result of capital investment(s) are made each financial year.

Arrangements exist to support the identification of individual elected member training requirements and these translate to targeted training and briefing sessions. A range of finance related training has been already been provided to members and this has covered topics such as capital investment, treasury and borrowing strategies.

5.0 Key Recommendations

- 5.1 As part of this follow up report, Audit Scotland has made a number of key recommendations to support the formulation of a long term capital investment strategy which should be used to demonstrate to members and service users how planned capital investment will assist the council to achieve its long term strategic proposals which are defined in corporate plans and the single outcome agreement.

The key recommendations made in the follow up report are detailed below. For each recommendation a statement on Renfrewshire Council's current and planned future position is shown in italics.

Key recommendation 1

Councils should ensure that they:

- **prepare business cases that comply with good practice for every capital project.**
- **revisit and monitor business cases throughout every capital project**
- **regularly carry out post-project evaluations to help establish whether planned benefits are realised and to identify good practice or lessons learned.**

- **Consider how best to review projects at key stages, using independent experts as necessary, to help provide assurance about project progress and to identify any potential problems.**
- **are proactive in sharing lessons learned from projects, both successful ones or those that ran into significant difficulties, within the organisation and with other councils.**

As previously advised Renfrewshire Council's capital investment strategy prioritises lifecycle maintenance and renewals programmes to ensure the assets the council currently holds continue to maximise their economic benefit in terms of service delivery to the council's citizens. Investment decisions of this nature are informed and prioritised via condition surveys and asset management plans and are aligned to business & technical cases to ensure legal conformity with statutory compliance responsibilities.

After providing for the ongoing lifecycle and renewals programme any other capital investment made is underpinned by specific investment cases. Capital investment projects in this category should be capable of delivering financial efficiencies.

As referred to earlier, the Council makes appropriate use of business cases to establish robust project cost estimates together with key milestones. The business case is used during the project lifecycle to monitor planned activity and to advise managers of any action required to ensure projects are delivered. Financial assumptions identified within the business case will be incorporated into the revenue setting budget process to allow revenue savings to be realised.

Projects should in every case be analysed at their close to evaluate that the business case benefits have indeed been realised. This post-project review will include an analysis of the benefits actually realised compared to that suggested in the business case – where benefits have not been achieved a clear explanation of the rationale for why this is the case is required.

The council has well established project governance and management arrangements which have served the Council well in supporting the effective and efficient delivery of major investment programmes. Many of the officers who are associated with the delivery of large capital investment schemes are technical project managers who have extensive experience of delivering design and build projects such as those investment projects contained within the School Estate Management Plan. Equally, the council has an independent Programme Management Unit which seeks to support large transformational change projects using up to date and fit for purpose project management initiation, risk and delivery techniques combined with best practice.

As previously mentioned the council has also made use of the RIBA independent gateway review process to provide an external assessment of the readiness of projects to move forward at each key stage in the project delivery process. This independent review has provided assurance of the readiness to move forward with

specific projects and it has also had the beneficial effect of identifying areas for improvements in the existing procedures and processes.

Key recommendation 2

Councils should ensure that they provide members with regular, appropriate and accurate information to allow them to scrutinise properly capital investment activity. Within this councils should ensure that they develop their capital monitoring report to include:

- **cumulative spending against total capital budget and the progress of each significant project against key milestones.**
- **reasons for and consequences of slippage, or delays of capital projects and any changes in the timing of capital spending.**
- **clear outlines of the benefits that individual projects have realised and how these compare with the expected benefits outlined in the business cases.**
- **update of the risk associated with capital projects and programmes, including their financial and non financial implications.**
- **provide elected members with regular training on capital investment activity to enable them to scrutinise effectively capital investment activity.**

Current reports to Policy Board outline capital expenditure at a Board responsibility level only, however it is possible to provide additional detail with regards major projects, such as cumulative spend. A draft of a revised Board report format will be discussed with Policy Board Conveners with a view to having revised formats agreed for the 2016/17 financial year.

Governance measures/procedures are already in place where finance officers meet with project managers on a four weekly basis to discuss progress alongside current and projected expenditure on capital projects. If slippage is likely to occur a process is in operation that requires the responsible Head of Service to authorise any adjustments on an exceptions pro forma. These adjustments must be agreed in advance with Finance and Resources to inform and amend the overall capital monitoring report presented to committee on a routine basis.

Project Managers are required to follow the guidance as contained within "A Concise Guide to Project Management". In following this guidance they will have already completed an "Options Appraisal and Business Case" and will also be required to complete a "Benefits and Realisation Case" which will inform if the anticipated benefits at the start of the capital project have been fully realised.

Again, the “Concise Guide to Project Management” requires project managers to prepare and update a “Risk and Issue Management” section throughout the life of the capital project.

As previously mentioned arrangements exist to support the identification of individual elected member training requirements and these translate to targeted training and briefing sessions. A range of finance related training has already been provided to members and covered topics such as capital investment, treasury and borrowing strategies which was delivered by the Council’s treasury advisors.

Implications of the Report

1. **Financial** – None.
2. **HR & Organisational Development** – None.
3. **Community Planning** – None.
4. **Legal** – None
5. **Property/Assets** – None
6. **Information Technology** – None.
7. **Equality & Human Rights** -
 - (a) 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 for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

List of Background Papers

- (a) none

Author: **Director of Finance and Resources**



To: Audit, Scrutiny and Petitions Board

On: 21 March 2016

Report by: Chief Auditor

Heading: Annual Internal Audit Plan 2016/2017

1. Summary

- 1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2016/17 has been developed. The audit plan takes into account the outcomes of the internal corporate and service risk identification and evaluation processes, and the current business environment. In addition to undertaking work which will provide assurance on the robustness on key internal controls, the plan seeks to reflect the key priorities and challenges for the council.
- 1.2 A number of methods have been employed to facilitate production of the risk based audit plan for 2016/17:
- Consultation with all Directors and their Senior Management Teams, Senior management from the associate bodies and Audit Scotland;
 - Benchmarking with other Local Authorities;
 - Review of corporate and service risk registers;
 - Cumulative audit knowledge and experience;
 - Review of key external audit and inspection reports.
- 1.3 The following influencing factors have been considered in our assessment of the current business environment and the priority areas of audit:
- Financial stability;
 - Enterprise Resource Planning;
 - Opportunity management;
 - Tackling Poverty

- Community safety and public protection;
- Serious organised crime, insider threat and corporate fraud;
- Delivering key outcomes with strategic partners.

- 1.4 The total available resource is 1509 days, the operational audit time available for 2015/16 has been identified as 1160 days (77%). The remaining 349 days relates to training, service development, administration and management. Coverage of the plan is achieved through the use of in-house staff and where relevant commissioned from other providers. A copy of the plan is attached at Appendix 1.
- 1.5 Operational and non-operational time has been calculated in accordance with CIPFA benchmarking criteria. Non-operational time includes provision for training, performance management and service development. In addition to the internal audit assurance function the Chief Auditor has managerial responsibility for risk management, insurance and corporate counter fraud which are excluded from the calculation of available operational audit resources.
- 1.6 Delivery of the risk based annual audit plan supports effective member scrutiny of the council's internal financial and other control mechanisms.

2. **Recommendations**

- 2.1 Members are asked to approve the content of the risk based audit plan for 2016/17.
- 2.2 Members are asked to note that the progress of the 2016/17 annual audit plan and summaries of the findings from each audit assignment will be reported to the Board on a quarterly basis.

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**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The subject matter of this report is the risk based Audit Plan for 2014 – 2015.
11. **Privacy Impact** – None

Author: Andrea McMahon – 01416187017



Annual Internal Audit Plan 2016/17



Finance & Resources Internal Audit

| | | |
|------|------------|--|
| Date | March 2016 | |
| | | |

Renfrewshire Council

Annual Internal Audit Plan 2016/17

Index

| | Page |
|---|-------------|
| Audit Plan Overview | 1 - 9 |
| Supporting Appendices | |
| 1 Annual Internal Audit Plan 2016/17 | 10 - 11 |
| 2 Analysis of plan by service | 12 |

Audit Plan Overview

1. Introduction

- 1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2016/17 has been developed. In formulating the audit plan a risk assessment has been undertaken giving consideration to the following sources of information:

| | |
|--------------------------------|---|
| Risk assessment | (1) Risk assessment and prioritisation of all auditable activities (audit universe). |
| | (2) Corporate Risk Register. |
| | (3) Service Risk Registers. |
| Consultation | (4) The Chief Auditor has met with each member of the CMT and their senior management teams to ascertain any changes to operational practice and national policy and to determine their priorities and risks. |
| | (5) Senior Management from the associate bodies and Renfrewshire Leisure have been consulted to ascertain their priorities and risks. |
| | (6) The Chief Executive has been consulted on what she sees as the council's priority and risk areas for the forthcoming year. |
| | (7) Feedback from, and the expectations of, the Audit, Scrutiny and Petitions Board are identified through the regular meetings with the members of the board. |
| | (8) The Chief Auditor has met with Audit Scotland to ascertain where assurance on key internal controls is required and the arrangements for review of statutory performance indicators. |
| Benchmarking | (9) Other Local Authority internal audit plans. |
| | (10) Discussion with other Chief Auditors through the Scottish Local Authority Chief Auditors Group. |
| Review of key internal reports | (11) A Better Future, A Better Council – revised Council's plan, 2016-17 |
| | (12) The results of internal audit work in 2015/16 and in previous years. |
| Review of key external reports | (13) Audit Scotland: Renfrewshire Council - Report to Members and the Controller of Audit on the 2014/15 Audit (September 2015). |
| | (14) Audit Scotland: Best Value reports issued during 2015/16. |
| | (15) Accounts Commission: Local Government Overview 2014/15. |

- 1.2 On the basis of the above, the audit engagements planned for 2016/17 is set out in Appendix 1 and shows the planned engagements in the following categories of audit activity:

- Assurance,
- Governance,
- Contingency,
- Planning and Reporting

- 1.3 It is the responsibility of management to ensure that they have good governance, risk management and internal control arrangements over the functions they are responsible for. It is internal audit's role to provide an independent, objective assurance and consulting activity. The scope of the internal audit plan encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's

governance, risk management, and internal control processes; as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. Delivery of the internal audit plan supports the requirement for the Chief Auditor to provide an annual opinion which is used to inform the annual governance statement.

- 1.4 The Chief Auditor shares information and coordinates activities with other internal and external providers of assurance and consulting services, as appropriate, to ensure proper coverage and minimise duplication of effort. Internal audit may place reliance on the work of other providers of assurance and the ability to do so will be considered during each audit engagement.
- 1.5 The plan also includes provision for managing and developing the internal audit activity including audit planning, reporting, periodic quality assessments and for following up on previous recommendations and reactive investigative work. The plan includes contingency time to allow for completion of work carried forward from 2015/16 and provides for consultancy engagements to be undertaken where these can improve the council's operations, add value and improve the management of risks. Contingency time also provides for sufficient flexibility to accommodate changing risks and priorities during the course of the year. More detail on each of these elements is set out in sections 4 to 7 of this plan.

2. The current business environment and key risk areas

- 2.1 To ensure that the audit activity supports the achievement of the council's objectives, the audit plan, detailed in Appendix 1, has been aligned with the themes contained in the council plan and the community plan.
- 2.2 There are a number of significant risks, arising from the external and internal environment, which could impact on the council's ability to achieve its objectives. The most significant risks and the risk control measures to manage these risks, have been identified through the council's corporate risk management process. The key corporate risks taken into account in formulating this audit plan are detailed below:

(1) Financial stability

The council is facing increasingly difficult financial pressures. Consequently the financial sustainability risk remains very high and continues to be subject to significant and regular scrutiny. The council is seeking new ways of providing services and some key enablers are the better council change program and the development of the revised ICT operating model. The 2016/17 audit plan includes:

- a review of programme management arrangements, focusing on options appraisal processes;
- a review of the revised ICT operating model;
- a review of rental income;
- contingency time to participate in internal project work which supports the better council change programme, as required.

(2) Enterprise Resource Planning

The council is planning to implement an Enterprise Resource Planning (ERP) product which will change a number of key financial processes. The 2016/17 audit plan includes:

- provision of consultancy support in relation to process redesign during the implementation stage;
- sufficient time to review key financial controls in order to provide an opinion on the financial internal control environment in place for those systems included within the roll out of ERP.

(3) Opportunity Management

The council is investing in a number of high profile regeneration programmes/projects including City Deal and the development of the 2021 City of Culture bid as a means of supporting business growth and the creation of jobs. There can be significant reputational and financial risks involved in major investment projects. The 2016/17 audit plan supports this agenda by including:

- a review of co-ordination and oversight arrangements for external funding applications;
- reviews of compliance with external funding grant conditions;
- working with the appointed internal auditors for City Deal.

(4) Tackling Poverty

The Tackling Poverty Commission published its recommendations in March 2015. The council has committed to a number of short and longer term initiatives aimed at breaking the cycle of poverty in Renfrewshire. In 2016/17, internal audit will continue to work with services to ensure that these initiatives are subject to suitable and proportionate internal controls to protect the council's resources without putting barriers on accessibility.

(5) Community Safety and Public Protection

The council's community safety and public protection role, delivered within an integrated partnership model is critical to ensuring child and adult protection. The 2016/17 audit plan includes:

- a review of the arrangements for adults with incapacity;
- a review of the civil contingencies unit;
- a review of the arrangements for trading standards.

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

The council has over the last year strengthened its resilience to the threats posed by serious and organised crime, corruption and fraud. The 2016/17 audit plan includes time for:

- participation in the council's integrity group;
- a review of recruitment vetting arrangements;
- revision of counter fraud and corruption policies and procedures.

(7) Delivering Key Outcomes with Strategic Partners

The council is engaged with Strategic Partners in the delivery of key services and outcomes. The partnerships must work together effectively otherwise there will be a risk in relation to performance and reputation around the ability to effectively deliver strategic plans, community and financial outcomes and partnership aims and objectives. The 2016/17 audit plan includes:

- a review of the governance and reporting arrangements for arms length external organisations.

3. Allocation of Resources

- 3.1 In addition to the internal audit assurance function the Chief Auditor has managerial responsibility for risk management, insurance and counter fraud investigations which are excluded from the calculation of available operational audit resources.
- 3.2 Operational and non-operational time has been calculated in accordance with CIPFA benchmarking criteria. The calculation of operational staff time has been based on 6.9 full time equivalent employees. Non-operational time includes provision for training, performance management and service development.

- 3.3 Resources from any unfilled elements of posts and other available audit resource will be used flexibly to ensure that the audit plan commitments are met, through the engagement of temporary staff and the private sector where appropriate. Where engagements are undertaken by the private sector these can provide an opportunity for benchmarking and training and development. Sufficient resources are available to engage specialist contractors where necessary to address the additional risks faced by the council.
- 3.4 The total available resource is 1509 days; the operational audit time available for 2016/17 has been identified as 1160 days (77%). The remaining 349 days relates to training, service development, administration and management.
- 3.5 The following paragraphs provide an overview of how audit time has been allocated to audit categories. A summary of the operational time by audit category is detailed in table 1 below. The analysis of non-operational audit activity is detailed in the table 2 below. The planned operational/non-operational time for 2015/16 is given for comparative purposes.

| Category of audit | 2015/16 | | 2016/17 | |
|-------------------------------|--------------|-----------------------|--------------|-----------------------|
| | Planned Days | % of Operational Time | Planned Days | % of Operational Time |
| GOVERNANCE | 145 | 12% | 283 | 24% |
| ASSURANCE | 680 | 55% | 457 | 39% |
| CONTINGENCY ^{note 1} | 306 | 24% | 309 | 27% |
| AUDIT PLANNING / REPORTING | 107 | 9% | 111 | 10% |
| TOTAL OPERATIONAL TIME | 1238 | 100% | 1160 | 100% |

Table 1

Notes

1. This category includes time for the finalisation of the previous year's audits, corporate exercises, investigations, significant project consultancy activities and emerging priorities.

| Activity | 2015/16 | | 2016/17 | |
|-----------------------------------|--------------|-----------------------------|--------------|-----------------------------|
| | Planned Days | % of Non - operational Time | Planned Days | % of Non - operational Time |
| TRAINING | 103 | 28% | 115 | 33% |
| STRATEGIC MANAGEMENT | 62 | 17% | 29 | 8% |
| TEAM ADMINISTRATION | 123 | 33% | 112 | 32% |
| DEVELOPMENT ^{note 1} | 83 | 22% | 93 | 27% |
| TOTAL NON-OPERATIONAL TIME | 371 | 100% | 349 | 100% |

Table 2

Notes

1. This category includes time allocated to development activities to support the implementation of the upgrade to the audit management system and the external peer review process.

4. Governance (24% of operational time)

- 4.1 Internal Audit must evaluate the risk exposures relating to the council's and associate bodies governance arrangements including the arrangements for the prevention and detection of fraud and corruption. The engagements within this category form the basis for the Chief Auditor's annual audit opinions and support the annual governance statements.
- 4.2 The results of the risk assessment are detailed at Appendix 1, Part A in respect of the current year, with a total of 283 days being allocated to these engagements for 2016/17. The high proportion of days allocated to this category reflects the requests by associate bodies to provide independent assurance over their governance arrangements rather than

focusing on operational internal control arrangements, consequently the assurance category detailed below has been reduced to reflect this focus.

5. Assurance (39% of operational time)

- 5.1 A risk based assessment has been undertaken of all auditable areas taking into account the risk management framework and the expectation of senior management and the Audit, Scrutiny and Petitions Board. The engagements within this category also form the basis for the Chief Auditor's annual opinions and support the annual governance statements. Time is also allocated to following up on the implementation of prior year audit recommendations.
- 5.2 The results of the risk assessment are detailed at Appendix 1, Part B in respect of the current year, with a total of 457 days being allocated to these engagements for 2016/17.

6. Contingency (27% of operational time)

- 6.1 This category includes time allocations for finalisation of the 2015/16 audit plan, undertaking reactive investigations of theft, fraud or other malpractice and provides for post-report work which includes attending disciplinary or appeal hearings, employment tribunals and court, as required.
- 6.2 The council is also undergoing a significant period of change and although these changes represent significant priorities and risks for the council, the arrangements may not be sufficiently well established to be suitable for evidence based audit reviews. In recognition of this, the 2016/17 audit plan includes provision for the on-going and anticipated involvement in significant project consultancy activities, including the better council change programme, implementation of the Enterprise Resource Planning product, City Deal, the tackling poverty agenda and continued development of integrated health and social care, as well as smaller scale internal control reassessment by services.
- 6.3 The allocation of time for this category is an estimate based on prior experience and available resources. However this will be monitored during the course of the year to ensure that internal audit continue to be in a position to respond to other priority areas which emerge during the course of the year, and, if necessary, revise the audit plan accordingly. Appendix 1, Part C details the indicative time of 309 days allocated across the contingency heading.

7. Audit Planning / Reporting (10% of operational time)

- 7.1 This category includes annual planning activity and reporting arrangements to the Audit Panel and the Audit, Scrutiny and Petitions Board and the Boards of the other bodies we provide internal audit services to under a service level agreement. Appendix 1, Part D details the time of 111 days allocated to planning and reporting activities.

8. Analysis of Plan by Service

- 8.1 Appendix 2 shows the amount of operational audit time allocated to individual services in 2016/17 and compares it to the planned days for 2015/16.
- 8.2 The planned days allocated to all services relates to work which is cross-cutting rather than service specific as well as time which is allocated out to services as the year progresses, such as contingency and investigations.
- 8.3 The high level of coverage in Finance and Resources compared to other services continues to reflect the annual areas of reliance agreed with Audit Scotland and that the majority of the ICT audits are focused on the ICT service.

9. Conclusion

- 9.1 The annual internal audit plan for 2016/17, based on the strategic risk assessment reflects the current priorities and challenges for the council, and demonstrates that the internal audit service continues to deliver added value while continuing to improve the service in line with best practice.
- 9.2 The allocation of internal audit resources are sufficient to allow for flexibility to deal with emerging priorities and provide adequate coverage of governance, risk management and internal control to inform the annual assurance statement.
- 9.3 The plan may be subject to amendment during the course of the year due to the emergence of issues of greater priority, or other unforeseen circumstances. We will report changes to the Audit Panel and the Audit, Scrutiny and Petitions Board.

Chief Auditor
March 2016

Appendix 1

Internal Audit Annual Plan 2016/17

| Entity | Engagement Title | Service | Council Plan Theme ¹ | Community Plan Theme Ref ² | Days allocated | Corp risk |
|--|--|--------------------------|---------------------------------|---------------------------------------|----------------|-----------|
| Part A – Governance | | | | | | |
| SE- Governance Arrangements | Governance Arrangements | Scotland Excel | N/A | N/A | 283 | |
| CMPA- Governance Arrangements | Governance Arrangements | Clyde Muirshiel | N/A | N/A | 25 | N/A |
| IJB – Governance Arrangements | Strategic/Financial Plan | HSCP - IJB | N/A | N/A | 20 | N/A |
| RVJB – Other Systems | Records Management | RVJB | N/A | N/A | 25 | N/A |
| CRSA - Schools | School Fund Procedures | Children's Services | N/A | N/A | 20 | N/A |
| Performance Management Framework | Review of LGBF indicators | Corporate - All Services | C | 1 | 20 | No |
| Information Governance | Records Management | Finance & Resources | C | 7 | 15 | No |
| Corporate Governance Framework | Corporate Governance Framework | Corporate - All Services | A | 7 | 20 | Yes |
| | | | C | 7 | 20 | No |
| Council Reporting | Governance of ALEO's | Corporate - All Services | | | | |
| Prevention and Detection of Fraud and Corruption | Prevention and detection of fraud and corruption | Corporate - All Services | A | 7 | 25 | Yes |
| Culture Trust - Governance | Governance Arrangements | Culture Trust | A | 4 | 50 | Yes |
| Policies and Procedures | Human Resources – Recruitment vetting procedures | Finance & Resources | N/A | N/A | 18 | N/A |
| | | | A | 4 | 25 | Yes |
| Part B – Assurance | | | | | | |
| | | | | | 457 | |
| Public Protection | Adults with Incapacity | Adult Services` | | | | |
| Procurement | Tendering Arrangements | Chief Executives | A | 3 | 20 | Yes |
| Schools Procedures | Examination and Assessment Procedures | Children's Services | C | 7 | 20 | No |
| | | | B | 1 | 20 | No |
| Follow up | Follow up | Corporate - All Services | | | | |
| Contract Audit | Contract Monitoring Arrangements | Corporate - All Services | C | 7 | 50 | No |
| | | | C | 7 | 20 | Yes |
| External Funding Applications | External Funding Applications | Corporate - All Services | A | 2 | 20 | Yes |

¹ A: Better Future – Place, B: Better Future – People, C: Better Council

² 1: Children and Young People; 2:Jobs and the Economy; 3:Community Care, Health and Wellbeing; 4: Safer and Stronger Renfrewshire; 5: Empowering our Communities; 6:Greener Renfrewshire, 7: Corporate

| Entity | Engagement Title | Service | Council Plan Theme ¹ | Community Plan Theme Ref ² | Days allocated | Corp risk |
|--|---|--------------------------|---------------------------------|---------------------------------------|----------------|-----------|
| Programme Management | Options appraisal | Corporate - All Services | A | 7 | 20 | Yes |
| Civil Contingencies Unit | Business Continuity | Corporate - All Services | A | 4 | 25 | Yes |
| Trading Standards | Trading Standards | Community Resources | A | 4 | 20 | Yes |
| Catering Income | Catering Checks | Community Resources | C | 7 | 7 | No |
| Culture Trust – Other Systems | Spa – Stock Control | Culture Trust | N/A | N/A | 5 | N/A |
| Rental Income | Rental Income | Development & Housing | C | 7 | 20 | Yes |
| Economic Development | Grants | Development & Housing | B | 2 | 20 | No |
| External Funding Applications | Leader Programme | Development & Housing | B | 2 | 20 | No |
| Facilities Management | Statutory Compliance Procedures | Community Resources | A | 4 | 20 | Yes |
| Review of Internal Controls & Compliance | Finance Systems – Key Controls | Finance & Resources | C | 7 | 20 | No |
| Charging & Payments | Charging & Payments for Adult Services | F&R/Adult Services | C | 7 | 25 | No |
| Payroll | Pension Auto Enrolment | Finance & Resources | C | 7 | 20 | No |
| Energy Management | Carbon Management | Finance & Resources | A | 6 | 20 | Yes |
| Health & Safety | Health & Safety Arrangements | Finance & Resources | C | 7 | 20 | Yes |
| ICT Development | ICT Operating Model | Finance & Resources | C | 7 | 25 | Yes |
| Housing Benefit & Council Tax Reduction | Housing Benefit & Council Tax Reduction | Finance & Resources | C | 7 | 20 | No |
| Part C – Contingency | | | | | 309 | |
| Contingency | Contingency | Associate Bodies | N/A | N/A | 17 | N/A |
| Contingency | Contingency | Corporate - All Services | N/A | N/A | 117 | N/A |
| Contingency | Corporate Groups | Corporate - All Services | N/A | N/A | 75 | N/A |
| Contingency | Investigations | Corporate - All Services | N/A | N/A | 100 | N/A |
| Part D – Planning & Reporting | | | | | 111 | |
| Planning & Reporting | Planning & Reporting | Associate Bodies | N/A | N/A | 11 | N/A |
| Planning & Reporting | Planning & Reporting | Corporate - All Services | N/A | N/A | 100 | N/A |

Appendix 2

Analysis by Service

| Service | 2015/16 | | 2016/17 | |
|--|--------------|-----------------------|--------------|-----------------------|
| | Planned Days | % of Operational Time | Planned Days | % of Operational Time |
| All Services ^{note 1} | 602 | 49% | 637 | 55% |
| Chief Executive's Service | 25 | 2% | 20 | 2% |
| Finance & Resources | 275 | 22% | 195 | 17% |
| Children's Services | 60 | 5% | 40 | 3% |
| Adult Services | N/A | N/A | 20 | 2% |
| Community Resources | 40 | 3% | 47 | 4% |
| Development & Housing | 85 | 7% | 60 | 5% |
| COUNCIL TOTAL | 1087 | 88% | 1019 | 88% |
| Scotland Excel | 28 | 2.5% | 28 | 3% |
| North Strathclyde Criminal Justice Authority | 18 | 1% | 3 | 0% |
| Clyde Muirshiel Park Authority | 3 | 0.5% | 23 | 2% |
| GCVJSPA | 18 | 1% | 3 | 0% |
| Renfrewshire Valuation Joint Board | 18 | 1% | 23 | 2% |
| Health & Social Care Integrated Joint Board | 33 | 3% | 35 | 3% |
| Cultural Trust | 33 | 3% | 26 | 2% |
| TOTAL | 1238 | 100% | 1160 | 100% |

Notes

- 1 Planned time includes Follow up Audit, Performance, Contingency, Planning and Reporting and an element of Cross cutting Assurance and Governance Audits and is allocated against services during the course of the year



To: Audit, Scrutiny and Petitions Board

On: 21 March 2016

Report by: Chief Auditor

Heading: Health and Social Care Integration – Financial Assurance Audit

1. Summary

- 1.1 On the 1st of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a “body corporate” arrangement, delegating the services to a third body called the Integration Joint Board.
- 1.2 As part of the 2015/2016 Internal Audit Plan a review has been undertaken to provide Council members with an opinion on the financial governance and financial assurance undertaken in the determination of the Council's Social Care budgets to be integrated.
- 1.3 The Scottish Government established the Integrated Resources Advisory Group (IRAG) to develop professional guidance in relation to financial matters including the framework for financial governance and financial assurance. The purpose of the audit review was to ensure that a robust process has been followed to establish the financial governance arrangements for the Integration Joint Board and that the financial assurance guidance prepared by the IRAG had been followed in relation to establishing the budgets to be transferred from the Council to the Integration Joint Board.
- 1.4 The internal audit report is attached at Appendix 1 of this report and concludes that, Internal Audit is able to provide reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integration Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk

registers in this regard should be comprehensive, transparent and regularly monitored.

2. **Recommendations**

- 2.1 Members are asked to note the report on health and social care integration financial assurance.
 - 2.2 Members are asked to note that this report will be shared with the Integration Joint Board and the Health Board as required by the IRAG guidance.
-

Implications of the Report

- 1. **Financial** – the report provides financial assurance in relation to the process followed for making budget allocations to the Integration Joint Board.
- 2. **HR & Organisational Development** - None
- 3. **Council /Community Planning** – None
- 4. **Legal** - None
- 5. **Property/Assets** - None
- 6. **Information Technology** - None
- 7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
- 8. **Health & Safety** – None
- 9. **Procurement** - None
- 10. **Risk** – The report indicates that there needs to be robust monitoring of the financial risk exposures for the Integration Joint Board.
- 11. **Privacy Impact** – None

Author: Andrea McMahon – 01416187017



Internal Audit Report



Health and Social Care Integration Financial Assurance Audit

| | |
|------------|-----------------|
| Date | March 2016 |
| Audit Ref: | SYS137/2016/001 |



The Government Standard

Contents

| | |
|---|----------|
| Management Summary | 1 |
| Detailed Report..... | 3 |
| 1. Persons referred to in report..... | 3 |
| 2. Introduction..... | 3 |
| 3. Background | 3 |
| 4. Objectives..... | 3 |
| 5. Scope | 3 |
| 6. Basis of opinion | 4 |
| 7. Key audit assurances | 4 |
| 8. Key risks arising from the audit review..... | 4 |
| 9. Detailed findings..... | 4 |
| 10. Overall Audit Opinion..... | 7 |
| Action Plan..... | 8 |

Management Summary

1. Introduction

- 1.1. On the 1st of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a “body corporate” arrangement, delegating the services to a third body called the Integration Joint Board.
- 1.2. The purpose of this audit is to provide independent assurance to members on the financial governance, financial assurance and risk assessment arrangements in place.

2. Objectives of audit

- 2.1 The objectives of the audit were as follows:
 - Confirm that the financial governance arrangements included in the Integration Scheme are in line with the provisions of the Act, Regulations and professional guidance;
 - Agree the baseline budget information to underlying records;
 - Assess the framework for setting each budget including detailed assumptions, recurring and non-recurring funding and expenditure, savings and efficiency targets and financial forecasts;
 - Confirm that both parties have had sight of relevant budget information from the other party and the underlying process for deciding them.

3. Key audit assurances

- 3.1 The financial governance and assurance arrangements in place were found to be in line with the Act, Regulations and professional guidance.
- 3.2 There is a well established budget setting process within the Council and due consideration was given to all material adjustments. The baseline budget was agreed to supporting records and the assumptions made were reviewed and found to be reasonable

4. Key risks arising from the audit review

- 4.1 Given that the Health Board budget will not be finalised until after the 1st of April 2016, the partnership budget is unlikely to be determined in line with the legislation.
- 4.2 There are a number of financial risks facing the IJB and these require to be adequately addressed within the risk register.

5. Overall audit opinion

- 5.1 Based on the work undertaken and the discussions with Officers, Internal Audit is able to provide reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integration Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk registers in this regard should be comprehensive, transparent and regularly monitored.

Detailed Report

1. Persons referred to in report

1.1 The following personnel were the main officers who assisted us during the review:

- Sarah Lavers, Chief Financial Officer

2. Introduction

2.1 As part of the 2015/2016 Internal Audit Plan a review has been undertaken to provide Council members with an opinion on the financial governance and financial assurance undertaken in the determination of the Council's Social Care budgets to be integrated.

3. Background

3.1 On the 1st of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a "body corporate" arrangement, delegating the services to a third body called the Integration Joint Board.

3.2 The purpose of this audit is to provide independent assurance to members on the financial governance, financial assurance and risk assessment arrangements in place.

4. Objectives

4.1 The objectives of the audit were as follows:

- Confirm that the financial governance arrangements included in the Integration Scheme are in line with the provisions of the Act, Regulations and professional guidance
- Agree the baseline budget to underlying records
- Assess the framework for setting each budget including detailed assumptions, recurring and non recurring funding and expenditure, savings and efficiency targets and financial forecasts
- Confirm that both parties have sight of relevant budget information from the other party and underlying process for deciding them

5. Scope

5.1 Obtained a copy of the Integration Scheme, the Act, Regulations and associated professional guidance and reviewed to ensure that the financial governance arrangements are in line with the details set out in the Integrated Resources Advisory Group recommended guidance.

5.2 Interviewed the appropriate officers and obtained and assessed documentation pertaining to the baseline budget in order to agree these to the supporting records

5.3 Obtained explanations in terms of the budget setting framework in order to assess the assumptions made, the impact of recurring and non recurring funding and expenditure, savings and efficiency targets and financial forecasts

- 5.4 Obtained explanations in terms of the sharing of budget information and the underlying process for deciding them between the Council and the Health Board.

6. Basis of opinion

- 6.1 In arriving at our opinion we comply with the Public Sector Internal Audit Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance.
- 6.2 For the area under review we consider the overall adequacy and effectiveness of risk management, control, and governance processes. Collectively we refer to these activities as “the system of internal control”.
- 6.3 The audit was based on sampling and therefore errors and/ or omissions may exist which have not been identified.

7. Key audit assurances

- 7.1 The financial governance and assurance arrangements in place were found to be in line with the Act, Regulations and professional guidance.
- 7.2 There is a well established budget setting process within the Council and due consideration was given to all material adjustments. The baseline budget was agreed to supporting records and the assumptions made were reviewed and found to be reasonable.

8. Key risks arising from the audit review

- 8.1 Given that the Health Board budget will not be finalised until after the 1st of April 2016, the partnership budget is unlikely to be determined in line with the legislation.
- 8.2 There are a number of financial risks facing the Board and these require to be adequately addressed within the risk register.

9. Detailed findings

9.1 Preparation for Integration

- 9.1.1 In line with the IRAG guidance a Shadow Integration Joint Board was established with the remit to ensure continuity in governance arrangements and oversight of the integration. The first meeting of the Shadow Integration Joint Board took place on the 5th of February 2015 and it received adequate updates on the integration work and the development of the financial and governance arrangements during the period prior to the approval of the Integration Scheme by the Scottish Government.

9.2 Financial Governance

- 9.2.1 The Integration Scheme sets out the detail as to how the Council and Greater Glasgow and Clyde Health Board will work jointly to integrate and plan for services in accordance with the Act. The Finance arrangements are detailed within clause 8 and include the role of the Chief Finance Officer, the methods for determining the budget to be made available to deliver the services and the financial management and reporting arrangements.
- 9.2.2 The Integration scheme was reviewed against the provisions of the Act, the associated Regulations, and the Model Integration Scheme. The auditor is satisfied that that due consideration has been given to the provisions set out in the above documents.

9.2.3 The Scottish Government established the Integrated Resources Advisory Group (IRAG) to consider the financial implications of integrating health and social care, and to develop professional guidance. The guidance included the expected financial governance and assurance arrangements. Following approval of the Integration Scheme, the Renfrewshire Integrated Joint Board was established on 27 June 2015. Since then the IJB has approved a number of financial assurance and governance arrangements including:

- Appointment of the Chief Officer and Chief Financial Officer;
- Financial regulations;
- Financial governance manual;
- Risk management and insurance;
- Internal audit; and
- Audit committee.

9.2.4 The auditor is satisfied that the required financial assurance and governance arrangements are in place to support the delegation of functions to the Integrated Joint Board on 1 April 2016. The auditor can also confirm that the Council's Financial Regulations and Scheme of Delegation have been updated to reflect the delegation of functions to the IJB.

9.3 Financial Assurance

9.3.1 The IRAG guidance requires that the Council's internal auditors provide a report to the council's audit committees (copied to the Shadow Integration Joint Board) on the assurance process that has been carried out by the Council. The assurances provided in this section are, therefore, limited to the process followed by the Council in establishing the budgets to be delegated to the IJB in 2016/17. The internal auditor for NHSGGC has undertaken a separate assurance exercise which was presented to the NHSGGC's Board. Both reports will be shared with the IJB as required by the IRAG guidance.

Baseline budget

9.3.2 In determining the baseline budget allocations for 2015/16 the IJB Chief Financial Officer undertook an exercise to reconcile the previous 3 years budgeted and actual figures to the financial ledger. This exercise was undertaken in line with the IRAG guidance and the auditor independently confirmed the budgeted and actual expenditure agreed to the underlying records. There is sufficient evidence to confirm that NHSGGC has undertaken a similar exercise and this information has been shared with the Council.

9.3.3 The functions delegated from Renfrewshire Council to the Integration Joint Board represent all Adult Social Care functions of the Council, along with the budget for these functions. In addition the Council must also delegate Housing Adaptations and Gardening Assistance budgets to the IJB. The auditor confirmed that the budget for each delegated function per the integration scheme agreed to the financial ledger.

9.3.4 Only those budgets that can be directly influenced by the IJB have been delegated. Year end resource allocations such as central support charges have been retained centrally within the Council budget. This approach appears to be reasonable.

Adjustments to the baseline for 2016/17

9.3.5 The Council has a well established budget setting process which takes account of inflation, demand pressures, efficiencies and legislative requirements through the "unavoidables" process. The auditor can confirm that the budget setting process for 2016/17 is consistent with prior years.

The auditor examined the working papers supporting the calculation of all material adjustments to the baseline budget. It was identified that adjustments have been made to take account of:

- The impact of adults with incapacity legislation on adult protection referrals;
- Inflationary increases on care contracts;
- Demand pressures in relation to demographic growth;
- Anticipated efficiencies including the shift in the balance of care from care homes to care at home services;
- The impact of the national minimum/living wage;
- Pay inflation;
- The impact of the national insurance contracting out change and
- The impact on pension costs in relation to auto-enrolment.

9.3.6 The auditor is satisfied that there is adequate supporting documentation in relation to each material adjustment made and that the underlying assumptions used in the calculations are reasonable.

9.3.7 The auditor was advised that there is no material non-recurrent funding and expenditure included within the Council budgets to be delegated to the IJB. Non-recurring funding in relation to the Older People Change Fund ceases in 2015/16 and has therefore not been included in the rolled forward budget for 2016/17. Additional monies have been provided by the Scottish Government through the Integration Care Fund and it has recently been confirmed that this will be treated as recurring funding from 2016/17.

Annual Financial Statement

9.3.8 The legislation requires that the IJB must publish an annual financial statement (budget) at the same time as it publishes its first strategic plan. The annual financial statement must set out in relation to the strategic plan the amount that the IJB intends to spend in the implementation of the plan. At the time of this review the Scottish Government's 2016/17 local government finance settlement had only recently been announced and the Council's budget for 2016/17 was still to be agreed by the Council. It is understood that the Health Board settlement will not be finalised until after 1 April 2016. The final budget for the IJB cannot be determined until the final budgets have been set for the partner organisations. It is, therefore, unlikely that the annual financial statement for 2016/17 will be published by 1 April 2016, as required by the legislation.

Recommendation 1

We would recommend that legal advice is sought in relation to the possible consequences of being unable to publish the annual financial statement as required by the Act. Furthermore, should this be the case the Chief Officer should consider disclosure of the relevant facts in the annual governance statement.

9.4 Risk Management

9.4.1 The IJB has approved a risk management policy and strategy, currently, the risk register concentrates on the key risks relating to the preparation for full integration. Regular updates have been provided to the board in relation to the risk register.

9.4.2 The due diligence process undertaken by the Chief Officer and the Chief Financial Officer for the IJB has identified a number of significant financial risks which require to be effectively managed in order to ensure the financial stability of the IJB resources available to support the strategic plan. At the time of this audit review the partner organisations were working together to develop a detailed risk register for post integration, this work is on-going.

Recommendation 2

The risk register, once developed, should ensure that there is sufficient transparency in relation to the financial risks, mitigating controls and the actions required to further mitigate the risks. Furthermore, we would recommend that wherever possible the risks should be quantified and should be appropriately classified.

10. Overall Audit Opinion

- 10.1 Based on the work undertaken and the discussions with Officers, Internal Audit is able to provide reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integrated Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk registers in this regard should be comprehensive, transparent and regularly monitored.

Action Plan

| Rec No. | Recommendation | Responsible Officer | Agreed Completion Date | Response | Priority |
|----------------------------|--|---------------------------|------------------------|--|----------|
| Financial Assurance | | | | | |
| 01 | We would recommend that legal advice is sought in relation to the possible consequences of being unable to publish the annual financial statement as required by the Act. Furthermore, should this be the case the Chief Officer should consider disclosure of the relevant facts in the annual governance statement. | Sarah Lavers/Ken Graham | 01/03/16 | Advice has been sought and the final due diligence report and financial plan will be delayed until the June Board when the Health budget is clarified. A draft due diligence report without the financial plan will go to a special IJB meeting towards the end of March (date to be confirmed). | B |
| Risk Management | | | | | |
| 02 | The risk register, once developed, should ensure that there is sufficient transparency in relation to the financial risks, mitigating controls and the actions required to further mitigate the risks. Furthermore, we would recommend that wherever possible the risks should be quantified and should be appropriately classified. | Sarah Lavers / Jean Still | 01/03/16 | Risk register will be updated in line with the recommendation | A |

To: Audit, Scrutiny & Petitions Board

On: 21 March 2016

Report by: Director of Finance and Resources

Heading: Petition: Road Safety, Shortroods Road, Paisley

1. Summary

1.1. At the meeting of this Board held on 15 February 2016, it was agreed, at the petitioner's request, to continue consideration of the petition to the next meeting to allow the petitioner to attend.

1.2. Previously, at the meeting of the Board held on 30 November, 2015 consideration was given to a petition by Mr J Haraburda in the undernoted terms:

“Install speed bumps on Shortroods Road. Residents at Shortroods Road (between Springbank Road and Fullerton Street) some reckless drivers are putting lives at risk as well as causing a noise nuisance. Now the residents have handed over a petition with 15 signatures to Renfrewshire Council Paisley, asking for speed bumps to be put in.”

1.2 The Board heard that the Head of Amenity Services had intimated that this area of Paisley had been redeveloped recently with new housing and roads infrastructure. The new roads infrastructure included speed humps and raised junctions throughout the development. There was a speed hump on Shortroods Road and then a series of raised junctions all of which had a red textured surface and new warning triangles. The road was also a bus route which would normally have speed cushions but in this instance had full width humps. Existing traffic calming was well-designed and relatively new and there were no plans to alter this.

1.3 It was agreed that it be recommended to the Director of Community Resources that an un-illuminated driver feedback signal be installed to determine driver behaviour at the location; that a site visit be arranged for those members of the Board who wished to attend; and that the outcome be reported to a future meeting of the Board at which consideration of the petition would be resumed.

- 1.4 The Head of Amenity Services has advised that speed detectors were installed on Shortroods Road from 7 – 18 January 2016. Speeds were measured in both directions. The speed below which 85% of the traffic was travelling was 17 mph, in both directions. The traffic calming measures on Shortroods Road are designed to limit speeds to 20 mph.
- 1.5 The Head of Amenity Services concludes that the recorded speeds show that the traffic calming measures on Shortroods Road are effective and that there is no justification for an intervention to change them.
- 1.6 The principal petitioner has been asked to return in order that the Board may resume consideration of this petition.
- 1.7 The role of the Board is to consider the petition, hear and ask questions of the petitioner and take the appropriate action in respect of the petition which will be one of the following:
- (a) that no action is taken, in which case the reasons will be specified and intimated to the petitioner;
 - (b) that the petition be referred to the relevant director and/or policy board for further investigation, with or without any specific recommendation; or
 - (c) refer the petition to another organisation if the petition relates to that organisation.
-

2. Recommendation

- 1.3. That the Board resumes consideration of the petition.
-

Implications of this report

- 1. Financial Implications – none**
- 2. HR and Organisational Development Implications – none**
- 3. Community Plan/Council Plan Implications – none**
- 4. Legal Implications – none**
- 5. Property/Assets Implications – none**
- 6. Information Technology Implications – none**

7. Equality and Human Rights Implications

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 for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. Health and Safety Implications – none

9. Procurement Implications – none

10. Risk Implications – none

11. Privacy Impact – none

List of Background Papers – none

Author: Anne McNaughton, Senior Committee Services Officer – 0141 618 7104



To: Audit, Scrutiny & Petitions Board

On: 21 March 2016

Report by: Director of Finance & Corporate Services

Heading: PETITION: PARKING BAYS, RENFREW ROAD, PAISLEY

1. Summary

1.1 At its meeting on 25 January 2016, the Board agreed to continue consideration of this petition to await submission of further information.

1.2 A petition, comprising 15 signatures, had been received from Leslie Hunter in the following terms:

"I would like Renfrew District Council to remove the safety hazard caused by the position of parking bays outside by house at 86a Renfrew Road. I would like a Health and Safety assessment of the risk and I would like the pavement to be re-instated and metal bollards on the pavement to prevent on pavement parking."

1.3 At the meeting of this Board held on 25 January 2016, the Head of Amenity Services intimated that the lay-bys should remain. They performed the function for which they were created in 2006, which was to provide a location in the local area that made up for the shortfall in residential and visitor parking while maintaining two free running lanes and a right turn filter lane to West College Scotland (formerly Reid Kerr College). A clear passage was particularly relevant to ensure buses into Paisley along the inside lane of this route were not delayed. Prior to the construction of the lay-bys residents and visitors would park either on the footway creating a danger and obstruction to pedestrians or on the carriageway which created congestion on this main approach into Paisley.

- 1.4 He had also advised that a Traffic Regulation Order (TRO) had been considered. However, as this would have required agreement, through the Statutory TRO process, of those residents along this route who would be displaced and had no feasible alternative parking location, it was not considered viable at that time. The design of the lay-bys and associated private access visibility splays (2m by 20m for a 30 mph restricted road), accord with the former Strathclyde Region Roads Development Guide Section 5.2.4, a document used at that time because it was the most appropriate, there being no relevant Renfrewshire Council guidance available at that time.
- 1.5 The Head of Amenity Services further advises that:
- (a) Although the frontagers are as stated in title deeds owners of the solum of the road, the road and footways adjacent to 86 Renfrew Road, Paisley, are adopted by Renfrewshire Council who are responsible for their maintenance. Therefore, any proposed alteration to adopted roads and footways requires approval by Renfrewshire Council;
 - (b) Accident statistics show there has been no injury accidents for the three year period from January 2012 to December 2014 at this location;
 - (c) Should further evidence be produced showing vehicles parking on the footway at the entrance to the petitioner's driveway then consideration will be given to installing bollards to prevent this;
 - (d) The parking bays in question were provided some years ago in order to remove vehicles which were parking on the road at this location causing congestion on Renfrew Road which is the main arterial route from the M8 Motorway into Paisley Town Centre and there is no justification to support reducing the on-road parking provision at this location; and
 - (e) A site visit took place at 10am on 22nd January 2016.
- 1.6 The petitioner has been asked to return in order that the Board may resume consideration of his petition.
- 1.7 The role of the Board is to consider the petition, hear and ask questions of the petitioner and take the appropriate action in respect of the petition which will be one of the following:
- (a) that no action is taken, in which case the reasons will be specified and intimated to the petitioner;
 - (b) that the petition be referred to the relevant director and/or policy board for further investigation, with or without any specific recommendation; or

- (c) refer the petition to another organisation if the petition relates to that organisation.

2. **Recommendations**

- 2.1 That the Board resumes consideration of this petition.
-

Implications of this report

1. **Financial Implications** – none
2. **HR and Organisational Development Implications** – none
3. **Community Plan/Council Plan Implications** – none
4. **Legal Implications** – none
5. **Property/Assets Implications** – none
6. **Information Technology Implications** – none
7. **Equality and Human Rights Implications**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health and Safety Implications** – none
9. **Procurement Implications** – none
10. **Risk Implications** – none
11. **Privacy Impact** – none

List of Background Papers – none

Author: Anne McNaughton, Senior Committee Services Officer 0141 618 7104



To: Audit, Scrutiny & Petitions Board

On: 21 March 2016

Report by: Director of Finance & Resources

Heading: Petition: Removal of Staff from Recycling Centres

1. Summary

- 1.1 The Council has agreed procedures in relation to the submission of petitions including parameters for determining valid petitions and those areas where petitions would not be valid.
- 1.2 All valid petitions are to be submitted to the Board for consideration and a summary report is to be prepared on any petitions which are not considered to be valid in terms of the procedures and it is for the Board to determine the validity of such petitions.
- 1.3 A petition has been received which relates to the decision to remove staff from recycling centres in Renfrew, Linwood, Johnstone and Erskine.
- 1.4 The Head of Corporate Governance considers that the petition is not valid in terms of the following paragraph of the procedures:

3(b) (x) 'petitions about any decision we have made as a Council, or decisions a board, committee, joint committee or officer has made in the last six months'.

- 1.5 At its meeting on 2 December 2015 the Leadership Board considered a report entitled “Better Council Change Programme” and agreed, among other things, that the proposals outlined in paragraph 3.6 of the report in relation to waste and amenity services be approved. That paragraph includes specific reference to the proposal that the four recycling centres mentioned in the petition are converted to self service “bring sites”, supported by a small mobile staffing resource operated during opening times.
- 1.6 It is for the Board to determine the validity of the petition and whether they wish to hear it.
-

2. Recommendation

- 2.1 That the Board determine the validity of the petition and whether they wish to hear it.
-

Implications of the Report

1. **Financial** – none
 2. **HR & Organisational Development** – none
 3. **Community Planning** – none
 4. **Legal** – none
 5. **Property/Assets** - none
 6. **Information Technology** - none
 7. **Equality & Human Rights** - none
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals’ human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council’s website.
 8. **Health & Safety** - none
 9. **Procurement** - none.
 10. **Risk** - none
 11. **Privacy Impact** - none
-

List of Background Papers

- (a) Council procedures for dealing with petitions.
 - (b) Better Council Change Programme – report dated 02/12/16
-

Author: Anne McNaughton, Senior Committee Services Officer
0141 618 7104 anne.mcnaughton@renfrewshire.gcsx.gov.uk



To: Audit, Scrutiny and Petitions Board

On: 21 March 2016

Report by: Lead Officer

Heading: Review of Ward 15 (Children's Ward) Royal Alexandra Hospital

1. Summary

- 1.1 At its meeting on 30 November 2015, the Audit, Scrutiny and Petitions Board agreed to the recommendations and review programme outlined in respect of providing an informed, evidence-based Council view of any consultation regarding the future of Ward 15 at the Royal Alexandra Hospital in Paisley.
 - 1.2 For resourcing reasons it has been necessary to reallocate the Lead Officer role to Colin Grainger, Service Planning and Policy Development Manager for Community Resources, who assumed the role in late January 2016.
 - 1.3 The following report outlines the progress made by the Lead Officer in terms of taking forward the review, since the last meeting on 25 January. Key areas of activity have included a visit to both Ward 15 at the Royal Alexandra Hospital and the Royal Hospital for Children in South Glasgow, facilitated by NHS Greater Glasgow and Clyde (NHS GGC) on 1 March 2016.
 - 1.4 The lead officer has held discussions with senior managers from NHS GGC indicating the range of information which the Board may wish to consider as part of the review and has confirmed that representation from NHS GGC will be available at a future meeting of the Audit, Scrutiny and Petitions Board.
 - 1.5 In light of these discussions several changes to the timetable are proposed for agreement by the Board as outlined in Appendix 1 below.
-

2. Recommendations

2.1 It is recommended that the Audit, Scrutiny and Petitions Board:

- Notes the progress of the review;
- Agrees the key areas of information to be requested from NHS Greater Glasgow and Clyde;
- Agrees that the Lead Officer should document all views of interested parties through the proposed electronic form mechanism;
- Note that a special meeting of the Audit Scrutiny and Petitions Board be convened in May 2016 which would be attended by representatives from NHS GGC;
- Approves the revised timescales for review programme for Ward 15 (Children's Unit) at the Royal Alexandra Hospital.

3. Progress

Information Gathering - NHS GGC

- 3.1 During January 2016, the Lead Officer role for the review was reallocated to Colin Grainger, for resourcing reasons. The Lead Officer has actively progressed the review programme and agreed actions from previous meetings of the Board.
- 3.2 The Lead Officer met with representatives from NHS Greater Glasgow and Clyde in February 2016, and agreed a visit for members of this board on 1 March to both Ward 15 at the Royal Alexandra Hospital and the Royal Hospital for Children. The visits provided members with an opportunity for see, at first hand, the facilities and services provided at each hospital and to discuss provision with clinicians at both sites.
- 3.4 The provision of information by NHS GGC which is necessary to inform this review has now been discussed and agreed informally by the NHS Board. The key areas of information requested are as follows:
- Data on needs assessment and demand for services in relation to the Renfrewshire area and the wider NHS GGC board area over the past 3 years e.g. demographic projections, admissions, length of stay, A and E attendances, outpatient appointments;
 - Specific data on levels of activity for the new Royal Hospital for Children since its opening e.g. admissions, A and E attendances etc;
 - Staffing information in relation to both the Royal Hospital for Children and Ward 15 at the Royal Alexandra Hospital e.g. staffing numbers, breakdown by professions etc.;
 - All information relating to the options appraisal exercise undertaken as part of the previous review of provision in 2011/12;
 - All information available from the Board in relation to options for travel etc which would be available to families and children travelling to the new Royal Hospital for Children from the Renfrewshire local authority area.
 - Plans for future consultation regarding the future delivery of services from Ward 15 with staff, patients, families and local communities.

- Any quality or inspection related reports for both sites that could be shared with this board.

Inviting individual responses

- 3.5 A range of individuals or groups may wish to feed into the review, providing their own personal view on the provision of services through Ward 15. It is recommended that an electronic form is used to capture this information independently which could be accessed through the Renfrewshire Council website. This would assist the Lead Officer in documenting and gathering the views of all interested parties to the review for consideration by members of the board.

Further updates

- 3.6 In line with an action agreed at the meeting of this board on Monday 25 January 2016, an invitation was extended to Councillor M Macmillan to give evidence on the NHSGG&C Board's view as to the future of Ward 15 at the RAH. Councillor M Macmillan has confirmed to the Lead Officer that he will attend the scheduled Board meeting on Monday 6 June 2016 in line with the timetable for the Board detailed in Section 5.
- 3.7 The Board also agreed that a further investigation was required in respect of travelling costs and the availability of subsidies for assisting parents and carers. Discussions are ongoing with NHSGGC on this matter.

4. Timetable

- 4.1 Provisional timescales for the review were reported on 30 November 2015. As previously reported to Board these have been evolving to reflect progress made to date and to take into account discussions with key organisations such as NHS GGC. Members of the Board are asked to consider a request to schedule a special meeting in May 2015 which would be attended by NHS GGC for more detailed discussion on the services provided by Ward 15, currently and in the future.
- 4.2 Following the recent change of Lead Officer and discussions with NHSGGC a revised timetable has been included at Appendix 1 for the Board's approval.
-

Implications of this report

- 1. Financial Implications – none.**
- 2. HR and Organisational Development Implications – none.**
- 3. Community Plan/Council Plan Implications – none.**
- 4. Legal implications – none.**
- 5. Property and Assets implications – none.**
- 6. Information Technology implications – none.**
- 7. Equal & Human Rights implications –** The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
- 8. Health and Safety implications – none.**
- 9. Procurement implications – none.**
- 10. Risk implications – none.**
- 11. Privacy impact – none.**

Author: Colin Grainger, Service Planning and Policy Development Manager

Tel: 0141 618 7199

Email: colin.grainger@renfrewshire.gcsx.gov.uk

List of background papers: None

Appendix 1 Revised Timetable

| Board Date | Action | Individuals and Organisations |
|----------------------------|--|--------------------------------------|
| 30 November 2015 | Scoping Paper submitted to Audit, Scrutiny and Petitions Board for approval. | |
| 25 January 2016 | Establish picture of Ward 15 (Children's Ward) within Royal Alexandra Hospital. | Community groups e.g. KNOW campaign. |
| 21 March 2016 | Update on progress and revision of timetable for review | Lead Officer |
| 25 April 2016 | Hear views of service users and members of the community. Consider written information requested from NHS Greater Glasgow and Clyde | |
| May 2016 (to be confirmed) | Presentation by NHSGGC on potential option appraisal for the future of Ward 15. | NHS Greater Glasgow & Clyde |
| 6 June 2016 | Hear evidence from Councillor M. MacMillan on the NHSGG&C Board's view on the future of Ward 15 at the RAH | |
| | Summary report feedback from service users and members of the community | |
| 19 September | Submit final draft "Review of Ward 15 (Children's Ward) Royal Alexandra Hospital" | |

