

## Notice of Meeting and Agenda Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 18 March 2024	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN  
Head of Corporate Governance

### Membership

Councillor Andy Doig (Convener):

Councillor Jennifer Adam: Councillor Chris Gilmour: Councillor John Gray: Councillor Lisa-Marie Hughes: Councillor Robert Innes: Councillor James MacLaren: Councillor Janis McDonald: Councillor Ben Smith:

### Hybrid Meeting

Please note that this meeting is scheduled to be held in the Council Chambers. However, it is a hybrid meeting and arrangements have been made for members to join the meeting remotely should they wish.

### Webcasting of Meeting

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

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

### 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 <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please email

[democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk)

## **Apologies**

Apologies from members.

## **Declarations of Interest and Transparency Statements**

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

## **AUDIT**

- |          |  |                |
|----------|--|----------------|
| <b>1</b> | <b>Annual Internal Audit Plan 2024/25</b>  | <b>1 - 16</b>  |
|          | Report by Chief Auditor.   |                |
| <b>2</b> | <b>External Audit Plan 2023/24</b>   | <b>17 - 66</b> |
|          | Report by Director of Finance & Resources.   |                |
| <b>3</b> | <b>Internal Audit Review of Compliance with the Local Code of Corporate Governance</b> | <b>67 - 70</b> |
|          | Report by Chief Auditor.   |                |

## **MONITORING & REVIEWING SERVICE DELIVERY PERFORMANCE POLICIES AND PRACTICE**

- |          |  |                  |
|----------|--|------------------|
| <b>4</b> | <b>Actions Monitoring Report - Dargavel Primary School Independent Review and Accounts Commission Section 102 Report for School Accommodation for Dargavel Village</b> | <b>71 - 118</b>  |
|          | Report by Chief Executive.   |                  |
| <b>5</b> | <b>Audit Scotland Report - Renfrewshire Council - Housing Benefit Performance Audit</b>  | <b>119 - 148</b> |
|          | Report by Director of Finance & Resources.   |                  |

<b>6</b>	<b>CIPFA Audit Committee Guidance – Self Assessment and Action Plan</b>	<b>149 - 174</b>
	Report by Director of Finance & Resources.	
<b>7</b>	<b>Annual Report on the Compliance with the Code of Corporate Governance</b>	<b>175 - 214</b>
	Report by Chief Executive.	
<b>8</b>	<b>Audit Scotland report – Local Government in Scotland Financial Bulletin 2022/23</b>	<b>215 - 252</b>
	Report by Director of Finance & Resources.	
<b>9</b>	<b>Absence Statistics – Quarter 3 of 23/24</b>	<b>253 - 258</b>
	Report by Director of Finance & Resources.	

## **ANNUAL PROGRAMME**

<b>10</b>	<b>Audit, Risk &amp; Scrutiny Request for Review in Relation to Possible Closure of Police Stations Within Renfrewshire</b>	<b>259 - 262</b>
	Report by Director of Finance & Resources.	
<b>11</b>	<b>Audit Risk &amp; Scrutiny Request for Review of Street Lighting Within Renfrewshire</b>	<b>263 - 270</b>
	Report by Director of Finance & Resources.	
<b>12</b>	<b>Neighbour Disputes - Lead Officer Roz Smith</b>	<b>271 - 284</b>
	Report by Lead Officer.	

## **AUDIT EXEMPT**

### **EXCLUSION OF PRESS AND PUBLIC**

**The Board may by resolution exclude the press and public from the meeting during consideration of the following items of business as it is likely, in view of the nature of the business to be transacted, that if members of the press and public are present, there could be disclosure to them of**

**exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Local Government (Scotland) Act, 1973.**

### **Exempt Item**

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

## **13 Summary of Outstanding Internal Audit Recommendations**

Report by Chief Auditor.





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

**On: 18 March 2024**

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**Report by: Chief Auditor**

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**Heading: Annual Internal Audit Plan 2024/2025**

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## 1. Summary

- 1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2024/25 has been developed. The audit plan takes into account the outcomes of the internal corporate 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 2024/25:
- Consultation with all Directors and their senior management teams,
  - Consultation with senior management from the associate bodies;
  - Benchmarking with other Local Authorities;
  - Review of strategic and corporate risk registers;
  - Cumulative audit knowledge and experience;
  - Review of key external audit and inspection reports.
- 1.3 The total available resource is 1086 days, the operational audit time available for 2023/24 has been identified as 856 days (79%). The remaining 230 days (21%) relates to training, service development, administration and management. Coverage of the plan is achieved through the use of in-house staff and where relevant, commissions from other providers.

- 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.
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## 2. **Recommendations**

- 2.1 Members are asked to approve the content of the risk based audit plan for 2024/25.
- 2.2 Members are asked to note that the progress of the 2024/25 annual audit plan and summaries of the findings from each audit assignment will be reported to the Board on a quarterly basis.
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## **Implications of the Report**

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community Planning – Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The subject matter of this report is the risk based Audit Plan for 2024 –2025



11. **Privacy Impact – None**
12. **COSLA Implications - None**

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**Author** Andrea McMahon, Chief Auditor



# Annual Internal Audit Plan 2024/25



## Finance & Resources Internal Audit

Date	March 2024	



# Renfrewshire Council

## Annual Internal Audit Plan 2024/25

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# 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 2024/25 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) Strategic and Corporate Risk Register.
Consultation	(3) 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.
	(4) Senior Management from the Associate Bodies and One Ren have been consulted to ascertain their priorities and risks.
	(5) The Chief Executive has been consulted on what he sees as the council's priority and risk areas for the forthcoming year.
	(6) Feedback from, and the expectations of, the Audit, Risk and Scrutiny Board are identified through the regular meetings with the members of the board.
	(7) The Chief Auditor has met with the local External Audit team to ascertain their approach to the statutory audit where assurance on key internal controls could be provided to avoid any duplication of effort.
Benchmarking	(8) Other Local Authority internal audit plans.
	(9) Discussion with other Chief Auditors through the Scottish Local Authority Chief Auditors Group.
Review of key internal reports	(10) Renfrewshire's Council Plan 2022 -2027
	(11) The results of internal audit work in 2023/24 and in previous years.
	(12) Review of the results of the Business as Usual risk assurance modules.
Review of key external reports	(13) External Audit's - Report to Members and the Controller of Audit on the 2022/23 Audit.
	(14) Audit Scotland: Best Value reports issued during 2023/24.

1.2 On the basis of the above, the audit engagements planned for 2024/25 are set out in Appendix 1, 2 and 4, for the Council, Associate Bodies and the Integration Joint Board 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 2023/24 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.
- 1.6 The internal audit service is delivered and developed in accordance with its purpose which, as set out in the Internal Audit Charter, is to provide assurance by independently reviewing the council's risk management, control and governance processes.

## 2. The current business environment and key risk areas

- 2.1 The audit plan detailed in Appendix 1 has been developed to support the achievement of the council's objectives and the challenges we face in achieving those objectives. The key challenges included in the planned audit work are detailed below.

### (1) Financial Challenges

Our organisation faces an unprecedented financial challenge to make significant savings after many years of already delivering substantial efficiencies and reduction in our spending. Alongside this, our communities are experiencing a cost-of-living crisis and the demand for our services is higher than ever before. Therefore, the financial outlook continues to be subject to significant and regular scrutiny. The 2024/25 audit plan includes time for reviewing:

- financial planning;
- non-domestic rates; and
- payroll.

### (2) Learning from Dargavel

The Council has been subject to criticism regarding errors made during planning and delivery of Dargavel Primary School. As a result, there has been significant scrutiny of our arrangements arising from the independent review (Bowles Report), from our external auditors and from the Accounts Commission under s102 (1) of the Local Government (Scotland) Act 1973. The Council has developed an action plan to address the recommendations made which is subject to regular reporting to the Audit, Risk and Scrutiny Board. The 2024/25 audit plan includes time for reviewing:

- governance of the learning estate development programme;
- project and programme management; and
- risk management

### (3) Tackling Inequalities

The Council plays a key role in tackling inequalities and providing the best possible services to our communities, particularly those who are experiencing the poorest outcomes. The current cost of living crisis impacts disproportionately on particular groups in society. The Council is committed to supporting people on low incomes to maximise income and seek advice with income and debt management. The 2024/25 audit plan includes time for reviewing:

- council tax reduction; and
- community grants

#### (4) Public Protection

Public protection is a wide-ranging agenda relating to the protection of vulnerable people, communities, businesses and organisations. The 2023/24 audit plan includes time for reviewing:

- child protection;
- housing adaptations;
- fostering and adoption; and
- Eclipse system.

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, are identified through the council's corporate risk management process. Subject to the overall flexibility of the Audit Plan, priority will be given to audit engagements which impact on the council's strategic and corporate risks.

### 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 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 full time equivalent employees plus 60 days to be provided from other service providers. The internal audit team is appropriately resourced with 4 qualified and 2 non-qualified staff. 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 other audit service providers where appropriate. Where engagements are undertaken by the other audit service providers, these can provide an opportunity for benchmarking and training and development. Sufficient resources are available to engage specialist contractors where necessary to address any specific risks faced by the council.

3.4 The total available resource is 1086 days; the operational audit time available for 2024/25 has been identified as 856 days (79%). The remaining 230 (21%) days relates to training, service development, administration and management. Resources are assessed as being sufficient to provide an evidenced based opinion.

3.5 The following paragraphs provide an overview of how the audit time has been allocated to audit categories for the Council and the Associated Bodies we provide services to. 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 2023/24 is given for comparative purposes.

Category of audit	2023/24		2024/25	
	Planned Days	% of Operational Time	Planned Days	% of Operational Time
GOVERNANCE	96	10%	51	6%
ASSURANCE	391	42%	374	44%
CONTINGENCY <sup>note 1</sup>	319	34%	293	34%

AUDIT PLANNING / REPORTING	134	14%	138	16%
<b>TOTAL OPERATIONAL TIME</b>	<b>940</b>	<b>100%</b>	<b>856</b>	<b>100%</b>

**Table 1**

**Notes**

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

Activity	2023/24		2024/25	
	Planned Days	% of Non - operational Time	Planned Days	% of Non - operational Time
TRAINING	63	26%	56	24%
STRATEGIC MANAGEMENT	16	7%	16	7%
TEAM ADMINISTRATION	96	39%	89	39%
DEVELOPMENT <sup>note 1</sup>	69	28%	69	30%
<b>TOTAL NON-OPERATIONAL TIME</b>	<b>244</b>	<b>100%</b>	<b>230</b>	<b>100%</b>

**Table 2**

**Notes**

1. This category includes time allocated to development activities to support continuous improvement activities.

#### 4. Governance (6% of operational time)

- 4.1 Internal Audit must evaluate the risk exposures relating to the council's and associate bodies governance arrangements. 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 and 2, Part A in respect of the current year, with a total of 51 days being allocated to these engagements for 2024/25.

#### 5. Assurance (44% 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, Risk and Scrutiny Board. The engagements within this category also form the basis for the Chief Auditor's annual opinions and support the annual governance statements. For each engagement internal audit will consider whether there are any available external sources of assurance can be relied upon to deliver the plan. 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 and 2, Part B in respect of the current year, with a total of 374 days being allocated to these engagements for 2024/25.

#### 6. Contingency (34% of operational time)

- 6.1 This category includes time allocations for finalisation of the 2023/24 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 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 and 2, Part C details the indicative time of 293 days allocated across the contingency heading.

- 6.3 Should more time be available this will be added to the contingency budget and will be used to deliver audit reviews from the reserve list detailed on Appendix 1, Part E.

## **7. Audit Planning / Reporting (16% of operational time)**

- 7.1 This category includes annual planning activity and reporting arrangements to the Corporate Management Team and the Audit, Risk and Scrutiny Board, the Integration Joint Board Audit, Risk and Scrutiny Board and the Boards of the other bodies we provide internal audit services to under a service level agreement. Appendix 1 and 2, Part D details the time of 138 days allocated to planning and reporting activities.

## **8. Analysis of Plan by Service**

- 8.1 Appendix 3 shows the amount of operational audit time allocated to individual services in 2024/25 and compares it to the planned days for 2023/24.
- 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.

## **9. Conclusion**

- 9.1 The annual internal audit plan for 2024/25, 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 is 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. The Audit, Risk and Scrutiny Board will be requested to approve any necessary changes.

**Chief Auditor**  
**March 2024**

Renfrewshire Council Internal Audit Annual Plan 2024/25

Entity	Engagement Title	Service	Days Allocated
<b>Part A – Governance</b>			<b>46</b>
Corporate Governance	Corporate Governance Framework	Corporate - All Services	6
Corporate Risk Management	Risk Management	Finance & Resources	20
Project & Programme Governance	Governance of the Learning Estate Investment Programme	Children's Services	20
<b>Part B – Assurance</b>			<b>291</b>
Follow Up	Follow Up	Corporate - All Services	38
Waste Management	Household Waste Recycling	Environment, Housing & Infrastructure	20
Catering Operations	Management of Allergens in Schools	Environment, Housing & Infrastructure	25
Housing Grants	Housing Adaptations	Environment, Housing & Infrastructure	20
Community Engagement and Services	Community Grants	Chief Executive's	20
ICT Delivery & Support	Eclipse Application Review	Adult Services	20
Non-Domestic Rates	Non-Domestic Rates	Finance & Resources	15
Housing Benefit & Council Tax Reduction	Council Tax Reductions	Finance & Resources	20
Financial Sustainability	Financial Planning	Finance & Resources	25
Housing Assurance Statement	Housing Assurance Statement	Environment, Housing & Infrastructure	8
Payroll	Payroll	Finance & Resources	20
Child Protection	Child Protection	Children's Services	20
Fostering and Adoption	Fostering Arrangements – short term and permanency planning	Children's Services	20
Programme Management	Project Management	Corporate – All Services	20
<b>Part C – Contingency</b>			<b>286</b>
Contingency	Contingency	Corporate - All Services	124

Entity	Engagement Title	Service	Days Allocated
Contingency	Corporate Groups	Corporate - All Services	25
Contingency	Investigations	Corporate - All Services	137
<b>Part D – Planning &amp; Reporting</b>			<b>115</b>
Planning & Reporting	Planning & Reporting	Corporate - All Services	115
<b>Part E – Prioritised Reserve List</b>			<b>120</b>
Policy and Procedures	Job Evaluation	Finance & Resources	20
ICT Delivery and Support	Infrastructure as a Service – Contract Management	Finance & Resources	20
Licencing	Licencing	Finance & Resources	20
Client Financial Assessment and Charges	Financial Assessments	Adult Services	20
Adult Protection	Transition Arrangements	Children’s / Adult Services	20
Legislation Management	Community Asset Transfers	Chief Executive’s	20

Other Bodies Internal Audit Annual Plan 2024/25

Entity	Engagement Title	Service	Days Allocated
<b>Part A – Governance</b>			<b>5</b>
Integration Joint Board – Governance Arrangements	Corporate Governance Framework	Integration Joint Board	5
<b>Part B – Assurance</b>			<b>83</b>
SE – Contract Monitoring	Contract Delivery Plan	Scotland Excel	20
OneRen – Other Systems	Sports Services Booking Processes	OneRen	15
OneRen – Other Systems	Libraries – Performance Management	OneRen	8
IJB – Other Systems	Financial Planning	Integration Joint Board	20
RVJB – Valuation System	Non-Domestic Rates	RVJB	20
<b>Part C – Contingency</b>			<b>7</b>
Contingency	Contingency	All Associate Bodies	7
<b>Part D – Planning &amp; Reporting</b>			<b>23</b>
Planning & Reporting	Planning & Reporting	All Associate Bodies	23

## Appendix 3

### Analysis by Service

Service	2023/24		2024/25	
	Planned Days	% of Operational Time	Planned Days	% of Operational Time
All Services <sup>note 1</sup>	612	65%	465	54%
Chief Executive's Service	20	2%	20	2%
Finance & Resources	55	6%	100	12%
Children's Services	40	4%	60	7%
Adult Services	0	0%	20	2%
Environment, Housing & Infrastructure	93	10%	73	9%
<b>COUNCIL TOTAL</b>	<b>820</b>	<b>87%</b>	<b>738</b>	<b>86%</b>
Scotland Excel	30	3%	25	3%
Clydeplan	4	0%	2	0%
Renfrewshire Valuation Joint Board	25	3%	25	3%
Renfrewshire Health & Social Care Integration Joint Board (Appendix 4)	35	4%	40	5%
OneRen	26	3%	26	3%
<b>TOTAL</b>	<b>940</b>	<b>100%</b>	<b>856</b>	<b>100%</b>

#### Notes

- 1 Planned time includes, Follow up Audit, 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

## Appendix 4

### Annual Audit Plan 2024/25 – Integration Joint Board

Audit Category	Engagement Title	No. of days	Detailed work
Governance	Local Code of Corporate Governance	5	Annual review of the adequacy and compliance with the Local Code of Corporate Governance to inform the governance statement.
Assurance	Financial Planning	20	The purpose of the audit is to review the arrangements in place for financial planning and managing the financial risks.
Planning & Reporting	Annual Plan, Annual Report and Audit Committee annual assessment, reporting & Training	12	The Chief Internal Auditor is required to prepare an annual plan and annual report for the Audit Committee, summarising the work undertaken by Internal Audit during the year and using this to form an opinion on the adequacy of the control environment of the IJB. Time is also available to facilitate the annual assessment against the CIPFA position statement on Audit Committees.
Contingency	Ad-hoc advice and Consultancy	3	Time for advice and consultancy on relevant priorities and risks or change related projects and following up on the implementation of internal audit recommendations.



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

**On:** 18 March 2024

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

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**Heading:** External Audit Plan 2023/24

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## 1. **Background**

- 1.1 The Council's appointed external auditor, Azets, has submitted an Audit Plan that outlines its approach to the audit of the 2023/24 annual accounts of the Council and the Coats Observatory Trust. The audit will assess whether the accounts provide a true and fair view of the Council and Trust's financial positions and also whether they have been prepared in accordance with proper accounting practice, i.e. the 2022 Code of Practice on Local Authority Accounting in the UK.
- 1.2 The Audit Plan also outlines the responsibilities of the Council and of Azets; its assessment of key challenges and risks and the approach and timetable for completion of the audit.
- 1.3 The statutory deadline for the approval of the audited accounts for 2023/24 is 30 September 2024 and the annual audit report is planned to be reported to the Audit, Risk and Scrutiny Board at its meeting on 26 September 2024.
- 1.4 On page 33 of the Audit Plan, the proposed audit fee is detailed. For the Council, this is indicated at £469,344 for the 2023/24 audit, and represents an increase of 6% above the previous year audit fee.
- 1.5 The expected audit fee is reviewed by Audit Scotland each year. The 2023/24 expected audit fee is based on applying a 6% increase to the 2022/23 fee. This increase is applied on a sector basis and reflects the conditions of the public sector market.

- 1.6 On page 34 of the Audit Plan, the proposed audit fee for the Coats Observatory Trust for 2023/24 is indicated at £6,360 which also represents 6% increase in line with Audit Scotland's approach.
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2. **Recommendations**

- 2.1 Members are asked to note the content of the attached report, including the proposed audit fees for the Council and the Coats Observatory Trust.
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## Implications of the Report

1. **Financial** – An unqualified audit opinion demonstrates that the Council has effective systems of internal control in place. The audit fee is set by Audit Scotland, with some discretion afforded to local audit teams. The proposed audit fee for the Council for 2022/23 is £469,344 and for the Coats Observatory Trust it is £6,360.
2. **HR & Organisational Development** – None arising directly from this report.
3. **Community Planning** – None arising directly from this report.
4. **Legal** – An audit opinion free from qualification demonstrates compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973.
5. **Property/Assets** – None arising directly from this report.
6. **Information Technology** – None arising directly from this report.
7. **Equality & Human Rights** - None arising directly from this report.
8. **Health & Safety** – None arising directly from this report.
9. **Procurement** – None arising directly from this report.
10. **Risk** – the audit plan highlights audit issues and risks, and the approach that Azets will adopt in seeking assurance that these risks are being managed.
11. **Privacy Impact** – None arising directly from this report.
12. **COSLA Policy position** – None arising directly from this report.
13. **Climate Risk** – None arising directly from this report.

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**Author:** Christine McCourt, Head of Finance and Procurement

# Renfrewshire Council

## External Audit Annual Plan 2023/24

March 2024



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# Introduction

This audit plan highlights the key elements of our proposed audit strategy and provides an overview for those charged with governance of the planned scope and timing of the statutory external audit of Renfrewshire Council (“the Council”), including the charitable trust administered by the Council for the year ended 31 March 2024.

Our audit work will cover:

- an audit of the 2023/24 annual accounts for the Council and its group and the charitable trust;
- follow up work on the section 102 report by the Accounts Commission on the school accommodation for Dargavel village;
- consideration of the wider scope areas of public audit work;
- consideration of the Council’s arrangements to secure Best Value;
- consideration of the Council’s arrangements for the collection and publication of statutory performance information in accordance with the Accounts Commission direction;
- an audit of grant claims and returns, including Whole of Government Accounts (as applicable); and
- any other work requested by Audit Scotland.

## Adding value through the audit

All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Council through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

## Feedback

If there are any elements of this audit plan to which you do not agree or you would like to discuss, please let us know as soon as possible.

Any comments you may have on the service we provide, the quality of our work, and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

This plan has been prepared for the sole use of those charged with governance and management and should not be relied upon by third parties. No responsibility is assumed by Azets Audits Services to third parties.

## Openness and transparency

This report will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

# Audit scope and general approach

## Responsibilities of the auditor and the Council

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

Auditor responsibilities are derived from statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, the Code of Audit Practice and guidance from Audit Scotland.

The Council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The Council is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

Appendix 1 provides further detail of both our responsibilities and those of the Council.

## Risk-based audit approach

We follow a risk-based approach to the audit that reflects our overall assessment of the relevant risks that apply to the Council. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

<b>Discussions with senior officers</b>	<b>Our understanding of the sector, its key priorities and risks</b>	<b>Attendance &amp; observing the Audit, Risk and Scrutiny Board</b>
<b>Guidance from Audit Scotland and the Accounts Commission</b>	<b>Discussions with Audit Scotland and public sector auditors</b>	<b>Discussions with internal audit and review of its plans and reports</b>
<b>Review of the Council's corporate strategies and plans</b>	<b>Review of the Council's corporate risk register</b>	<b>Consideration of the work of other inspection bodies</b>
<b>Consideration of any relevant self-evaluation activity by the Council</b>	<b>Participation in the Local Area Network (LAN) / Shared Risk Assessment process</b>	<b>Outcomes of prior year audits and s102 report</b>

Planning is a continuous process and our audit plans are updated during the course of our audit to take account of developments as they arise.

## Communication with those charged with governance

Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through the Audit, Risk and Scrutiny Board.

## Professional standards and guidance

We perform our audit of the financial statements in accordance with International Standards on Auditing UK (ISAs (UK)), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

## Partnership working

We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

Our Audit Scotland appointments include Renfrewshire Council, Renfrewshire Valuation Joint Board, Scotland Excel, Clydeplan and the Coats Observatory Trust.

Where practicable and appropriate we will share knowledge to generate efficiencies in the delivery of our audits.

### **Audit Scotland**

Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps identify common priorities and risks, treat issues consistently across the sector, and improve audit quality and efficiency. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Audit Scotland undertakes national performance audits on issues affecting the public sector. We may review the Council's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We also consider the extent to which the Council uses the national performance reports as a means to help improve performance at the local level.

During the year we may also be required to provide information to Audit Scotland to support the national performance audits.

### **Shared risk assessment and joint scrutiny planning**

The Shared Risk Assessment (SRA) process is a vehicle for scrutiny bodies to share intelligence and agree scrutiny risks at councils. A local area network (LAN) has been established for each council in Scotland which comprises representatives from the main local government scrutiny bodies. The LAN is led by external audit and meet as and when is considered appropriate.

### **Internal Audit**

As part of our audit, we consider the scope and nature of internal audit work and look to minimise duplication of effort, to ensure the total audit resource to the Council is used as efficiently and effectively as possible.

## **Delivering the audit**

### **Hybrid audit approach**

We intend to adopt a hybrid approach to our audit which combines on-site visits with remote working; learning from the better practices developed during the pandemic.

All of our people have the equipment, technology and systems to allow them to work remotely or on-site, including secure access to all necessary data and information.

All of our staff are fully contactable by email, phone call and video-conferencing. Meetings can be held over Microsoft Teams or by telephone.

We employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.



### **Secure sharing of information**

We use a cloud-based file sharing service that enables users to easily and securely exchange documents and provides a single repository for audit evidence.

### **Regular contact**

During the 'fieldwork' phases of our audit, we will arrange regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

### **Signing annual accounts**

Audit Scotland recommends the electronic signing of annual accounts and uses a system called DocuSign.

Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location and there is no longer a need for duplicate copies to be signed.

## **Approach to audit of the annual accounts**

Our objective when performing an audit of the annual accounts is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and to issue an auditor's report that includes our auditor's opinion.

As part of our general approach, we will:

- perform risk assessment procedures including updating our understanding of the entity and its environment, the financial reporting framework and system of internal control;
- review the design and implementation of key internal controls;
- identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement level and the assertion level for classes of transaction, account balances or disclosures;
- design and perform audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and
- exercise professional judgment and maintain professional scepticism throughout the audit recognising that circumstances may exist that cause the financial statements to be materially misstated.

## **Materiality**

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud and respective responsibilities for prevention and detection of fraud.

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both.

The Council maintains three Common Good funds, which were deregistered as charities during 2022/23 and do not require a separate audit opinion. However, we set out separate materiality levels for these funds as these will be specifically covered by the Renfrewshire Council auditor's opinion and are shown as a separate statement in the Council's financial statements.

The basis for our assessment of materiality is set out in [Appendix 2](#).

## Accounting systems and internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work, we consider certain internal controls relevant to the preparation of the financial statements such that we are able to design appropriate audit procedures. However, this work is not for the purpose of expressing an opinion on the effectiveness of internal controls.

We will report to the Council, significant deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of sufficient importance to merit being reported. The scope of our work is not designed to be an extensive review of all internal controls.

## Specialised skill or knowledge required to complete the audit procedures

Our intended audit approach is to consult internally with our Technology Risk team for them to support the audit team in assessing the information technology general controls (ITGC).

## Going concern

The concept of going concern applies in the public sector but in a different way to the private sector. In many public sector entities (but not all), the use of going concern basis of accounting is not a significant matter because the applicable financial reporting framework envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For many public sector entities, the financial sustainability of the entity is more likely to be of significant public interest that the application of the going concern basis. Our wider scope audit work considers the financial sustainability of the Council.

## Group audit scope and risk assessment

As Group auditor under ISA (UK) 600 we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Our planning assessment has identified the following Group entities in scope of the group audit considerations:

Component	Significant	Level of response required
Renfrewshire Leisure Ltd	No	Analytical
Common Good Funds	No	Analytical
Paisley Museum Reimagined Ltd	No	Analytical
Park Lane Developments (Renfrewshire) LLP	No	Analytical
Coats Observatory Trust	No	Analytical
Strathclyde Partnership for Transport	No	Analytical

Component	Significant	Level of response required
Strathclyde Concessionary Travel Scheme Joint Committee	No	Analytical
Renfrewshire Valuation Joint Board	No	Analytical
Renfrewshire Health and Social Care Integration Joint Board	No	Analytical

**Analytical** - the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level.

### Risks at the component-level

We will review the appropriateness of the Group entities during our audit. At this stage of our audit cycle we have not identified any risks in each component.

## Prevention and detection of fraud or error

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular, we require to be notified of all frauds which:

- involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control;
- are over £5,000.

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

## National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a biennial counter fraud exercise led by Audit Scotland working together with a range of Scottish public bodies, external auditors and overseen by the Cabinet Office for the UK as a whole. The most recent NFI exercise commenced in 2022 and most matches should have been investigated by 30 September 2023. As part of our 2023/24 audit, we will monitor the Council's participation and progress in the NFI.

## Anti-money laundering

We require the Council to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

## Correspondence

People or organisations write to Audit Scotland because they have concerns about an issue within a public body that falls under the remit of the Auditor General or the Accounts Commission. An issue of concern may be something such as a breakdown in financial management or governance arrangements.

The key factor in determining whether Audit Scotland examines an issue is the relevance of the issue to Audit Scotland's role and functions. Audit Scotland and appointed auditors will make this judgement using their professional and technical knowledge.

## Wider audit scope work

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability. [Appendix 1](#) provides detail of the wider scope areas of public sector audit work. Our initial risk assessment and scope of work planned for 2023/24 is outlined in the '[Wider Scope](#)' section of this plan.

## National risk assessment

Where particular areas of national or sectoral risk have been identified by the Auditor General, they will request auditors to consider and report on those risks as they apply at a local level. For 2023/24 no such risks have been specified.

### Climate change

In 2022/23 we were required to gather information on the Council's response to climate change. The information is due to be analysed centrally by Audit Scotland to draw conclusions that can be used to determine an appropriate course of action over the period of audit appointment. The information will not be available until later in the year and therefore we have no specific actions on climate change for 2023/24.

For information, Audit Scotland centrally intends to carry out the following activities related to climate change in the short term:

- An overall approach to auditing climate change will be developed.
- A central review of disclosures related to climate change in public bodies' 2022/23 annual accounts will be carried out and shared in a Good Practice Note.

- Audit Scotland will continue to participate in discussions around the development and implementation of new climate change financial reporting standards and will keep auditors apprised of progress.

## Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Under the Code of Audit Practice, the audit of Best Value in councils is fully integrated within the annual audit work performed by appointed auditors. We are required to evaluate and report on the performance of councils in meeting their Best Value duties. There are five aspects to our work:

1. **Follow up:** our work will follow up on Accounts Commission findings, Controller of Audit recommendations and any outstanding improvement actions reported in Best Value Assurance Reports, Best Value thematic reports and Annual Audit Reports. Our work will reflect the Council's self-assessment against outstanding improvement actions and our findings will be based on the Council's current arrangements for delivering best value.
2. **Risk based approach to Best Value themes:** We pay due regard to the Council's arrangements in respect of the seven Best Value themes in identifying any significant risks.
3. **Assessing the effectiveness of performance reporting:** the best value theme, effective use of resources, includes an expectation that councils report effectively on their performance. Councils should be able to demonstrate a trend of improvement over time in delivering their strategic priorities. Specifically in respect of assessing the effectiveness of performance reporting we will consider:

### Reporting service performance

- the Council's assessment of progress against its service priority measures in 2023/24 and over time.
- what the Council is reporting on its relative performance in 2023/24 and over time (from the Local Government Benchmarking Framework and other information used locally).
- The effectiveness of Council processes for reporting and scrutiny of performance against its priorities.

### Continuous improvement

- the Council's arrangements to demonstrate continuous improvement in how they deliver their priority services.

## Statutory performance information

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. This responsibility links with the Commission's Best Value audit responsibilities. In turn, councils have their own responsibilities, under their Best Value duty, to report performance to the public. The Accounts Commission issued a new Statutory Performance Information Direction in December 2021 (applies for the three years from 2022/23) which requires a council to report its:

- Performance in improving local public services (including those provided with its partners and communities), and progress against agreed desired outcomes (SPI 1). The Commission expects this reporting to allow comparison both over time and with other similar bodies (drawing on the Local Government Benchmarking Framework and / or other benchmarking activities)
- Own assessment and audit, scrutiny and inspection body assessments of how it is performing against its duty of Best Value, and how it has responded to these assessments (SPI 2).

As external auditors we are required to satisfy ourselves that the Council has made proper arrangements for preparing and publishing the statutory performance information in accordance with the Direction. We will evaluate the effectiveness and appropriateness of the arrangements at the Council, including assessing the appropriateness of the information provided to members in responding to the Direction.

4. **Thematic reviews:** we are required to report on Best Value or related themes prescribed by the Accounts Commission. The thematic work for 2023/24 is on the workforce innovation and will involve auditors considering how councils are responding to the current workforce challenge through building capacity, increasing productivity and innovation. We will report our conclusions in a separate report which will be presented to those charged with governance and published on Audit Scotland's website.
5. **Contributing to Controller of Audit reports:** The Controller of Audit reports to the Accounts Commission on each council's performance in meeting its Best Value duties at least once over the five year audit appointment. The report is a summary of information and judgements reported by each auditor.

When considering the s102 report on Dargavel school provision the Accounts Commission has also requested to bring forward Renfrewshire Council's Best Value report from 2027 to 2024, or at the latest early 2025. As a result we will perform this work during 2024/25 and plan to report the outcomes from our review of the Council's Best Value arrangements by end December 2024.

## Section 102 School accommodation for Dargavel Village - Follow Up Review

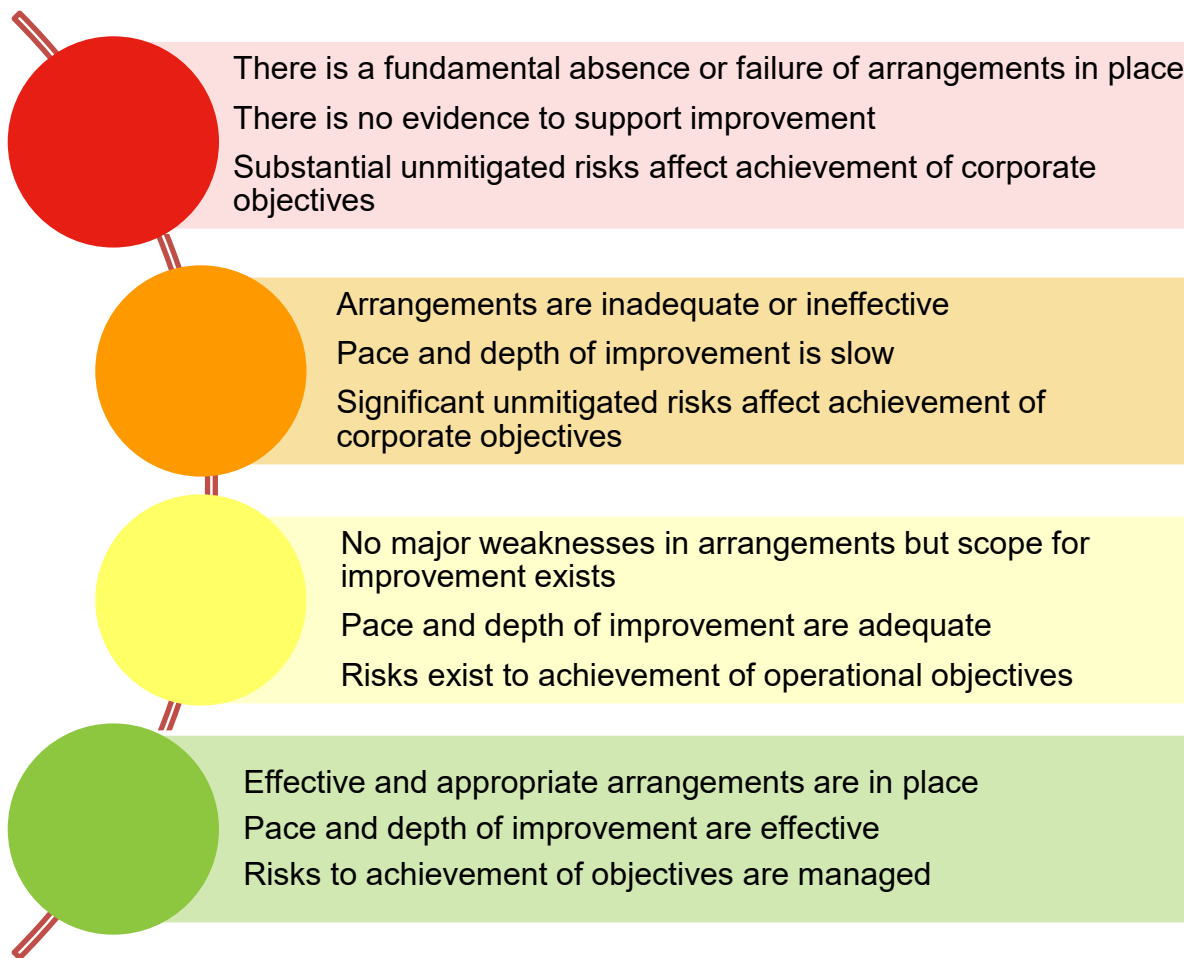
In January 2024 the Accounts Commission (“the Commission”) considered the S102 report by the Controller of Audit on School Accommodation for Dargavel Village. Following this, the Commission has requested that the Controller of Audit provides an update on the Council’s progress in responding to the Commission’s findings no later than June 2024. The Controller of Audit’s report will largely be informed by the work of the audit team and a proposed programme for that work has been developed with an aim to start the review in February 2024.

### Reporting our findings

At the conclusion of the audit we will issue:

- an independent auditor’s report setting out our formal audit opinions within the annual accounts
- an annual audit report describing our audit findings, conclusions on key audit risks, judgements on the pace and depth of improvement on our audit of wider scope and best value areas and any recommendations.





# Financial statements – significant audit risks

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

## Significant risks at the financial statement level

The table below summarises the significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
<p><b>Management override of controls</b></p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.</p> <p><b>Risk of material misstatement: Very High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.</li> <li>• Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals.</li> <li>• Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and to ensure</li> </ul>

Identified risk of material misstatement	Audit approach
	<p>approval has been undertaken in line with the Council’s journals policy.</p> <ul style="list-style-type: none"> <li>• Gaining an understanding of the accounting estimates and critical judgements made by management. We will challenge assumptions and consider the reasonableness and indicators of bias which could result in material misstatement due to fraud.</li> <li>• Evaluating the rationale for any changes in accounting policies estimate or significant unusual transactions.</li> </ul>

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

The table below summarises the significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
<p><b>Fraud in revenue recognition</b></p> <p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements).</p> <p>The presumption is that the Council could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end rather than the full year population.</p> <p>In respect of council tax income, non-domestic rates, housing rents and non-ring fenced government grants, however, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate these revenue streams. The risk of fraud in relation to revenue recognition is however present in all other revenue streams with the focus on cut-off.</p> <p>This is a significant risk and Key Audit Matter for the audit.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Revenue (occurrence / cut-off): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating the significant income streams and review the controls in place over accounting for revenue.</li> <li>• Considering of the Council's key areas of income and obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Substantively testing a sample of income items.</li> </ul>

Identified risk of material misstatement	Audit approach
<p><b>Fraud in non-pay expenditure</b></p> <p>As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of expenditure around the year end rather than the full year population.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Non-pay expenditure (occurrence / cut-off): High</b></li> <li>• <b>Accruals (existence / completeness): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating the significant non-pay expenditure streams and reviewing the controls in place over accounting for expenditure.</li> <li>• Considering of the Council's key areas of expenditure and obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Testing of accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.</li> </ul>
<p><b>Valuation of land and buildings (key accounting estimate)</b></p> <p>The Council carries out a rolling programme of revaluations to ensure all property, plant and equipment required to be measured at fair value is revalued at least every five years.</p> <p>The Council held council dwellings with a net book value of £714.7 million and land and buildings with a net book value of £343.2 million at 31 March 2023. Council dwellings are valued by the District Valuer using the beacon method which aggregates the vacant possession value of each unit of housing stock based on the value of a beacon or sample property. A full revaluation exercise is completed every five years. In interim years the values of beacon properties are updated</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to the valuation experts and the scope of their work.</li> <li>• Evaluating the competence, capabilities and objectivity of the valuation expert.</li> <li>• Considering the basis on which the valuation is carried out and the challenge in the key assumptions applied.</li> <li>• Testing the information used by the valuer to ensure it is complete and</li> </ul>

Identified risk of material misstatement	Audit approach
<p>to reflect key factors including changes in rental prices.</p> <p>Other land and buildings are held at fair value and revalued as part of the five-year rolling programme. In addition, indices are applied to all assets held at Depreciated Replacement Cost (DRC) to reflect market changes within the year.</p> <p>In the last two years the Council processed material audit adjustments in this area, including £20.6million in 2022/23 accounts to correct the carrying amount of property, plant and equipment in relation the valuation of assets. While the Council uses the rolling programme of valuations, this process has not been sufficient to consider the impact of the economic environment and increasing building prices on the full portfolio of the Council's assets.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of property, plant and equipment. This subjectivity and the material nature of the Council's asset base represents an increased risk of misstatement in the annual accounts.</p> <p>The Council has completed an assessment of its exposure to potential risk in relation to Reinforced Autoclaved Aerated Concrete (RAAC) being used in the construction of public buildings with a potentially significant impact on asset impairment. One asset has been identified with RAAC present in the gym hall roof at Castlehead High School. Remedial works required at the site will be confirmed in early 2024 and the building considered during the valuation and impairment review. There is a risk that not all affected assets have been</p>	<p>consistent with our understanding. If there have been any specific changes to the assets in the year, we will ensure these have been communicated to the valuer.</p> <ul style="list-style-type: none"> <li>• Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct.</li> <li>• Evaluating the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially different to the current value.</li> <li>• Testing a sample of valuations against documentation and assumptions used.</li> <li>• Evaluating work done to identify RAAC affected assets and potential impact on the financial statements.</li> </ul>

Identified risk of material misstatement	Audit approach
<p>identified and impact on the financial statements not reflected in the accounts.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Land &amp; Buildings (valuation): Very High</b></li> </ul>	
<p><b>Pension asset / liability (key accounting estimate)</b></p> <p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.</p> <p>A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation, and mortality rates) can have a material impact on the pension asset/liability.</p> <p>There is a risk that the assumptions used are not appropriate.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Pensions (valuation): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to their actuarial experts and the scope of their work.</li> <li>• Evaluating the competence, capabilities and objectivity of management's actuarial expert.</li> <li>• Considering the basis on which the valuation was carried out and challenging the key assumptions applied.</li> <li>• Evaluating the information provided to the actuary for the purposes of their calculation of the IAS 19 estimate to ensure it was complete and consistent with our understanding.</li> <li>• Ensuring pension valuation movements made during the year were input correctly into the general ledger and financial statements and that the accounting treatment applied was in line with the financial reporting framework.</li> </ul>

Identified risk of material misstatement	Audit approach
<p><b>Provision for doubtful debts (key accounting estimate)</b></p> <p>The Council in its annual accounts provides for material doubtful debts over sundry debtors.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of provisions for doubtful debts. This subjectivity represents an increased risk of misstatement in the financial statements.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Debtors Provisions (valuation / completion): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Obtaining the breakdown of provisions and assessing the reasonableness of management's judgements as well as challenging the appropriateness of any assumptions used.</li> <li>• Performing substantive testing on provisions for doubtful debts where values and balances are derived by valuation and estimation.</li> </ul>



# The wider scope of public audit

The Code of Audit Practice frames a significant part of our responsibilities in terms of four wider scope audit areas:

- Financial sustainability
- Financial management
- Vision, leadership and governance
- Use of resources to improve outcomes.

## Our audit approach to the wider scope audit areas

Appointed auditors are required to consider the wider scope areas when:

- identifying significant audit risks at the planning stage of the audit
- reaching conclusions on those risks
- making recommendations for improvement
- where appropriate, setting out conclusions on the audited body's performance.

When reporting on such arrangements, the Code of Practice requires us to structure our commentary under the four areas identified above. [Appendix 1](#) provides further detail on the definition, scope and audit considerations under each wider scope area.

Our planned audit work against these four areas is risk based and proportionate. Our initial assessment builds upon our understanding of the Council's key priorities and risks along with discussions with management and review of board and committee minutes and key strategy documents.

We have identified one significant risk in relation to financial sustainability as set out in the table below. Audit planning is a continuous process and we will report all identified significant risks, as they relate to the four wider scope areas, in our annual audit report.

## Wider scope significant risk

### Financial sustainability

The Council considers its medium-term financial planning through its Financial Sustainability and General Fund Financial Outlook report regularly presented to the full Council. The Council has considered a range of scenarios from optimistic to pessimistic and identified a 'central scenario' with a funding gap of £45 to £50million between 2024/25 and 2027/28. Assuming 5% council tax increases in each of those years the funding gap reduces to £30-35million and would require the Council to identify c.£8million of savings and efficiencies each year. However, such council tax increases would be subject to prior Council vote and approval.

The Council reviewed its budget planning assumptions to reflect the financial challenges impacting on the external environment which the Council operates in. The key assumption used in the years to 2026/27 is a flat cash allocation from the Scottish Government with 1% increase estimated beyond that year. The Scottish Government has announced a council tax freeze for 2024/25 and £147m of funding to compensate councils who accept the freeze. This is subject to decision by the Council at its budget meeting on 29 February 2024.

In addition to the council tax, other assumptions included pay and contractual inflation cost pressures. The continuing and uncertain impact of cost pressures on the Council's finances and ability to deliver services in a sustainable manner remains a significant challenge and risk. Some savings are expected from the favourable funding position of the recent Strathclyde Pension Fund's triennial valuation and resultant employer pension contributions reductions.

The Council's reserves include £21.5million of ringfenced reserves for financial sustainability and £10.3million of unallocated reserves. While the Council plans to potentially draw down up to £12million of ringfenced reserves to achieve a breakeven position in the short term, it has acknowledged that these cannot be utilised as a sustainable solution to close the medium-term budget gap. If the council relies only on the reserves it would have to use £28.5million of the reserves between 2024/25 and 2027/28. The Council recognises that difficult decisions on spending priorities will be required to address the projected budget deficit.

The medium-term financial challenge and financial gap has been considered by the Council numerous times, and a further £8.9million of savings has been incorporated into the 2024/25 draft budget. This does still leave a gap over the medium term, which poses an increasing risk to the Council's delivery of services, and we would recommend addressing as a priority.

## Financial sustainability

### Our audit response:

During our audit we will review whether the Council has appropriate arrangements in place to manage its financial position. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer term impact of cost pressures and that continue to support the delivery of the Council's statutory functions and strategic objectives.

## Further wider scope considerations

In formulating our audit plan, we identified areas of possible significant risk in relation to all wider scope areas. Our audit approach will include reviewing and concluding on the following considerations to substantiate whether significant risks exist.

### Financial management

- Whether there are effective arrangements in place to budget for, monitor and deliver its capital plans.
- Whether the planned savings in the year have been set realistically and were achieved.

### Vision, leadership and governance (subject to separate Best Value report)

- Actions to address the results of the review of the effectiveness of the Audit, Risk and Scrutiny Board against the CIPFA good practice guidance for audit committees.
- Whether the Council has considered the effectiveness of existing scrutiny arrangements across all governance bodies as part of its evaluation of the role of the Audit, Risk and Scrutiny Board.
- Effectiveness of community engagement and approach to options appraisal.

### Use of resources to improve outcomes

- Impact of the savings exercises and budget cuts on the quality of the delivery of the council services.

# Renfrewshire Trust Funds

## Coats Observatory Trust Fund

The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The Regulations require an auditor to prepare a report to the charity trustees where an audit is required by any other enactment.

The Council's charitable trust is covered by the requirements of section 106 of the Local Government (Scotland) Act 1973 and consequently require a full audit. Each registered charitable trust has required a full audit since 2013/14.

There is one registered charity preparing its accounts on a receipts and payments basis – Coats Observatory Trust Fund.

## Significant risks at the financial statement level

The table below summarises the significant risk of material misstatement identified at the financial statement level. This risk is considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
<p><b>Management override of controls</b></p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.</li> <li>• Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals.</li> <li>• Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval</li> </ul>

Identified risk of material misstatement	Audit approach
<p><b>Risk of material misstatement: Very High</b></p>	<p>has been undertaken in line with the Trusts' journals policy.</p> <ul style="list-style-type: none"> <li>• Gaining an understanding of the accounting estimates and critical judgements made by management. We will challenge assumptions and consider the reasonableness and indicators of bias which could result in material misstatement due to fraud.</li> <li>• Evaluating the rationale for any changes in accounting policies estimate or significant unusual transactions.</li> </ul>

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

The table below summarises significant risk of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
<p><b>Valuation of the Trust land and buildings</b></p> <p>The valuation of Coats Observatory land and buildings is based on fair value, determined as the market value that would be paid for the asset in its current use. Valuation is provided by the Council Valuer and updated as a minimum every five years. The latest valuation of the Observatory building was 31 March 2021.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of land and buildings. This subjectivity and the material nature of the Trust's asset base represents an</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating the competence, capabilities and objectivity of the valuation expert.</li> <li>• Considering the basis on which the valuation is carried out and the challenge in the key assumptions applied.</li> <li>• Testing the information used by the valuer to ensure it is complete and consistent with our understanding. If there have been any specific changes to the assets in the year,</li> </ul>

Identified risk of material misstatement	Audit approach
<p>increased risk of misstatement in the annual accounts.</p> <p><b>Inherent risk of material misstatement:</b></p> <p><b>Assets (valuation): High</b></p>	<p>we will ensure these have been communicated to the valuer.</p>

## Going concern

Under the going concern principle it is assumed that an entity will continue in operation and there is neither the intention nor the need to liquidate it or cease trading.

Management is required to make and document a comprehensive assessment of whether the entity is a going concern when preparing the financial statements. The process should be proportionate in nature and depth depending upon the size and level of financial risk and the complexity of the entity and its operations. The review period should cover at least 12 months from the date of approval of the financial statements. Trustees are also required to make balanced, proportionate and clear disclosures about going concern in the financial statements where material uncertainties exist in order to give a true and fair view.

Under ISA (UK) 570, auditors are required to consider the appropriateness of management's use of the going concern assumption in the preparation of the financial statements and consider whether there are material uncertainties about the entity's ability to continue as a going concern that need to be disclosed in the financial statements.

## Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

When planning, we make judgements about the size of misstatements which we consider to be material, and which provide a basis for determining the nature and extent of our audit procedures. Materiality is revised as our audit progresses, should we become aware of any information that would have caused us to determine a different amount had we known about it during our planning.

The basis for our assessment of materiality is set out in [Appendix 2](#).

# Audit team and timetable

## Audit Team

Our audit team will be as follows:

Role	Name	Email
Engagement Lead	Gary Devlin	Gary.Devlin@azets.co.uk
Engagement Manager	Adrian Kolodziej	Adrian.Kolodziej@azets.co.uk
Auditor in Charge	Ava Campbell	Ava.Cambell@azets.co.uk

## Timetable

Please find below confirmation of our proposed timetable for the audit as previously discussed with management:

Output	Target month / date
Audit planning meetings	January 2024
Audit, Risk and Scrutiny Board to consider audit plan	18 March 2024
S102 follow up work	February – May 2024
Interim audit	March 2024
S102 follow up report presented to the Accounts Commission	13 June 2024
Receipt of draft accounts and commencement audit fieldwork	1 July 2024
Audit, Risk and Scrutiny Board to consider accounts and audit report	23 September 2024
Council meeting to approve accounts for signing	26 September 2024



Output	Target month / date
Best Value report presented to the Accounts Commission	December 2024
Grant claims and returns: <ul style="list-style-type: none"> <li>• Non domestic rate income return (NDRI)</li> <li>• Whole of Government Accounts (WGA)</li> <li>• Housing benefit subsidy claim (HB)</li> </ul>	TBC

## Our Requirements

The audit process is underpinned by effective project management to co-ordinate and apply our resources efficiently to meet your deadlines. It is essential that the audit team and the Council's finance team work closely together to achieve the above timetable.

In order for us to be able to complete our work in line with the agreed fee and timetable, we require the following:

- Draft financial statements of a good quality by the deadlines you have agreed with us. These should be complete including all notes, the performance report and the accountability report.
- Good quality working papers at the same time as the draft financial statements. These will be discussed with you in advance to ensure clarity over our expectations.
- Ensuring staff are available and on site (as agreed) during the period of the audit.
- Prompt and adequate responses to audit queries.

# Audit fee

The quality of audit work is an essential requirement in successfully delivering a fully compliant ISA and Code of Audit Practice audit. Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate unaudited accounts and meets the agreed timetable for audit.

The expected fee is reviewed by Audit Scotland each year, based on Audit Scotland's overall budget proposals. The budget proposal and fee levels (for the 2023/24 audits) have been developed in the context of a challenging economic environment, increased expectations on the audit profession and the ongoing process of recovery following the Covid-19 pandemic.

The 2023/24 expected audit fee is based on applying a 6% increase to the 2022/23 expected audit fee. This increase is applied on a sector basis and reflects the conditions of the public sector market.

As auditors we negotiate a fee with the Council during the planning process. The auditor remuneration element of the fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

The expected fee for auditor remuneration set by Audit Scotland for the 2023/24 audit of the Council is £287,740. We propose setting the 2023/24 audit fee at £316,514 which equates to a 10% increase. We have increased the auditor remuneration element of the audit fee to reflect the level of work we consider is required in response to the key audit matters identified in this plan and to deliver the core Best Value review to be performed during this year's audit.

The breakdown of the fee for 2023/24 is shown in the table below.

	2023/24	2022/23
Auditor remuneration	£316,514	£298,450
Pooled costs	£10,490	-
Contribution to PABV costs	£82,680	£78,110
Audit support costs	-	£10,290
Sectoral cap adjustment	£59,660	£55,800
<b>Total fee</b>	<b>£469,344</b>	<b>£442,650</b>

We will take account of the risk exposure of the Council and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work.

An additional fee will be required in relation to any other significant work not within our planned audit activity. The Accounts Commission has commissioned additional follow-up work in relation to the s102 report and the Controller of Audit may require additional Best Value work outwith the core work contained within Audit Scotland's methodology. We will notify you of any additional fees in relation to this work.

### Audit fee – Renfrewshire Council Charitable Trust (Coats Observatory)

The audit fee in the table above does not include the cost of auditing charitable trust fund. We propose setting the audit fee for the audit of the charitable trust at £6,360 which represents 6% increase in line with Audit Scotland approach outlined above.

# Audit independence and objectivity

International Standard on Auditing (UK) 260 "Communication with those charged with governance" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In particular, FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. Azets has not been appointed by the Council to provide any non-audit services during the year.

We confirm that we comply with FRC's Ethical Standard. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets and the Council, its elected members and senior management that may reasonably be thought to bear on our objectivity and independence.

# Appendices



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## Appendix 1: Responsibilities of the Auditor and the Council

### The Accounts Commission, Controller of Audit and Audit Scotland

The Accounts Commission is an independent public body. Its members are appointed by Scottish Ministers and are responsible for holding local government to account.

Under statute, the Accounts Commission appoints a Controller of Audit to consider the results of the audit of accounts, including the wider-scope responsibilities and Best Value auditing. The Controller of Audit makes reports to the Accounts Commission on matters arising from the accounts and on Best Value and acts independently of the Accounts Commission when reporting to it.

Audit Scotland is an independent statutory body that co-ordinates and supports the delivery of high-quality public sector audit in Scotland. Audit Scotland oversees the appointment and performance of auditors, provides technical support, delivers performance audit and Best Value work programmes and undertakes financial audits of public bodies.

### Auditor responsibilities

#### Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The [2021 Code](#) came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

#### Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the Council and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

### **Wider scope audit work**

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

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## **Financial management**



Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

### **Auditor considerations**

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

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## **Financial sustainability**



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

### **Auditor considerations**

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

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## Vision, leadership and governance

Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.



### **Auditor considerations**

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

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## Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.



### **Auditor considerations**

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

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## Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of the Council's best value arrangements is integrated into our audit approach, including our work on the wider scope areas as set out in this plan.

## Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that



apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#)

The most recent audit quality report can be found at [Quality of public audit in Scotland: Annual report 2022/23 | Audit Scotland \(audit-scotland.gov.uk\)](#)

## Council responsibilities

The Council has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include the following:

Area	Council responsibilities
<b>Corporate governance</b>	<p>The Council is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
<b>Financial statements and related reports</b>	<p>The Council has responsibility for:</p> <ul style="list-style-type: none"> <li>• preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;</li> <li>• maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures;</li> <li>• ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; and</li> <li>• preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements. Management commentaries should be fair, balanced and understandable.</li> </ul> <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>The Council is responsible for developing and implementing effective systems of internal control as well as financial, operational</p>

Area	Council responsibilities
	<p>and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The Council is also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
<p><b>Standards of conduct for prevention and detection of fraud and error</b></p>	<p>The Council is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p>
<p><b>Financial position</b></p>	<p>The Council is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> <li>• Such financial monitoring and reporting arrangements as may be specified;</li> <li>• Compliance with statutory financial requirements and achievement of financial targets;</li> <li>• Balances and reserves, including strategies about levels and their future use;</li> <li>• Plans to deal with uncertainty in the medium and long term; and</li> <li>• The impact of planned future policies and foreseeable developments on the financial position.</li> </ul>
<p><b>Best value</b></p>	<p>The Council has a specific responsibility to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:</p> <ul style="list-style-type: none"> <li>• The quality of its performance of its functions</li> <li>• The cost to the body of that performance</li> </ul>

Area	Council responsibilities
	<ul style="list-style-type: none"> <li>• The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.</li> </ul> <p>In maintaining that balance, the Council shall have regard to:</p> <ul style="list-style-type: none"> <li>• Efficiency</li> <li>• Effectiveness</li> <li>• Economy</li> <li>• The need to meet the equal opportunity requirements.</li> </ul> <p>The Council should discharge its duties in a way which contributes to the achievement of sustainable development.</p> <p>In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.</p> <p>The Scottish Government's Statutory Guidance on Best Value (2020) requires bodies to demonstrate that they are delivering Best Value in respect of seven themes:</p> <ol style="list-style-type: none"> <li>1. Vision and leadership</li> <li>2. Governance and accountability</li> <li>3. Effective use of resources</li> <li>4. Partnerships and collaborative working</li> <li>5. Working with communities</li> <li>6. Sustainability</li> <li>7. Fairness and equality.</li> </ol> <p>The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.</p> <p>Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.</p>

## Appendix 2: Materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the organisation and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Council and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

### Group and the Council materiality

	<b>Group £million</b>	<b>Council £million</b>
<b>Overall materiality for the financial statements</b>	18.1	18.0
<b>Performance materiality</b>	13.5	13.5
<b>Trivial threshold</b>	0.500	0.500

<b>Materiality</b>	<p>Our assessment is made with reference to the Council's gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance.</p> <p>Our assessment of materiality equates to approximately 2% of the Council's gross expenditure as disclosed in the 2022/23 audited annual accounts. We have increased this percentage from 1% used last year due to our considerations of last year's financial statements findings and to align it with the audit industry in Scotland.</p> <p>In performing our audit, we apply a lower level of materiality to the audit of the Remuneration Report. Our materiality is set at £5,000.</p>
<b>Performance materiality</b>	Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures

	<p>carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.</p>
<p><b>Trivial misstatements</b></p>	<p>Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. 2023/24 is the first year where Audit Scotland abolished the trivial limit cap of £0.250million used previously. Azets methodology allows for trivial threshold to be set at 5% of the overall materiality level, however for the first year of uncapped threshold being used we have set it at c.3% of the materiality. We will consider appropriateness of this change during the audit and will revisit this assessment next year.</p>

## Coats Observatory materiality

	<b>Overall materiality</b> (£)	<b>Performance materiality</b> (£)	<b>Trivial threshold</b> (£)
Coats Observatory Trust Fund	£20,300	£15,200	£1,000

Overall materiality: our assessment is based on approximately 3% of net assets. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing the performance of the charitable trust.

Performance materiality: Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.

Trivial threshold: 5% of overall materiality for the financial statements.

## Common Good Funds materiality

	<b>Overall materiality</b>	<b>Performance materiality</b>	<b>Trivial threshold</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Paisley	£180,000	£135,000	£9,000
Johnstone	£1,560	£1,170	£100
Renfrew	£1,010,000	£757,500	£50,500

Overall materiality: our assessment is based on approximately 3% of net assets. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing the performance of each charitable trust.

Performance materiality: Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.

Trivial threshold: 5% of overall materiality for the financial statements, with the Johnstone Fund rounded up to £100.

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

**On: 18 March 2024**

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**Report by: Chief Auditor**

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**Heading: Internal Audit Review of Compliance with the Code of Corporate Governance**

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**1. Summary**

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

1.2 The Chief Executive has responsibility for reporting annually to the Audit, Risk and Scrutiny Board on compliance with the Code and any changes to the Code that may be necessary to maintain it and ensure its effectiveness in practice. In addition, the Council's Chief Auditor has responsibility to review independently and report to the Audit, Risk and Scrutiny Board annually, to provide assurance on the adequacy and effectiveness of the Code and the extent of compliance with it.

1.3 Internal Audit has reviewed the adequacy and effectiveness of the revised Code which was presented to the Audit, Risk and Scrutiny Board on 13 March 2023. Based on our sample check of the evidence used to demonstrate compliance, we would confirm that the Council complies with the requirements of the Local Code of Corporate Governance. In addition, it is evident that the Local Code has been subject to review and updating in line with developments in best practice and any revised Council Policies.

- 1.4 The Chief Executive endorses the Chief Auditor's recommendation that the Local Code should continue to be subject to an annual review to ensure that it continues to reflect developments in best practice in governance.
- 

## 2. **Recommendations**

- 2.1 Members are invited to note the contents of this report.
- 

## 3. **Background**

- 3.1 *Delivering Good Governance in Local Government: Framework*, published by CIPFA in association with Solace in 2007, set the standard for local authority governance in the UK. CIPFA and Solace reviewed the Framework in 2015 to ensure it remains 'fit for purpose' and published a revised edition in spring 2016. The new code places greater emphasis on relationship and behaviours between elected members and senior management; performance reporting; and council and service level plans.
- 3.2 The Council's Local Code of Corporate Governance has been reviewed and updated in line with this framework and to reflect any updated Council policies.

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## **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**
8. **Health & Safety – None**
9. **Procurement** - None
10. **Risk** - None
11. **Privacy Impact – None**
12. **COSLA Implications – None**
13. **Climate Risk** - None

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**Author:** **Karen Campbell, Assistant Chief Auditor**





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

**On:** 18<sup>th</sup> March 2024

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**Report by:** Chief Executive

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**Heading:** Actions Monitoring Report - Dargavel Primary School Independent Review and Accounts Commission Section 102 Report for School Accommodation for Dargavel Village

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## 1. Summary

- 1.1 Following the findings of an independent review into the circumstances of the errors in planning and delivery of primary school provision in the Dargavel area, a SMART action plan was developed detailing the Council's response with a commitment that updates on this plan would be provided to Board meetings going forward.
- 1.2 Detailed in Appendix 1 to this report, is an update on the actions from the independent review.
- 1.3 At a meeting on 11th January 2024, the Accounts Commission was presented with a statutory S.102 report, as circulated to Councillors on 5th January 2024, by the Controller of Audit on School Accommodation for Dargavel. In the report, the Commission has set out their findings, alongside several issues on which they require further information.
- 1.4 At the Council's Meeting of 29 February 2024, the Council considered the Account Commission's report and agreed a number of actions in response to that report.

Council further agreed that these actions would be incorporated into the independent review response monitoring arrangements reported to this Board. Appendix 2 sets out the Council's response and planned actions.

- 1.5 At the Council's Meeting of 29 February 2024, the Council considered a report on the outcome of the review of corporate governance arrangements by the Cross Party Working Group and agreed a number of actions set out in that report. Council further agreed that those actions would be incorporated into the independent review response monitoring arrangements reported to this Board. Appendix 3 sets out the planned actions.

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## 2. Recommendations

- 2.1 Note and consider the update provided in Appendix 1 in relation to the Council's response actions to the independent review.
- 2.2 Note and consider the plan provided in Appendix 2 in relation to the Council's response actions to the s.102 report.
- 2.3 Note and consider the plan provided in Appendix 3 in relation to the report by the Council's Cross Party Working Group.

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## Implications of the Report

1. **Financial** – whilst there will be significant capital and revenue implications for the Council in resolving the Dargavel issue, there are no financial implications for the Council as a result of this update report.
2. **HR & Organisational Development** – the report outlines a leadership development programme with a focus on key issues raised in the independent review around governance, risk management, corporate working and culture.
3. **Community/Council Planning** – the report outlines ongoing action being taken to develop an engagement and ongoing communication process with affected communities.
4. **Legal** – none

5. **Property/Assets** – none
6. **Information Technology** – *n/a*
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 as 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** – *n/a*
9. **Procurement** – *n/a*
10. **Risk** – the report outlines the action being taken in relation to risk management.
11. **Privacy Impact** – *n/a*
12. **Cosla Policy Position** – *n/a*
13. **Climate Risk** – *n/a*

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**Author:** *Alan Russell, Chief Executive*

Action	Target Completion	Responsible Officer	RAG Status	Update
<p><b>Bowles Report Recommendation 1</b> Build a more robust model of primary school need for Dargavel - the Council should continue to refine its pupil forecast model for Dargavel.</p>				
<p><b>Response Objectives</b></p> <p>Deliver robust projection modelling for Dargavel and PMHS which: -</p> <ul style="list-style-type: none"> <li>• considers live information arising from NHS, pupil &amp; ELC registrations, the pace of development to date, certainty over development size and likely pace of future build out rate,</li> <li>• utilises external data analytics and projection expertise to augment and enhance the Council’s in-house forecasting approach to ensure modelling is robust, underpinned by external challenge and specialist input reflecting the complexity and significant portion of Dargavel that has yet to be developed out over a circa 10 year period,</li> <li>• provides modelling output which considers potential future upper scenarios reflecting the high yield factors reflected in the 2023/24 P1 intake to inform immediate decisions on scale of capacity to be delivered as well as planning for potential additional interventions at a future time,</li> <li>• delivers modelling output which provides a long-term view beyond the anticipated completion timeline for Dargavel to ensure the long term impact of Dargavel is modelled and understood,</li> <li>• provides modelling output over the long term which indicates both the scale, timing and shape of an anticipated peak in demand that will accompany a development of this scale and nature. This will provide visibility of the anticipated short-lived peak in demand and long term settled demand to ensure this is appropriately reflected in estate/capacity decisions and in particular to mitigate against delivery of excessive long term / permanent increase in capacity that would result in excess unused surplus capacity over the long term.</li> <li>• Provides modelling that can be tested and revised as necessary as new key data becomes available such as P1 and S1 registrations, actual scale and pace of the development and any new developments, which will continue to inform decisions on any future estate interventions if required.</li> </ul>				



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Action	Target Completion	Responsible Officer	RAG Status	Update
Complete Council modelling through to the anticipated end date for the housing development (2033/34) based on assumed 4,300 units and available live data.	October 2022	Director of Children's Services	Complete	Completed October 2022
Engage and appoint Edge Analytics to deliver enhanced modelling approach for both Dargavel primary requirements as well as PMHS out to 2033/34 and updated live datasets.	February 2023	Director of Children's Services	Complete	Completed February 2023 including additional upper forecast scenarios for Dargavel non-denominational requirements to support management of risk associated with long term yield remaining at similar level to 2023/24. Informed reports to Education and Children's Services Board in March and May 2023
Extend Edge engagement to deliver an enhanced model projecting out to 2038 to provide longer term forecast to assess the full impact on the secondary sector and allow identification of likely timing and scale of peak demand encapsulating any relevant updates to live datasets.	September 2023	Director of Children's Services	Complete	Modelling completed which has identified an anticipated peak period in both primary and secondary sectors and will be reported to Education and Children's Services Board in November 2023.
Provide update to November Education & Children's Service Policy Board.	November 2023	Director of Children's Services	Complete	Two update reports were taken to the November ECSPB: <ol style="list-style-type: none"> <li>1. Learning Estate</li> <li>2. Dargavel Housing Development – Impact on Denominational Education Provision</li> </ol> <a href="#">Link</a>
Update Edge Analytics modelling for newly released national Census data and expand across the whole school estate and establish modelling dashboard to support ease of updating and rapid re-assessment of revised projection that will be utilised on an ongoing basis over future years,	January 2023	Director of Children's Services	Ongoing	The Edge Analytics modelling for newly released national census data was completed last year. A modelling dashboard was also designed last year with further discussions to take place on how this is used to inform the wider learning estate.

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both for Dargavel / PMHS but also as part of the strategic Learning Estate programme.				Edge have been commissioned to expand the model to include the whole estate and we are expecting a data output in 6-8 weeks. A schedule has been developed which outlines re-assessment and monitoring timescales.
<p><b>Bowles Report Recommendation 2</b></p> <p><b>Use of Bishopton Primary</b> - in its future plans the Council should reconsider how surplus capacity at Bishopton can be used effectively.</p>				
<p><b>Response Objectives</b></p> <p>Consider and assess how existing capacity within Bishopton Primary School may be best utilised to support the Dargavel catchment over the immediate term and potentially over the longer term, taking into consideration the uncertainty and risk over the long-term demand levels that will ultimately emerge for primary education from Dargavel as well as the expectation of a temporary peak period of demand.</p> <p>Provide a report to Education and Children’s Services Board setting out a clear overview as to how Bishopton PS capacity will be utilised to support temporarily over the short term period and how it may be considered amongst other options for use to support Dargavel in the longer term (noting that any such longer term use will be subject to detailed consideration and decision at an appropriate point in future years).</p>				
Complete assessment of anticipated P1 intake from Dargavel catchment and assess against revised DPS capacity availability, establish planned P1 intake capacity cap and anticipated P1 intake requiring accommodation at Bishopton Primary School.	August 2023	Director of Children’s Services	Complete	Planned use of Bishopton Primary School along with planned capped entry levels to Dargavel Primary School reported an approved at Education and Children’s Services Policy Board in August 2023. There will be a requirement to annually monitor anticipated and actual P1 intakes carefully to assess adequacy of short term capacity provision across both Dargavel and Bishopton Primary Schools to meet demand pending the second primary school in Dargavel coming on stream.

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<p>Complete an exercise to assess the timing, scale and range of potential demand level scenarios, in particular understanding the scale and timing of the peak demand and likely settled long term demand. This information will be used to inform the assessment of how Bishopton Primary School could, if required, be potentially be utilised as an option in the longer term.</p>	<p>January 2024</p>	<p>Director of Children’s Services</p>	<p>Complete</p>	<p>Completion of the updated work with Edge Analytics has provided a view of the likely timing and length of the peak demand period – with peak primary demand being forecast in 2033/34 which will fall over the second half of the 2030s to a more settled level. Further work is being progressed to update this information for the recently released 2023 census information and November registration data to inform an overall assessment.</p>
<p>Complete financial analysis to understand the potential financial context of utilising Bishopton Primary School Capacity</p>	<p>May 2023</p>	<p>Director of Finance and Resources</p>	<p>Complete</p>	<p>Bishopton PS is a predominantly 1960s construction and is more than 60 years old. This building will, along with the whole school estate, undergo an updated condition survey over coming months. Notwithstanding, given the underlying age of the building it will inevitably have a limited remaining lifespan before being considered for replacement.</p> <p>Existing surplus capacity if used permanently to reduce the required size of a second Dargavel primary school, will require to be replaced as part of a renewal programme. The determination of the timing of that will be subject to work progressed as part of the strategic learning estate programme.</p> <p>Consequently, it has been assessed that any financial advantage from utilising Bishopton PS</p>

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				<p>will be restricted to a temporary time value of money benefit and consequently will be relatively limited.</p> <p>In addition, there is also a risk that utilising Bishopton PS permanently removes its availability to provide supporting capacity to manage both a temporary peak that may arise from upper end educational demand scenarios and longer term upper end demand. There could be the risk that in such circumstances if Bishopton capacity was no longer available this would lead to higher overall costs over the longer term for the Council.</p> <p>The financial considerations and risks will be incorporated into the overall assessment scheduled to be reported as part of the Education &amp; Children’s Services Board report in January.</p>
<p>Set out overview in a report to the Education and Children’s Services Policy Board in respect to the potential long-term utilisation of Bishopton Primary School which will be subject to detailed consideration at an appropriate point in future years as actual long term demand trends increasingly emerge.</p>	<p>January 2024</p>	<p>Director of Children’s Services</p>	<p>Complete</p>	<p>Work to allow appropriate recommendation to be made is progressing in line with plans and scheduled to be reported to Board in January 2024. A paper was presented to Board in January 2024</p>


Action	Target Completion	Responsible Officer	RAG Status	Update
<b>Bowles Report Recommendation 3</b>				
As the Council progresses its plans to issue supplementary guidance on developer contributions for education it should seek to learn from other Councils in Scotland.				
A development the size of Dargavel is exceptional and would need its own modelling techniques. However, for smaller developments the Council should create an evidence base to calculate specific yield factors derived from recent developments in Renfrewshire. Such robust data will ease future negotiations.				
Undertake a desk top review of other local authorities across Scotland and identify key best practice councils to engage.	June 2023	Head of Economy and Development	Complete	
Complete detailed engagement with identified best practice councils arising from desk top research	Summer 2023	Head of Economy and Development	Complete	Detailed engagement completed with Fife, Falkirk and West Lothian councils.
<p>Complete data analysis exercise of a range of datasets of mixed historic sites across Renfrewshire to provide empirical evidence to support actual pupil yields to inform establishment of appropriate yield factors to be used in future contribution policy.</p> <ul style="list-style-type: none"> <li>• Refresh % capacity of all schools (vs school rolls)</li> <li>• Sample research of Pupil Product Ratio (PPR) for developed housing sites (&lt; 10 units) [min 10 site sample]</li> <li>• Sample research of PPR for developed housing sites (&gt; 100 units)[min 10 site sample]</li> <li>• Sample research of PPR for established / mature housing development to provide longer term perspective (eg. 15 years old) (&gt; 100 units)[min 4 site sample]</li> <li>• Identify individual schools where pupil capacity is above notional threshold (85%)</li> <li>• Identify all known undeveloped housing sites in individual school catchments</li> <li>• [Subset of 5] identify all housing sites with current "live" planning application</li> </ul>	October 2023	Head of Economy and Development	Complete	Work on this is now complete and will feed into new draft planning guidance to be presented to March 2024 PCC Board.

Action	Target Completion	Responsible Officer	RAG Status	Update
<ul style="list-style-type: none"> <li>Identify schools where it is anticipated intervention would be required to increase capacity based on potential future housing to be delivered over next 10 years to inform likely future developer discussions.</li> </ul>				
Incorporate into the development of the draft contributions policy targeted to be presented to the Planning and Climate Change Policy Board in January 2024.	January 2024 March 2024	Head of Economy and Development	Complete	Work on this is now complete and will feed into new draft planning guidance to be presented to March 2024 PCC Board.
<p><b>Bowles Report Recommendation 4</b></p> <p>Council needs to work co-operatively with BAE. Unless the Council and BAE can work together to resolve the current problems, BAE may face accusations, whether founded or not and regardless of Council incompetence, that it has increased its profits at the expense of Council taxpayers.</p>				
<p><b>Response Objectives</b></p> <p>Secure legal ownership of suitable land to facilitate delivery of a second school within Dargavel Village as well as additional land next to existing school site to provide increased flexibility to meet potential future extension of the school and or establishment of greater outdoor space.</p> <p>Secure legal commitment from BAE to provide land remediation and associated infrastructure requirements as part of legal agreement at nil cost to the Council.</p> <p>Secure as part of the legal agreement certainty on consented planning numbers and any associated adjustments to s.75 agreement to reflect revised agreement.</p>				
Secure with BAE agreement on Heads of Terms for allow for mutual governance approval from each organisation to inform detailed legal agreement drafting and final sign off	As soon as possible was targeted.	Chief Executive	Complete	This was completed and approved by ILE Board end of August
Secure completed and signed legal missives to deliver in full the objectives outlined above to provide certainty and	August 2023	Chief Executive	Complete	Legal missives concluded mid-September

Action	Target Completion	Responsible Officer	RAG Status	Update
timing of availability of remediated and infrastructure proofed land to support wider school delivery planning and consultation arrangements that will be progressed by the Council team.				
Proposed revisions to S.75 negotiated with BAE Systems were approved by ILE. Revised S.75 signed off by both the Council and BAE Systems to legally conclude matters.	August 2023	Head of Economy & Development	Complete	Approved by planning and Climate Change Board end of August
<p><b>Bowles Report Recommendation 5</b></p> <p><b>Corporate working and organisational culture</b> - although I understand that the Council has sought to improve and strengthen corporate working in recent years, the evidence would suggest there is a long way to go; simply establishing corporate working groups is insufficient if staff are in a mindset of 'not my problem'.</p> <p>The failure of management oversight, if symptomatic of the Council as a whole, would be deeply disturbing. The Council needs to consider a significant change programme, not just on the of issue of corporate working and personal responsibility, but also its organisational culture and values. It needs plans to build a stronger organisation where constructive challenge is welcomed and there is a clarity of what is expected of all of those in a leadership role.</p>				
<p><b>Response Objectives</b></p> <p>Provide assurance that established programme governance framework and operations of governance for other major capital investment programmes and specifically that the Bowles findings on the historic failings on the handling of Dargavel by officers are not representative of the Council's current culture and approach to the management and delivery of major programmes.</p> <p>The Council is committed to living its values as a learning and collaborative organisation and post COVID was already in the process of re-establishing an Leadership Development programme for senior leadership teams and managers across the Council in recognition that this required to be reinvigorated post COVID and that there has been significant turnover in management and senior positions over the past three years and this would support growing and maturing the current culture and collaborative connections across the organisation.</p> <p>In response to the Bowles recommendations, the objective is to ensure the new Leadership Development programme is appropriately cognisant and reflective of the key learning points from the Bowles report and takes the opportunity to ensure its coverage seeks to re-enforce the development of skills related to governance, risk management, commercial risk, corporate working and culture etc and effectively utilises failures referenced in the Bowles report as key</p>				

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examples for learning throughout the programme. Collective reflection and learning of such significant failures – albeit historical – is recognised as an important element of building an effective future culture and ways of working across the organisation.				
Undertake a health check assessment on major capital programmes to provide reassurance in respect to all aspects of governance, control, reporting and management of programmes.	October 2023	Chief Executive supported by CMT	Complete	City Deal and Infrastructure Health Check report was submitted to CMT on 21 November 2023.
Put in place arrangements to deliver a comprehensive Leadership Development Programme (circa 12 months + programme) for chief officers and senior managers which amongst other things will cover and key areas referenced in the Bowles report in respect to governance, accountability, risk management, collaborative working, member officer relations etc.	Commence programme by September 2023	Director of Finance & Resources and Head of HR & OD		<p>Contract engagement in place and resources secured from SOLACE Enterprises to support co-designed and co-delivered programme.</p> <p>Initial Chief Officer programme launch event occurred on 3<sup>rd</sup> October with focusing on personal resilience.</p> <p>The programme has delivered sessions focussed on:</p> <ul style="list-style-type: none"> <li>• Effective Communications and Elected Member Relations</li> <li>• Programme Management, Leading and Navigating Strategic Change</li> <li>• Risk Management and Governance</li> <li>• Transformational Leadership</li> <li>• Delivering Corporate/Team Values and Vision</li> </ul> <p>This first leadership development programme has now been concluded with an evaluation process underway. Attendance was good throughout the programme and for any officers that were unable</p>



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Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>to attend parts of the programme, they will attend these specific modules during the next cohort grouping to ensure completion of the full programme.</p> <p>The next 2 Cohorts will be run from April to around September and with up to 60 places available for our next tier of management. There will be some revisions to content and emphasis based on feedback from the initial sessions, however the key themes of the programme will remain unchanged.</p>
<p>Design and undertake an evaluation process of the Leadership Development Programme for Chief Officer cohort to inform required changes / adjustments to programme delivery for next management cohort.</p>	<p>March 2024</p>	<p>Head of HR and OD</p>	<p></p>	<p>Initial feedback was requested as part of the final workshop of this first programme. An evaluation request, designed in partnership with SOLACE, will be sent out to each of the participants asking if their knowledge has increased, if they feel more confident and informed and what changes, if any, would participants suggest for the next cohort. The formal evaluation will be sent out w/c 20/02/24 and will have a 2-week completion window. There will a further evaluation on what changes have been made as a result of the programme will also be carried out 6 months each cohort completion.</p>

Action	Target Completion	Responsible Officer	RAG Status	Update
<p><b>Bowles Report Recommendation 6</b></p> <p><b>Risk management</b></p> <p>From documents I have seen the Council was unaware of the scale of risk it was taking in the calculation of pupil numbers. The identified risk in Council documents related to providing the school on time, not that the size of the school may prove to be inadequate. The failure to identify that risk has had two consequences; first the Council has been slow to react to the increase in pupil numbers and second the Council did not negotiate with BAE with that risk in mind.</p> <p>The Council needs to review how it both identifies risk and manages it.</p>				
<p><b>Response Objectives</b></p> <p>Progress actions to provide reassurance in relation to the Council’s current risk management approach, in particular how this is approached, deployed and managed as part of major projects as well as considering and assessing the seniority / appropriateness of officer involvement and related skills across officers involved in the process.</p>				
<p>A review of risk profiles across all service departments to ensure visibility of all risks and confirmation of where certain risks are being monitored if outwith the standard Risk Reports to the Audit, Risk and Scrutiny Board (i.e., Health and Safety Planning Groups, Service Improvement Plans etc)</p>	<p>October 2023</p>	<p>Director of Finance and Resources</p>	<p>Complete</p>	<p>Risk report submitted to Audit, Risk &amp; Scrutiny Board as planned on 6 November 2023.</p>
<p>A review of the ‘service risk representative’ roles in each service department to ensure the representatives who sit on the Corporate Risk Management Group are sufficiently involved in risk matters within the service, to feed this into the Corporate Risk Management Group and that they also have authority within the service to provide challenge as a ‘critical friend.’</p>	<p>October 2023</p>	<p>Director of Finance and Resources</p>	<p>Complete</p>	<p>Action completed. CMT agreed (10 October), that each Director will nominate a Head of Service and one other colleague to support the Head of Service in the role going forward.</p>

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Delivery of a project risk management workshop specific to the planned new primary school in Dargavel (complete)	August 2023	Director of Finance and Resources	Complete	Workshop delivered covering nature of project risks, risk changes over lifecycle of the project; reminder of Council PM framework and PMU support; key issues re good governance.
Delivery of project risk management training with all PMU colleagues (in a train the trainer format) so colleagues are delivering this as part of project kick-offs to support a more risk focussed culture in the organisation.	September 2023	Director of Finance and Resources	Complete	This was completed on 12/10/2023. PMU staff received a ‘train the trainer’ session to enable them to cover running risk awareness sessions at project kick-offs to support a more risk focussed culture in the organisation.
Undertaking a ‘health check’ of project management arrangements across the council to ensure governance, management, reporting and risk management is appropriate to the scale of the project.	November 2023	Director of Finance and Resources	Complete	Compliance review of all PMU supported projects complete. All projects demonstrated a satisfactory level of risk governance and management.
An update to the risk management course on iLearn and consideration of whether it should be a mandatory course.	December 2023	Director of Finance and Resources	Complete	The course is now developed and ready to be launched to relevant staff on iLearn. In addition, face to face training of a new “Who’s risk is it anyway” half day course is also being delivered in February and May.
Embed and deliver risk management training into the new leadership development programme that is currently under development, particularly in relation to commercial risk	December 2023	Director of Finance and Resources	Complete	Session delivered 12 December.
Reviewing governance documents to ensure delegations in relation to liability caps are clear and unambiguous.	December 2023	Director of Finance and Resources	Complete	Consultation with Head of Corporate Governance concluded that governance documents do not require amendment, but rather, more training would be required on what was expected within

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Action	Target Completion	Responsible Officer	RAG Status	Update
				existing delegations. The training was delivered to CMT on 28 November 2023. Governance refresher training sessions have been delivered to every department senior management team in January.
Deliver a targeted risk management development day for Chief Officers:- <ul style="list-style-type: none"> <li>• Project risk management (and risk simulation exercise)</li> <li>• Risk horizon scanning and sustainability (the Global Risk Report)</li> <li>• Liability caps and their implications</li> </ul>	December 2023	Director of Finance and Resources	Complete	The training session has been prepared and was delivered to CMT on 28 November 2023.
It is recognised that Dargavel Village has a significant amount of housing development yet to be delivered (circa 2000 housing units over a 10 year period) and therefore many of the associated risk that existed at the beginning of the development continue to exist today albeit there is live data to inform future projections from the first circa 2,300 units that have been delivered. Manage ongoing education demand risk relating to Dargavel through: The Council therefore continues to face risk and uncertainty in relation to accurately projecting the scale and timing of future education demand which will continue to have inherent uncertainty and risk. In recognition of this the Council will continue to progress the following actions to manage and mitigate this risk:-		Director of Children's Services		

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>Securing robust long term demand projections which provide both a core projection, potential upper scenario and a long term view of the potential scale and timing of short term peak demand to inform decisions on capacity provision.</p>	<p>September 2023</p>		<p>Complete</p>	<p>Further updates will be completed in this respect for updated datasets available from November registration data and recently released NRS Census data</p>
<p>Identify now a range of flexible options that are and will remain available to in future years to deliver, if required additional capacity (both temporary capacity and permanent long term capacity) to ensure the Council can be reassured of being able to respond appropriately to the potential for upper end demand scenarios and or temporary demand peaks to emerge.</p>	<p>January 2024</p>		<p>Complete</p>	<p>Based on data and a range of scenarios, flexible additional capacity options have been outlined and shared with relevant boards.</p>
<p>Establish process and arrangements to support and provide detailed monitoring and updates to projections for updates to actual data sets to facilitate a continual re-assessment of longer term trend and likely requirements / decision point required in relation to deployment of potential additional interventions.</p>	<p>January 2024</p>		<p>Complete</p>	<p>A schedule is in place with timelines for detailed monitoring and updates to projections and actual data. This will ensure continual re-assessment of long term trends and likely requirements / decision points required.</p>

Action	Target Completion	Responsible Officer	RAG Status	Update
<p><b>Bowles Report Recommendation 7</b></p> <p>Whilst protecting the integrity of the planning process, the Council needs to ensure the appropriate involvement of members in such developments.</p> <p><b>Additional Council Motion</b> Council agrees that in light of the Independent External Review of Dargavel that there is a requirement to convene a cross party body to discuss and review existing governance arrangements of Renfrewshire Council.</p>				
<p><b>Response Objectives</b></p> <p>Assess the extent to which major investment projects have provided sufficient engagement with elected members through both formal governance routes as well as through briefing sessions, engagement sessions, group presentations, site tours etc. Identify any adjustments or improvements required moving forward.</p> <p>Provide officer support to a cross party group to of elected members to agree the remit and progress a discussion and review of the Council’s formal governance arrangements in line with the motion approved.</p> <p>Carry out an assessment of the Audit Risk and Scrutiny Board against CIPFA’s published good practice guide for audit committees.</p>				
Undertake a health check assessment on major capital programmes to provide reassurance in respect to extent to which elected member involvement has been appropriately secured through formal governance reporting as well as via other appropriate informal engagement routes	October 2023	Chief Executive supported by CMT	Complete	City Deal and Infrastructure Health Check report was submitted to CMT on 21 November 2023. Other programmes to be reported to CMT through regular scheduled portfolio update sessions.
Support Council Leader and other nominated elected members to determine a review remit, progress the review and develop suitable recommendations.	March 2024	Head of Corporate Governance		The Cross Party Working Group has been established and met five times. A report to Council will be submitted to the Council Meeting on 29 February 2024 setting out the findings of the review.

Action	Target Completion	Responsible Officer	RAG Status	Update
Carry out an assessment of the Audit Risk and Scrutiny Board against CIPFA’s published good practice guide for audit committees and identify any recommendations for change in remit or operational arrangements.	December 2023	Director of Finance and Resources		An initial assessment against the CIPFA guidance has been undertaken by the Chief Auditor, which has been discussed with members of the Board at a full day reflection session on 19 January. The output from this session will be further discussed with the Board members, with a final report to be formally presented to the Board on 18 March, which will include recommendations for Council to consider.
<p><b>Bowles Report Recommendation 8</b></p> <p><b>Public confidence</b></p> <p>These recent events and the matters described in this report will dent public confidence in the Council. The Council should work in an open and transparent manner in the resolution of these issues and particularly with the residents of Dargavel, who have legitimate concerns about the implications for their children during both their primary and secondary education.</p>				
<p><b>Response Objectives</b></p> <p>The key aim has been to provide straightforward messaging and up to date sitreps to ensure publics (and council representatives) have the most up-to-date position and the complexity of the issue is explained in a simple and honest way and that parental/carer concerns in respect to the school and educational environment are able to be appropriately discussed through structured engagement arrangements with the parent councils with appropriate agreed actions taken forward.</p> <p>The strategy has been designed to:</p> <ul style="list-style-type: none"> <li>- Improve the flow and regularity of information to parents and carers and the wider Dargavel community, so they are first to hear about decisions impacting their community.</li> <li>- Ensure parents and carers have access to all projection data available to the council.</li> </ul>				

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<ul style="list-style-type: none"> <li>- Introduce direct communication channels with Dargavel residents, enabling all sections of the community to engage on matters that are important to them and making sure the latest information is accessible and easy to find.</li> <li>- Provide residents with a feedback loop to enable them to ask questions of the council in relation to the development and have questions answered quickly.</li> <li>- Include the community in formal planning and design of a new primary school and high school extension.</li> </ul> <p>It is recognised that effective communication and engagement is important to building a new relationship between the Council and the Dargavel community, but ultimately it will take the delivery of the solution and investment in long term engagement to reduce local anxiety and fully rebuild trust and confidence in the Council.</p>				
	<p><b>Target Completion Date</b></p>	<p><b>Responsible Officer</b></p>	<p><b>RAG Status</b></p>	<p><b>Update</b></p>
<p>Develop communication plan to drive tactical engagement, ensuring the Dargavel community and specifically parents and carers kept updated on progress and the decisions being made by Council Boards.</p>	<p>November 2022</p>	<p>Head of Marketing and Comms</p>	<p>Complete</p>	<p>The strategy has directed media and stakeholder engagement in relation to council decisions pertaining to Dargavel, the initial announcement and short-term mitigation arrangements, and the publication of the Independent external review by David Bowles. The specific activities delivered include:</p> <ul style="list-style-type: none"> <li>• Arranging and hosting two parent and carer meetings, attended by council officers and more than 220 parents or carers.</li> <li>• Attending several parent council meetings with all primary schools and PMHS to support direct engagement, discussion on key activities, immediate estate decisions in respect to deployment of modular</li> </ul>



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Dargavel Independent Review  
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Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>classrooms and post occupancy adjustments at Dargavel Primary, sharing and discussion of revised projection data and modelling, key council decision points, independent review outcomes.</p> <ul style="list-style-type: none"> <li>• Attending several community meetings from community council, Community Liaison Group as well as supporting coordination and delivery of wider community representative round table session to maintain ongoing engagement, sharing of information and data sharing.</li> <li>• Updating parents and carers at Dargavel Primary on progress and all reports to Council Boards and decision making in relation to immediate solutions to address capacity issues at Dargavel/</li> <li>• Updating Bishopton Community Council on progress above.</li> <li>• Responding to media enquiries, requests for interview and ensuring the media were proactively updated on progress.</li> <li>• Ensuring the wider area stakeholders were kept up to date on progress – this includes community representatives, wider Parent Council groups and local and national politicians.</li> <li>• Maintaining updated information on the council website</li> </ul>

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Action	Target Completion	Responsible Officer	RAG Status	Update
				<ul style="list-style-type: none"> <li>Delivered a creative partnership with Glasgow School of Art and Dargavel Primary School to support pupils design the interiors of the new modular classroom block.</li> </ul>
<p>Deliver a revised comms and engagement strategy to coincide with the return to school period along with timing of key milestone points in relation to post independent review and moving towards confirmation of progress with BAE systems and moving more significantly into a delivery phase. This will ensure long term engagement process continues to build pro-active and positive engagement to continue to re-establish trust and confidence across the Dargavel community.</p>	<p>August 2023</p>	<p>Head of Marketing and Comms</p>	<p>Complete</p>	<p>The Dargavel communication and engagement strategy was reviewed following the publication of the Bowles Report. The strategy covers the development of long-term solutions to increase primary and secondary capacity. The key aim has been to provide straightforward messaging and up to date sitreps to ensure publics (and council representatives) have the most up-to-date position and the complexity of the issue is explained in a simple and honest way. We committed from the outset to ensure those members of the community directly impacted (and their representatives) are first to hear about the steps being taken to deliver a solution and the decision-making process involved. The strategy has been designed to:</p> <ul style="list-style-type: none"> <li>Improve the flow and regularity of information to parents and carers and the wider Dargavel community, so they are first to hear about decisions impacting their community. Ensure parents and carers have access to all projection data available to the council.</li> <li>Introduce direct communication channels with Dargavel residents, enabling all sections</li> </ul>

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Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>of the community to engage on matters that are important to them and making sure the latest information is accessible and easy to find.</p> <ul style="list-style-type: none"> <li>• Provide residents with a feedback loop to enable them to ask questions of the council in relation to the development and have questions answered quickly.</li> <li>• Include the community in formal planning and design of a new primary school and high school extension.</li> </ul> <p>Activity delivered from October 2022 to present includes:</p> <ul style="list-style-type: none"> <li>• Planned and hosted 2 public meetings</li> <li>• Monthly updates to the council website</li> <li>• 13 update letters issued to parents and carers at Dargavel Primary School and shared with community stakeholders.</li> <li>• 3 proactive media updates and the handing of almost 50 media enquiries to ensure the council’s right of reply - including arrangements for broadcast interviews.</li> <li>• Ongoing Elected Member briefings and MP/MSP briefings to ensure all political representatives are kept up to date on matters relating to the Dargavel Community.</li> </ul>

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Action	Target Completion	Responsible Officer	RAG Status	Update
				<ul style="list-style-type: none"> <li>• Following publication of the Review, individual meetings took place with four local community representatives who were interviewed for the Review to include next steps. Ongoing engagement continues with two representatives to provide a sounding board for communication and engagement.</li> <li>• August 4, the council’s senior team attended a Round Table Meeting with Bishopton Community to discuss education provision and leisure and recreation provision.</li> <li>• From August, introduced a new opt-in community newsletter, promoted locally to encourage resident sign up.</li> <li>• Established the Park Mains Liaison Group, attended by the Parent Council Chairs of all Park Mains catchment primary schools, to ensure we can collectively plan the high school extension and effectively engage with the wider school.</li> <li>• Space Planning Activity for Dargavel Primary School</li> <li>• Preparation of communications plan to encourage community engagement (those directly impacted and those</li> </ul>

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Action	Target Completion	Responsible Officer	RAG Status	Update
				affected) with the forthcoming statutory consultation, to be launched in January.
Establish a new parent council liaison group to provide a single PC forum (at the request of PC chairs) to provide a streamlined opportunity for consistent engagement and communication with the whole PC community for all schools associated with Dargavel / Bishopton and PMHS and all feeder primaries.	August 2023	Head of Education	Complete	Group has been established and has met following school summer break with positive feedback from Parent Council Chairs with engagement to date.
Establish regular opt-in digital community newsletter to facilitate regular communication updates direct to interested members of the community.	August 2023	Head of Marketing and Comms	Complete	Take up of opt-in digital channel newsletter is currently sitting at over 500 and it is expected that this will continue to grow in the coming months.
Establish and track key indicators of community sentiment.	Ongoing	Head of Marketing and Comms	Ongoing	Assessment of the range of indicators and metrics suggest ongoing interest in Dargavel, albeit across the wider community this has settled through formalised engagement routes with constructive and positive discussion. There remain some ongoing aspects of concern expressed from some community representatives and is being collated through the statutory consultation process which will conclude at the end of March. Engagement with the consultation process has been steady and positive, but so far, the numbers of people engaging is lower than expected.

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<b>Action</b>	<b>Target Completion</b>	<b>Responsible Officer</b>	<b>RAG Status</b>	<b>Update</b>
Develop, deploy (at appropriate key points post formal consultation period) and evaluate a community pulse survey to assess and track community sentiment and view of ongoing handling and satisfaction with delivery of key interventions within the community.	Expected April/May 2024	Head of Marketing and comms	In development	Community sentiment is being tracked through the formal consultation process and the Consultation Institute have been commissioned to support a study/survey to assess if the engagement strategy is building public trust. Anecdotal feedback during the consultation process is pointing to a community view of improved engagement. The results of the study will be reported for June 2024.

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**Council Response and Planned Actions**

Accounts Commission Finding	Council Response and Actions	Timeline	Responsibility
<b>Community and other engagement</b>			
<p>The council must, as a matter of urgency, conduct a robust and transparent assessment of the effectiveness of its community engagement and then move swiftly to implement any improvements needed.</p>	<p>A full update of all completed and planned communication and engagement activity since late 2022 as at end February 2022 will be provided to the External Audit team.</p> <p>The Consultation Institute – a recognised sector leading best practice Institute promoting high-quality cross sector public and stakeholder consultation standards – has been commissioned to conduct a robust and independent review of the council’s engagement strategy and activities.</p> <p>This will include assessment of the engagement strategy; the variety of mechanisms implemented from October 2022 to communicate and engage with the local community and the effectiveness of activity. This will include qualitative feedback from the community.</p> <p>The commission will also extend to providing advice and quality assurance on the statutory consultation arrangements on the proposal for a new primary school in Dargavel, its proposed site and catchment arrangements.</p> <p>This independent assessment process will be robust and significant and carried out over several months. It is expected to take until into June to fully complete all planned activities</p>	<p>February 2024</p>	<p>Head of Communications and Marketing</p>

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	<p>and provide a full evaluation report, albeit any key emerging findings, learning and recommendations for improvement identified as the evaluation progresses will be actioned as soon as possible and shared on an ongoing basis with the local audit team ahead of the planned report to the Commission in June.</p> <p>The output of this commission and all associated recommendations will assist in informing the design of future engagement and consultation activity both within the education estate but also across future consultation and engagement activity associated with service / policy change etc which the Council will be increasingly required to consider moving forward as part of addressing its financial sustainability challenges.</p>	February – June 2024	Head of Communications and Marketing
<p>The Commission is particularly concerned by the council’s failure both to transparently consider alternative options in relation to expanding secondary school capacity in the area, and to consult or engage appropriately with the community, whom their decision directly affects.</p>	<p>It is accepted that the report to the Education and Children’s Services Policy Board in May 2023 could have articulated the reasons why no other options to address secondary school capacity beyond an extension to Park Mains High School were deemed viable for detailed consideration.</p> <p>Additionally, although engagement in relation to updated school projections and developing plans for a larger extension to PMHS were shared and discussed with the PMHS parent council prior to the May report, plans to expand this engagement process to a wider group to encapsulate all feeder primaries following the board meeting could have</p>		



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	<p>been outlined in the report and or considered earlier in the process.</p> <p>Council officers have since May 2023 been progressing positive and ongoing community engagement in relation to the Park Mains extension, principally through the Park Mains Liaison Group which was established to provide a single engagement forum with representatives from the Parent Councils of Park Mains High School and all associated feeder primaries.</p> <p>This engagement process has shared and explained detailed pupil projection data, the underlying rationale for the proposed extension decision as well as listening and responding to concerns and or requests for further information from the wider parent and carer community. This included sharing detailed information on an option promoted by some community representative from Dargavel and Bishopton for a new secondary school for Dargavel, Bishopton and Langbank. As reported through the Education and Children’s Services Policy Board in August 2023, such an option had significant negative implications from a financial, educational, value for money and school estate perspective that discounted it as a credible option for detailed consideration.</p> <p>The Park Mains Liaison Group is proving to be a highly valuable engagement forum, providing a single route of engagement across the wider community as well as a key route to assist the Council to disseminate consistent key</p>	<p>This engagement activity will remain ongoing as part of the PMHS extension project through to August 2027 and beyond recognising the long-term monitoring of school roll projections at the high school.</p>	<p>Director of Children’s Services</p>

Council Response and Planned Actions

Accounts Commission Finding	Council Response and Actions	Timeline	Responsibility
	<p>messages and information updates across communities through trusted Parent Council communication channels. This engagement approach will inform how non statutory and informal engagement in relation to potential school estate changes and long-term strategic learning estate work may be taken forward in the future by the Council.</p> <p>Additionally, high levels of positive engagement are being secured as part of the space planning process for the new extension, supporting active parental and carer participation and influence in the design process of the new extension and wider changes to the school that are planned to be delivered. This is increasingly building a positive community commitment and level of direct participation in the delivery of the school extension and improvement project.</p> <p>The review of the Council’s engagement strategy as referred to above will include a qualitative assessment of the effectiveness of the Park Mains Liaison Group.</p> <p>Lastly, work is being progressed by officers to research how other councils have approached school extension projects, where a statutory consultation process is not required. The objective of this work is to inform the design of a framework to inform any future approach to early informal engagement that can be adopted by the Council in relation to school estate considerations or changes.</p>		

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	<p>Desk top work completed to date has identified a mixed picture with several councils having adopted a similar approach to that employed by the Council for the PMHS extension. However, there are some examples of the use of published options appraisals as part of Council reports and identified examples of planned informal engagement strategies deployed as part of long-term strategic school estate planning which provide some good practice approaches for reference.</p> <p>These individual elements of good practice that are evident across other councils can be collectively brought together and used to inform and guide the development of a proposed framework for use by the Council in its future strategic school estate planning programme (where appropriate this will pay due regard to the Scottish Government guidance on informal engagement that may occur prior to a statutory consultation process).</p> <p>In completing this work consideration will be given to sharing the output across the local authority sector given what appears to be a level of mixed and inconsistent approaches deployed across the country.</p>	August 2024	Director of Children's Services

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<p>We note that the new primary school is subject to a full public consultation.</p> <p>We expect the council to engage meaningfully with the community on this issue, and other decisions on the school estate.</p> <p>Again, we ask that the Controller monitors this situation, and reports to us in June 2024 on progress and earlier if necessary.</p>	<p>The Education and Children’s Services Policy board approved the planned consultation programme in January with a report on the outcome of the consultation planned to be brought back to Policy Board in May.</p> <p>A full programme of planned consultation and engagement activity has been developed with input from the Institute of Consultation to bring to the design process experience of recognised best practice deployed across the UK.</p> <p>Full details of the planned consultation process and activity will be provided to the external auditors as well as the opportunity to observe any of the planned information events and or formal consultation meetings.</p> <p>The approach specifically developed for this consultation process as well as the evaluation of its effectiveness will be used to inform a best practice approach for use in any future statutory and non-statutory school consultation processes as well as wider consultation and engagement activities the Council may undertake in relation to any future service or policy changes.</p>	<p>Consultation process has commenced and will fully complete with a report to the Education and Children’s Services Policy Board in May 2024</p>	<p>Director of Children’s Services</p>

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<b>Learning lessons and building capacity</b>			
<p>While the council’s initial response to the Bowles report was high level, we are assured by the Controller that its action plan in response is now sufficiently detailed and includes SMART objectives</p> <p>It will be important that this action plan is well-managed by senior officers and closely scrutinised by elected members of the council.</p>	<p>The action plan is regularly monitored by senior officers through existing officer governance arrangements in relation to Dargavel with an update on progress reported to each cycle of the Audit Risk and Scrutiny Board and updates will be shared with the external auditors on an ongoing basis.</p>	<p>Ongoing</p>	<p>Director of Finance and Resources</p>
<p>However, there are still significant uncertainties relating to</p> <ul style="list-style-type: none"> <li>• the capacity needed in the long term, and</li> <li>• to the completion of the two building projects – the new primary school and the secondary school extension.</li> </ul> <p>We therefore request that these matters are closely monitored in the annual audit work, and the Controller uses her powers to report any slippage or other issues to us if necessary.</p>	<p><b>Managing the Risk of Future Capacity Uncertainty</b></p> <p>The inherent uncertainty in relation to long term (15 year) pupil growth projections has been widely reported by the Council over the past year as an ongoing risk through both formal board reports, as well as engagement and communications with communities and in sharing data and reports with the external auditors. This is particularly recognised by the Council in the context of Dargavel Village having approximately 10 years of development still to deliver before achieving completion. It has also been trailed that the Council’s projection work to date with Edge Analytics has identified an expectation of a peak in demand to be reached which will then fall to a stabilised long-term level of demand – a similar pattern of demand growth has been evidenced across other similar long term community growth areas in the UK.</p>		

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	<p>The Council has heavily trailed the need to regularly monitor actual pupil numbers and update long term projections on a regular basis over coming years as a key response to being able to pro-actively manage this risk moving forward.</p> <p>This monitoring process will be key to assess the extent to which actual demand and revised projections is or is not tracking against the current projections that have informed the planned capacity levels that will be delivered by the current learning estate interventions and provide early indication of any risk of material deviation. The planned annual monitoring and updating approach that will be deployed over coming years will be shared with the External Auditors.</p> <p>Long term projection work completed to date has already modelled a range of potential demand scenarios for the primary sector and identified an expected peak of demand in 2033/34. Options that can be considered for deployment in future years to manage upper demand scenarios that would be exceed the planned capacity being delivered for primary sector education within Dargavel village, have already been identified and reported through the Education and Children's Services Policy Board in November and shared with community representatives.</p> <p>Should the monitoring arrangements over the coming years highlight projection of sustained demand trending towards the upper demand scenarios, an appraisal will be required to assess which of the options is most appropriate for</p>	<p>March 2024</p>	<p>Director of Children's Services</p>

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	<p>consideration to be deployed to meet the scale and nature of the additional future demand. This process will include early community engagement with school communities and will require timely assessment and associated decision making to allow planned delivery of any additional intervention well ahead of the developing need.</p> <p>In relation to the secondary sector, the impact of higher demand scenarios will take longer to emerge (mid to late 2030s) and similarly it has been well trailed in Council reports and with the community that long term monitoring and projection modelling may identify the need to consider options at an appropriate future point in time in respect to any further intervention and or decisions in relation to secondary sector provision across West Renfrewshire.</p> <p>Similarly, the long-term monitoring arrangements will facilitate early identification of such risks and will support early engagement with the appropriate primary and secondary schools that may be impacted by any future school estate changes.</p> <p><b>Delivery of New School Facilities</b></p> <p>It has been recognised by the Council that as a result of the very late identification of the significant under-capacity problems within both the primary and secondary sectors serving Dargavel, the Council has since late 2023 been operating within a highly compressed non-typical timeline to undertake all the associated capacity planning, land</p>		

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	<p>assembly, community engagement, statutory consultation, space planning, procurement arrangements before moving into project delivery in order to achieve operational delivery of the new facilities by August 2027.</p> <p>In broad terms, the Council is seeking to achieve all that is associated with the long-term strategic planning, engagement, consultation and operational delivery of a new school and major extension of a secondary school in a 4 ½ year period, when such an end-to-end process would normally run over a much longer period – a timeline of around 6-8 year would not be an untypical period of timeframe. Consequently, the Council is parallel running several activities that would in most circumstances be delivered in a broadly consecutive manner.</p> <p>The Council has established governance, programming, and resource arrangements in place to support the delivery of the new primary school and secondary school extension over the remaining 3 ½ year period through to the operational target date of August 2007.</p> <p>To date the external auditors have not undertaken any detailed scrutiny of the delivery programme or the arrangements in place. To provide assurance officers will provide a full overview of the current arrangements for the external auditors for their review and will support whatever audit work is required to allow them to assess the Council's current approach.</p>	<p>March 2024</p>	<p>Director of Children's Services</p>



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<b>Impact on service provision</b>			
<p>We note that the council has assessed that currently there has been no detriment to either teaching delivery or pupil education in the Dargavel and Bishopton areas from the interim measures introduced.</p> <p>We consider it critical that the council reports the results of these assessments publicly, regularly and in an accessible way, to maintain and rebuild community confidence.</p>	<p>Renfrewshire Council has a robust Quality Assurance framework involving regular meetings with Education Managers and school staff and planned school visits which focus in on the national quality assurance indicators (reviews).</p> <p>DPS had a visit in January as part of this process where key strengths under the national Quality Assurance indicators from How Good is Our School were evaluated, self-improvement and self-evaluation and Learning, Teaching and Assessment and a report was produced. In addition, Bishopton primary School and Park Mains High School were both recently inspected by HMI, receiving very positive reports.</p> <p>Further, every school submits a school improvement plan and a school improvement report (published on website) and their evaluations under the 4 key Quality Indicators (QIs) of their performance, based on data gathered through self-evaluation, HMI visits, internal visits and stakeholder input is submitted to Children’s Services in April.</p> <p>These are shared with the parent councils and will also be published on the school website as part of the self-evaluation process. This is in line with Education Scotland guidelines, the National Improvement Framework and statutory requirements.</p>	<p>Ongoing as part of the Service’s Quality Assurance Framework</p>	<p>Director of Children’s Services</p>

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	<p>The opportunity will be taken through the wider engagement channels established with the Dargavel, Bishopton and wider PMHS communities to sign post and raise awareness of parents and carers to this information to provide an ongoing understanding and reassurance in respect to the school evaluation arrangements and outputs.</p>	<p>Ongoing and will be incorporated into parent and school newsletters at appropriate points.</p>	<p>Head of Marketing and Communications</p>
<p>The Commission is also concerned at the possible wider impacts of the council's failings regarding the estimation of pupil numbers and whether this has had any impact on services provided by the council in the Dargavel area.</p> <p>We request that the Controller seeks further information on these issues so that we can understand the work that the council has done to understand these impacts.</p>	<p>The Council has considered a range of service provision and other issues for Dargavel Village in addition to addressing both primary and school provision. This has included the following which will be shared with the external audit team as part of their audit work:</p> <p>Leisure provision – the new primary school is planned to incorporate a full-sized floodlight synthetic pitch with associated changing facilities appropriate for community use recognising the removal of similar facilities through the history of the S.75 process since 2009, and the growing scale and demand for such facilities from children, youth and ultimately adult football within Dargavel and Bishopton which is expected to expand further as Dargavel develops. This facility will complement the resurfacing and improvement of two floodlight synthetic pitches at PMHS which will also serve the area as well as working with the local Community Trust to progress their sport provision ambitions within Bishopton. Beyond organised football, it would be expected that this facility would be capable of</p>	<p>In line with requests emerging from defined audit programme to be set by Azets</p>	<p>Chief Executive</p>

## Council Response and Planned Actions

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	<p>supporting a range of potential community uses in the future.</p> <p>Community Facilities &amp; planned play and recreation space – a key part of the planned design ethos of the new primary school is to create maximum flexibility to support delivery of a community asset that will be able to offer facilities for a wide range of community uses for all ages outwith school hours. This was identified through the space planning engagement stage and will address the failure to incorporate wider community use into the design of the existing Dargavel Primary School. This also recognises the future demand for such facilities as the development progresses and will provide useful insight for the Council as to how community use can be more effectively incorporated into the design of a new school and position such new facilities as attractive community hubs for active use beyond the school day.</p> <p>A review of planned play and recreation spaces within the masterplan / S.75 Leisure Strategy was also undertaken – although there have been issues identified with the scale and quality of play equipment provided to date at individual designated play park areas that has been raised with BAE Systems, the overall scale of provision was not influenced by the Council’s calculations of school roll projection.</p> <p>Transport and travel infrastructure and bus service provision – the Council has commissioned an external review of active travel and traffic modelling as part of planning for a second school within the masterplan area. A range of</p>		

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	<p>recommendations for consideration in relation to the masterplan infrastructure have been made and which will be progressed in discussion with BAE systems to enhance and improve the opportunity for active travel.</p> <p>In addition, detailed engagement has been undertaken with the Community to adapt proposals to utilise a financial contribution from the S.75 to establish a bus service, partly reflecting consideration of the anticipated number young people that will emerge from the development and the range of facilities they would most likely wish to travel to by public transport.</p> <p>Support to schools – arrangements to provide appropriate enhancement to management support to the school recognising the additional demand being placed on the school management teams were put in place early in the process. Moving forward, normal arrangements to assess and align both central support services to school as well as school management teams as school rolls expand will be undertaken in years to come.</p> <p>By way of example, there is a CAMHS officer who works as the link for Children’s Services and who is currently working with a group of schools in Linwood as part of a pilot to assess demand and how that is being met. The next cluster identified to receive this additional support will be Park Mains and we are working closely with Educational Psychologists and Family Wellbeing teams to ensure that, if</p>		

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	<p>there is an increase in expected demand, that this is being met and indeed planned for as the school roll expands over future years. Education Managers are monitoring and working closely with the school and the CAMHS officer will provide us with the data.</p> <p>NHS facilities and services – engagement has taken place with IJB/HSCP colleagues as the Dargavel review unfolded. In terms of data, pupil projection data relies on NHS data flowing to support the pupil projection modelling – pupil data does not conversely inform or influence NHS data and planning and therefore there was no identified risk to any under sizing of NHS planning as a consequence of pupil projection errors by the Council. IJB/HSCP colleagues have however considered the issue of planning for uncertainty in respect population growth at Dargavel in terms planning the design and delivery of the new health facility which will be future proofed for potential future extension if required.</p>		
<b>Financial management and consequences</b>			
<p>The financial impact of these failings on the council is significant. The council capped the risk and contributions from BAE Systems under the Section 75 agreement, and as a direct result faces estimated net additional capital costs of £60 million, to be met by borrowing. This is a substantial sum of public money. The council needs to clarify the opportunity costs of this in terms of its overall capital programme. The council projects that it will have a revenue budget deficit of up to £50 million by 2026/27 and will</p>	<p>The Council will be required to manage the financial impact of the unplanned delivery of a new primary school and larger extension at PMHS through the delivery of its wider financial strategy and any opportunity costs articulated as part of developing and delivering that strategy.</p>	<p>Will be considered in February 2024 as part of the Council’s annual budget considerations and updated</p>	<p>Director of Finance and Resources</p>

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<p>need to make difficult decisions on prioritising its spending, compounded by the financial consequences of this issue</p> <p>The council has recently negotiated a transfer of land from BAE for the construction of a new primary school. The Controller’s report indicates that this was in exchange for amendments to the extent and composition of the housing units for which planning permission has been granted.</p> <p>Given the reported determination of BAE to fully protect their commercial interests in the development, and the absence of alternative solutions for the council, it will be important to ensure and demonstrate that this exchange represents Best Value for the public purse.</p>	<p>The financial and wider factors considered by officers as part of the negotiation process with BAE systems to secure the associated land agreement and adjustments to the S.75 agreement will be set out in detail and shared with the External Auditors and will be reported through updates to the Audit Risk and Scrutiny Board and subsequently.</p>	<p>financial strategy.</p> <p>March 2024</p>	<p>Head of Economy and Development</p>
<b>Council leadership, governance, and culture</b>			
<p>The council’s action plan will be hugely important in further embedding improvements in this area. In particular, the following elements must be progressed urgently and transparently:</p> <ul style="list-style-type: none"> <li>• the council’s review of its scrutiny arrangements against CIPFA good practice guidelines</li> <li>• the council’s review of its approach to risk management</li> </ul>	<p>Officers will provide the current scope and timings of the associated actions and current progress in relation to each action being progressed through the Council’s existing action plan to the Audit Risk and Scrutiny Board and where required will also be reported through any other appropriate governance route within the Council.</p>	<p>February 2024 and ongoing in relation to the outcomes associated with each action.</p>	<p>Director of Finance &amp; Resources</p>

**APPENDIX 2**  
**Council Response and Planned Actions**

<b>Accounts Commission Finding</b>	<b>Council Response and Actions</b>	<b>Timeline</b>	<b>Responsibility</b>
<ul style="list-style-type: none"> <li>• the council’s leadership development programme for officers.</li> </ul> <p>To be satisfied of progress in these areas, the Commission requires the Controller to request further information from the council on the scope and timing of these actions, and report back to the Commission in the update requested for June 2024, or earlier if she thinks necessary.</p> <p>We also expect these issues to be covered in the accelerated Best Value report.</p>			
<p>The Commission is also concerned about the culture of the council and whether it has truly learned the lessons it needs to.</p> <p>We expect organisational culture to be an area of focus in the accelerated Best Value report.</p> <p>In particular, we request an update on whether the</p> <ul style="list-style-type: none"> <li>• culture of the organisation is appropriately open and transparent,</li> <li>• encourages continuous improvement,</li> <li>• effective joint working between officers and members, effective scrutiny and challenge (especially by elected members), and</li> <li>• engagement and discussion with stakeholders.</li> </ul>	<p>The council’s auditors concluded that the council has appropriate governance arrangements in place with improvements over the years in member and officer relationships and effective leadership overall and were satisfied through their detailed audit work that the Council had demonstrated that the governance failings identified by the Bowles report were limited to the historic handling of Dargavel.</p> <p>The auditors did not highlight any concerns over the wider organisational culture in the Council or in its approach to managing major capital programmes but did identify that the role of the Audit, Risk and Scrutiny Board in ensuring effective scrutiny is not sufficiently clear and the Council has recognised this and is already significantly progressed with a review of the Audit Risk and Scrutiny Board and the outcome of this review will be shared with the local audit team.</p>		

**APPENDIX 2**  
**Council Response and Planned Actions**

Accounts Commission Finding	Council Response and Actions	Timeline	Responsibility
<p>In addition, <b>we request an assessment of</b></p> <ul style="list-style-type: none"> <li>• whether it has the right skills in the right places to deliver on its responsibilities, and</li> <li>• whether issues are escalated to the right level.</li> </ul>	<p>Despite the finding of the Council’s auditors, the Commission has expressed concern in relation to the Council’s culture and have sought further assurances in relation to a wide range of organisational issues.</p> <p>It is expected that the assessment of such issues will form part of the planned Best Value Audit process and subject to confirmation of the planned detailed best value audit programme, Council officers will provide all the necessary support, assistance and information to allow the audit team to appropriately assess all key areas of interest.</p>	<p>Subject to confirmation of the planned best value audit programme and approach</p>	<p>Chief Executive</p>
<p>Finally, the Commission notes that the auditor has concluded that the council has obtained appropriate external legal advice and determined there is no potential for any form of action against former senior employees involved in the Dargavel School decision-making.</p> <p>In addition, no disciplinary action has been taken against any senior officer involved in decision-making relevant to the Section 75 approval process for the Dargavel Village development.</p> <p>The Commission accepts that these are management issues.</p> <p>However, we request that the Controller asks the council for further information on the process followed and</p>	<p>No senior officers involved in the Dargavel S.75 decision making process and identified in the Bowles Report remain employed by the Council or remained employed at the time of the Bowles report publication. In this context no senior officer could be subject to any form of internal Council disciplinary investigation or action.</p> <p>Full details of the process of consideration and legal advice that was sought regard to any other form of external legal action will be shared with the local external audit team as requested by the Commission.</p> <p>Equally, arrangements will be made to provide the external audit team with the Council’s disciplinary policy and procedures as well as the overall approach to performance management across the Council and support any further</p>	<p>March 2024</p> <p>March 2024</p>	<p>Head of Corporate Governance</p> <p>Head of Policy and Partnerships and Head of HR &amp; OD</p>



**APPENDIX 2**  
**Council Response and Planned Actions**

<b>Accounts Commission Finding</b>	<b>Council Response and Actions</b>	<b>Timeline</b>	<b>Responsibility</b>
<p>factors taken into account by the council in considering disciplinary action against staff involved.</p> <p>In addition, and looking forward, the Commission asks for information on</p> <ul style="list-style-type: none"> <li>• the council’s approach to performance management and</li> <li>• its current policy on disciplinary action,</li> </ul> <p>so we can be assured that appropriate arrangements are in place to ensure that staff have the necessary skills and that senior officers are properly accountable for their areas of responsibility.</p>	<p>request that may emerge from their planned audit work in this regard.</p>		

**APPENDIX 3**  
**Cross Party Working Group Agreed Actions**

Cross Party Working Group Action	Update	Timeline	Responsibility
<p>Refresher training for management teams across all of the Council's directorates on the operation of delegated authority should be implemented.</p> <p>Refresher training for management teams across all of the Council's directorates on the operation of the Protocol for Relationships between Political Groups, Elected Members and Officers should be implemented.</p>	<p>Training was delivered to all directorates by the Head of Corporate Governance and the Council's Chief Auditor in January 2024 to Chief Officers and tier 3 managers. A further "catch up" session will be held for those that missed the original session.</p>	<p>April 2024</p>	<p>Head of Corporate Governance and Chief Auditor</p>
<p>The content of the Protocol for Relationships between Political Groups, Elected Members and Officers be refreshed.</p>	<p>The Revised Protocol was approved at the Council Meeting of 29 February 2024</p>	<p>Complete</p>	<p>Head of Corporate Governance</p>
<p>That the Bulletin be issued with the minutes of each Council and board meeting for the meetings of Full Council.</p>		<p>May 2024</p>	<p>Head of Corporate Governance</p>
<p>A health check of all major projects will be completed and reported through the Audit, Risk and Scrutiny Board</p>	<p>This has separately been reported to the ARS Board as part of the independent review action plan</p>	<p>Complete</p>	<p>Chief Executive</p>
<p>All major projects and programmes will report to the appropriate board at least twice a year.</p> <p>Any such reports will include a note of all project groups involved.</p>		<p>May 2024</p>	<p>Chief Executive</p>

**APPENDIX 3**  
**Cross Party Working Group Agreed Actions**

<b>Cross Party Working Group Action</b>	<b>Update</b>	<b>Timeline</b>	<b>Responsibility</b>
The outcome of the management training programme will be reported to the Audit, Risk and Scrutiny Board	This is separately being reported to the ARS Board as part of the independent review action plan		Director of Finance & Resources and Head of HR & OD
A structure chart for all Council directorates should be prepared and circulated to all Elected Members. This should be regularly updated and recirculated as necessary.	The structure chart was circulated to all Elected Members, and the first updated version was issued in March	Complete	Chief Executive
That a Chief Planning Officer report brought to the Planning and Climate Change Policy Board at least twice a year advising on the position in respect of s75 Agreements, or where officers cannot not reach agreement on substantive matters in a specific s75 Agreement negotiation.		May 2024	Head of Economy & Development Services





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

**On:** 18 March 2024

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

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**Heading:** **Audit Scotland**

Audit of Housing Benefit Risk Assessment Report

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**1. Summary**

- 1.1 During August and September 2023, Audit Scotland carried out a scheduled Housing Benefit Risk Assessment for Renfrewshire and provided a report to the Council's Chief Executive on 1 February 2024 (attached as Appendix 1).
- 1.2 Similar Audit Risk Assessments have been undertaken in previous years with the most recent during 2018, with a report to the Audit, Risk and Scrutiny Board in May 2019.
- 1.3 The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in its activities.
- 1.4 The report notes the impact on service delivery following significant challenges since our last audit in 2018; including dealing with the impact of the Covid-19 pandemic, increased workloads, resource challenges in respect of staff turnover and absence and the loss of a fully functioning benefit work management IT system for a period during 2022/23.

- 1.5 The report comments in its key messages that the Council has a robust performance management framework and that key aspects of benefit service performance are regularly reported to staff, senior management, and Elected Members.
- 1.6 Positively it is noted that although claims processing performance significantly declined in 2022/23, the Council's positive actions addressed the decline, and performance in 2023/24 is better than internal targets, and just above the Scottish average.
- 1.7 Two key areas for improvement are identified within the report. Accuracy performance, which has declined, and housing benefit overpayment recovery.
- 1.8 In response to the eight recommendations made by the auditor, an action plan has been agreed and incorporated in the report attached in Appendix 1.
- 1.9 Work has already commenced to progress these actions and, as improved performance has been sustained, the Service has capacity to implement the changes proposed and is confident that these will make a positive contribution to the continuous improvement of the benefits service.
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## 2. **Recommendations**

- 2.1 To note the *Audit of Housing Benefit Risk Assessment Report* (appendix 1) and the action plan included within the report.
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## 3. **Background**

- 3.1 Audit Scotland completed a risk assessment to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.
- 3.2 The risk assessment considers the effectiveness of the benefit service's business planning and reporting, both in meeting priorities and delivering outcomes. It was completed as part of Audit Scotland's housing benefit (HB) performance audit programme and does not represent a full audit of Renfrewshire Council's benefit service.

- 3.3 To enable the recent risk assessment to be completed Audit Scotland gathered information from a range of sources including:
- a self-assessment template, including supporting documentation which was provided by the benefits service.
  - Department for Work and Pensions (DWP) indicators and other performance measures.
  - Internal and external audit reports.
  - Discussions with senior officers in the Council and the appointed external auditors.
- 3.4 The first section of the report is titled Business planning and reporting (pages 6-7) and this highlights that the Council has a robust performance management framework and that key aspects of benefits performance are regularly reported to staff, senior management and elected members.
- 3.5 This section also notes the elements of the Council Plan relating to benefits, as well as the service's key priorities from the Finance and Resources 2023-2026 Service Improvement Plan which also incorporates the key performance indicators for the benefits service. It positively reports that these indicators, and other performance management information, are regularly reported to staff, senior management, and Elected Members, to provide assurance that the service is operating efficiently and effectively.
- 3.6 The auditor notes that although benefit service performance is regularly reported at an operational level, and to Elected Members, there is scope to improve the level of reporting and target setting in respect of the recovery of Housing Benefit (HB) overpayments. The Service agrees that the recovery of HB overpayments is fundamental to the efficacy of the benefit service, and reporting performance against these targets will ensure that Elected Members are fully sighted, particularly during the current cost-of-living crisis where, as is highlighted, it is important that claims are accurate, and that overpayments are recovered rigorously and timeously.
- 3.7 In the 'Delivering outcomes' section of the report it is noted that, 'although claims processing performance significantly declined in 2022/23, the Council's positive actions addressed the decline, and performance in 2023/24 is better than internal targets, and just above the Scottish average.' The report was based on processing speeds reported as at 30 September 2023, these have been sustained for changes and improved further for new claims to 8 days and 19 days respectively.

- 3.8 The audit risk assessment report recognises multiple challenges which the Council had faced during the 18 months prior to the audit commencing. The service had faced ongoing recovery from the impacts of the continuing cost of living crisis and post-pandemic effects, in particular redirection of the significant resources which were required to support the administration and payment of Self Isolation Support Grants.
- 3.9 Added to these challenging factors was the implementation of complex changes to the Council Tax Reduction Scheme in March 2022 and a wholesale upgrade to the work management system. This created a 'perfect storm' of events which resulted in outstanding workloads growing significantly and to the severe, but temporary, detriment of processing times.
- 3.10 The Service is committed to sustaining the significant improvements made in the processing times and is confident in ensuring this can happen without the need to fund additional agency support. The actions in respect of recommendation 2 within the report are well in progress.
- 3.11 In relation accuracy, the service recognises the importance of accurate HB claims processing. Approximately £41 million is paid out for HB in Renfrewshire, this is on behalf of DWP and is re-couped through an annual subsidy claim.
- 3.12 The subsidy claimed for overpaid HB differs, depending on the reason for the overpayment. If the overpayment arises because the customer fails to report a change in their circumstances, the subsidy payable is 40%. If the overpayment arises because the customer reports a change in their circumstances and it is not processed until a later date, this is known as Local Authority Error and the subsidy payable is threshold based (either 100%, 40% or Nil) depending on the total value of all Local Authority Error compared to total HB expenditure.
- 3.13 The current position for the threshold is 0.32%, an improved position from the 0.41% noted in the report, this is a likely reflection of the significantly improved level of outstanding workload and processing times. Local error levels are being reported to senior managers monthly and a decision will be made on which point in the financial year is most relevant to update Elected Members on the position, as stated in the Service's response to recommendation 5.
- 3.14 It is positive to read that the audit report recognised that a comprehensive management checking framework is in place. (The framework covers both HB and Council Tax Reduction.) The report does however note a decline in accuracy performance which needs to be addressed.



The Service is now a strong position to address accuracy, with workloads normalised and processing times improved. Work is already well underway in respect of the 2 recommendations made in relation to accuracy (3 & 4 in the Recommendations section of the report).

- 3.15 The board may wish to note that the January 2024 position for accuracy was 90% and therefore slightly better than the 2022/23 position noted in the report at 88%.
- 3.16 The remaining sections of the report focus on Housing Benefit (HB) overpayments and the recovery of these. As previously mentioned in section 3.6 above, there is scope to improve the reporting of overpayments performance. It was highlighted that targets should be set for recovery of both in-year and all HB debt.
- 3.17 It was suggested that the Service should consider commencing deductions from ongoing benefits immediately after an overpayment is discovered rather than waiting one calendar month in case of an appeal.
- 3.18 In addition it was recommended that the level of deductions taken from customers in respect of ongoing benefits should be reviewed periodically.
- 3.19 The service previously utilised Housing Benefit Recovery and Fraud (HBRF) data, produced by our benefits processing system to DWP specifications, to monitor overpayment recovery performance. Flaws in this methodology were highlighted by a previous audit and advice was sought from our software supplier on a more robust means of reporting on collection performance. As a result, we adopted the processing system's 'Overpayment Debt Analysis Report' as our primary source of recovery performance. This latest risk assessment report has highlighted a divergence between these two sets of data which requires to be investigated.
- 3.20 As previously stated the Service is aware of the impact of overpayments and is taking steps to address accuracy levels. It also recognises the real value in HB recovery where errors have been made by claimants not reporting changes. This area is now fully resourced and working directly to improve recovery levels.
- 3.21 In response specifically to the concerns raised in the report i.e., to recommendations 1,6, 7 and 8 to following actions have been agreed:

- Enhance the current reporting of HB Overpayments by setting targets for both in-year and all debt recovery performance and report these to members of the Finance, Resources and Customer Services Policy Board as part of the Business Services Performance Report
- Update guidance, procedures, and system settings to enable immediate recovery to commence, rather than waiting to check for a potential decision appeal. Decisions may be reconsidered upon receipt of further information.
- To ensure that recovery from ongoing benefit is optimised and appropriate, undertake annual reviews of all deduction cases.
- Carry out a robust reconciliation exercise comparing DWP reported data with system output to establish the cause of divergence.

3.22 As stated previously, work has already commenced to progress these actions. As mentioned in the report it is believed that the significant improvements already made to processing times in a relatively short period of time demonstrate the resilience of a strong and dedicated team. The Service therefore has a robust platform on which it can strive towards continuous improvement.

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### Implications of the Report

1. **Financial** – Accurate benefit claims optimise the amount that the Council can re-claim in subsidy from DWP. Effective recovery of HB overpayments supports income lost to the council through claimant error.
2. **HR & Organisational Development** – none
3. **Community Planning** – Our Renfrewshire is fair - An effective Benefits service is vital to the quality of life of many of our citizens as it provides vital support for low-income households to sustain tenancies and meet their rent obligations.
4. **Legal** – Social Security Act 1992 Part VIII – Arrangements for Housing Benefit and Community Charge Benefits and Related Subsidies. Section 134 dictates arrangements for Housing Benefit and the responsibility of the relevant local authority.
5. **Property/Assets** – none
6. **Information Technology** – none

7. **Equality & Human Rights** – None
  8. **Health & Safety** – none
  9. **Procurement** – none
  10. **Risk** – none
  11. **Privacy Impact** – none
  12. **Cosla Policy Position** – none
  13. **Climate Risk** - none
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**Author:** Emma Shields  
Strategic Service Delivery Manager  
Emma.shields@renfrewshire.gov.uk

# Renfrewshire Council

Audit of housing benefit  
Risk assessment report



 AUDIT SCOTLAND

Prepared for Renfrewshire Council  
January 2024

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# Key messages

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- The benefit service has faced significant challenges since our last audit, including dealing with the impact of the Covid-19 pandemic, which resulted in increased workloads, the loss of 16 experienced staff and an elevated level of long-term staff absences in 2021/22 and 2022/23, and the loss of a fully functioning benefit work management IT system for a period of seven weeks in 2022/23. These challenges adversely affected key areas of service delivery, which the council has only recently started to recover from.
- The council has a robust performance management framework and key aspects of benefit service performance are regularly reported to staff, senior management, and elected Members.
- Although claims processing performance significantly declined in 2022/23, the council's positive actions addressed the decline, and performance in 2023/24 is better than internal targets, and just above the Scottish average.
- Although a comprehensive management checking framework is in place, accuracy performance has been in steady decline since 2020/21 and needs to be addressed urgently to ensure that avoidable overpayments and a potential loss of subsidy are minimised.
- As a result of the pandemic and staff turnover, the redeployment of overpayment recovery staff to other key priorities has had a significant impact on recovery performance, leaving the council in the bottom quartile of all Scottish councils for the last three years.

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# Introduction and background

**1.** The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in its activities.

**2.** The risk assessment considers the effectiveness of the benefit service's business planning and reporting, in meeting priorities, and delivering outcomes. It was completed as part of Audit Scotland's housing benefit (HB) performance audit programme and does not represent a full audit of Renfrewshire Council's benefit service.

**3.** Information for this risk assessment was gathered from:

- the self-assessment, performance matrix and supporting documentation provided by the council.
- Department for Work and Pensions (DWP) indicators and other performance measures.
- scrutiny of internal and external audit reports.
- discussions with council officers and the appointed external auditor.

**4.** Since our last audit in [2018](#), the council has faced a number of significant challenges that have affected the delivery of the benefit service. Most notably, in 2020/21, in response to the Covid-19 pandemic, the council was presented with the unprecedented challenge of delivering the benefit service remotely, while also being at the forefront of administering the Scottish Government's Covid-19 Self-isolation Support Grant (SISG) scheme.

**5.** This scheme resulted in additional workloads for the benefit service with 1,324 applications for an SISG administered in 2020/21, which the service managed within available resources, while improving on claims processing performance.

**6.** However, in 2021/22, the number of SISG applications increased significantly to 12,908 and, to meet this demand, the council reported that significant resources were redeployed from the benefit service which adversely impacted key aspects of service delivery, including claims processing performance. It is creditable therefore that the service was able to maintain claims processing performance levels better than internal targets in 2020/21 and 2021/22.

**7.** In early 2022/23, the legacy of this additional work, the implementation of complex changes to the Council Tax Reduction Scheme in March 2022, an extensive upgrade to the service's work management system, changes to the council's benefit's automation processes, and peak annual leave resulted in significant backlogs of work, leading to a sharp decline in claims processing

performance. The council advised that the decline was further compounded by the loss of eight experienced staff (20 per cent of assessment complement) during the year, and an elevated level of staff absences resulting in 51 work weeks lost.

**8.** The council reported that delivering the benefit service throughout this period had been extremely challenging and placed additional pressures on staff. However, several actions to address the decline in claims processing performance had been implemented. These actions had a positive impact by improving the time taken to process new claims and change events from an average of 41 days and 12 days respectively in 2022/23, to an average of 21 days and eight days in 2023/24, as of 30 September 2023.

**9.** The council told us that these improvements in a relatively short period of time demonstrate the resilience of a strong and dedicated team and is a robust platform on which the service can strive towards continuous improvement.

**10.** However, the council needs to ensure that it can maintain and improve on claims processing performance while also addressing other areas of the benefit service that have been affected during this period. In particular, the accuracy of claims, which has been in steady decline since 2019/20, and the recovery of overpayments, where the council's performance has placed it in the bottom quartile of all Scottish councils for the last three years.



# Business planning and reporting

## The council has a robust performance management framework and key aspects of benefit service performance are regularly reported to staff, senior management, and elected Members

**11.** An effective business plan provides an opportunity for the council to set out the aims and objectives of each service and should contain key deliverables against which performance is measured, monitored, and reported.

**12.** Business Services is a key service within the Finance and Resources Directorate and has a broad remit to deliver the council's financial operations, which includes welfare benefit administration (Housing Benefit, Council Tax Reduction, Scottish Welfare Fund, Discretionary Housing Payments), and carrying out financial assessments for adult social care.

**13.** The [Renfrewshire Council Plan 2022-2027](#) sets out the council's five strategic outcomes: place, economy, fair, green, and living our values. Each contains key priorities and actions that are required to meet these outcomes. These include:

- reducing inequalities, focusing on supporting communities through the cost-of-living crisis with dignity and empowering people to live fulfilled lives.
- reducing child poverty and improving outcomes for children and families currently living in poverty.
- ensuring the council delivers Best Value for its citizens and customers, and that it is a well governed, effective organisation.

**14.** Operationally, the [Finance and Resources 2023-2026 Service Improvement Plan](#) sets out the service's key priorities for 2023/24. These include:

- ensuring the financial security of the council.
- supporting people through the cost-of-living crisis through efficient delivery of grants and funds.
- supporting governance and oversight through effective audit programmes and risk management.

**15.** The service improvement plan also includes the key performance indicators for the benefit service in 2023/24, which are to process new claims in an average of 24 days and change events in an average of 10 days.

**16.** Performance against these indicators, and other performance management information, is regularly reported to staff, senior

management, and elected Members, to provide assurance that the service is operating efficiently and effectively. This includes:

- daily meetings between operational team leaders and the Financial and Corporate Administrative Support Manager (workload, new claims and change events processing).
- bi-weekly meetings between the Financial and Corporate Administrative Support Manager and the workload resource analyst (to review outstanding workload reports).
- weekly meetings between the Financial and Corporate Administrative Support Manager and the Strategic Service Delivery Manager (to review management information reports and agree work objectives).
- five times per year to elected Members of the Finance, Resources and Customer Services Policy Board (new claims/change events, accuracy, and overpayment recovery).

**17.** Although benefit service performance is regularly reported at an operational level, and to elected Members, there is scope to improve the level of reporting in respect of the recovery of HB overpayments by setting targets for in-year and all debt recovery, and reporting performance against these locally and, in respect of all debt recovery, nationally, using the DWPs published performance data.

**18.** The recovery of HB overpayments is fundamental to the efficacy of the benefit service, and reporting performance against these targets will ensure that elected Members are fully sighted, particularly during the current cost-of-living crisis where it is important that claims are accurate, and that overpayments are recovered rigorously and timeously.

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## Recommendation 1

The council should have documented targets for in-year and all debt recovery and regularly report performance against these to senior management and elected Members.

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# Delivering outcomes

**Although claims processing performance significantly declined in 2022/23, the council's positive actions addressed the decline, and performance in 2023/24 is better than internal targets, and just above the Scottish average**

**19.** When customers claim housing benefit (HB) it is at a time of financial uncertainty. It is therefore essential that the benefit service has sufficiently trained staff to make informed decisions on complex benefit claims and make payments promptly.

**20.** As detailed under [Introduction](#), the benefit service has faced significant challenges since our last audit, most notably managing:

- increased workloads from March 2020 arising from the Covid-19 pandemic, specifically applications for the Scottish Government's Self-Isolation Support Grant (SISG).
- complex changes to the Council Tax Reduction Scheme in 2022/23.
- an extensive upgrade to the service's work management system in 2022/23 resulting in the loss of full functionality for a period of approximately seven weeks.
- the loss of eight experienced staff in 2021/22 (33 per cent of assessment staff) and eight experienced staff in 2022/23 (20 per cent of assessment staff) and elevated long-term staff absences across both years.

**21.** In 2020/21, the number of applications received by the council for a SISG was managed within available resources and claims processing times improved for new claims and was maintained for change events. However, in 2021/22, the service experienced a significant increase in SISG applications, from 1,324 in 2020/21 to 12,908 in 2021/22, which resulted in the redeployment of benefit service staff to administer and process these applications.

**22.** This additional workload had a detrimental effect on key areas of the benefit service, most notably in respect of claims processing performance, which declined in 2021/22 to an average of 21 days for new claims, and an average of seven days for change events, and further declined in 2022/23 to an average of 41 days and 12 days respectively, as detailed in [Exhibit 1](#).

**Exhibit 1****Speed of processing performance (average number of days)**

	2019/20	2020/21	2021/22	2022/23	2023/24 (at 30 Sep)	Scottish average 2023/24 (Q1)
New claims	18 days	16 days	21 days	41 days	21 days	20 days
Change events	4 days	4 days	7 days	12 days	8 days	6 days

Source: Renfrewshire Council and DWP

**23.** The council took a number of positive actions to address the decline. This included the appointment of a workload resource analyst in November 2022 to track and monitor workloads and produce bi-weekly reports in key areas for operational managers. For example, information from the work management system detailing:

- the date of the oldest outstanding document.
- the number of unallocated documents.
- the number of outstanding allocated documents.
- a comparison to the previous report, providing management with data on throughput and backlogs.

**24.** The council reported that using this information enabled senior management to match available resources to the shape and volume of customer demand, for example, by prioritising outstanding work by claim type, and helps inform decisions on the strategy and direction of Business Services.

**25.** In addition, a 'HB Recovery Plan' was developed in December 2022 which contained key actions designed to deliver performance improvements. These included:

- changing working processes to provide a focus on new work and clearing backlogs and having regular daily management meetings to monitor progress.
- recruiting temporary agency staff, with a commitment to retain the additional resource until claims processing times were within internal targets.

**26.** The use of temporary agency staff from December 2022 provided the benefit service with additional processing capability and contributed towards significantly improved claims processing times in 2023/24.

**27.** At the time of our audit the level of claims processing performance was just below the 2023/24 Scottish average published by the DWP for quarter one of an

average of 20 days for new claims and an average of six days for change events, and better than internal targets of an average of 24 days for new claims, and an average of 10 days for change events.

**28.** Although the council's actions have effectively addressed the decline in claims processing performance, and delivered an improved level of service to customers, the retention of temporary agency staff is scheduled to end in December 2023. This has the potential to adversely affect claims processing performance again as the service seeks to maintain or improve on current levels, while also improving other areas of the business, for example, the accuracy of claims.

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## Recommendation 2

The council should ensure that, when temporary agency staff are no longer required, sufficient resources are available within the benefit service to maintain and improve on claims processing performance.

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### **Although a comprehensive management checking framework is in place, accuracy performance has been in steady decline since 2020/21 and needs to be addressed urgently to ensure that avoidable overpayments and a potential loss of subsidy are minimised**

**29.** The accurate and secure administration of housing benefit (HB) should be a key priority for every council. To support this, it is vital that a robust quality assurance framework is in place that:

- reduces the potential for fraud and error to enter the benefit system.
- helps reduce the potential for HB overpayments to occur and the associated costs of pursuing this debt.
- provides an audit trail to ensure that errors found are corrected.
- provides the service with invaluable information on the type of financial and non-financial errors occurring, allowing for the identification of specific training, and to target checks on areas of greatest risk.
- provides the service with information to report accuracy performance to senior management and elected Members.

**30.** The council places significant importance on the accuracy and quality of claims processing and, although not a key performance indicator within the 'Finance and Resources 2023-2026 Service Improvement Plan', accuracy performance is closely monitored and reported regularly to staff, senior management and elected Members of the Finance, Resources and Customer Services Policy Board.

**31.** Operationally, the Business Services' Stakeholder and Service Quality team carries out a number of key activities for the benefit service, including accuracy checks, staff training, the production of claims processing statistics, and complex HB overpayment calculations.

**32.** The council's 'Quality Checks Policies and Procedures' sets out its approach to carrying out management checks and contains a statement of objectives to:

- ensure that benefit is awarded and paid correctly, not to find errors.
- identify areas for service delivery improvements.
- be seen as a positive measure to reduce inaccuracy.
- avoid conflict where one person's view overrides another's.

**33.** To meet these objectives the council aims to carry out an accuracy check on a minimum of four per cent of claims processed, based on rigorous selection criterion. Most checks are carried out post-payment, with pre-payment checks largely used for staff that are subject to increased checks, such as new or inexperienced staff, until they reach a satisfactory level of accuracy (95 per cent).

**34.** For routine post payment checks, a daily benefit IT system report is produced for the Stakeholder and Service Quality Team which details all claims processed the previous day, and a random sample of five claims from different assessors are selected for scrutiny.

**35.** A pro-forma covering all aspects of the claim is completed for each check and the outcome categorised as 'QUALCHEC', no financial error found, or 'QUALWB,' financial error found.

**36.** Where an error is found, the assessor is provided with the details and asked to correct the claim and notify the Stakeholder and Service Quality Team that they have understood and corrected the error. If an assessor disagrees with the quality check decision an escalation and resolution procedure is in place.

**37.** Outcomes from management checks are recorded electronically and analysed to identify error levels, trends and patterns, training needs, and to inform the council's bi-monthly 1-2-1 performance meetings with staff, with a view to delivering continuous improvement in service delivery. This provides a clear audit trail of the management checking process and remedial actions and is considered good practice.

**38.** Although the benefit service has a robust and comprehensive management checking process, the 'Quality Checks Policies and Procedures' document has not been updated since 2016.

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## Recommendation 3

The council should regularly review and update its Quality Checks Policies and Procedures to ensure that it accurately reflects current practice.

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**39.** In addition, accuracy performance has been in a steady decline since 2020/21, and the service has failed to meet its internal accuracy target each year, as detailed in [Exhibit 2](#).

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## Exhibit 2 Housing Benefit Financial Accuracy

Year	Target	Achieved
2020/21	95%	92%
2021/22	95%	90%
2022/23	95%	89%
2023/24	95%	88%

Source: Renfrewshire Council

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**40.** We analysed 184 accuracy checks carried out between April and July 2023 that had been recorded as complete and found that 31 (17 per cent) had been recorded as having a financial error. Of these, 24 (77 per cent) had been carried out post-payment and, of these, six (25 per cent) had resulted in an overpayment.

**41.** This level of performance is concerning, as the council carries out most accuracy checks post-payment presenting a greater risk to the council if a financial error is identified. Pre-payment checks allow errors found to be corrected before a payment is issued, therefore reducing the potential for avoidable overpayments, and a subsequent loss of subsidy.

**42.** Although the council analyses the outcomes from management checks it is not capturing errors found in other areas of the business and is therefore missing an opportunity to collate all errors and report holistically on the accuracy of the service. For example, where processing errors are found following the outcome of:

- an appeal or reconsideration, found in favour of the customer.
- an intervention that has identified an over/underpayment of benefit.
- a management check on the subsidy classification of an overpayment.

**43.** Centrally collating outcomes from all management checking activities will provide the council with a more complete dataset, while helping to build an error

profile based on robust data, that can be used to confidently target the right areas in its future management checking programme.

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## Recommendation 4

The council needs to establish and address the reasons for the decline in accuracy performance and, wherever possible, carry out accuracy checks pre-payment to reduce the potential for avoidable overpayments and loss of subsidy.

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### **The council is a key participant in DWP and Audit Scotland data matching initiatives and proactive in identifying and correcting un-reported change events**

**44.** To minimise error in the caseload, councils must encourage customers to report change events on time and have a robust intervention programme to identify unreported changes and take appropriate corrective action.

**45.** To support this, benefit service notification letters remind customers of the requirement to report any change event and include a simplified form detailing the types of changes that should be reported. In addition, the council website also advises customers of the need to report change events and has a facility to report a change online.

**46.** The council also actively participates in the DWPs Housing Benefit Matching Service, Audit Scotland's National Fraud Initiative, DWPs Verify Earnings and Pensions (VEP) service, and in 2022/23 signed up to the DWPs Housing Benefit Accuracy Award (HBAA) initiative. These activities are designed to identify unreported change events and help to ensure the accuracy of the caseload.

**47.** Although these activities identify change events that might otherwise not have been reported, the non-reporting of a relevant change event remains a key contributory factor in the number and value of benefit overpayments being created. To help counter this, the Reviews team within Business Services, that had been carrying out Revenues related reviews, expanded its remit in 2023/24 to include managing the output from VEPS and the HBAA initiative.

**48.** The council reported that placing this work with the Reviews team has resulted in increased HBAA activity with the 2023/24 forecast that 100 per cent of HBAA activity would be completed which, if maintained, represents a 37 per cent improvement on activity in 2022/23 (63 per cent).

### **The redeployment of overpayment recovery staff to other key priorities because of the pandemic and staff turnover has had a significant impact on recovery performance, leaving the council in the bottom quartile of all Scottish councils for the last three years**



**49.** To protect public funds, councils should take appropriate steps to ensure that housing benefit (HB) overpayments are minimised and that, when they do occur, they are correctly classified and recovered.

**50.** To minimise benefit overpayments, the service participates in DWP and Audit Scotland data matching initiatives, checks the output from the DWPs Automated Transfer to Local Authority (ATLAS) and Verify Earnings and Pensions (VEP) systems, and prioritises claims where an overpayment could arise. In addition, benefit IT system reports are used to predict changes and customers are reminded to report any change in circumstances on benefit documentation and on the council website.

**51.** This proactive approach has helped minimise the number of local authority (LA)/administrative error overpayments that can arise because of processing delays. This is particularly important as a council can lose subsidy where its LA/administrative error rate exceeds 0.48% of all HB payments made.

**52.** Historically, the council has performed well below this threshold. However, since 2020/21 the value of LA/administrative error has increased exponentially from 0.16 per cent, to 0.41 per cent, as at 30 September 2023. This is concerning as, although claims processing performance is now better than internal targets, the delayed impact of addressing the issues faced in 2022/23, and resultant backlogs of work, as detailed earlier in this report, could result in a loss of subsidy.

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## Recommendation 5

The council should monitor and report on the value of LA/administrative error overpayments more regularly to ensure that senior management and elected Members are fully sighted on any potential loss of subsidy.

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**53.** The council's 'HB Overpayment Guiding Principles' was developed in 2011 and last updated in 2018. It is comprehensive and details the council's approach to recovering benefit debt. The aim of the document is to ensure that the administration and recovery of HB overpayments is efficient and effective to:

- reduce the loss of public funds.
- provide revenue for the council.
- deter fraud and error.
- demonstrate a commitment to accuracy and the provision of a quality service to customers.

**54.** Where a customer has been overpaid and remains in receipt of HB, the debt is recovered from ongoing benefit at a prescribed rate, unless the customer notifies the council that they are experiencing hardship. In these

circumstances, an income/expenditure assessment would be carried out, and a reduced rate of recovery would be agreed with the customer, as appropriate.

**55.** If the customer is no longer receiving HB, the council's 1.6 full-time equivalent (FTE) overpayment recovery officers are primarily responsible for pursuing recovery of the debt. Initially this follows an invoice process, as detailed below:

- Day 1 - overpayment notification letter issued to customer allowing one month to appeal the decision.
- Day 31 - if no appeal or response, invoice issued to customer.
- Day 59 - if no response, reminder issued.
- Day 73 - if no response, final reminder issued.
- Day 101 - if no response, debt referred to the council's debt recovery agents for recovery.

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## Recommendation 6

The council should seek to recover HB overpayments immediately following notification as the longer a debt remains outstanding, the harder and more costly it can be to recover.

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**56.** Where no response has been received from the customer, the council makes effective use of other available recovery options before engaging debt recovery agents. This includes:

- utilising the DWP's Payment Deduction Programme to automate the recovery of HB overpayments from DWP benefits.
- recovering the debt from the customer's employer using a Direct Earnings Attachment.
- recovery from a third-party landlord, if appropriate.

**57.** [Exhibit 3](#) details the council's HB overpayment recovery performance.

### Exhibit 3 Overpayment levels and recovery performance

	2020/21	2021/22	2022/23	2023/24 (at 30 Nov)
Total value of HB overpayments carried forward	£7,726,002	£7,697,980	£7,270,112	£7,379,121
Total value of overpayments identified in-year	£1,324,911	£895,099	£1,376,940	£712,190
Total value of HB debt	£9,050,913	£8,593,079	£8,647,052	£8,091,311
Total value of all HB debt recovered (in-year)	£501,334	£361,998	£558,419	£287,525
Total value of all HB debt recovered	£1,183,831	£1,127,605	£1,201,610	£819,952
Total value of overpayments outstanding at year-end	£7,867,082	£7,465,474	£7,445,442	£7,271,359
Total value of HB debt written off	£173,262	£169,078	£66,489	£84,458
Percentage of total HB debt recovered	13%	13%	14%	10%

Source: Renfrewshire Council

**58.** While robust processes are in place to minimise overpayments, historically, the council's all debt recovery performance has been low, placing it 29<sup>th</sup> in 2020/21, 27<sup>th</sup> in 2021/22 and 25<sup>th</sup> in 2022/23, out of 32 Scottish councils.

**59.** The council reported that overpayment recovery performance was significantly impacted by the pandemic, as staff were redeployed to support other key priority areas and the council adopted a softer approach to recovering all debt, including HB overpayments. This, coupled with elevated levels of staff turnover and elevated sickness levels in 2021/22 and 2022/23 had prevented the service from achieving optimum recovery performance.

**60.** However, there are several areas where changes to existing processes could result in improved recovery performance. For example:

- where a customer has been notified of an overpayment, one calendar month is allowed before initiating recovery action to provide the customer the opportunity to appeal the overpayment decision. This can delay the recovery process, potentially up to 101 days, if the customer fails to engage making it harder to recover the debt.

- where a customer is repaying the debt from ongoing deductions to HB, or has entered a repayment arrangement, the council is not regularly reviewing the amount being paid to ensure that it remains at the appropriate level. In a previous audit at East Renfrewshire Council, a review of this kind resulted in an additional £42,000 of debt being recovered.
- the council does not make use of an aged debt report to monitor and identify debts that have been outstanding with a view to targeting this debt or considering it for write off.

## Recommendation 7

Where overpayments are being recovered by ongoing deductions, or by a payment arrangement, the council should regularly review the amounts being recovered to ensure that they remain at the appropriate level.

**61.** The council recognises the need to improve performance in this area and has taken positive action by employing an additional FTE overpayment recovery officer, and plans further activity to deliver these improvements, including carrying out a full review of overpayment recovery processes and procedures as part of the development of a new debt strategy planned for 2024/25.

**62.** We noted some discrepancies in the data provided to us as supporting evidence in respect of the value of overpayments identified in-year and the amount of all debt recovered, when compared to the data submitted by the council to DWP, as detailed in [Exhibit 4](#).

## Exhibit 4

### Overpayment levels and recovery performance discrepancies (DWP data in red)

	2020/21	2021/22	2022/23	2023/24 (at 30 Nov)
Total value of overpayments identified in-year	£1,324,911 <b>£1,094,000</b>	£895,099 <b>£735,000</b>	£1,376,940 <b>£1,137,000</b>	£712,190 <b>N/A</b>
Total value of all HB debt recovered	£1,183,831 <b>£854,000</b>	£1,127,605 <b>£941,000</b>	£1,201,610 <b>£930,000</b>	£819,952 <b>N/A</b>
Percentage of total HB debt recovered	13% <b>10%</b>	13% <b>11%</b>	14% <b>11%</b>	10% <b>N/A</b>

Renfrewshire Council and DWP

**63.** At the time of our audit the council confirmed the discrepancy, which was identified as an issue during a previous audit. In response to the recommendation made then, the council changed its method of reporting, but it has since emerged that the new reporting system is not reconciling with that reported to the DWP.

**64.** This remains a concern as the total value of all debt recovered from 2020/21 to 2022/23, as reported and published by DWP, is approximately £788,000 less than that advised to Audit Scotland by the council.

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## **Recommendation 8**

The council should investigate the discrepancies between internally reported overpayment recovery performance and that reported and published by DWP to identify the cause and a resolution.

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# Recommendations

## 2022/23 recommendations

Issue / Risk	Recommendation	Agreed management action / timing
<p><b>1. Business planning and reporting</b></p> <p>Although the council has a comprehensive framework for reporting benefit service performance, the type, and level of information provided to elected Members in respect of the recovery of benefit overpayments is not sufficient to determine the council's performance in recovering HB debt.</p>	<p>The council should have documented targets for in-year and all debt recovery and regularly report performance against these to senior management and elected Members.</p> <p><a href="#">Paragraph 18</a></p>	<p>Targets will be agreed for both in-year and all debt recovery performance and reported regularly to members as part of the Business Services Performance Report.</p> <p>1 April 2024 Owner - Pat Boyle</p>
<p><b>2. Speed of processing</b></p> <p>The loss of temporary agency staff in December 2023 could adversely affect claims processing performance.</p>	<p>The council should ensure that, when temporary agency staff are no longer required, sufficient resources are available within the benefit service to maintain and improve on claims processing performance.</p> <p><a href="#">Paragraph 28</a></p>	<p>An ongoing weekly review of workload versus staffing resource is undertaken to ensure that staff are utilised in line with demands/trends. The monitoring of current demand is informed by data provided by the Resource Analyst, which has been added as a permanent post to the staffing establishment</p> <p>The service will undertake a review of cyclical high-volume workloads ahead of the new financial year so that these can be tracked to identify increasing and decreasing trends as early as possible and allow time for action response.</p> <p>31 March 2024 Owner - Rhona Barnes</p>

Issue / Risk	Recommendation	Agreed management action / timing
<b>3. Accuracy</b>		
<p>Policies and procedures should be regularly reviewed and updated to ensure that the information accurately reflects up to date guidance and legislation.</p>	<p>The council should regularly review and update its Quality Checks Policy and Procedures to ensure that it accurately reflects current practice.</p> <p><a href="#">Paragraph 38</a></p>	<p>A working group has been established to examine the issue of accuracy levels, how they are tracked and recorded, and how they could be improved. The review will be completed, and documents updated by the end of the 2023/24 financial year.</p> <p>31 March 2024 Owner - Rhona Barnes</p>
<b>4. Accuracy</b>		
<p>The council carries out most of its accuracy checks post-payment which allows for avoidable financial errors to enter the benefit system.</p>	<p>The council needs to establish and address the reasons for the decline in accuracy performance and, wherever possible, carry out accuracy checks pre-payment to reduce the potential for avoidable overpayments and loss of subsidy.</p> <p><a href="#">Paragraph 43</a></p>	<p>The working group will aim to increase the percentage of pre-payment checks for Housing Benefit and the overall accuracy levels achieved and will include interrogating Housing Benefit accuracy separately from Council Tax Reduction. Currently these are recorded, reviewed, and reported collectively as an overall measure of accuracy.</p> <p>31 March 2024 Owner - Rhona Barnes</p>
<b>5. Debt recovery performance</b>		
<p>The council only reports performance in respect of the level of LA/administrative error annually and is missing an opportunity to ensure that elected Members are fully sighted on all aspects of the service's performance.</p>	<p>The council should monitor and report the value of LA/administrative error overpayments more regularly to ensure that senior management and elected Members are fully sighted on any potential loss of subsidy.</p> <p><a href="#">Paragraph 52</a></p>	<p>LA error levels are being reported to senior managers monthly and a decision will be made on which point in the financial year is most relevant to update elected members on the position.</p> <p>31 March 2024 Owner - Pat Boyle</p>

Issue / Risk	Recommendation	Agreed management action / timing
<p><b>6. Debt recovery performance</b></p> <p>When an overpayment has been notified to the customer the council waits one calendar month before commencing recovery action to allow the decision to be appealed.</p>	<p>The council should seek to recover HB overpayments immediately following notification, as the longer a debt remains outstanding, the harder and more costly it can be to recover.</p> <p><a href="#">Paragraph 55</a></p>	<p>Guidance, procedures, and system settings will be updated to enable immediate recovery to commence. Decisions may be reconsidered upon receipt of further information.</p> <p>1 April 2024 Owner - Andy Blair</p>
<p><b>7. Debt recovery performance</b></p> <p>The council does not regularly review the level of deductions/payment arrangements when a benefit debt is being recovered and therefore there is a risk that the level being recovered is less than the optimum.</p>	<p>Where overpayments are being recovered by ongoing deductions, or by a payment arrangement, the council should regularly review the amounts being recovered to ensure that they remain at the appropriate level.</p> <p><a href="#">Paragraph 60</a></p>	<p>Annual reviews of all deduction cases will be introduced.</p> <p>31 May 2024. Owner - Pat Boyle</p>
<p><b>8. Debt recovery performance</b></p> <p>Information published by DWP on the council's debt recovery performance does not accurately reflect performance being reported internally.</p>	<p>The council should investigate the discrepancies between internally reported overpayment recovery performance and that reported by the council to identify the cause and a resolution.</p> <p><a href="#">Paragraph 64</a></p>	<p>The service previously utilised Housing Benefit Recovery and Fraud (HBRF) data, produced by our benefits processing system to DWP specifications, to monitor overpayment recovery performance. Flaws in this methodology were highlighted by a previous audit and advice was sought from our software supplier on a more robust means of reporting on collection performance. As a result, we adopted the processing system's 'Overpayment Debt Analysis Report' (OVR310) as our primary source of recovery performance</p>



Issue / Risk	Recommendation	Agreed management action / timing
		<p>information. A reconciliation exercise will be completed by 1 April 2024 comparing HBRF and OVR310 output to establish the cause of divergence.</p> <p>1 April 2024 Owner - Pat Boyle</p>

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# Renfrewshire Council

## Audit of housing benefit - Risk assessment report

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



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

**On: 18 March 2024**

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

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**Heading: CIPFA Audit Committee Guidance – Self Assessment and Action Plan**

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### **Summary**

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance in late 2022 for local authority Audit Committees. The purpose of the guidance is to support Audit Committee members in fulfilling their role on the Audit Committee.
- 1.2 The guidance promotes that a regular self-assessment against the key principles should be undertaken, to support the planning of the audit committee work programme and training plans and also inform the annual report.
- 1.3 Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.
- 1.4 In response to the Dargavel Primary School Independent Review and recommendations made by the Council's external auditors, the Council agreed to undertake this assessment of the Audit Risk and Scrutiny Board against CIPFA's published good practice guide for audit committees.
- 1.5 At the Audit, Risk and Scrutiny Board meeting on 6 November the Board agreed the format of the self-assessment and members participated in two development sessions, on 19 January and 26 February.

- 1.6 This report highlights the outcome from those development sessions and identifies the required changes to the Council's governance arrangements.
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## **Recommendations**

- 2.1 Members are asked to note the content of this report, being the outcome of the self-assessment against the CIPFA guidance for effective Audit Committees and the two development sessions.
- 2.2 That the Audit, Risk and Scrutiny Board are asked to agree the Action Plan resulting from the self-assessment against the CIPFA guidance for effective Audit Committees, note the progress made in implementing the actions arising and agree that the Action plan be submitted to the Council for noting.
- 2.3 Members are asked to recommend to Council the approval of the proposed revisions to the Terms of Reference for the Audit, Risk and Scrutiny Board.
- 2.4 Members are asked to recommend to Council the approval of the proposed revisions to the Guidelines for the Operation of the Audit, Risk and Scrutiny Board.
- 2.5 Members are asked to recommend to Council the approval of the proposed revisions to the Role Descriptions for Councillors, Senior Councillors and Leader of the Council.
- 2.6 Members are asked to note the content of the proposed training and development programme for members of the Audit, Risk and Scrutiny Board.
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## **3. Background**

- 3.1 The Audit Committee is a key part of an organisation's governance arrangements and one of its key roles is ensuring that there is sufficient assurance over the governance risk and control framework. It can be a valuable resource for the whole organisation.
- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance in late 2022 for local authority Audit Committees. The purpose of the guidance is to support Audit Committee members in fulfilling their role on the Audit Committee.
- 3.3 As part of the Dargavel Primary School Independent Review Action Plan, the Council agreed to undertake an assessment of the Audit Risk and Scrutiny Board against CIPFA's published good practice guide for audit committees and identify any recommendations for change in remit or operational arrangements.
- 3.4 The Council's external auditors also recommended that the Council evaluates the overall effectiveness of the Audit, Risk and Scrutiny Board against CIPFA good practice guidelines.

3.5 At its meeting on 6 November 2023, the Audit, Risk and Scrutiny Board agreed the format of the self-assessment.

#### **4. Self-Assessment process**

4.1 An initial assessment of the current arrangements was undertaken by officers against the self-assessment of good practice checklist and the evaluating the impact and effectiveness of the audit committee checklist, provided in the guidance.

4.2 The output from the self-assessment was fully discussed and agreed with the members of the Audit, Risk and Scrutiny Board at a full day development session, on 19 January 2024. This session identified a number of areas of good practice and a draft action plan was developed.

4.3 Members requested that the current arrangements were benchmarked with other Local Authorities. The benchmarking information was discussed, at a second development session on 26 February 2024 and members agreed that the current arrangement were broadly consistent with other Local Authorities across the areas of good practice covered in the guidance.

4.4 The agreed action plan covering changes to be made to improve compliance with the guidance and enhancement of the overall effectiveness of the Audit, Risk and Scrutiny Board is attached at Appendix 1. A summary of the key points arising from the benchmarking exercise, which focused on the membership and functions of Scottish Local Authorities Audit Committee is attached at Appendix 2a and 2b.

#### **5. Areas of Good Practice**

5.1 The self-assessment against the good practice checklist identified a number of areas of good practice.

##### ***Audit Committee Purpose and Governance***

- The Board has comprehensive Terms of Reference and supplementary guidelines.
- The Board reports directly to the Council.
- It is an advisory Board and has no decision-making powers.

##### ***Functions of the Committee***

- The Board currently regularly considers reports on all the functions expected under the CIPFA guidance.

##### ***Membership and Support***

- There are arrangements in place to ensure the independence of the Board.
- The Board is of a sufficient size and not cumbersome.

##### ***Effectiveness of the Committee***

- There is a non-political approach to the Boards discussions.

- There is regular and constructive engagement between the Board and senior officers.

5.2 The self-assessment against the evaluating the impact and effectiveness of the audit committee checklist also identified a number of areas of good practice.

***Supporting good governance and decision making by:***

- Reviewing the Local Code of Corporate Governance,
- Reviewing the Annual Governance Statement.
- Considering the annual independent verification of compliance with the Local Code of Corporate Governance.

***Supporting effective internal control by:***

- Approving the annual internal audit plan,
- Considering the Chief Auditors Annual Report and opinion on the adequacy of the internal control, governance and risk management arrangements,
- Considering reports on internal audit recommendations not implemented by the due dates.
- Regular attendance from senior management at the Audit, Risk and Scrutiny Board.

***Supporting effective risk management by:***

- Approving the risk management framework,
- Considering the strategic and corporate risk registers on a 6 monthly basis,
- Considering the risk management Annual Report.

***Supporting effective audit and assurance by:***

- Considering regular reports from both the Internal and External Auditors
- Approval of the Internal Audit Charter
- Considering any external assessment of compliance with the Public Sector Internal Audit Standards.

***Supporting the achievement of goals by:***

- Considering the Annual Local Government Benchmarking report.
- Considering the Annual Scottish Public Services Ombudsman report.
- Monitoring the progress of actions included in the Dargavel action plan.

***Improving value for money by:***

- Review of the annual governance statement.
- Considering the audited annual accounts.
- Considering reports from the external auditors on the annual accounts and Best Value.

***Embedding ethical values and countering fraud by:***

- There is a Code of Conduct, signed by all members.
- Declarations of interest and transparency statements are called for at each meeting.
- Members complete a register of interest.
- Consideration of regular reports on counter fraud progress and outcomes including the National Fraud Initiative.

***Improving public reporting, accountability and transparency by:***

- All meetings of the Board are open to the public.

- The annual accounts considered by members comply with the CIPFA Code of Practice on Local Government Accounting.
- Ensuring that the annual accounts are available for public inspection.

## 6. Self-Assessment Action Plan

- 6.1 As further set out in this report and action plan 11 specific actions were agreed to be taken forward to improve the support available and the overall effectiveness of the Audit, Risk and Scrutiny Committee.
- 6.2 The self-assessment identified that the current Audit, Risk and Scrutiny Board's terms of reference are wide ranging and includes all of the functions required by the CIPFA guidance and covers a broadly similar remit to most other Local Authorities. As such, the terms of reference were therefore considered to be generally adequate. However, it was concluded that some amendments to the governance of the Audit, Risk and Scrutiny Board were required in order to improve clarity and address some specific requirements from the CIPFA guidance.
- 6.3 Proposed revisions have been made to the Scheme of Delegated Functions, specifically in relation to the Audit, Risk and Scrutiny Board Terms of Reference and the Guidelines for Operation of the Audit, Risk & Scrutiny Board.
- 6.4 The proposed revised Terms of Reference is included at Appendix 3, and a summary of the main revisions is detailed below. (*Action Plan points 1, 4, 5 and 11*)
- A reference has been added at the start of the document to draw attention to the supplementary Guidelines for Operation of the Audit, Risk & Scrutiny Board, contained within this Scheme of Delegated Functions.
  - Point 8 has been amended, "To consider summaries of the assurances and risks identified from the work of internal audit." to improve clarity and reflect accurately the current operational practice.
  - Point 9 has been amended, "To consider the Chief Auditor's annual report and opinion on the effectiveness of the Council's governance, internal control and management of risk." to improve clarity.
  - Point 13 has been added, "To consider the Annual Governance Statement for inclusion in the unaudited Accounts." to reflect current operational practice.
  - Point 17 has been combined to include the previous points 14 and 16 to review service delivery performance with point 16 being deleted.
  - Point 23 has been added "To consider the outcome of internal audit reviews of partner organisations." to reflect the Boards desire to have more assurance over the activities of joint bodies.

- Previous point 22 has been removed “To consider guidance issued by the Standards Commission under section 6 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and to ensure the application of such guidance.” to reflect the Boards view that this annual report should be considered by full Council.
- Point 26 and 27 have been added “To undertake an annual self-assessment against the CIPFA position statement and audit committee guidance”; and “To provide an annual report to Council on the work of the committee, to include: the committee’s performance in relation to its remit; and the effectiveness of the committee in meeting its purpose.” These additions are made to improve compliance with the CIPFA guidance in terms of its accountability to the Council.

6.5 The proposed revised Guidelines for Operation of the Audit, Risk & Scrutiny Board is included at Appendix 4, and a summary of the main revisions is detailed below. (*Action Plan point 3, 4, 9, 10 and 11*)

- Section 1.1, Membership, has been amended to include the option for the Board to appoint up to 2 individuals as non-voting lay members
- Section 1.8, Annual Programme, has been amended to “It is suggested that the development of the annual programme of activities is developed in consultation with the senior officers in order to ensure that due consideration is given to corporate risks and priorities”.
- Section 1.12, Role of the Convener/Depute-Convener, has been amended to reflect the unique role that the Convener of the Audit, Risk and Scrutiny Board has, given its function as the Council’s Audit Committee.
- Section 1.13, Role of Members, has been amended to recommend that all members of the Audit, Risk and Scrutiny Board undertake an annual assessment of knowledge and skills which will be used to develop an annual training and development programme, as recommended in the CIPFA guidance.

Section 2 has been amended to include the following revisions:

- Audit Scrutiny has been amended to clearly link with the CIPFA position statement. A further amendment has been made to facilitate private meetings between the Board and the internal and external auditors.
- A section has been added to provide detail of the mechanism for the Audit, Risk and Scrutiny Board to conduct an annual review of its effectiveness and an report the outcome of this review and the activities of the Board in an annual report to be submitted to Council.



- 6.6 It is proposed that the document setting out the Role Descriptions for Councillors, Senior Councillors and Leader of the Council be amended to include a description of the unique role for the Convenor of the Audit, Risk and Scrutiny Board, to reflect the nature of the position. The proposed addition is detailed at Appendix 5. (*Action Plan point 3*)
- 6.7 Board members agreed at the development session that a programme of training and development for members would be prepared follow the completion of the Knowledge and Skills Framework from the CIPFA guidance. The proposed training and development programme is detailed at Appendix 6. (*Action Plan point 9*)
- 6.8 The development sessions also considered the role for the Audit, Risk and Scrutiny Committee for the oversight of major capital programmes. Having considered the current remit, along with the results of the benchmarking exercise, members agreed that the current Board Terms of Reference remained appropriate in this regard. Members agreed that this would be considered through the development of the annual review programme. (*Action Plan point 7*)
- 6.9 One area of the current Terms of Reference was recognised as having fallen away in recent years, was the requirement for the Board to consider reports by the Accounts Commission, Audit Scotland and other similar organisations to allow them to make recommendations where appropriate to the Council, it was agreed that this remit was important and should recommence. (*Action Plan point 6*)
- 6.10 The development sessions identified 2 aspects of the current Audit, Risk and Scrutiny Board Terms of Reference that would be better considered by another Board or by Council. (*Action Plan point 2*)
- It was felt that the consideration of the quarterly absence statistics and the annual report in relation to absence would be better considered by the Finance, Resources and Customer Services Policy Board. This change could be achieved without any amendment to the Policy Board Terms of Reference, as these reports could be considered under clause 13. "To provide oversight and review of the Council's workforce planning, organisational development and human resource strategies and plans" and clause 27. "To approve and oversee policies in relation to health, safety and welfare of Council employees and service users for whom they are responsible".
  - Members also expressed a view that the annual report from the Standards Commission would be better considered by the full Council. Again, no change would be required to the Scheme of Delegated Functions other than the amendment already set out in Appendix 3.
- 6.11 During the review it was also noted that there was some inconsistency across policy board Terms of Reference around performance monitoring. It was noted that the revised Scheme of Delegated Functions to be submitted to the Council

for approval, should update the Policy Board terms of reference to ensure consistency across all Policy Boards.

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### **Implications of the Report**

1. **Financial** - None
2. **HR & Organisational Development** – None
3. **Community Planning – Safer and Stronger** - None
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The report addresses the risk of non-compliance against the revised CIPFA guidance for an effective Audit Committee.
11. **Privacy Impact** – None
12. **COSLA Implications** – None
13. **Climate Risk** - None

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**Author:** Andrea McMahon, Chief Auditor

## CIPFA Audit Committee Guidance - Self-assessment

No.	Action	Action Owner	Progress	Completion date
Audit Committee purpose and governance				
1	Review the ARSB Terms of Reference and detail proposed amendments to members at the follow-up development session. Submit the revised Terms of Reference to the Council for approval.	Head of Corporate Governance	A number of amendments to the ARSB Terms of Reference were discussed and agreed at the development session. The proposed revised Terms of Reference will be agreed by the ARSB on 18 March and submitted to the Council for approval.	May 2024.
2	Consider whether any changes need to be made to the other Board remits as a result of proposed changes to the ARSB Terms of Reference.	Head of Corporate Governance	<p>It was agreed that the quarterly absence statistics and the absence annual report would be better placed with the Finance, Resources and Customer Services Policy Board. It was agreed that this change to the Scheme of Delegated Functions would be submitted to the Council for approval.</p> <p>The members felt that the annual report from the Standards Commission would be better considered at Council, given that it would be of interest to all members. The Terms of Reference have been updated to reflect this.</p> <p>It was also noted that there was some inconsistency across policy</p>	May 2024.

## CIPFA Audit Committee Guidance - Self-assessment

			board Terms of Reference around performance monitoring. It was agreed that this would be reflected in the revised Scheme of Delegated Functions submitted to Council.	
3	Consider whether the Scheme of Delegated Functions, Guidelines for Operation of the Audit, Risk & Scrutiny Board, require any revisions to improve the effectiveness of the Board.	Head of Corporate Governance	<p>A number of amendments were considered at the follow up development session. Agreed amendments included an update to the membership section which should be updated in line with action 9 below.</p> <p>An expansion of the section on the role of the Convenor. This will also be further developed in the documented Role Descriptions for Councillors, Senior Councillors and Leader of the Council.</p> <p>Inclusion of the option to meet with the internal and external auditors in private annually and include some guidance on the purpose of these meetings.</p>	May 2024.
4	Establish the mechanism and reporting arrangements for the Council to hold the Audit Committee to account.	Head of Corporate Governance	The reporting mechanism for holding the Audit Committee to account was agreed as being through the Annual Report. The Terms of Reference and the Guidelines for the Operation of the Audit, Risk and Scrutiny Board have been updated to reflect this change.	May 2024

## CIPFA Audit Committee Guidance - Self-assessment

			The Annual Report should be amended to include all the aspects of the CIPFA good practice guidance and should be agreed by the ARSB for submission to the Council.	June 2024
<b>Functions of the Committee</b>				
5	Ensure that the ARSB receive reports on internal audit activity in partner bodies, including joint boards and the City Region Cabinet, this will enhance their remit for Community Leadership through Monitoring of Other Public Bodies.	Head of Corporate Governance  Chief Auditor	The terms of reference have been updated to include this change.  The Chief Auditor will ensure that for any reports issued to partner bodies during each quarter, the Board shall receive a summary of those reports.	May 2024
6	Ensure that the arrangement for the Board to consider reports by the Accounts Commission, Audit Scotland and other similar organisations to allow them to make recommendations where appropriate to the Council is undertaken regularly.	Head of Policy and Partnerships	The Head of Policy will liaise with service Directors to ensure that relevant external reports are highlighted to the ARSB on matters of interest to the Council.	March 2024
7	Consider the remit for the Board in relation to scrutiny of major capital projects.	Director of Finance and Resources	It was determined that there was no requirement to amend the Term of Reference in this regard as the powers were already delegated.  Members agreed to consider this further in developing their annual review programme.	March 2024
<b>Membership and Support</b>				
8	A programme of training for members would be developed follow the completion of the Knowledge and Skills Framework from the CIPFA guidance.	Chief Auditor	A training briefing programme for all members of the ARSB has been	March 2024

## CIPFA Audit Committee Guidance - Self-assessment

			<p>developed based on the completed knowledge and skills assessments.</p> <p>Where individual members have indicated specific development requirements the Chief Auditor will arrange for 1-1 meetings to determine how best to support each members development.</p>	
9	Consider if it would be beneficial to recruit independent/lay members to supplement the Audit, Risk and Scrutiny Board in particular areas. It was agreed to review this following completion of the Knowledge and Skills Framework.	Head of Corporate Governance	<p>Members had a desire to have the ability to recruit independent/lay members to the Board. Following assessment of the completed Knowledge and Skills Framework questionnaires it was felt that there was no requirement to recruit at this stage.</p> <p>The Scheme of Delegated Functions, Guidelines for Operation of the Audit, Risk &amp; Scrutiny Board has been updated to reflect this change.</p>	May 2024
Effectiveness of the Committee				
10	It was agreed that officers would assist members to develop the Boards annual programme of reviews to ensure that due consideration is given to the corporate risks and priorities.	Director of Finance and Resources	<p>Members will still have the ability to submit written intimations to the Board to consider matters they would like reviewed.</p> <p>A session will be held annually with officers and members to consider strategic and corporate risks and Council priorities to inform the development of the annual</p>	May 2024

## CIPFA Audit Committee Guidance - Self-assessment

			programme of reviews. The Guidance for the operation of the Audit, Risk and Scrutiny Board has been updated to reflect this.	
11	The Audit, Risk and Scrutiny Board will continue to self-assess against the CIPFA guidance on an annual basis, and that the outcome of the assessments will be formalised in the Boards Annual Report.	Head of Corporate Governance	The Terms of Reference and the Guidelines for the Operation of the Audit, Risk and Scrutiny Board have been updated to formalise this change.	May 2024

All Audit Committees are chaired by a person independent of the Administration

9 had the ability to include external members to supplement the committee

6 currently have external members

The majority of external members are non-voting



All included a remit for oversight of Internal and External Audit	27 had a remit for governance	26 had a remit for risk management
23 had a remit for reviewing the annual accounts	22 had some form of remit for additional scrutiny	18 had a remit for some form of performance monitoring
10 had a remit for Standards and Ethics	10 had some form of remit for oversight of partnerships	Only 1 had a specific remit for oversight of major capital projects

## **Audit, Risk and Scrutiny Board**

### **Terms of Reference**

This document should be read in conjunction with the Guidelines for Operation of the Audit, Risk & Scrutiny Board, contained within this Scheme of Delegation.

The following shall comprise the areas of responsibility of the Audit, Risk and Scrutiny Board:

#### **General Delegations**

1. To grant authority to members to attend seminars, conferences, and other visits.
2. To approve where required the Council's response to consultation papers which are within the Board's terms of reference.

#### **Audit**

3. To act as the Council's Audit Committee.
4. To consider reports by the Accounts Commission, Audit Scotland, and other similar organisations and to make recommendations where appropriate to the Council.
5. To consider reports by the Council's external auditors including those relating to the Council's annual accounts and to submit recommendations to the Council.
6. To approve the Council's internal audit charter and annual plans.
7. To consider internal audit performance and progress reports.
8. To consider summaries of the assurances and risks identified from the work of internal audit.
9. To consider the Chief Auditor's annual report and opinion on the effectiveness of the Council's governance, internal control and management of risk.
10. To consider and monitor reports regarding compliance by services with recommendations made by both Internal and External Audit.
11. To consider Corporate Counter Fraud Outcomes.

#### **Corporate Governance**

12. To consider the Council's Local Code of Corporate Governance.

13. To consider the Annual Governance Statement for inclusion in the unaudited Accounts.

### **Risk Management**

14. To approve the risk management policy and strategy.
15. To consider the effectiveness of the risk management arrangements through consideration of the annual risk management report.
16. To oversee the Council's risks and associated actions through consideration of six-monthly risk reports.

### **Monitoring and Reviewing Service Delivery Performance, Policies and Practices**

17. To review service delivery and performance management arrangements across all services and to submit recommendations to the Council.
18. To consider reports by the Scottish Public Services Ombudsman in terms of the Scottish Public Services Ombudsman Act 2002.
19. To conduct reviews into particular issues and/or policies at the request of the Leadership Board and/or Council. Such reviews shall only occur after a period of not less than 6 months has elapsed from the date of implementation of the policy.
20. To review decisions taken by the Policy Boards (other than those concerning quasi judicial functions) and how they are implementing Council policy and to submit recommendations to the Leadership Board. Such reviews shall only occur after a period of not less than 6 months has elapsed from the date of implementation of the policy.

### **Community Leadership through Monitoring of Other Public Bodies Etc**

21. To conduct reviews of issues of significance and/or concern to Renfrewshire which are not necessarily matters which are the responsibility of the Council.
22. To conduct reviews of the activities of other public bodies, including Joint Boards and Joint Committees in so far as they impact on Renfrewshire.
23. To consider the outcome of internal audit reviews of partner organisations.

### **Standards and Ethics**

24. To consider matters of policy and guidance relating to standards and ethics in relation to elected members, including the promotion of codes of conduct, but excluding consideration of allegations against a councillor, as this will be dealt with by the Chief Investigating Officer and Standards Commission appointed by Scottish Ministers.

### **Written Intimations**

25. To determine requests submitted by individual Audit, Risk and Scrutiny Board members for a particular matter to be considered which is within the terms of reference of the Audit, Risk and Scrutiny Board.

### **Accountability**

26. To undertake an annual self-assessment against the CIPFA position statement and audit committee guidance.
27. To provide an annual report to Council on the work of the committee, to include: the committee's performance in relation to its remit; and the effectiveness of the committee in meeting its purpose.

## **Audit, Risk & Scrutiny Board**

### **Guidelines for Operation of the Audit, Risk & Scrutiny Board**

#### **1. Guidelines**

##### **1.1 Membership**

The Audit, Risk & Scrutiny Board shall comprise nine members drawn from all the political parties represented on the Council having regard to the party balance on the Council. Members who are Conveners of another Board or members of the Leadership Board may not be members of the Audit, Risk and Scrutiny Board. Where a member of the Audit, Risk & Scrutiny Board is also a Depute Convener and has specific responsibility for an issue being investigated by the Board, that member shall declare an interest and take no part in the Board's deliberations on the issue.

The Board may appoint up to 2 individuals as non-voting lay members to bring access to external expertise, knowledge or experience, as necessary. Lay members should be appointed by the Council after a recommendation from an interview panel chaired by the Convener of the Audit, Risk and Scrutiny Board. Lay members should not be a member of any political party.

##### **1.2 Convener and Depute Convener**

The Council shall appoint the Convener and Depute Convener of the Audit, Risk and Scrutiny Board who cannot both be from the same political party.

##### **1.3 Secretariat**

The Director of Finance & Resources shall provide the secretariat to the Audit, Risk and Scrutiny Board.

##### **1.4 Advisors**

The Director of Finance & Resources shall appoint an officer to provide legal advice to the Audit, Risk and Scrutiny Board as and when required. The Director of Finance & Resources shall appoint an officer to provide financial advice to the Audit, Risk and Scrutiny Board as and when required. The Chief Executive shall appoint other officer advisers as required by the Audit, Risk and Scrutiny Board for specific investigations including the appointment of a lead officer if this is deemed necessary. In certain cases, advisers may be appointed from external organisations.

##### **1.5 Meetings**

The Audit, Risk and Scrutiny Board shall meet at least once in each cycle of meetings. Special meetings shall be arranged to deal with specific investigations as and when required in terms of the Council's Procedural Standing Orders.

Meetings of the Audit, Risk and Scrutiny Board will be open to the press and public subject only to the requirements of the Local Government (Access to Information) Act 1985. Therefore, given the intended broad remit of the Board, there will be occasions when the press and public will require to be excluded. Whilst meetings will normally be held within the HQ complex, the Board may decide to meet elsewhere, for example, if discussing an issue affecting a specific locality where it may be more appropriate to meet in a local hall or similar venue.

### 1.6 Functions

The Audit, Risk and Scrutiny Board shall undertake the functions detailed in the terms of reference. In the majority of cases, the Audit, Risk and Scrutiny Board will make recommendations to the Council following the completion of its investigations.

In view of the proposed range of its functions, the Audit, Risk and Scrutiny Board could have different methods of operation depending on the issue involved. For example, as a traditional committee when considering routine reports: as an investigatory hearing when investigating specific issues; as an open forum when looking at issues of local significance/concern.

Certain areas of the Audit, Risk and Scrutiny Board's remit will be dealt with by written submissions, for example, Ombudsman reports, external audit reports and performance management issues. The Audit, Risk and Scrutiny Board may wish to question officers on the content of such reports and officers will be notified in advance of each meeting if they are required to attend.

In other cases, the Audit, Risk and Scrutiny Board may wish to take evidence from both members and officers who will be notified in advance if they are required to attend. The Audit, Risk and Scrutiny Board may also wish to take evidence from other organisations and/or individuals although attendance could not be insisted upon.

In taking evidence, whether from members, officers, outside agencies or the public, the Board members, and particularly the Convener, should avoid confrontation. This is not to say that difficult questions cannot be asked but they should relate to the issue being investigated. Members and officers appearing before the Board should be ready to respond to proper questions without fear of recrimination or prejudice. Officers should not be questioned as to the validity or appropriateness of Council policy and such questions should be directed to members.

Where the Audit, Risk and Scrutiny Board is reviewing a decision of a Policy Board, the Convener of that Board should be questioned on all matters relating to the rationale behind the decision and should only refer technical/professional matters to officers.

The Audit, Risk and Scrutiny Board should specify as precisely as possible the areas for investigation to ensure that witnesses are able to prepare their evidence. The Board may wish to issue set questions in advance and may elect to accept written submissions.

Should the Audit, Risk and Scrutiny Board be monitoring other public bodies, it will have no authority to compel attendance and would rely, rather, on the co-operation of the bodies concerned. However, by concentrating on a desire to obtain positive outcomes from such scrutiny, it should be possible to secure co-operation. Rather than predetermine how such scrutiny should be progressed, it may be appropriate to arrange a meeting of the Audit, Risk and Scrutiny Board with the senior executives/representatives of the other public bodies involved to agree procedures.

### 1.7 Party Whips

The party whip will not apply to meetings of the Audit, Risk and Scrutiny Board.

### 1.8 Annual Programme

The Audit, Risk and Scrutiny Board shall prepare an annual programme of activities which shall include consideration of routine reports as well as areas for specific investigations. It is suggested that the development of the annual programme of activities is developed in consultation with the Chief Executive, Director of Finance and Resources and the Head of Corporate Governance, in order to ensure that due consideration is given to corporate risks and priorities.

In addition, matters may also be referred by the Council or the Leadership Board to the Audit, Risk and Scrutiny Board for investigation.

### 1.9 Written Intimation Procedure

Any member of the Board may submit a written intimation requesting that a particular matter be considered by the Board provided that it lies within the terms of reference of the Board, and must specify the reasons for the request. All written intimations must be submitted no later than 14 days prior to a meeting of the Board and shall be included in the agenda for that meeting, without prejudice to the right of the Convener to rule as to their competence. The Board may agree:-

- (i) that the matter be considered immediately
- (ii) that the matter be considered as part of a future review
- (iii) that the matter be referred to officers for investigation
- (iv) that the matter be not considered.

### 1.10 Findings

The findings of the Audit, Risk and Scrutiny Board may be made either via the minutes of each meeting and/or by specific reports to the Council. These reports will be prepared by the secretariat or the lead officer, as appropriate, for approval by the Audit, Risk and Scrutiny Board prior to their submission to the next ordinary meeting of the Council. Minority or dissenting views shall be recorded either in the minutes or the reports as appropriate.

### 1.11 Confidentiality

It is likely that the Audit, Risk and Scrutiny Board will have access to confidential and/or sensitive information and it must at all times respect that confidentiality in accordance with the requirements of the Councillors' Code of Conduct.

### 1.12 Role of the Convener/Depute-Convener

The Convener or in his/her absence, the Depute Convener, shall be responsible for the conduct of meetings of the Audit, Risk and Scrutiny Board.

As a non-decision-making advisory Board, the Convener has a distinct role in ensuring that they bring an ability to consider matters in an objective, non-political manner and to help to ensure the apolitical nature of the committee.

The key skills and attributes required for the delivering the functions of the Audit, Risk and Scrutiny Board effectively is set out in the document "Role Descriptions for Councillors, Senior Councillors, Audit, Risk and Scrutiny Board Convenor and Leader of the Council."

### 1.13 Role of Members

Members of the Audit, Risk and Scrutiny Board shall consider all matters objectively and impartially.

To ensure that members are developed and have the required knowledge and skills to actively and independently participate on the Board, it is recommended that an annual assessment of knowledge and skills is undertaken to inform the annual training and development programme for members of the Board.

### 1.14 Role of Secretariat and Lead Officers

The secretariat will make the necessary administrative arrangements for meetings of the Audit, Risk and Scrutiny Board and advise on matters of procedure. The secretariat or the relevant lead officer will prepare draft reports on behalf of the Board.



### 2. Terms of Reference

- 2.1 The following paragraphs clarify how particular elements of the terms of reference should be progressed.

#### **Audit Scrutiny**

The Audit, Risk and Scrutiny Board shall act as the Council's Audit Committee and, in so doing, it is a key component of the Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of governance, risk management and control arrangements. The Board has a role in providing assurance to the Council that there is sufficient assurance over governance risk and control and that those arrangements are effective. The Board has oversight of both internal and external audit and for examination of financial, performance and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

It is suggested that the Board should consider reports by the internal and external auditors and submit recommendations to the Council where this is considered appropriate.

To ensure the integrity of the internal audit function, the annual internal audit annual plan is determined by the Chief Auditor in consultation with the Chief Executive and Director of Finance & Resources. The Audit, Risk and Scrutiny Board will have an overview of the internal audit role and ensure that resources are being targeted effectively.

In exercising its function as the Council's Audit Committee, it would be anticipated that at least one meeting, or part thereof, shall provide the internal and external auditor with the opportunity to meet the members of the Committee without senior officers present.

#### **Monitoring and Reviewing Service Delivery; Performance; Policies and Practices**

It is envisaged that there will still be performance management reports to the relevant Policy Board. The Audit, Risk and Scrutiny Board may select particular areas for investigation as part of its annual programme previously referred to. The Audit, Risk and Scrutiny Board would make recommendations to the Council.

It is suggested that the Audit, Risk and Scrutiny Board would consider Ombudsman reports issued after formal investigations and approve any action which may be required. The Audit, Risk and Scrutiny Board would also receive the Ombudsman's annual report.

In relation to the scrutiny of service delivery and performance, it is suggested that the Audit, Risk and Scrutiny Board would select particular areas for investigation as part of its annual programme.

### **Community Leadership through Monitoring of Other Public Bodies etc**

However, the Council's role in community leadership is not clear cut and requires to be considered carefully to ensure that the respective functions and responsibilities of other public bodies are not compromised. The Council, via the Audit, Risk and Scrutiny Board, could provide the forum for an informed public debate on particular issues, although this will require to be done in consultation with the other bodies involved where possible to ensure the necessary degree of co-operation is provided.

### **Standards and Ethics**

In relation to elected members, any alleged contraventions of the Ethical Standards in Public Life etc (Scotland) Act 2000 would be referred for investigation to the Chief Investigating Officer and thereafter for consideration by the Standards Commission appointed by Scottish Ministers.

### **Accountability**

Each year the Audit, Risk and Scrutiny Board should conduct a review of its effectiveness and an annual report on the activities of the Audit, Risk and Scrutiny Board will be prepared by the secretariat for approval by the Audit, Risk and Scrutiny Board prior to their submission to the next ordinary meeting of the Council.

The Annual Report should include:

- Results of the committee's annual evaluation of its effectiveness and assurance over key indicators of compliance against available guidance. There should be disclosure over areas where the Board has concerns (which could link to the action plan in the Annual Governance Statement) and a statement of what the Board has done to escalate their concerns or make recommendations.
- The report should summarise how it has fulfilled its terms of reference and the key issues escalated to the leadership team or other committees during the year.
- The report should summarise the development work that will support the committee members, e.g. training.

It is suggested that the annual report should be timed to support the annual review of governance and preparation of the Annual Governance Statement. This enables the committee to take stock of the assurances it has received and the extent to which its own performance has contributed to governance arrangements.

### **Audit, Risk and Scrutiny Board Convenor – Role Description**

An Audit, Risk and Scrutiny Board has been established to be independent of executive decision making and able to provide objective oversight. It is an advisory Board that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the Council.

#### **Key Purpose**

The Convenor of the Audit, Risk and Scrutiny Board has a unique role which differs from other Senior Councillor roles. The key purpose of the role is to ensure that the Board operates in an objective and apolitical manner. The role is independent from policy decision making and should not give political direction.

#### **Key Tasks**

To ensure that the Board undertakes its responsibilities as outlined in the Terms of Reference.

To ensure that the deliberations of the Board is free from political bias.

Maintain an open and constructive relationships with senior management, internal and external audit, and other Boards of the Council.

### Audit, Risk and Scrutiny Board – Training and Development Programme of Briefings

<b>Date</b>	<b>Topic</b>
May 2024	Governance arrangements and the value of good governance
August 2024	Financial management arrangements
September 2024	Overview of financial reporting
November 2024	Role of External Audit

In addition, any specific areas for development noted by Members through the completion of the knowledge and skills assessments will be followed up on a 1-1 basis to ensure Members are adequately supported in their role.



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

**On: 18 March 2024**

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**Report by: Chief Executive**

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**Heading: Annual Review of Compliance with the Local Code of Corporate Governance 2023**

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## 1. Summary

- 1.1. Corporate governance is the name given to the system by which Councils direct and control their functions. It is about ensuring that Councils do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
  - 1.2. *Delivering Good Governance in Local Government: Framework*, which was refreshed in 2016 by CIPFA in association with Solace, is the framework which sets the standard for local authority governance in the UK and has been adopted by Renfrewshire Council as the Code of Corporate Governance. The Council formally reviews its compliance with the Code every year and this report provides evidence of that compliance. Each year, the Chief Auditor also provides a report to this Board detailing Internal Audit's assessment of the Council's internal control environment and any exposure to risk.
  - 1.3. These annual reviews support the Council in continuous improvement; by considering the evidence of compliance, we can respond to organisational learning and use that to further strengthen our approach.
  - 1.4. Appendix 1 provides a list of the seven overarching principles and sub-principles against which compliance is measured. Appendix 2 provides a detailed description of the evidential documents which demonstrate continued compliance, and notes which principles they relate to.
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## 2. Recommendations

- 2.1 It is recommended that members of the Audit, Risk and Scrutiny Board note:
- the Council's compliance with the Local Code of Corporate Governance;
  - note the evidence for compliance set out in Appendix 2;
  - note that compliance with the code is also subject to planned internal audit activity.
- 

## 3. Background

- 3.1 CIPFA published the *Delivering Good Governance in Local Government: Framework* in 2007 to set the standard for local authority governance in the UK. It reviewed and published a revised edition in 2016 to ensure it remained 'fit for purpose'. The updated code places greater emphasis on relationships and behaviours between Elected Members and senior management; performance reporting; and Council and service level plans. Renfrewshire Council has adopted this as its own Code of Corporate Governance, and reviews compliance on an annual basis.
- 3.2 The Code of Corporate Governance covers the seven core principles which bring together the main elements of Council business. These are:
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  2. Ensuring openness and comprehensive stakeholder engagement.
  3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
  4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
  5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  6. Managing risks and performance through robust internal control and strong public financial management.
  7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3.3 The sub-principles which sit beneath these are set out in Appendix 1 to this report.
- 3.4 A summary of the evidence which demonstrates compliance is provided in Section 4 of this report. A detailed list of documents and processes presented as evidence is included in Appendix 2.
- 3.5 The framework is reviewed by Internal Audit, who assess the adequacy and effectiveness of the code and the extent to which the Council has complied with it, with findings reported to the Audit, Risk and Scrutiny Board.

#### 4. **Compliance with the Code in 2023**

- 4.1 Each of the seven principles is broken down into sub-sections (see Appendix 1), and these are further broken down to cover specific functions. This section of the report will consider compliance levels against each of the seven principles. More detailed descriptions of the evidence for compliance are given in Appendix 2.

##### **Principle 1: Integrity, ethical values and respecting the rule of law**

- 4.2 The first of the seven principles has three sub-sections: behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- 4.3 Codes of Conduct are in place for elected members and for employees, as well as a protocol for the relationships between political groups, elected members and officers. Elected members agree to adhere to the code of conduct when they formally accept office, and staff agree adherence on commencing employment with Renfrewshire Council. Elected members are required to update their register of interests every six months, and to declare any interests appropriately at meetings. Chief Officers are required to provide a register of interests on an annual basis.
- 4.4 There are policies and procedures in place to provide a framework by which business is conducted in a fair and transparent manner. These range from standing orders for contracts and the scheme of delegation to recruitment policies and financial regulations. Policy board reports are available to the public, except where exempted within the parameters of the law.
- 4.5 The Council expects staff and elected members to demonstrate behaviours which are in line with the Council's Values – "We are fair", "We are helpful", "We are great collaborators", "We value learning".

##### **PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement**

- 4.6 The second principle has three sub-sections: openness; engaging comprehensively with institutional stakeholders; and engaging stakeholders effectively, including individual citizens and service users.
- 4.7 As noted above in 4.4, the Council publishes all board papers and maintains an archive online, so that interested parties can access them. The Council Plan, and the service plans which sit below it, are clear expressions of the Council's priorities and strategic direction, and progress in achieving this is reported regularly.
- 4.8 The council's marketing and communication service ensures the council's policies and decisions made by Council Boards are clearly explained and communicated locally through several communication channels. The Council has developed a network of local partners and community groups who cascade Council information through their own channels, increasing the reach of key messages.

- 4.9 The Council uses a range of communication channels and consultation mechanisms to engage with stakeholders. These include public campaigns, the council website, social media channels and participatory budgeting campaigns such as You Decide and the work of local partnerships. Targeted consultation is undertaken in relation to specific projects and initiatives, for example tenant consultations on rent, or housing regeneration consultations. There has also been specific work undertaken with the community in Dargavel in relation to education provision, and the statutory consultation on the catchment for the new school is currently underway.

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

- 4.9 There are two sub-sections to principle 3: defining outcomes and sustainable economic, social and environmental benefits.
- 4.10 The Council's approach to service and strategic planning ensures a golden thread linking back service activity to the strategic priorities of the Council and to the Community Plan. A key element is a focus on what the intended outcome of activity is, framed in terms of the impact on citizens. As a five-year plan, the Council Plan allows for a longer-term view whilst retaining flexibility to adjust to changes in circumstances (as was demonstrated during the pandemic).
- 4.11 The Council Plan was influenced by a strategic needs assessment carried out in 2022 and a new community impact assessment will be undertaken in 2024 and will help the Council evaluate the priorities of the current Council Plan and refocus if required.

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

- 4.12 Principle 4 has three sub-sections: determining interventions; planning interventions; and optimising achievement of intended outcomes.
- 4.13 Decision-making processes allow for consideration of options and risks, and build in feedback from stakeholders including citizens, staff, elected members and partners. This is evidenced in informal and formal engagement processes, in the work of Local Partnerships and in reports to Boards and Council.
- 4.14 Paragraph 4.10 outlines the planning approach in Renfrewshire, and this is one way in which the Council can demonstrate compliance with principles relating to strategic and service-level planning. That approach includes a performance framework aligned to Council Plan themes. Partnership arrangements, including those within the Community Planning framework, also serve as demonstrations of how interventions are determined and planned. The Council's financial planning and monitoring framework ensures that resources are aligned with priorities and are managed appropriately and sustainably.

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



- 4.15 There are two sub-sections within this principle: developing the entity's capacity and developing the capability of the entity's leadership and other individuals.
- 4.16 Monitoring of plans and performance are only one way in which the Council tracks and ensures effectiveness. Benchmarking provides a useful means of identifying good practice in other councils, and partnership working can allow council services to find added value through collaboration.
- 4.17 As well as the formal protocols and codes noted in 4.3, a shared understanding of roles and priorities is fostered through regular meetings between senior managers and elected members, and through the Cross-Party Sounding Board and Cross-Party Governance Group. Briefings are also provided to elected members prior to policy boards and as require on ad-hoc issues at an authority and ward level.
- 4.18 The capabilities of individuals are developed through formal training, whether self-directed through platforms such as iLearn or the Improvement Service's CPD framework for elected members, and through an annual programme of briefings and seminars. A specific programme of leadership development is being rolled out during 2024. The Council also ensures arrangements are in place to support wellbeing, including access to occupational health, mentoring opportunities, flexible working and access to employee benefits.

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

- 4.19 The sixth principle has five sub-sections: managing risk; managing performance; robust internal control; managing data; and strong public financial management.
- 4.20 The Council has an overarching risk management policy and strategy which sets the approach, and corporate and strategic risk registers which are reviewed regularly and are subject to scrutiny by senior managers and elected members. A Corporate Risk Management Group ensures there is consistency across all services and provides a mechanism for sharing learning and good practice. Programme Boards exist for major programmes such as City Deal, Learning Estate Investment and the Cultural Infrastructure Programme, and it is through those mechanisms that programme risk is assessed, monitored and mitigated. This approach to risk management is also built in to the approach of the Council's Programme Management Unit.
- 4.22 The Independent Review on Dargavel Primary School identified specific issues relating to the risk management of that capital project, and action has been undertaken to provide additional assurance on the issues raised. The Council has noted, [in a paper to Council in June 2023](#), that this was not typical of the risk management of capital projects; examples such as AMIDS demonstrate how risk is typically dealt with in large scale programmes.
- 4.23 Performance management and monitoring is a key feature of service and strategic

planning, and is one of the ways that services demonstrate delivery and impact. The Council currently uses Pentana as its main tool for collating performance data. Comparative performance through the LGBF is reported to Board and also made available on the Council's website in the form of interactive dashboards alongside case studies. Service level performance information is also subject to regular scrutiny by the Corporate Management Team and at the relevant Policy Boards.

- 4.24 There are robust financial regulations in place, and budgetary positions and financial outlooks are regularly provided to elected members. Internal Audit undertakes several in-depth audits every year, and specific protocols are in place to deal with any issues arising in relation to potential fraud.
- 4.25 The Audit, Risk and Scrutiny Board provides a further level of control and scrutiny which is independent of the administration. The Board can direct officers to undertake reviews on particular issues and is the body that considers the Council's Annual Audit Report, and oversees the management of risk. In the 2023 Best Value Report, the Council's Auditors "recommended that the Council evaluates of the effectiveness of the Audit, Scrutiny and Risk Board against CIPFA good practice guidelines." This has been undertaken and a members development session has taken place. Recommendations will be presented to the Audit, Risk and Scrutiny Board in March 2024.
- 4.26 A robust corporate approach ensures that information governance policy and processes are rigorous, and there is a regular programme of work which is focused on continuous improvement in relation to data standards, data sharing, and on using data effectively.
- 4.27 All senior officers in the Council undertook governance training in 2023/24, which provided information on updated protocols and a refresher on good governance practice.

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

- 4.28 There are three sub-sections to principle seven: implementing good practice in transparency; implementing good practices in reporting; assurance and effective accountability.
- 4.29 As well as publishing reports to Policy Boards, financial strategies, annual accounts and other information of interest to stakeholders, the Council produces an annual Public Performance Report which makes use of maps, data, images and video to tell the story of how the Council is performing. Performance updates on the Council Plan, Community Plan and Service Improvement Plans are also available on the Council's website.
- 4.30 Reports such as this, the annual financial statements and the reports to Audit, Risk and Scrutiny Board all seek to highlight how the Council operates and what it delivers, and to provide the transparency and assurance which is at the core of the

Nolan principles.

## 5. Reviews of governance relating to Dargavel Primary School

- 5.1 In late 2022, Renfrewshire commissioned an independent review into the delivery of Dargavel Primary School. The review author made a number of recommendations, three of which have direct relevance to compliance with the Code of Corporate Governance. These relate to Principles 2.1, 2.2, 2.3, 4.2, 5.2, 6.1, 6.2, 6.3 and 6.4.
- 5.2 Recommendation 5 related to corporate working and organisational culture. It concluded that a change programme focused on corporate working, personal responsibility, and organisational culture and values was required to provide clarity on lines of accountability and ensure space for constructive challenge. The report noted the significant improvements to corporate working in recent years. A leadership development programme for the Council's senior managers was already being progressed when the review findings were published, and this continues to be rolled out. In light of the recommendation from the review, specific additional content on effective corporate working has been included.
- 5.3 Recommendation 6 relates to how risk is identified and managed, noting that the specific risk management arrangements for that project were insufficient. In its response to the recommendations, the Council has noted that this was not usual practice, and that robust risk management arrangements have long been, and continue to be, the standard. However, to provide additional assurance in relation to project-specific risk, additional development work with a focus on commercial risks has been included in the learning programme for senior managers noted above.
- 5.4 Recommendation 8 notes that issues relating to Dargavel Primary School have damaged public confidence in Renfrewshire Council and stresses the importance of open and transparent dialogue with that community. Regular two-way communication and engagement has been underway with the community since October 2022. The impact of this will be assessed in the coming months and reported to the Accounts Commission.
- 5.5 Since the review was completed, the Accounts Commission have published their Section 102 report and advised that there are some issues which require further scrutiny from the Controller of Audit in the coming months.

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### Implications of the Report

1. **Financial** – none, though the report makes reference to financial governance matters.
2. **HR & Organisational Development** – none, though the report makes reference to a number of HR policies and procedures.

3. **Community/Council Planning** – none. The report makes reference to engagement mechanisms with a range of community stakeholders.
4. **Legal** – The Council must meet legal requirements in how it operates and this report details the way in which it can demonstrate good governance.
5. **Property/Assets** – none.
6. **Information Technology** – none
7. **Equality & Human Rights** - This report is for noting only and there are no recommendations which would need assessed in terms of their impact on equality groups or human rights.
8. **Health and Safety** – none.
9. **Procurement** – none, though the report provides information on Council Standing Orders.
10. **Risk** - The Council must comply with CIPFA's Local Code of Corporate Governance. There is a risk of legal consequences and reputational damage if there is non-compliance.
11. **Privacy Impact** – none.
12. **COSLA Policy Position** – none.
13. **Climate** – none.

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#### List of Background Papers

None

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## Appendix 1: Principles of Good Governance in Local Government

<b>1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
<b>1.1 Behaving with integrity</b>	
1.1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation
1.1.2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
1.1.3	Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
1.1.4	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
<b>1.2 Demonstrating strong commitment to ethical values</b>	
1.2.1	Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
1.2.2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
1.2.3	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
1.2.4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.
<b>1.3 Respecting the rule of law</b>	
1.3.1	Ensuring members and staff demonstrate a strong commitment to rule of the law as well as adhering to relevant laws and regulations.
1.3.2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
1.3.3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
1.3.4	Dealing with breaches of legal and regulatory provisions effectively.
1.3.5	Ensuring corruption and misuse of power are dealt with effectively.
<b>2. Ensuring openness and comprehensive stakeholder engagement</b>	
<b>2.1 Openness</b>	
2.1.1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
2.1.2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
2.1.3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.

2.1.4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.
<b>2.2 Engaging comprehensively with institutional stakeholders</b>	
2.2.1	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
2.2.2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
2.2.3	Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge amongst partners; and that the added value of partnership working is explicit.
<b>2.3 Engaging with individual citizens and service users effectively.</b>	
2.3.1	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievements of intended outcomes.
2.3.2	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.
2.3.3	Encouraging, collecting and evaluating the views and experience of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
2.3.4	Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
2.3.5	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
2.3.6	Taking account of the interests of future generations of taxpayers and service users.
<b>3. Defining outcomes in terms of sustainable economic, social and environmental benefits</b>	
<b>3.1 Defining outcomes</b>	
3.1.1.	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
3.1.2	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
3.1.3	Delivering defined outcomes on a sustainable basis within the resources that will be available.
3.1.4	Identifying and managing risks to the achievement of outcomes.
3.1.5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
<b>3.2 Sustainable economic, social and environmental benefits</b>	
3.2.1	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
3.2.2	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.

3.2.3	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
3.2.4	Ensuring fair access to services.
<b>4. Determining the interventions necessary to optimise the achievement of intended outcomes</b>	
<b>4.1 Determining interventions</b>	
4.1.1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.
4.1.2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
<b>4.2 Planning interventions</b>	
4.2.1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
4.2.2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
4.2.3	Considering and monitoring risks facing each partner when working collaboratively including shared risks.
4.2.4	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
4.2.5	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
4.2.6	Ensuring capacity exists to generate the information required to review service quality regularly.
4.2.7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.
4.2.8	Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
<b>4.3 Optimising achievement of intended outcomes</b>	
4.3.1	Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints.
4.3.2	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
4.3.3	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
4.3.4	Ensuring the achievement of 'social value' through service planning and commissioning.
<b>5. Developing the entity's capacity, including the capacity of its leadership and the individuals within it</b>	
<b>5.1 Developing the entity's capacity</b>	

5.1.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.
5.1.2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
5.1.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved.
5.1.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
<b>5.2 Developing the capability of the entity's leadership and other individuals</b>	
5.2.1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
5.2.2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decisions making of the governing body.
5.2.3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing the strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
5.2.4	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses.
5.2.5	Ensuring that there are structures in place to encourage public participation.
5.2.6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
5.2.7	Holding staff to account through regular performance reviews which take account of training or development needs.
5.2.8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.
<b>6. Managing risks and performance through robust internal control and strong public financial management</b>	
<b>6.1 Managing risk</b>	
6.1.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
6.1.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
6.1.3	Ensuring that responsibilities for managing individual risks are clearly allocated.



<b>6.2 Managing performance</b>	
6.2.1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review.
6.2.2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
6.2.3	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible; OR, for a committee system, encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making
6.2.4	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
6.2.5	Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements).
<b>6.3 Robust internal control</b>	
6.3.1	Aligning the risk management strategy and policies on internal control with achieving objectives.
6.3.2	Evaluating and monitoring risk management and internal control on a regular basis.
6.3.3	Ensuring effective counter fraud and anti-corruption arrangements are in place.
6.3.4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
6.3.5	Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, and that its recommendations are listened to and acted upon.
<b>6.4 Managing data</b>	
6.4.1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
6.4.2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
6.4.3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
<b>6.5 Strong public financial management</b>	
6.5.1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.
6.5.2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.
<b>7. Implementing good practices in transparency, reporting and audit to deliver effective accountability</b>	
<b>7.1 Implementing good practice in transparency</b>	
7.1.1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.

7.1.2	Striking a balance between providing the right amount of information to satisfy transparency demand and enhance public scrutiny while not being too onerous to provide and for users to understand.
<b>7.2 Implementing good practices in reporting</b>	
7.2.1	Reporting at least annually on performance, value for money and the stewardship of its resources.
7.2.2	Ensuring members and senior management own the results.
7.2.3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)
7.2.4	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
7.2.5	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.
<b>7.3 Assurance and effective accountability</b>	
7.3.1	Ensuring that recommendations for corrective action made by external audit are acted upon.
7.3.2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.
7.3.3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
7.3.4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
7.3.5	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

## Appendix 2: Description of Evidence for Compliance

Evidence	Description	Principles
Code of Conduct for Employees	<p>The various codes of conduct determine how officers and members work within partnerships, and the shared values that they will demonstrate.</p> <p>The Code of Conduct for Employees is available on the intranet and is also issued to new employees when they join Renfrewshire Council. The council's disciplinary procedures are in place to deal with any alleged misconduct.</p>	<p>1.1.1 1.1.3 1.1.4</p>
Code of Conduct for Elected Members	<p>The Councillors' Code, which was introduced by the Ethical Standards in Public Life etc. (Scotland) Act 2000, sets out a protocol for relations between Councillors and employees. All Elected Members, following their election in May 2022, have signed their declaration of acceptance of office whereby they undertook to meet the requirements of the Councillors' code issued under the Ethical Standards in Public Life etc. (Scotland) Act 2000 in the performance of their functions as a Councillor. The Code of Conduct was updated by the Scottish Government in December 2021 and a paper outlining this was approved at Council in December 2021.</p> <p>Any alleged contraventions of the Ethical Standards in Public Life etc (Scotland) Act 2000 would be referred for investigation to the Commissioner for Ethical Standards in Public Life. And thereafter for consideration by the Standards Commission appointed by Scottish Ministers. Where a hearing involving a member of Renfrewshire Council has taken place, the outcome of this is reported to the Council. Since August 2009 all Council and Board agendas include an item in relation to declarations of interest.</p> <p>Briefings for Elected Members on their responsibilities under the Code of Conduct for Councillors are held regularly every year, conducted by the Head of Corporate Governance. The induction programme for members elected in 2022 included sessions on the roles and responsibilities of officers and members.</p> <p>The Council's protocol for relationships between political groups, Elected Members and officers sets out the rights and responsibilities of Councillors and political groups in the course of conducting Council business and provide good practice guidelines in relation to the multi-member ward issues.</p>	<p>1.1.1 1.1.2 1.1.3 1.1.4 1.2.1 1.2.2 5.2.1</p>

	Councillors are advised of and can attend sessions delivered by the Standards Commission.	
<a href="#">Protocol for Relationships between Political Groups, Elected Members and Officers</a>	<p>The Council's elected member and inter-party protocols and protocol for member/officer relations were reviewed and combined into one composite protocol which was approved by the Finance and Resources Policy Board on 12<sup>th</sup> November 2014. An updated version was approved by Council on 29 February 2024.</p> <p>Any alleged contraventions of the Ethical Standards in Public Life etc (Scotland) Act 2000 would be referred for investigation to the Commissioner for Ethical Standards in Public Life. And thereafter for consideration by the Standards Commission appointed by Scottish Ministers. Where a hearing involving a member of Renfrewshire Council has taken place, the outcome of this is reported to the Council. Since August 2009 all Council and Board agendas include an item in relation to declarations of interest.</p>	<p>1.1.1 1.1.2 1.2.1 5.2.1</p>
Code of Corporate Governance	The Council complies with this requirement through its adoption of the CIPFA Code of Corporate Governance and its annual reporting of compliance with the code.	<p>1.1.1 6.3.4</p>
Cross-Party Governance Group	The Cross-Party Working Group was established in 2023 and comprises one member from each of the four political parties and one member to represent the Independents. The agenda is set by the group members and makes recommendations where required. A <a href="#">report on the activities of the group</a> was considered at Council on 29 February 2024.	<p>1.1.1 2.2.1 5.2.1</p>
<a href="#">Scheme of delegated functions</a>	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved, with the exception of those powers which cannot be delegated or have been reserved to the Council. These functions have been delegated to Boards and committees, the Chief Executive, Directors and Heads of Service and other officers, including through statutory appointments of officers. The Scheme is changed to reflect any restructuring of Council services and transfer of functions between services. The Scheme was updated in February 2024.	<p>1.1.1 1.3.1 1.3.2 1.3.4 2.1.2 5.2.2</p>
<a href="#">Our Values</a>	<p>The Council's new values were launched in 2020. These are continually embedded across the organisation through our policies and our training and development programmes.</p> <p>Specific Training on Our Values is available on the council's iLearn platform.</p>	<p>1.1.3 1.2.2 2.1.1</p>

<a href="#">Council Plan</a>	<p>The Council Plan sets out the strategic priorities for the organisation. The current plan for 2022-2027 was approved by Council in September 2022 and the accompanying performance scorecard was approved by Leadership Board in November 2022. Progress on delivering on the priorities in the Council Plan is reported to the Leadership Board on a six-monthly basis.</p> <p>The Council Plan has five strategic outcomes with an additional overarching aim to improve outcomes for children and families. Services align their own service planning to these outcomes, providing clear linkages between operational activities and strategic goals.</p>	<p>1.1.3 2.1.1 3.1.1 3.1.2 3.1.3 4.2.4</p>
Community Plan (Local Outcomes Improvement Plan)	<p>Renfrewshire's Community Plan acts as the Local Outcomes Improvement Plan and was refreshed in 2022.</p> <p>It is informed by a strategic needs assessment and by findings from consultations undertaken with our communities. It sets out a clear vision for partnerships and for Renfrewshire and its people, as well as the key areas of priority and actions to be undertaken.</p> <p>Six monthly updates on progress with the Community Plan are reported to the Leadership Board; the most <a href="#">recent report was approved in February 2024</a>.</p>	<p>1.1.3 2.1.1 2.2.2 3.1.2 5.1.3</p>
<a href="#">Senior Officers' Register of Interests</a>	<p>The Council has a register of interests for Senior Officers. Information contained on the register is subject to Freedom of Information legislation. Chief Officers are contacted on an annual basis to update the register.</p> <p>Information from the register of senior officers' interests was published for the first time in October 2016 on the Council's website. Renfrewshire was the first Council in Scotland to publish information on the interests of its senior officers online.</p>	<p>1.1.4 1.2.1</p>
<a href="#">Whistleblowing policy</a>	<p>The organisation recently revised its Whistleblowing Policy and it was approved by the Finance, Resources and Customer Services Policy Board on 9 February 2023. It provides a mechanism for staff to raise concerns about any potential malpractice, illegality, wrongdoing or serious failures of standard of work.</p>	<p>1.1.4</p>
Complaints Handling Procedure	<p>The Council regularly reviews its complaints handling procedures to ensure they reflect the latest guidance from the Scottish Public Service Ombudsman (SPSO).</p>	<p>1.1.4 6.2.4</p>

	<p>An Annual Complaints Report is presented to each year to the Audit Risk and Scrutiny Board. This includes a breakdown on number of complaints, how timeously we have responded to complainants and improvements made to complaints handling.</p> <p>Information on how the Council is performing in relation to complaints handling is reported to the Corporate Management Team quarterly.</p>	
Elected Member Register of Interests	<p>Councillors hold public office under the law and must observe the rules of conduct stemming from the law, the Code of Conduct for Councillors and any guidance from the Standards Commission and the rules, standing orders and regulations of the Council. In addition, the Council has developed an inter-party protocol which highlights that Political Groups have the responsibility not to require individual Councillors to vote on party lines in respect of decisions where group decision-making would be unlawful, contrary to the Councillors' Code of Conduct or against any Council approved guidance; in particular on planning applications, specific regulatory matters, employment issues affecting individuals, all matters coming before the Audit, Risk and Scrutiny Board or any matter which requires to be determined on the basis of evidence given to or the findings of a forum on which Councillors serve.</p> <p>Members are required to register their interests in terms of the Code of Conduct for Councillors' and declare these interests at meetings. Declarations of interest are minuted and are available for public view on each member's online profile page on the website. Elected Members are formally asked to regularly update their register of interests every six months.</p>	1.1.4 1.2.1
Provision of ethical awareness training	<p>The elected member induction programme includes a session which covers the code of conduct, protocols, roles and responsibilities, and the role of the Standards Commission. Elected members can also access resources directly from the Standards Commission.</p>	1.2.2
Appraisal processes	<p>A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels is available across the Council. This is currently under review to take account of the new ways of working. An interim 2024 Appraisal Process is being adopted for our Chief Officers whilst this review is ongoing.</p> <p>All HR processes are currently under review and new policies are being brought forward regularly.</p>	1.2.3 5.2.7

Recruitment	<p>The Council has robust recruitment procedures in place to ensure the fair selection of candidates. There is an appointment panel for Chief Officer level appointments. The Council's recruitment and selection processes are designed in accordance with best practice principles, legislation and COSLA recruitment and selection guidance. A revised <a href="#">Recruitment Policy</a> was approved by the Finance, Resources and Customer Services Policy Board in November 2022.</p> <p>Work is underway on a Workforce Planning Strategy which will support staff retention as well as recruitment.</p>	1.2.3
<a href="#">Standing Orders relating to contracts</a>	<p>The Council has a statutory obligation to have standing orders in place relating to contracts, the main purpose of which is to provide open and transparent procedures for tenderers; to achieve value for money for the Council; and to provide guidelines for officers. These standing orders are reviewed regularly as a matter of good practice; the most recent version took effect on 1 January 2024.</p> <p>Organisations bidding for Renfrewshire Council contracts are required to complete a questionnaire response as a self-declaration that they have not breached any of the mandatory and discretionary exclusion grounds set out in the Procurement Regulations. Bidders are also required to complete and submit an Equalities Questionnaire, setting out their Equalities policies and to confirm that they fully comply with their statutory duties under the Equalities Act 2010. To help support small businesses, bidders must also sign an undertaking to pay their sub-contractors within 30 days of receipt of a valid invoice.</p> <p>To protect the workforce, bidders are required to respond to a number of scored and evaluated questions which assess the organisations approach to Fair Work practices with consideration given to the Fair Work First criteria. Construction Contracts include a statement in relation to the procurement of construction contracts which links directly to the Council's Construction Charter.</p> <p>All of these measures seek to ensure that the appointed contractor is a fit and proper organisation, that their workforce is protected and that the use of exploitative labour is forbidden.</p>	1.2.3 1.2.4 1.3.1 1.3.2 1.3.4

<a href="#">Procedural Standing Orders</a>	<p>The Council's Procedural Standing Orders govern the conduct of meetings of the Council and its Boards. The Standing Orders provide for such matters including voting, motions and amendments and the power of the Provost/Chair.</p>	<p>1.3.1 1.3.2 1.3.4</p>
<p>Policy Board Reports</p>	<p>Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take reasoned decisions and provide clear recommendations. Decisions made during meetings are recorded in the minutes. Report templates include mandatory sections where the implications of reports must be noted. Pre-agenda meetings are held with Convenors and Depute Convenors at which any issues can be addressed prior to the finalised agenda being issued.</p> <p>In addition, each of the Council Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked. Each report has a section on legal implications. The frontispieces to reports require that community planning partners are consulted in the preparation of reports where appropriate and reports must outline community/ Council plan implications.</p>	<p>1.3.1 1.3.2 1.3.4 2.1.3 3.2.2 4.1.1 6.2.2</p>
<p>Statutory Officers Role</p>	<p>The Council has nominated officers fulfilling statutory roles:</p> <ul style="list-style-type: none"> <li>• Head of Paid Service</li> <li>• Chief Finance Officer (CFO) (proper officer in terms of s95 of the Local Government (Scotland) Act 1973)</li> <li>• Monitoring Officer (1.3.4)</li> <li>• Senior Information Risk Owner</li> <li>• Chief Social Work Officer</li> <li>• Data Protection Officer (6.4.1)</li> <li>• Chief Planning Officer</li> </ul> <p>The Chief Executive is the Head of Paid Service.</p> <p>The Director of Finance is both the CFO and the SIRO.</p> <p>The Head of Corporate Governance acts as Monitoring Officer in terms of the Local Government and Housing Act 1989 and as detailed in the job description, is responsible for advising the Council on the legality of its decisions and providing guidance to Councillors and officers on the Council's powers.</p>	<p>1.3.1 1.3.4 6.4.1</p>



	<p>The Head of Child Care and Criminal Justice is the Chief Social Work Officer, and fulfils that role for the Council and for Renfrewshire Health and Social Care Partnership.</p> <p>The Managing Solicitor (DPO) is the statutory Data Protection Officer whose remit includes overseeing the Council's implementation of GDPR, other data protection laws and the relevant Council policies and to ensure compliance with those.</p>	
Promotion of the Community Empowerment (Scotland) Act 2015	The Council has promoted awareness of the powers and potential use of the Community Empowerment Act through engagement with statutory and non-statutory community organisations and with third sector partners. The Council initially published details of the legal and procedural framework in relation to Community Asset Transfer in February 2017 and revised the <a href="#">policy and procedures</a> in 2022. The <a href="#">Sustainable Communities Fund</a> supports local people to develop sustainable projects which improve community collaboration, health and wellbeing, economic development and environmental action.	1.3.3
Renfrewshire Forum for Empowering Communities	The Renfrewshire Forum for Empowering Communities is part of the local Community Planning structure. It is run by Engage Renfrewshire, the local Third Sector Interface organisation. Membership is drawn from third sector groups and community councils, as well as from local public sector bodies. The Forum is intended to act as a community sounding board for the Community Planning Partnership. In 2023, issues discussed at the Forum included community transport, Local Partnership grant awards, the Fairer Renfrewshire programme and The Promise.	2.1.4 2.3.3 4.2.2
Community Planning Arrangements	Renfrewshire Community Planning Partnership includes a range of organisations working in Renfrewshire— Renfrewshire Council; Police Scotland; the NHS; Scottish Fire and Rescue, West College Scotland, University of West of Scotland, Scottish Enterprise, One Ren, the Third Sector Interface called Engage Renfrewshire, Skills Development Scotland, Renfrewshire Health and Social Care Partnership and the Department of Work and Pensions. The Partnership is led by an Executive Group.	2.2.1 2.2.2 2.2.3
<a href="#">Petitions Board</a>	The Petitions Board provides an opportunity for individual members of the public to raise issues of concern with the Council, either as individuals or on behalf of an organisation.	2.3.1 4.1.2

	<p>The Council introduced a public petitions procedure in 2007 which strengthens the connection between the Council and the community to raise issues of concern in relation to services provided by the Council or other bodies such as the police and health board, recognising that the Council has limited influence over other bodies. Details of petitions received and their outcomes are included in the annual report to the Board and on the Council's website.</p> <p>Petitions previously were considered by the Audit, Scrutiny and Petitions Board but as of June 2017, a separate Petitions Board has been established to consider petitions only. The Board met once in 2023, to consider a petition on parking.</p>	
<a href="#">Local Partnerships</a>	<p>Renfrewshire has seven Local Partnerships, created in 2019 to replace the previous Local Area Committee structure. It was intended to review arrangements after twelve months but this was delayed due to the pandemic and a subsequent need to prioritise other work. The review is now complete and recommendations were approved by the Leadership Board in February 2024. A campaign to relaunch the Local Partnerships will now commence, and updated guidance for the Partnerships has been published.</p> <p>The business-as-usual work of the Local Partnerships continues whilst the review is ongoing.</p>	2.3.3
Community engagement mechanisms	<p>Formal mechanisms, such including the Community Planning Partnership's Forum for Empowering Communities, are one way in which community groups can contribute to local priority setting. The Renfrewshire Climate Panel and the Fairer Renfrewshire Lived Experience panel have more focused remits and allow local residents with particular interests and/or experiences to inform decision-making.</p> <p>The approaches to participatory budgeting detailed elsewhere in this report are an opportunity for individuals to directly influence spend in their community, and have a wider reach than the more formal groups noted above.</p> <p>The Council also undertakes public consultations and has established a Customer Feedback group, which is open to any resident to join.</p>	2.3.5
Policy Board Implications	<p>All policy board papers have an implications section requiring the report author to detail implications under these headings: Financial, HR and Organisational</p>	2.2.1 3.2.1

	Development, Community/Council Planning, Legal, Property/Assets, ICT, Equality and Human Rights, Health and Safety, Procurement, Risk, Privacy Impact, COSLA Position, and Climate. Report authors should use this section to note impacts arising from the recommendations of the report.	
Renfrewshire's Plan for Net Zero	Renfrewshire's Plan for Net Zero was approved by elected members in 2022 and sets out how the Council intends to become a net zero organisation and how it will work in partnership with communities, businesses and other organisations to make Renfrewshire as a whole net zero.  Regular two-way engagement on the strategy and support for decision making comes from the Renfrewshire Climate Panel, recruited from the local community.	2.3.3 2.3.4 2.3.6
Service Improvement Plans	Each service prepares annual service plans which set out priority actions for the forthcoming three-year period, and provide performance measures and actions to demonstrate improved outcomes. These plans align to the Council Plan. Plans are approved by the relevant Policy Board and those boards receive updates on progress twice a year.	3.1.1 3.1.2 3.1.3 3.1.5 4.2.1 4.2.5 4.3.4 6.2.1 6.2.4 6.4.3
Social Renewal Plan	As part of the pandemic response, the Council undertook a community impact assessment and developed a <a href="#">Social Renewal Plan</a> , focused on working with partners to improve wellbeing and tackle inequalities. This now forms the basis of the work of the Fairer Renfrewshire programme. The plan reflected the significant shift in priorities from early 2020 and the importance of being able to adapt to changing circumstances.	3.1.1 3.1.2 3.1.5 4.2.4 4.3.4 5.1.3
Capital Programme/Capital Investment Strategy	The Council's capital spending plans are policy-led and therefore reflect the main strategic intent of the Council and comply with the Prudential Framework for Capital Investment. Full Council approves the five-year rolling programme as part of the annual revenue and capital budget-setting process. Updates on the progress of capital investment plans are reported on a routine basis to each Policy Board.	3.2.1
<a href="#">Annual Governance Statement</a>	The Council complies with this requirement through its Annual Governance statement which details the organisation's governance arrangements. This is in	6.3.4 7.2.3

	<p>line with national guidance and is updated on an annual basis. The statement is published in the Council's Annual Accounts and submitted to the Audit, Risk and Scrutiny Board, most recently in November 2023.</p> <p>Any key risks identified through the new Business as Usual Risk Assessment process, which is undertaken by the Directors and Heads of Service, would be reflected in the governance statement.</p>	<p>7.2.4 7.3.4</p>
Access to services	<p>The Council aims to make its services accessible to all, and to make reasonable adjustments as necessary to ensure all residents have fair access.</p> <p>All Council documents can be provided in differing formats and languages in order to meet any communication needs.</p> <p>The pandemic required a rapid transition to much greater digital service provision, and an increasing number of requests for council services can be made online, making it easier for many to access services and at a time that suits them. For those who prefer face-to-face or telephone contact, these options are still available.</p> <p>The Council has contracts with local independent advocacy groups who can support people with specific needs to access services.</p> <p>The new Customer Strategy has used over 1300 customer survey responses to provide information on how people currently access services and how they would like to access them.</p> <p>New approaches to service delivery can also support greater accessibility. A recent example is the development of The Circle Recovery Hub which filled a gap in local provision and takes a more inclusive and accessible approach to supporting people who previously used alcohol and drugs.</p>	3.2.4
Accountability and partnership arrangements –	<p>Arrangements are in place between Renfrewshire Council and its Community Planning partners, the IJB and OneRen.</p>	7.3.5

Integration Joint Board and OneRen	<p>Governance arrangements, such as systems for managing, monitoring and scrutinising the IJB's business and finances have been developed. Effective arrangements are in place for sharing information between partners that can lead to improving how services are provided, such as the Community Safety Partnership.</p> <p>The Head of Policy and Partnerships is the One Ren Monitoring Officer and undertakes quarterly meetings to review performance of OneRen (formerly Renfrewshire Leisure). In addition, six-monthly updates and an Annual Business Plan is reported to and agreed by the Leadership Board.</p>	
Self-assessment	<p>A new approach to corporate self-assessment was undertaken in 2023. Sessions took place initially with the Corporate Management Team before being rolled out to wider senior management through the Our Leaders Forum at the end of 2023.</p> <p>An action plan addressing key priorities arising from the CMT exercise has been developed. CMT will continue to receive regular updates on this and options are being considered for how to involve wider staff groups in further prioritisation and monitoring.</p>	7.3.4
Minutes of Agreement	<p>Minutes of Agreement set out the rights, duties, powers, liabilities and obligations of parties to the Agreement e.g. the Council and partner organisations. Appointments of members to outside bodies are not taken up until the Director of Finance and Resources confirms that the organisation has appropriate insurance policies in place.</p>	4.2.3
Benchmarking / peer review	<p>Services across the Council are involved in both formal and informal benchmarking arrangements through for example, the Association for Public Sector Excellence and the Scottish Housing Best Value Network (SHBVN) annual benchmarking process.</p> <p>All 32 Scottish local authorities use the Local Government Benchmarking Framework as a means of peer review, and to contribute to their Statutory Performance reporting obligations. The Council's performance in terms of Local Government Benchmarking Framework indicators is reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction.</p>	4.2.6 5.1.2 7.3.3
<a href="#">Audit, Risk and Scrutiny Board</a>	<p>The Audit, Risk and Scrutiny Board functions as the Council's audit committee and has an overview of the internal audit role to ensure that resources are being targeted effectively. The Council has recently committed to undertake a review of</p>	5.1.1 5.2.7 6.2.3

	<p>the effectiveness of the Board against the CIPFA Good Practice Guidance for Audit Committees.</p> <p>The Board considers summaries and risks identified from the work of internal audit and considers the Chief Auditors annual opinion on the effectiveness of the Council's governance, internal control and management of risk. Recommendations made by external audit and/or national external audit reports along with management's response and/or Renfrewshire Council's position are reported to the Audit, Risk and Scrutiny Board. The Audit, Risk and Scrutiny Board's remit includes audit scrutiny, monitoring and review of service delivery, performance, policies and practice, community leadership through monitoring of other public bodies, and standards and ethics.</p> <p>In terms of the Public Sector Internal Audit Standards, the Council's Chief Auditor submits quarterly reports on internal audit performance and an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which details the main issues arising.</p> <p>The Council's performance in terms of Local Government Benchmarking Framework Indicators is reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction. In addition, the Annual Complaints Report is presented to Board annually. This includes a breakdown on number of complaints, how timeously we have responded to complainants and improvements made to complaints handling.</p> <p>The Audit, Risk and Scrutiny Board prepares an annual programme, including areas for specific review. Members suggesting an area for review must identify the purpose and objectives of the review and the intended outcome. The Board takes a common sense approach to reviewing decisions and policies and the process provides the opportunity for Elected Members to examine the various functions of the Council, to ask questions on how decisions have been made, to consider whether service improvements can be put in place and makes recommendations as appropriate. For each review, the Chief Executive appoints a lead officer to</p>	<p>6.2.4 6.3.1 6.3.5 6.4.3 7.2.1 7.3.1 7.3.2</p>
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	assist members of the Board to identify potential issues and questions to be asked of witnesses. Following each review, a report is prepared by the lead officers for approval by the Board and thereafter the Council. If appropriate, minority of dissenting views are recorded in the minutes of the meeting.	
Procurement – delivering sustainability and social value	<p>Section 9 of the Procurement Reform (Scotland) Act 2014 places a duty on public sector contracting authorities to consider how their procurement activities can:</p> <ul style="list-style-type: none"> <li>i. improve the economic, social, and environmental wellbeing of the authority's area,</li> <li>ii. facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and</li> <li>iii. promote innovation</li> </ul> <p>In accordance with the requirements of the Act, the Council has set out how we will ensure delivery of these ambitions in our <a href="#">Procurement Strategy</a>, which covers the period 2023 to 2025. It sets out our commitment to balance cost, value, the delivery of social value, the delivery of supply chain and supplier sustainability, and the need to tackle climate change.</p> <p>Procurement and Economic Development are working jointly to deliver support to local suppliers as part of our Community Wealth Building approach. Our procurement activity also delivers community benefits within contracts; 308 identified benefits were delivered in 2022/23, including 24 new jobs, 19 new apprenticeships and 81 new qualifications. Relevant tenders are evaluated according to the Fair Work criteria.</p> <p>The strategy also notes the key enabling role of procurement in working towards a Net Zero Renfrewshire by 2030.</p>	2.3.6 4.3.4
Corporate Asset Register	The Council maintains a Corporate Asset Register and this is regularly reviewed. The Council is currently undertaking a Strategic Property Review.	5.1.1
<a href="#">Community Asset Transfer Policy</a>	The Council's Community Asset Transfer was revised in 2022. The policy, guidance and documents relating to asset transfers can all be found on the Council's website.	5.1.1

Meetings between Chief Executive and senior elected members	The Chief Executive holds weekly meetings with the Leader and regular meetings with opposition leaders.	5.2.1
<a href="#">Cross Party Sounding Board</a>	The Council at its statutory meeting in May 2017 established a Cross Party Sounding Board. as part of its decision-making structure. The remit of which is to act as a sounding board and discussion forum, with no decision-making powers: to provide an opportunity to discuss matters of common interest or of Council wide relevance. The Board has a membership of six – the Leader and Depute Leader, the leaders of the three opposition political groups, and a representative of the independent members.	5.2.1
Division of leadership roles – paid service and elected representation	<p>The Chief Executive has responsibility as head of the paid service for all aspects of operational management. He leads on the implementation of decisions taken by elected members through full Council and the board structure. He has overall responsibility for managing service delivery , with clear lines of accountability throughout the senior management structure.</p> <p>The Leader of the Council has responsibility for forming an administration and enabling democratically-accountable decision-making.</p> <p>The Chief Executive and the Leader of the Council meet weekly.</p>	5.2.3
HR and OD Policies	HR & OD Polices are regularly reviewed and throughout 2023/24, new and updated policies have been presented to the Finance, Resources and Customer Services Policy Board for approval. New and updated policies and plans recently approved include the revised Flexible Working and Flexible Retirement policies in June 2023, Control of Smoking at Work Policy in September 2023, Health and Wellbeing Plan 2024-29 and the Equality, Diversity and Inclusion Plan in February 2024.	5.2.8
Health and Safety Plans	The current Corporate Health and Safety Policy was approved by the Finance, Resources and Customer Services Policy Board in February 2022. Each service has its own Health and Safety Plan and working group. Health and Safety reports for each service are presented to policy boards annually. An overarching annual report on health, safety and wellbeing activity across the Council is presented to the Finance, Resources and Customer Services Policy Board; <a href="#">the most recent report was in June 2023</a> .	5.2.8



<a href="#">SPI Direction</a>	<p>The SPI Direction from Audit Scotland sets out the requirements of monitoring and reporting on performance indicators by Councils. The current direction was published in December 2021 and applies for three years. Councils are required to report information that details the performance of public services in a way that allows for comparison over time and with other councils, report on how it engages and empowers communities, and to demonstrate Best Value.</p>	<p>6.4.3</p>
<p>Council's Approach to Performance Management and Reporting</p>	<p>The Council's approach to performance management and reporting, both internally and externally, demonstrate compliance with multiple elements of the code of corporate governance. Our approach can be split into the following elements:</p> <ul style="list-style-type: none"> <li>• Scrutiny by elected members</li> <li>• Scrutiny by Corporate Management Team</li> <li>• Scrutiny by senior managers in each service</li> <li>• Public performance reporting</li> <li>• Scrutiny by external bodies</li> <li>• Performance management systems</li> </ul> <p>The Council Plan and its associated action plan and performance scorecard are one of the ways in which elected members can scrutinise performance against the strategic priorities of the Council (4.2.5; 5.1.1; 5.2.4). Progress reports are presented to the Leadership Board twice a year. Members also receive progress updates on the Community Plan.</p> <p>The Corporate Management Team (CMT) scrutinise the Council Plan scorecard and a CMT scorecard every quarter (5.2.4; 6.2.4; 6.4.3; 7.2.2), The CMT scorecard is a dynamic document and the list of indicators for scrutiny is reviewed as part of the quarterly programme, to ensure it reflects current priority areas. Each quarter, an aspect of performance is identified as a 'deep dive' area and more detailed information is brought back to CMT by the relevant Head of Service.</p> <p>Each council service produces a Service Improvement Plan (4.2.5; 5.1.1; 5.2.4) which sets out how they will contribute to the delivery of the Council Plan and how they will measure their contribution and performance. As well as allowing senior managers to track the performance of their service, this approach allows for elected member scrutiny; progress on service improvement plans is reported through policy boards every six months.</p>	<p>2.1.1 4.2.5 4.2.6 5.1.1 5.2.4 5.2.7 6.2.4 6.4.3 7.1.1 7.1.2 7.2.1 7.2.2</p>

	<p>Members also receive reports on operational performance, on corporate performance on complaints and on the Local Government Benchmarking Framework. (5.1.1; 6.4.3; 7.2.2).</p> <p>Public performance reporting (2.1.1; 7.1.1;7.1.2;7.2.1) is undertaken in the interests of transparency; it allows local residents, businesses and partner organisations to track the Council’s performance over time. Service- and Council-level performance reports are available online through the agendas and minutes of public meetings but the Council also produces an annual report which is available as a <a href="#">storymap</a> on the Council’s website. This format allows for comparison with other councils on measures included in the Local Government Benchmarking Framework. Performance data is accompanied by case studies which demonstrate the difference services are making to Renfrewshire.</p> <p>To ensure consistency and provide an audit trail, all performance indicators are collected, recorded and tracked using the Pentana performance management system (5.1.1).</p>	
Council’s approach to risk management	<p>The Council has a well-established and robust approach to risk management which includes ‘Risk Matters’, the Council’s combined risk management policy and strategy. (3.1.4; 6.1.1; 6.3.1). It is refreshed every two years; the latest version was approved by the Audit, Risk and Scrutiny Board in November 2023.</p> <p>Risk Matters is explicit regarding the Council’s risk management philosophy and regarding members’ and managers’ responsibility for risk management. The Strategic Risk Management Development Plan (6.1.1) underpins Risk Matters. It reflects the development work required to fulfil the objectives in Risk Matters, and is refreshed every two years.</p> <p>The Council maintains, monitors and reviews its corporate and strategic risk registers in line with the strategy (6.1.2; 6.3.2), and presents these every six months to the Audit, Risk &amp; Scrutiny Board along with an annual report on health of the Council’s risk management arrangements.</p> <p>For 2023/24, the Council adopted a new approach to reviewing ‘business as usual’ risks on a thematic basis. Each Head of Service reviews the 12 thematic areas</p>	<p>3.1.4 6.1.1 6.1.2 6.1.3 6.3.1 6.3.2 6.5.2</p>

	<p>over the course of a year and confirms the level of assurance for their service area against each theme.</p> <p>The Council's Risk Manager is supported by the Corporate Risk Management Group (CRMG) (6.1.2), which comprises representatives from each council service as well as specialists on particular areas of risk. This group meets regularly to discuss matters of common interest, to share learning and to co-ordinate review of risks and reporting to CMT and Board. The CRMG oversees the ongoing development, monitoring and review of the corporate risk management register arrangements and facilitates an escalation process whereby risk can be moved between corporate, business as usual or service level.</p> <p>Financial risk is included as part of the Corporate Risk Register to ensure financial management is managed and reviewed on a regular basis. (6.5.2)</p> <p>The Programme Management Unit ensure that risk assessment, monitoring and mitigation is a key part of any project and programme governance they support.</p> <p>The independent report into Dargavel Primary School identified specific issues with how risk was managed on that particular project, and made recommendations for organisational learning in relation to project-based risk, and scrutiny of such risks. A number of actions have been identified by the Council and are being implemented; details can be found in a report to the Audit, Risk and Scrutiny Board in September 2023.</p>	
<p>Council's approach to information governance</p>	<p>The corporate approach to information governance provides assurance in relation to how sensitive data is managed and stored across the organisation. Key elements are:</p> <ul style="list-style-type: none"> <li>• Information Governance Strategy and Framework</li> <li>• Council Data-Sharing Code and individual data-sharing and data-processing agreements</li> <li>• Information Governance Team</li> <li>• Data protection policies and procedures</li> <li>• Information Governance Learning and Development Strategy</li> <li>• Internal and external audits</li> </ul>	<p>1.2.4 6.4.1 6.4.2</p>

	<p>The Council has a <a href="#">Data Sharing Code</a>, based on the ICO Code, which was updated in December 2021. (6.4.2). Where data is being shared, appropriate data-sharing and/or data-processing agreements are in place and these are held in a central repository (6.4.2). These agreements specify security requirements.</p> <p>The Managing Solicitor (DPO) reports monitoring figures to the Senior Information Risk Owner (SIRO) on a monthly basis, and to CMT at least twice a year (6.4.1). The Council is subject to routine external audit by the Information Commissioner's Office (ICO) as well as internal audit. (6.4.1)</p> <p>There are clear procedures in place for reporting any data breach, however minor, and mandatory training is in place for any staff who work with data. Such staff are required to undertake refresher training on an annual basis.</p>	
<p>Elected Member Training and Development</p>	<p>The CPD framework for Councillors was developed by the Improvement Service and all members have access to it. Members are encouraged to assess their own development needs and develop a personal development plan. Using the Improvement Service CPD framework, Councillors can opt to undertake a 360° peer review of their performance as an Elected Member. (5.2.6)</p> <p>In Renfrewshire, focused development for elected members takes place regularly through a programme of development events and opportunities is issued to members on a monthly basis. As 2022 was an election year, a comprehensive induction package was delivered for newly-elected and returning members.</p> <p>The members' development programme provides members with briefings as soon as practicable when new legislation is introduced, e.g. the General Data Protection Regulation.</p> <p>Members who are involved in taking quasi-judicial decisions, e.g. planning, licensing, are briefed regularly on their responsibilities. Members who sit on the Licensing Board must undertake and pass a mandatory training course. There is a training programme in place for members of the Audit, Risk and Scrutiny Board and the Chief Auditor provides a regular briefing programme for Board members, to assist them in fulfilling the audit committee role.</p>	<p>1.2.2 2.1.2 5.2.1 5.2.4 5.2.6 5.2.7</p>

	<p>To reduce the reporting of routine operational matters to policy boards and to allow Boards to focus on policy issues, a range of matters including the exercise of delegated authority by officers are reported to members by means of a regular bulletin rather than a formal report to a Policy Board (2.1.2). Members have also been provided with briefings specifically focused on the Council's response to the pandemic as required.</p> <p>An annual record of elected member training is available online after the end of each financial year.</p>	
Transparency of Council meetings	<p>Meetings of the full Council, of Policy Boards, Policy Board sub-committees and the Audit, Risk and Scrutiny Board are all open to the public, unless there is a valid reason under the terms of the Local Government (Scotland) Act 1973 to exclude the press and public from all or part of the meeting. Where a recommendation is made for a matter to be held in private, the reason for this will be identified in the agenda and in the minutes of the meeting.</p> <p>These meetings are also webcast live and the recordings retained and made available via the Council's website for anyone who wishes to view them. Meetings can be conducted fully in-person, fully online or as a hybrid.</p> <p>The timetable for these meetings is published well in advance (meetings are currently timetabled until the end of 2023) and the agenda and papers are available online several days' prior to the meeting taking place. Only those items which contain exempt or confidential information will not be shared publicly.</p>	<p>2.1.1 2.1.2 2.1.3 3.2.3 4.1.1 4.2.1 6.2.2</p>
Staff Training and Development	<p>Staff are able to access professional training courses if required to enable them to carry out specific roles (1.3.2).</p> <p>The <a href="#">'Our People Our Future 2021-26'</a> strategy (5.1.4) was approved by the Finance, Resources and Customer Services Policy Board in March 2021 and replaces the Organisational Development Strategy and Workforce Plans. A further update was approved by the Finance, Resources and Customer Services Policy Board in September 2023. It makes a commitment to investing in the workforce to ensure people are supported and equipped with the right skills to deliver on the council's ambitious outcomes for Renfrewshire. The Strategy offers a more flexible approach and will be owned by and embedded within services and is fully aligned</p>	<p>1.3.2 5.1.4 5.2.4</p>

	<p>with their needs. Regular reports on implementation, including new and revised policies, are considered at the Finance, Resources and Customer Services Policy Board.</p> <p>The Council's online learning platform, which has recently been refreshed, has a wide range of e-learning modules available to employees to support their learning and development. It includes an induction programme for new employees and a number of mandatory courses on areas such as data protection/information security. It also includes a range of courses suitable for aspiring and current managers. (5.2.4).</p> <p>In 2023, a programme of leadership development for senior management was launched in conjunction with SOLACE. The first phase has been rolled it with CMT and the next phase is targeting senior managers.</p> <p>The Council's management development programme, Lead to Succeed, has three levels (Inspire, Influence, Impact) which provide training for aspiring and current managers at all levels of the organisation. The training is linked to a CMI qualification.</p>	
Internal Audit function	<p>The Council's Internal Audit Charter sets out the authority, responsibility independence and reporting lines for internal audit activities (1.3.4; 6.3.4).</p> <p>The outcomes of internal audit reviews (5.1.1) are reported to Audit, Risk and Scrutiny, providing overall assurance rating and the number of recommendations in each risk category for these reviews. The committee summary for each report is also provided. For each audit assignment where recommendations have been made, an action plan is put in place to address these.</p> <p>In terms of the Public Sector Internal Audit Standards (6.3.1; 7.3.2), the Council's Chief Auditor submits quarterly reports on internal audit performance and an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which details the main issues arising.</p>	<p>1.3.4 1.3.5 5.1.1 6.3.1 6.3.3 6.3.4 7.3.2</p>

	The findings of any internal audit investigations are reported to the Audit, Risk and Scrutiny Board as they arise. For security reasons, these reports are marked exempt and not publicly available.	
Consultation and engagement mechanisms	<p>The Council's <a href="#">Have Your Say page</a> on the website provides links to all active consultations and surveys, which are open to all residents to participate in. The Council has also launched a Customer Feedback Database and invites all residents to join the database and to share their views on council services.</p> <p>There are theme/service specific opportunities to engage with the Council. Tenants' and Residents' Associations provide a mechanism for engaging with the Council on housing issues. The Climate Panel meet regularly to discuss local priorities for Net Zero by 2030. The Fairer Renfrewshire Lived Experience Panel help inform work on tackling inequalities.</p>	<p>2.1.4 2.3.1 2.3.3 2.3.4 3.2.3 4.1.2 5.2.5</p>
Counter-fraud measures	<p>The Council has a strategy for the prevention and detection of fraud and corruption, which was introduced in 2019. Any matters coming to light are investigated by Internal Audit or Counter-Fraud. The Audit, Risk and Scrutiny Board receives regular reports detailing such investigations (these reports are exempt under the terms of the Local Government (Scotland) Act 1973).</p> <p>An <a href="#">Anti-Money Laundering Policy</a> was introduced in June 2017.</p>	<p>1.3.5 6.3.3</p>
External scrutiny	<p>The Council is independently evaluated by bodies such as the Care Inspectorate, Education Scotland, the Accounts Commission and the Scottish Public Services Ombudsman (who considers complaints against the Council). These bodies publish scrutiny reports etc on their websites.</p> <p>Accounts Commission scrutiny is reported to the Audit, Risk and Scrutiny Board (and /or full Council as appropriate). School inspections are reported to the Education and Children's Services Policy Board. Care Inspectorate reports which include any gradings of Adequate or below are reported to the Education and Children's Services Board. Inspections of community learning and development are reported to the Communities and Housing Policy Board.</p>	<p>7.3.3</p>

	<p>External scrutiny includes Best Value Audits. Since 2023, Audit Scotland has adopted a new approach to BV, preparing annual thematic reports which consider all councils, as well as undertaking the full process with selected councils. <a href="#">Renfrewshire's first thematic report</a> under the new approach was presented to the Audit, Scrutiny and Risk Board in November 2023.</p>	
<p>Communications</p>	<p>The Council communicates with members of the community and its stakeholders (and vice versa) through several mechanisms including:</p> <ul style="list-style-type: none"> <li>• Tenant Forums</li> <li>• Community Planning Groups</li> <li>• Community Councils</li> <li>• Local Partnerships</li> <li>• Council Website</li> <li>• Complaints procedure</li> <li>• Public Performance reports</li> <li>• Customer Service Channels</li> </ul> <p>An internal communications and engagement strategy was developed and approved by the Corporate Management Team in June 2020. The strategy outlines a number of methods to improve internal communications across the Council.</p> <p>Communication is <i>everyone's</i> responsibility and a fundamental aspect of this is empowering leaders and managers to communicate well. Effective communications help to make the vision and values a reality by supporting Council services, encouraging cultural and behavioural change and enabling new levels of engagement.</p> <p>Our Values were launched in June 2020 and work continues to embed these values in everything we do including working with HR &amp; OD to weave these into the full employee lifecycle/journey. Initial training on this is already available on the council's iLearn platform.</p> <p>An internal communications and engagement strategy was developed on the approach the Council will use to engage with staff.</p>	<p>2.2.1 2.3.2 4.2.2</p>



	<p>Various internal communication channels are used, this includes:</p> <ul style="list-style-type: none"> <li>• 'Staff News - Take 5' - weekly staff update;</li> <li>• staff monthly newsletter;</li> <li>• fortnightly - Chief Executive's Blog;</li> <li>• regular Team Briefs for managers to inform and update staff on key issues;</li> <li>• use of text messaging and posters to reach frontline workers;</li> <li>• new 'Staff information' section on website including staff news and a dedicated 'Staff advice on Coronavirus' with latest Government advice, coronavirus absence protocols, working safely during coronavirus guides and staff wellbeing guides;</li> <li>• use of Microsoft Yammer for news and staff updates;</li> <li>• Pulse survey on internal comms during the pandemic; and</li> <li>• a working from home survey to gain understanding of staff viewpoints and supports required.</li> </ul> <p>Directed by the council's marketing and communications strategy, we manage various council channels – including the council website, developed to ensure regular direct communication and the sharing of information with residents, with mechanisms for feedback and response (monitored for effectiveness), we use external media and partners to reach audiences beyond our channel reach and maximise awareness, and we have developed a network of local channels (122) operated by local groups who support the cascade and sharing of council news and information. Council communications can be a mix of public campaigns, information on service updates, council decisions and policy changes, and spotlights on the people who deliver council services and those who benefit from them. The overall aim is to communicate our progress on the commitments made in the Council Plan.</p>	
Participatory Budgeting	<p>The Council has delivered participatory budgeting through the <a href="#">Celebrating Renfrewshire</a> (for children and young people) and <a href="#">You Decide</a> (currently focused on Environment and Infrastructure). In 2023, Celebrating Renfrewshire allowed young people to decide how to distribute funding to community groups to deliver projects prioritising health and wellbeing, life skills, climate change and diversionary activities and the funding awards can be found on the <a href="#">Young Scot portal</a>. The winning projects from <a href="#">You Decide in 2023</a> included new equipment in</p>	2.3.3

	play parks, additional street lighting, and accessibility improvements to pedestrian walkways.	
Financial governance framework	<p>The Council has in place financial regulations, which set out the responsibilities of the Director of Finance and Resources, along with the responsibilities of other authorised individuals in relation to the financial affairs of the Council. The regulations also set out the responsibility of Boards for financial affairs. (1.3.1; 1.3.2; 1.3.4; 6.2.5).</p> <p>Council receives regular updates on the financial position of the organisation. Financial reports detailing revenue expenditure and income are made to Policy Boards throughout the year and are based on the total cost of the main divisions of service and the total cost based on the key expenditure headings such as employee costs, etc. These reports provide projected outturns and are also used to advise members of any anticipated deviation from budget. Capital expenditure and income reports also follow this same process with each capital project showing the previous year's cumulative spend.</p> <p>Through the regular submission of budget reports to Policy Boards, the publication of the Annual Accounts, submission of the annual audit report and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on the Council's website, the Council demonstrates transparency and compliance with statutory reporting requirements.</p> <p>The medium-term financial strategy is presented to Council each year along with regular financial outlook updates, and sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and spending levels. Overall, the Council's medium-term financial position takes into consideration all known influencing factors.</p>	1.3.1 1.3.2 1.3.4 4.2.7 4.2.8 4.3.1 4.3.2 4.3.3 6.2.5 6.5.1 7.2.1 7.2.5
Transformation programme to support financial sustainability	The Council's Right for Renfrewshire (RFR) transformation programme was paused during the pandemic but the outstanding workstreams are now progressing alongside a wider financial sustainability programme which includes a review of the Council's property portfolio and other corporate and service savings in order to close the gap in the budget (estimated at £9.3m for 2024/25 excluding any decision on the level of Council Tax). Some of these workstreams are enablers	3.2.2 4.1.1 4.2.8 4.3.1 4.3.2 4.3.3

	which, whilst not delivering savings in their own right, allow for changes in the delivery of services which will generate savings. Examples are the Digital Experience project and improvements to Purchase to Pay (P2P) processes.	6.5.1
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**To: Audit, Risk and Scrutiny Board**

**On: 18 March 2024**

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

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**Heading: Audit Scotland report – Local Government in Scotland – Financial Bulletin 2022/23**

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## **1. Summary**

- 1.1 Audit Scotland published a [Local Government in Scotland Financial Bulletin 2022/23](#) on 16 January 2024, providing a high-level independent analysis by the Accounts Commission of the financial performance of Councils during 2022/23 and their financial position at the end of the year.
- 1.2 The report assesses the financial position of Scotland's councils during 2022/23 and the future outlook for services. The Accounts Commission's wider local government overview report will be published in May 2024 and will include further analysis.
- 1.3 The report notes that councils had less money to spend in real terms in 2022/23 and that the level of funding gap within Scottish councils increased significantly during this period, owing to pressures including increased demand for services, inflation and the cost-of-living.
- 1.4 The Accounts Commission also noted that capital budgets were also significantly strained, risking impacts on the maintenance of key public buildings and infrastructure, for example schools, libraries and roads
- 1.5 Renfrewshire Council's financial position was outlined most recently in a report to Council on 29 February 2024, which reaffirmed that inflation, fuel and food price rises and construction costs, as well as an increased demand for services, is projected to result in a £45-50 million funding gap over the medium term.

## **2. Recommendations**

It is recommended that the Audit, Risk and Scrutiny Board notes the findings and recommendations of the Local Government in Scotland: Financial Bulletin 2022/23, attached as Appendix 1.

## **3. Background**

- 3.1 The headline message in the Local Government in Scotland: Financial Bulletin 2022/23 is that Scotland's councils are managing their money effectively and increasing reserves, with longer-term financial plans in place. However, the report also notes that whilst no Scottish council was at immediate financial risk in 2022/23, there is no certainty that this will continue.
- 3.2 The report is based on 14 Scottish Councils' 2022/23 audited accounts and external annual audit reports and 18 sets of 2022/23 unaudited accounts, as well as a separate data request to local auditors in October 2023. The analysis in the report also looked at Scottish Government budget documents.
- 3.2 The Key Messages of the report can be found on pages 3 and 4 of Appendix 1, with the report Recommendations noted on page 5.

## **4. Councils' Funding and Outturn**

- 4.1. Total revenue funding and income to Councils was £21.3 billion in 2022/23, which was an increase in cash terms, but represented a 2.8% decrease in real terms from the previous year.
- 4.2. The report notes that an increasing proportion of Scottish Government funding is formally ring-fenced or provided with the expectation it will be spent on specific services and calculates that ring-fenced and directed funding increased to 25.7 per cent in 2022/23.
- 4.3. Councils received more income from council tax, due to an overall increase of 4.5 per cent in the amount of council tax billed and an increase in in-year collection rates of 0.5 per cent (from 95.7 per cent to 96.2 per cent). However, the amount received has not kept pace with inflation and in real terms this represents a fall in income of 2.5 per cent compared to 2021/22.

## **5. Council's Budget Setting for 2023/24**

- 5.1. The report notes that a total budget gap of £725 million was identified for 30 Scottish councils' 2023/24 budgets, a significant increase on the £476 million identified in 2022/23. This represents 4.2% of the net cost of services (in real terms) compared to 2.9% in 2022/23.

- 5.2. All but three councils (East Lothian, Dundee and Highland) in the sample reported a higher budget gap in 2023/24 than 2022/23. The budget gaps for 2023/24 ranged from £5 million in Highland (0.6% of net cost of services) to £77 million in South Lanarkshire (7.8%).
- 5.3. The most common bridging actions taken to set balanced budgets in 2023/24 were recurring savings (33%), the use of reserves (27%) and increases to council tax (18%).
- 5.4. In 2022/23, half of Scottish councils (including Renfrewshire) increased their useable reserve balances. This was largely due to the permitted use of financial flexibilities for the repayment of longer-term debt.

## 6. Renfrewshire Council's Position

- 6.1 The Council is affected by the financial pressures mentioned in the Audit Scotland report. Inflation rates have begun to fall, but core inflation (including food and provisions) remains stubbornly high. The year ahead is unlikely to see much improved prospects over that experienced in recent years; but the degree of uncertainty remains high due to geo-political concerns, the outcome of wage settlements, and government spending and taxation decisions.
- 6.2 In 2023/24, the Council has a current projected overspend of £7.2 million (excluding Adult services) owing to a number of other challenges facing the Council, including loss of parking income, and increased contractual and inflationary pressures around Children's residential accommodation, pay, waste services and facilities management.
- 6.3 The medium-term outlook for the Council remains subdued, with a forecast budget deficit in the range of £45-50 million estimated for the three-year period beyond 2024/25, as reported to Council on 29 February 2024.

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## Implications of the Report

1. **Financial** – The report recommends that councils prioritise the achievement of recurring savings to avoid reliance on non-recurring savings to enhance longer-term financial sustainability.
2. **HR & Organisational Development** – Rising costs associated with pay inflation are outlined within the report.
3. **Community/Council Planning** – The report recommends that councils should ensure effective and timely consultation and engagement with

communities on the options that must be considered to achieve a balanced budget.

4. **Legal** – the report recommends that councils work with the Scottish Government to progress the development of a fiscal framework for local government to enhance clarity and certainty of council budgets in future years.
5. **Property/Assets** – the report notes the impact on council buildings and key assets on reducing levels of capital funding.
6. **Information Technology** – none arising directly from this report.
7. **Equality & Human Rights** – none arising directly from this report.
8. **Health & Safety** – none arising directly from this report.
9. **Procurement** – none arising directly from this report.
10. **Risk** – The report did not identify any councils in Scotland as being financially unsustainable in the short term. However, the financial outlook is extremely challenging which present real risks for the future.
11. **Privacy Impact** – none arising directly from this report.
12. **COSLA Policy Position** – Audit Scotland’s report references the Verity House Agreement’s commitment to offer councils longer-term funding and greater local financial flexibility.
13. **Climate Change** – none arising directly from this report.

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#### **List of Background Papers:**

- Revenue and Capital Budget Monitoring – Council Overview as at 10 November 2023, Finance, Resources and Customer Services Policy Board, 8 February 2024
- Revenue Budget and Council Tax 2024/25 report, Council meeting, 29 February 2024.

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**Author:** Alastair MacArthur, Director of Finance and Resources



Local government in Scotland

# Financial bulletin 2022/23



ACCOUNTS COMMISSION 

Prepared by Audit Scotland  
January 2024



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## **Accessibility**

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For information on our accessibility principles, please visit: [www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility).

# Key messages

## Funding and outturn in 2022/23

- 1** Despite councils receiving more funding and income in cash terms, due to high inflation in 2022/23 total revenue funding from all sources fell by £619 million (2.8 per cent) in real terms to £21.3 billion compared to 2021/22.
- 2** Councils received more core revenue funding from the Scottish Government than in 2021/22, rising from £12.1 billion to £12.2 billion (0.7 per cent) in real terms. However, an increasing proportion is ring-fenced or provided with the expectation it will be spent on specific services. This means that the amount of funding available for councils to spend freely on local priorities is reducing. There are commitments in the Verity House Agreement to move to a default position of removing ring-fencing or direction of funding wherever possible.
- 3** There is pressure on all public-sector capital budgets, and this presents risks to the viability of local government capital programmes, many of which impact on key services (eg, the construction and maintenance of schools, libraries, roads). Capital funding from the Scottish Government rose in 2022/23 but remains lower than before the pandemic and has been volatile over the past decade. Driven by increased borrowing councils' capital expenditure increased in 2022/23 by 16 per cent in cash terms to £3.6 billion. Borrowing costs have reduced in recent years as many councils have used permitted financial flexibilities to reprofile debt payments. While helping with immediate budget pressures, these decisions defer costs to later years and do not tackle the underlying challenges to financial sustainability. Additional borrowing also places further pressure on revenue budgets over the longer term.
- 4** At the time of setting their 2022/23 budgets, councils anticipated budget gaps of over £476 million for the year, higher than the previous year. Councils are increasingly having to rely on savings and reserves to balance budgets. Achievement of savings targets was good in 2022/23 and improved on 2021/22. Greater transparency is required in the reporting of financial outturn in council accounts, including savings performance. This transparency and timely public engagement are essential as councils make increasingly difficult decisions to reduce or stop services to help balance budgets.

## Councils' financial position and outlook from 2023/24

- 5** Despite the financial pressures of recent years, half of councils increased their usable reserves in 2022/23, and overall usable reserves grew to £4.45 billion. This is driven by growth in committed reserves. Some of this is remaining Covid-19 funding, some is attributable to the permitted use of financial flexibilities for the repayment of longer-term debt but there are also indications councils are building up reserves to manage the known financial challenges in future years. However, the lack of transparency in some councils' annual accounts makes it difficult to draw firm conclusions on councils planned use of reserves.
  - 6** Local appointed auditors did not identify any councils in Scotland as being financially unsustainable in the short term. However, the financial outlook is extremely challenging with Scottish councils facing unprecedented financial and service demand pressures which present real risks for the future. Although Scottish Government core funding increased in cash and real terms in 2023/24, councils reported a significant increase in the total budget gap to £725 million.
  - 7** Councils' medium- and longer-term financial plans demonstrate a clear recognition of the difficult financial context and the need to continue to innovate at pace and make difficult decisions to become more financially sustainable. But some councils are already experiencing significant resistance when seeking to make service reductions to balance budgets. This reinforces the need for effective consultation and engagement with communities on planned local service changes.
  - 8** The Verity House Agreement includes a commitment to offer councils longer-term funding and greater local financial flexibility. These proposed changes will be important, in providing greater financial certainty to support better long-term planning and more flexible direction of resources to meet local need. However, the recent announcement of a proposed council tax freeze significantly reduces discretion and flexibility at individual council level. The impact this will have on financial sustainability is not yet known, but councils have placed an increased reliance on raising council tax to help deliver a balanced budget over the past two years.
-

# Recommendations

## Councils should:

- Prioritise the achievement of recurring savings and avoid reliance on non-recurring savings to enhance longer-term financial sustainability ([paragraph 29](#)).
- Ensure that management commentaries are open and transparent, include a clear link between budget outturn and the financial performance in the accounts and report on the achievement of planned savings targets ([paragraph 46](#)).
- Provide clear statements about reserves policy and explicitly set out the purpose of committed reserves within their annual accounts. This will enhance the level of assurance that councils can provide regarding their ongoing financial sustainability ([paragraph 55](#)).
- Ensure effective and timely consultation and engagement with communities on the options that must be considered to achieve a balanced budget ([paragraph 73](#)).
- Strengthen their monitoring and reporting of financial resilience including clearer and more public-facing use of performance against financial resilience indicators and measures. Financial resilience indicators should be a component of councils' medium and longer-term financial plans to provide assurance that they are balancing short-term pressures with robust planning for long-term financial sustainability ([paragraph 83](#)).
- Work with the Scottish Government to build momentum and accelerate progress in the development of a fiscal framework for local government to enhance the clarity and certainty of budgets for councils in future years ([paragraph 89](#)).

# About this report

**1.** This bulletin provides a high-level independent analysis of the financial performance of councils during 2022/23. The bulletin considers:

- councils' funding and expenditure in 2022/23
- councils' financial position at the end of 2022/23 and the financial outlook
- some of the potential impacts of the Verity House Agreement (New Deal with Local Government) made between COSLA and the Scottish Government in June 2023.

**2.** This bulletin is part of a series of outputs produced by the Accounts Commission which together provide an independent overview of the local government sector. In Spring 2024 we will publish a budget briefing examining the 2024/25 budgets set by councils, including analysis of anticipated budget gaps and actions to set a balanced budget.

## Methodology

**3.** Our primary sources of information for this bulletin are councils' 2022/23 accounts, a data request issued to auditors in October 2023 and Scottish Government budget documents.

**4.** The analysis of accounts is based on audited accounts where available. As at our 6 November 2023 deadline, 18 councils' accounts were still to be certified; therefore, the analysis in this bulletin is based on 14 sets of audited accounts and 18 sets of unaudited accounts.

**5.** We received 30 data requests back from auditors. In places our analysis is therefore based on a sample rather than the full population. Returns were not received for two councils.

**6.** Scottish Government funding analysis uses the spring revision funding position unless otherwise stated.

**7.** When looking at trends, we convert some financial data to real terms using GDP deflators. This adjusts financial information from past and future years to prices for the year under review, ie 2022/23. This is to take account of inflation so that the trend information is comparable. Any financial trend data (both capital and revenue) relating to funding, income or expenditure will be shown in real terms. The exception to this is that any financial information from the councils' accounts' balance sheet remains in cash terms, even when looking at a trend. This includes reserves, debt and borrowing. These are not adjusted to real terms as they are already subject to revaluation to reflect current prices.

# 1. Funding and outturn

## Revenue funding and income

### Total funding and income fell by 2.8 per cent in real terms in 2022/23 compared to the previous year

8. In 2022/23, Scotland's 32 councils received a total of £21.3 billion in revenue funding and income (funding for day-to-day spending). In cash terms this is £757 million more than the year before but in real terms (that is adjusting for inflation) it represents a real-terms decrease of 2.8 per cent (£619 million).

9. Revenue funding and income comes from a variety of sources. Almost 60 per cent of total revenue funding comes from the Scottish Government ([Exhibit 1](#)).

## Exhibit 1.

### Sources of funding and income 2022/23 compared to 2021/22, real terms (£ billion)

2021/22	2022/23		2021/22	2022/23
		Interest receivable	0.03	<b>0.11</b>
		Housing Revenue Account rents	1.42	<b>1.36</b>
		Customer and client receipts	1.85	<b>1.82</b>
		Council tax	2.82	<b>2.75</b>
		Grants including Scottish Government and other sources	4.01	<b>3.56</b>
		Non-domestic rates	2.23	<b>2.77</b>
		Cost of living award grant	0.00	<b>0.28</b>
		General revenue grant Covid-19 funding	0.55	<b>0.00</b>
		General revenue grant	9.09	<b>8.72</b>
		<b>Total funding and income (£ billion)</b>	<b>22.00</b>	<b>21.38</b>

Source: Councils' annual accounts 2022/23 (audited and unaudited) and 2021/22 (audited)

**10.** The source of the largest increase in funding was non-domestic rates, although levels are still below pre-pandemic levels ([Exhibit 16, page 28](#)).

**11.** The largest decreases were to grants, which fell by 11 per cent in real terms compared to 2021/22, and housing rents which, despite a cash increase of 2.3 per cent, fell by 4.1 per cent in real terms.

**12.** Council tax is an important source of income for councils, accounting for 13 per cent (£2.7 billion) of total funding in 2022/23. Councils received more income from council tax, due to an overall increase of 4.5 per cent in the amount of council tax billed and an increase in in-year collection rates of 0.5 per cent (from 95.7 per cent to 96.2 per cent). However, the amount received has not kept pace with inflation and in real terms this represents a fall in income of 2.5 per cent compared to 2021/22.

### **Core revenue funding from the Scottish Government to councils increased in cash and real terms from 2021/22 to 2022/23**

**13.** Scottish Government core revenue funding to councils amounted to £12.2 billion in 2022/23. This is an increase to core funding in both cash and real terms from the previous year ([Exhibit 2](#)).

## **Exhibit 2.**

### **Scottish Government core revenue 2021/22 and 2022/23**

Scottish Government revenue funding	Cash terms			Real terms		
	2021/22 £ million	2022/23 £ million	change %	2021/22 £ million	2022/23 £ million	change %
<b>Core revenue</b>	<b>11,384</b>	<b>12,231</b>	<b>7.4%</b>	<b>12,144</b>	<b>12,231</b>	<b>0.7%</b>
General revenue grant	8,489	8,679	2.2%	9,056	8,679	-4.2%
Non-domestic rates	2,090	2,766	32.3%	2,230	2,766	24.1%
Specific revenue grants	805	786	-2.4%	859	786	-8.5%

Source: Scottish Government budget documents (spring revision)

**14.** The increase in core revenue funding was driven by a significant increase in income from non-domestic rates. The general revenue grant and specific revenue grants both fell in real terms.

**15.** In 2021/22, councils received an additional £0.5 billion in non-recurring revenue funding from the Scottish Government to support their Covid-19 response. When this is included, councils experienced a real terms reduction of 3.6 per cent in revenue funding from the Scottish Government in 2022/23 compared to 2021/22. In 2022/23,



a one-off grant of £278 million was received by councils, to distribute the £150 Cost of Living Award to eligible households.

### **An increasing proportion of Scottish Government funding is formally ring-fenced or provided with the expectation it will be spent on specific services**

**16.** Specific revenue grants funding totalled £786 million in 2022/23 and must be used to fund specific policies or initiatives such as for early learning and childcare expansion and the pupil equity fund.


**17.** In addition to specific revenue grants, other funding received by councils is directed for national policy initiatives. Though not formally ring-fenced, this funding is provided with the expectation that it will be spent on specific services.

**18.** Examples of directed funding in 2022/23 include: £140 million for Local Government pay deals, £145 million for additional teachers and support staff and £234 million for the annual pay uplift to social care staff in commissioned services.

**19.** We calculate that ring-fenced and directed funding increased to 25.7 per cent in 2022/23 ([Exhibit 3](#)).

## **Exhibit 3.**

### **Proportion of Scottish Government funding to local government that is ring-fenced or directed**

 Source	2021/22 £ million	2022/23 £ million
<b>From initial allocation</b>		
Specific revenue grant	805	786
Directed funding within general revenue grant	347	475
Directed funding from transfers from other portfolios	488	648
<b>From in year allocations</b>		
Directed funding from budget revisions and recalculations	1,061	1,236
<b>Total ring-fenced or directed funding</b>	<b>2,701</b>	<b>3,145</b>
<b>Total revenue funding</b>	<b>11,384</b>	<b>12,231</b>
<b>Percentage ring-fenced or directed</b>	<b>23.7%</b>	<b>25.7%</b>

Note: We have updated our methodology from last year. This changes the total ring-fenced amount for 2021/22 from 23.1% to 23.7%.

Source: Scottish Government budget documents and financial circulars

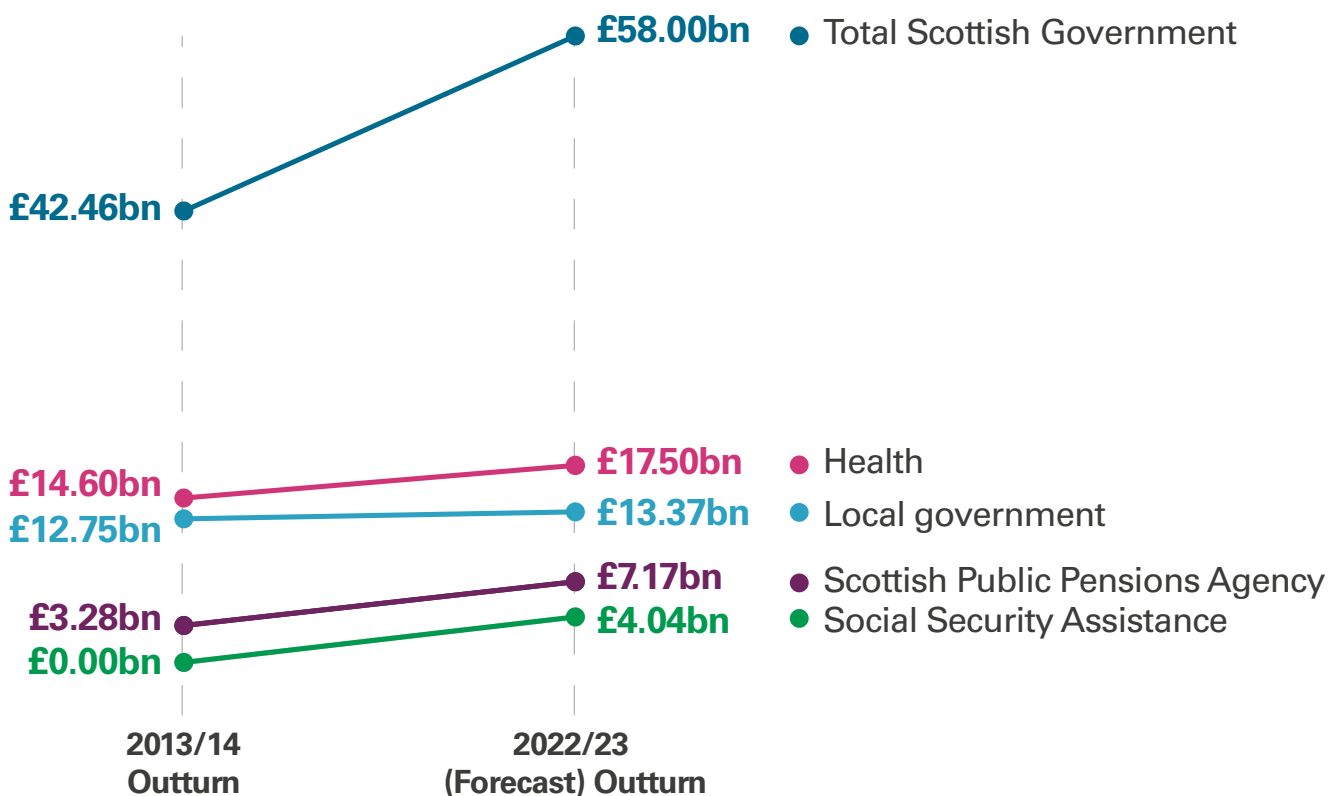
**20.** While directed funding is important to help deliver national priorities, it restricts councils from making decisions about how funds can be used at a local level to meet local need. The Verity House Agreement, signed in June 2023, includes a commitment to a default position of ending ring-fencing or directed funding unless there is a clear joint understanding of the rationale for such arrangements. We discuss this further in [Part 2](#) of the report.

### Over the last decade, the proportion of the Scottish Budget allocated to local government has been reduced

**21.** Local government is the second largest area of Scottish Government spending; however, this proportion has reduced over the last decade. In 2013/14 local government (capital and revenue) accounted for 30 per cent of the total spend. In 2022/23, it had fallen to 23 per cent. Over this period, local government spend has been relatively static in real terms while total Scottish Government spend increased by 37 per cent. Areas of growth include health and social security ([Exhibit 4](#)).

## Exhibit 4.

### Local government spend (outturn) compared to other areas of the Scottish Budget, 2013/14 to 2022/23, real terms



Source: Scottish Budget 2023/24, Annex D: Outturn Comparison 2013/14 to 2021/22 and Scottish Budget 2024/25, Annex H: Outturn Comparison 2014/15 to 2022/23

## Council budget-setting

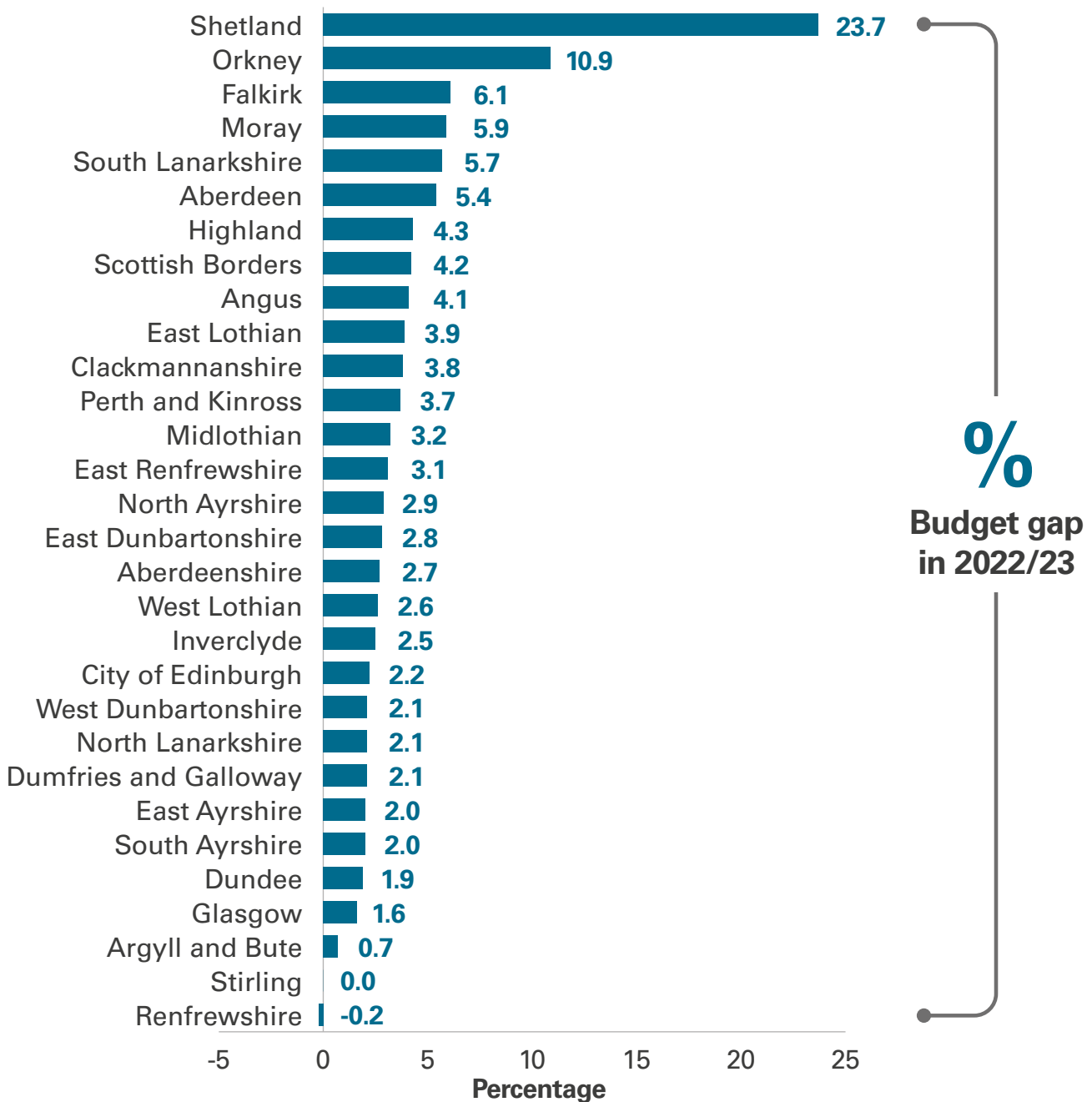
**At the time of setting their 2022/23 budgets, councils in our sample identified budget gaps of over £476 million for the year**

**22.** At the time of budgeting, the 30 councils in our sample identified **budget gaps** totalling £476 million for 2022/23, compared to £350 million for the same sample of councils for 2021/22. This represents a budget gap of 2.9 per cent of the net cost of services ([Exhibit 5](#)).

**Budget gaps** reflect a point in time when councils begin to set their budgets and is the difference between anticipated expenditure and funding and income.

## Exhibit 5.

### Budget gap as a percentage of net cost of services, 2022/23



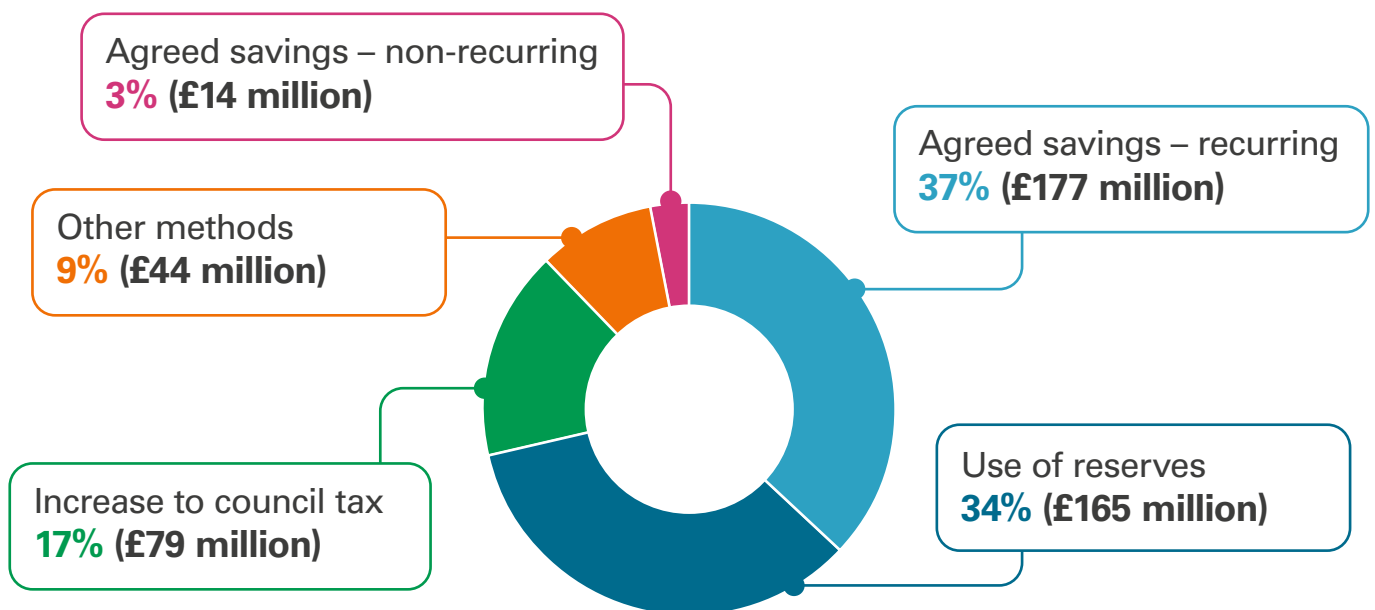
Source: Auditor data returns (30 councils in the sample)

**23.** Within our sample, the budget gap for 2022/23 ranged from a surplus of £1.1 million (0.2 per cent of net cost of services) in Renfrewshire to a gap of £53 million (5.7 per cent net cost of services) in South Lanarkshire. Shetland had the largest budget gap as a proportion of net cost of services, at 23.7 per cent (with a value of £34 million). One council, Stirling, reported no budget gap.

### Councils largely relied on reserves and making recurring savings to deliver a balanced budget

**24.** From our sample of 30 councils, a range of bridging actions were used to set balanced budgets for 2022/23 ([Exhibit 6](#)).

## Exhibit 6. Councils' bridging actions to set their 2022/23 budget



Note: The chart elements add up to £479 million which is higher than the total anticipated budget gap. This is because Dundee identified bridging actions of greater value than their budget gap to allow for additional expenditure in priority areas.

Source: Auditor data returns (30 councils in the sample)

**25.** Use of reserves and making **recurring savings** were expected to bridge 71 per cent (£342 million) of the budget gap. The relative use of reserves to bridge the budget gap has doubled from 17 per cent in 2021/22 to 34 per cent in 2022/23.

**26.** Examples of other bridging actions include the use of:

- fiscal flexibilities for service concessions and capital receipts
- additional Scottish Government funding
- increased service charges
- non-recurring Covid-19 funding
- a reduction in IJB funding.

These actions are largely non-recurring and therefore not sustainable.

## Outturn

### **Achievement of savings targets was high, but improvements are required in the transparency of reporting**

**27.** From our sample of 30 councils, the aggregate savings target for 2022/23 was £216 million.<sup>1</sup> Three councils did not have a savings target.

**28.** Twenty-five councils provided information about savings performance in 2022/23. Fourteen councils (56 per cent) achieved their savings target in full or more and a further eight councils (32 per cent) achieved over 80 per cent. Overall, 98 per cent of the aggregate savings target was met. This compares to 92 per cent across all councils in 2021/22 ([Exhibit 7, page 14](#)).

**29.** Where we have a breakdown of how savings were achieved, 82 per cent (£126 million), were achieved on a recurring basis, which is higher than the 76 per cent achieved across all councils in 2021/22.

### **Recommendation**

**Councils should prioritise the achievement of recurring savings and avoid reliance on non-recurring savings to enhance longer-term financial sustainability.**

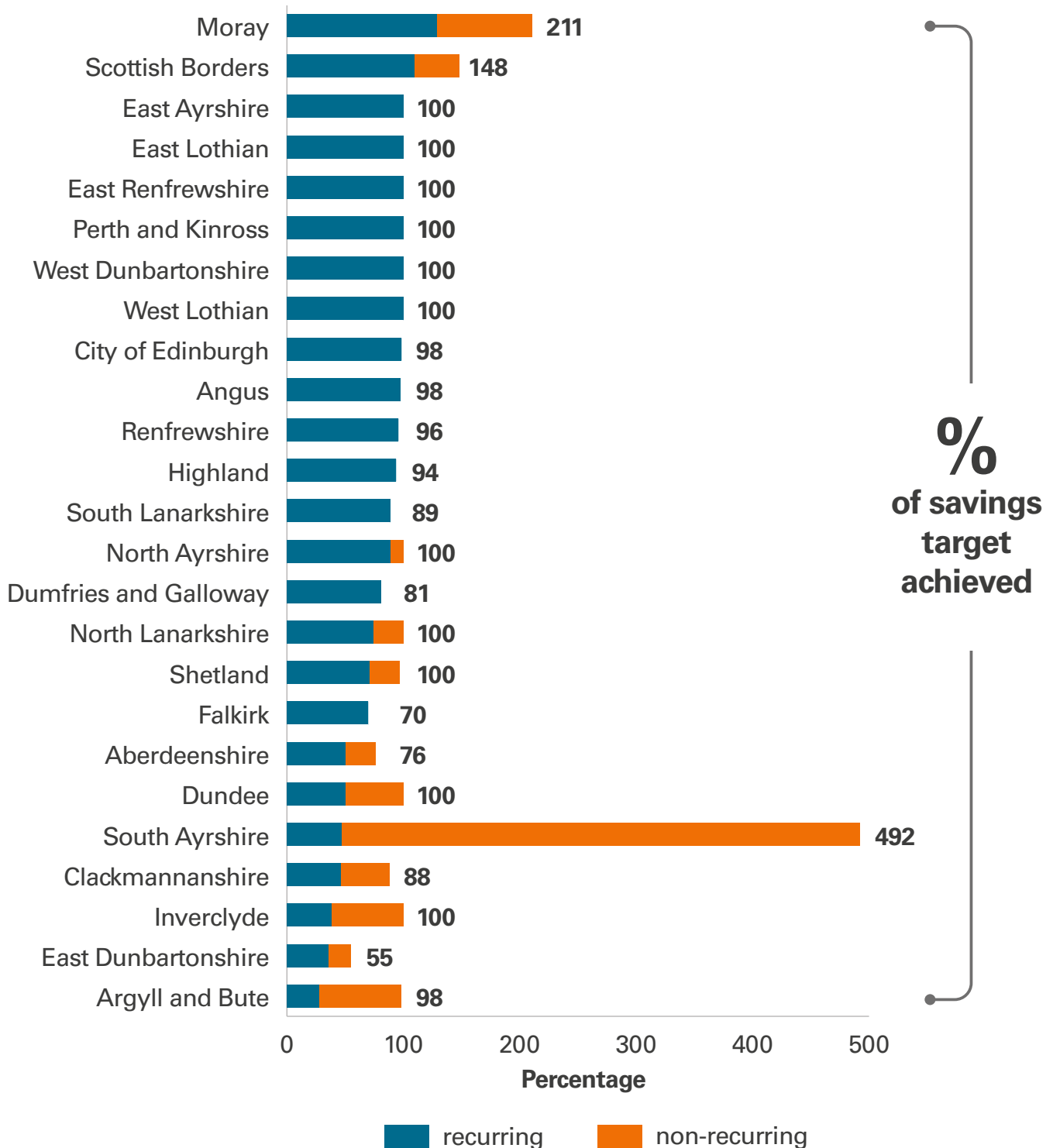


**Recurring savings** are savings, that once achieved, recur year-on-year from that date. Non-recurring savings are one-off savings that apply to one financial year and do not result in ongoing savings in future years.

<sup>1</sup> This savings target does not match the planned savings (recurring and non-recurring combined) identified as bridging actions in Exhibit 6. Savings identified during budget setting may be further revised before a savings target is agreed.

## Exhibit 7.

### Percentage of savings target achieved, split by recurring and non-recurring, 2022/23



Note: Information on the split of savings achieved was not available for Dundee. South Ayrshire's savings performance was 492% due to a large (non-recurring) underspend. Five councils within the sample are not included in the chart: Midlothian, Orkney and Stirling did not have a savings target in place for 2022/23. Information on savings performance was not available for Glasgow and Aberdeen.

Source: Auditor data returns (30 councils in the sample)

**30.** A review of councils' management commentaries identified that 66 per cent of council accounts provided no or insufficient commentary on performance against savings targets. Further detail on the transparency of management commentaries is included at [paragraphs 44–46](#)).

### Over half of councils used financial flexibilities in 2022/23

**31.** In recent years, the Scottish Government has introduced a number of financial flexibilities to help alleviate ongoing financial and funding pressures.

**32.** The three main flexibilities available are:

- The use of capital receipts for revenue costs.
- The ability to apply for revised loans repayments.
- Changes to service concession arrangements which allow councils to write off the debt costs associated with these schemes over the expected lives of the respective assets rather than over the contract period of each arrangement.

**33.** Of our sample of 30 councils, 18 (60 per cent) reported that they used some of the financial flexibilities allowed by the Scottish Government in 2022/23.

**34.** Using flexibilities to meet immediate spending pressures may help councils to balance their budgets, but it defers costs to later years and does not tackle the underlying challenges to financial sustainability.

## Capital funding and expenditure

### Increases in capital expenditure were driven by increased borrowing

**35.** Councils' **capital expenditure** in 2022/23 was £3.6 billion. This is a 16 per cent (£0.5 billion) increase in cash terms compared to 2021/22.

**36.** The increase in capital expenditure in 2022/23 was driven by a 52 per cent increase in borrowing. At £1.41 billion, this was the largest source of capital financing, surpassing government grants which accounted for £1.35 billion of capital expenditure. The higher costs associated with borrowing place further pressure on revenue budgets over the longer term ([Exhibit 8, page 16](#)).

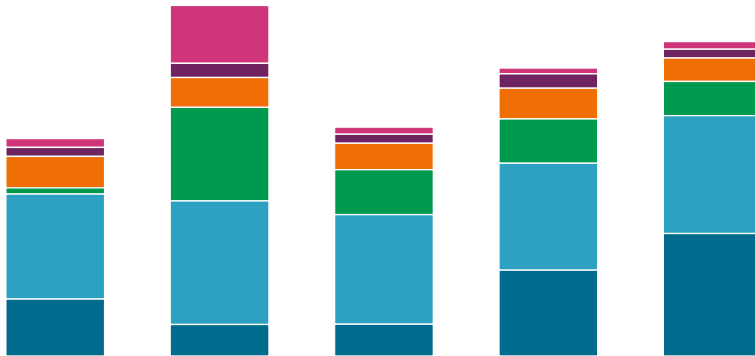
**37.** Twenty-two councils reported higher capital expenditure than in 2021/22. At a council level, year-on-year movement ranged from a £207 million increase (Glasgow) to a £54 million decrease (Angus).



**Capital expenditure** is the money spent by councils to maintain or improve their assets, for example school buildings and roads. It cannot be used on day-to-day running costs.

## Exhibit 8.

### Capital expenditure split by sources of finance in cash terms, 2018/19 to 2022/23 (£ billion)



2018/19	2019/20	2020/21	2021/22	2022/23	
0.09	0.60	0.07	0.06	0.09	Capital receipts
0.09	0.15	0.09	0.15	0.10	Other contributions and Public Private Partnership (PPP)
0.32	0.31	0.28	0.33	0.27	Capital Funded from Current Revenue (CFCR)
0.06	0.96	0.47	0.48	0.39	Internal loans fund repayments available to reinvest
1.06	1.27	1.15	1.15	1.35	Government grants
0.57	0.32	0.33	0.92	1.41	An increase in borrowing
<b>2.18</b>	<b>3.61</b>	<b>2.41</b>	<b>3.10</b>	<b>3.61</b>	<b>Total expenditure (£ billion)</b>

Source: Councils' annual accounts 2018/19 to 2022/23 (audited and unaudited)

**38.** Slippage against capital projects was noted by auditors in some Annual Audit Reports for 2022/23. Factors included higher costs for goods and services including utilities, fuel and labour; and wider economic circumstances including inflation, war, Covid-19, interest rates and pay awards.

#### Capital funding from the Scottish Government rose in 2022/23 but remains lower than before the pandemic

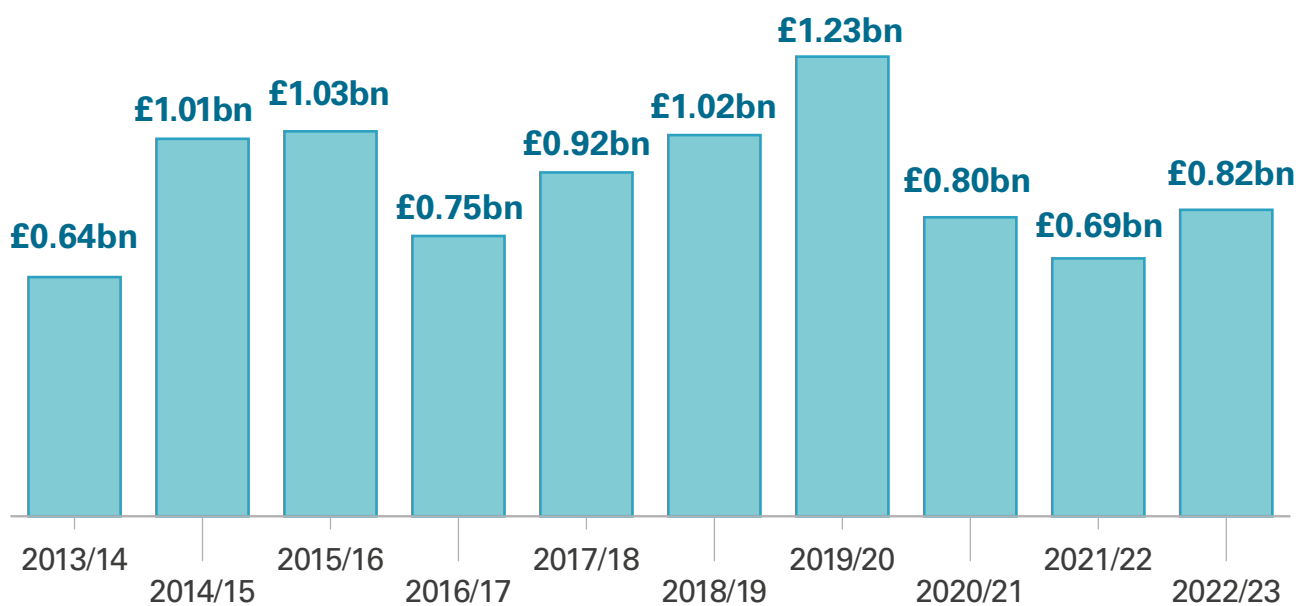
**39.** Councils receive capital funding from the Scottish Government in the form of the capital grant, distributed by means of a funding formula based largely on population and road-length.



**40.** In 2022/23 capital funding from the Scottish Government rose by 19 per cent in real terms to £0.82 billion compared to 2021/22. However, it remains lower than many of the years leading up to the Covid-19 pandemic ([Exhibit 9](#)).

## Exhibit 9.

### Scottish Government capital funding to local government 2013/14 to 2022/23, real terms



Source: Scottish Government budget documents (spring revision)

**41.** Some capital funding is directed towards specific policies. For example, in 2022/23 around £120 million was allocated to support the local government pay deal in 2022/23 and £30 million to fund expansion of free school meals.

**42.** Scottish Government capital funding is volatile. Some of the more significant movements can also be attributed partly to reallocation of capital funding payments from one financial year to another, as agreed between the Scottish Government and COSLA. For example, the 2016/17 figure excludes £150 million that was reallocated and included in the 2019/20 capital settlement.

## Reporting on financial outturn in management commentaries

### Councils could improve the transparency of their reporting on financial outturn and progress against savings plans

**43.** A management commentary is a report by the council, set out within its annual accounts. It should provide information on the council's strategic priorities and key risks, as well as a balanced analysis of the financial and wider performance of the council over the year.

We undertook a review of councils' management commentaries to assess the transparency of their reporting against three elements that the Accounts Commission has previously recommended should be included:

- Is the outturn against budget position for the year clearly shown with the reasons for significant variances obvious?
- Is the outturn reported in the narrative reconciled to the movement in the general fund contained in the financial statements and major differences explained?
- Is progress against agreed savings reported?

**44.** Twenty councils included commentary related to outturn against budget including the main reasons for the variances. Of the remaining, nine provided insufficient detail or no commentary on variances and three lacked clarity on the outturn against budget.

**45.** Half of councils provided a table within the management commentary which showed the reconciliation of outturn to the movement on the general fund. Of the remaining, 12 did not provide sufficient detail within the management commentary to demonstrate a reconciliation of the general fund against reserves and four did not provide any information.

**46.** Eleven councils outlined progress against savings targets to some extent, with some providing a table of savings performance trends and/or links to other documents. Of the remaining, 12 provided generic statements or insufficient detail, seven provided no information and two referred only to previous or future savings plans.

### Recommendation

**Councils should ensure that management commentaries are open and transparent, include a clear link between budget outturn and the financial performance in the accounts and report on the achievement of planned savings targets.**

# 2. Councils' financial position and outlook

## 2022/23 financial position

**In 2022/23, councils increased their total usable reserves by £0.31 billion to £4.46 billion**

**47.** Reserves play an important role in good financial management of councils. They may be used to invest in a major project, transform services or respond to unexpected events. Reserves are a one-off resource, so councils need to plan carefully for their use. In doing so, they should consider the strategic, operational, and financial risks facing the council.

**48.** In 2022/23, councils increase their total usable reserves by £0.31 billion, from £4.15 billion to £4.46 billion ([Exhibit 10, page 20](#)).

**49.** Revenue reserves increased by 2.2 per cent (£80 million) and capital reserves increased by 40 per cent (£232 million). The increase in capital reserves may be linked to slippage against capital projects ([paragraph 38](#)).

**50.** Half of councils increased their usable reserves in 2022/23. A review of management commentaries for those councils with the greatest increases found these were largely attributable to accounting adjustments related to the permitted use of financial flexibilities for the repayment of longer-term debt. Some councils are also committing reserves to contingency or financial sustainability funds to cushion the impact of known financial challenges in the years ahead or to help fund transformation, potential workforce reconfiguration or pay settlements.

**The level of reserves as a proportion of total net revenue expenditure is higher in 2022/23 than before the pandemic**

**51.** In 2022/23, the total usable reserves across all councils as a proportion of total net revenue expenditure was 27.3 per cent compared to 20.4 per cent in 2019/20 before the pandemic ([Exhibit 11, page 21](#)).

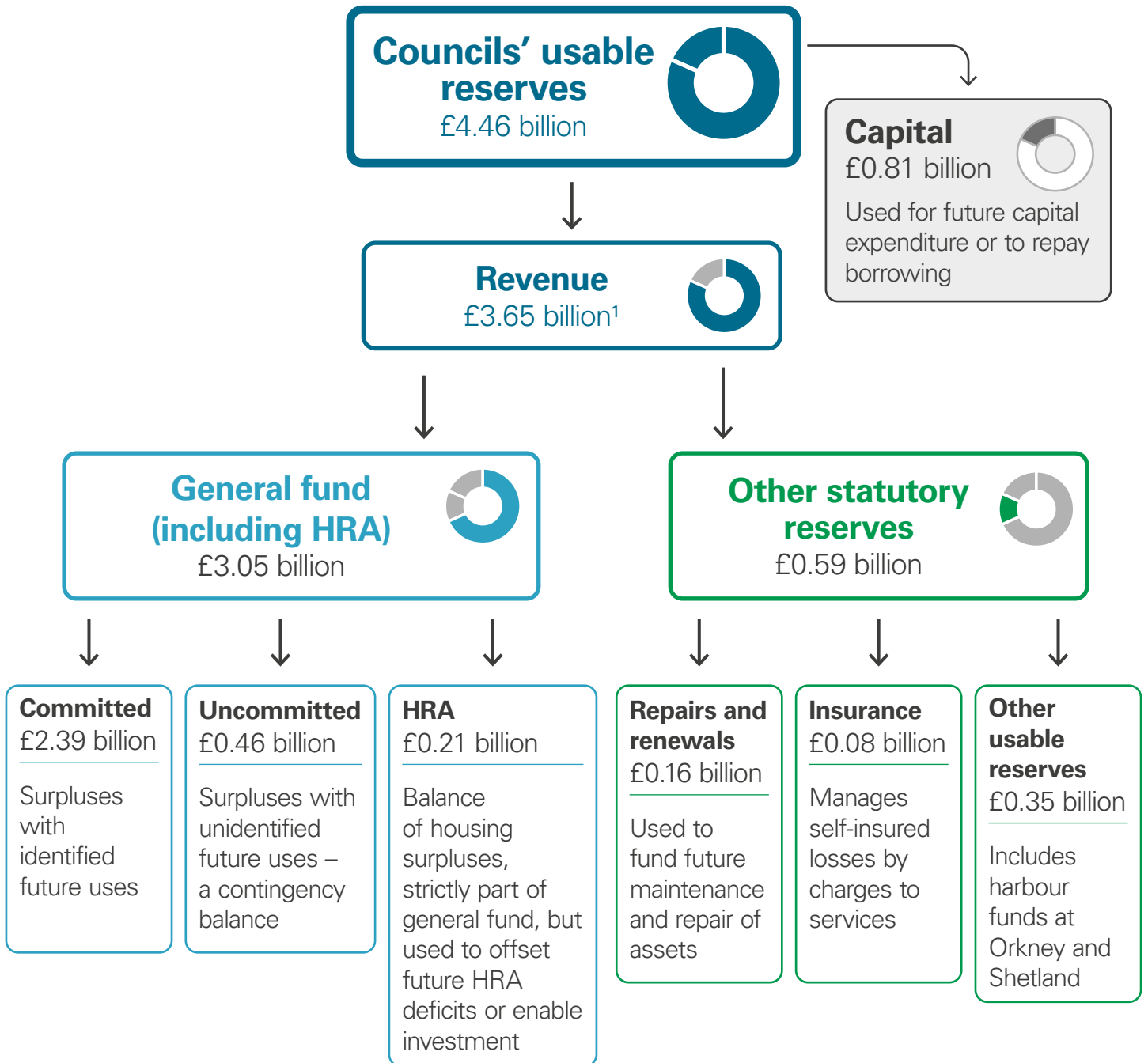
**52.** In 2022/23, no council had usable reserves that were less than ten per cent of net revenue expenditure compared to four councils in 2019/20. Twenty councils had reserves that were over 20 per cent of net revenue expenditure, compared to nine in 2019/20.



Looking at the level of **reserves as a proportion of total net revenue expenditure** is one way of assessing financial sustainability. A low figure may suggest that a council will struggle financially if it experiences a financial shock or is unable to deliver a budget where income matches expenditure.

## Exhibit 10.

### The nature and value of councils combined usable reserves, 2022/23

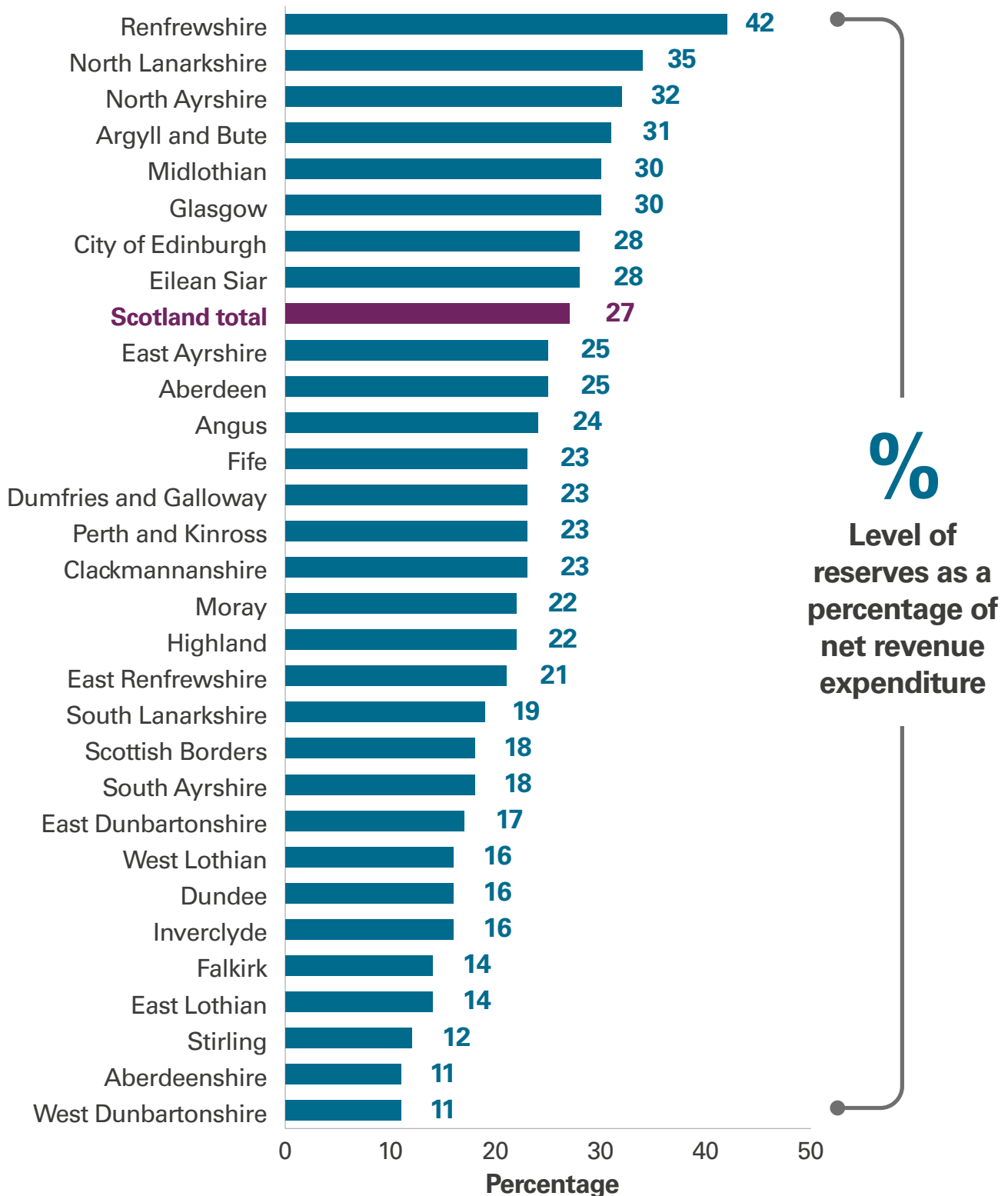


Note 1. Total figure doesn't match subtotals due to rounding.

Source: Councils' annual accounts 2022/23 (audited and unaudited)

## Exhibit 11.

### Level of usable reserves as a proportion of net revenue expenditure, split by council, 2022/23



Note: Orkney and Shetland are excluded from this chart as both hold large reserves (over 200 per cent of net cost of services) related to oil, gas and harbour related activities.

Source: Councils' annual accounts 2022/23 (audited and unaudited)

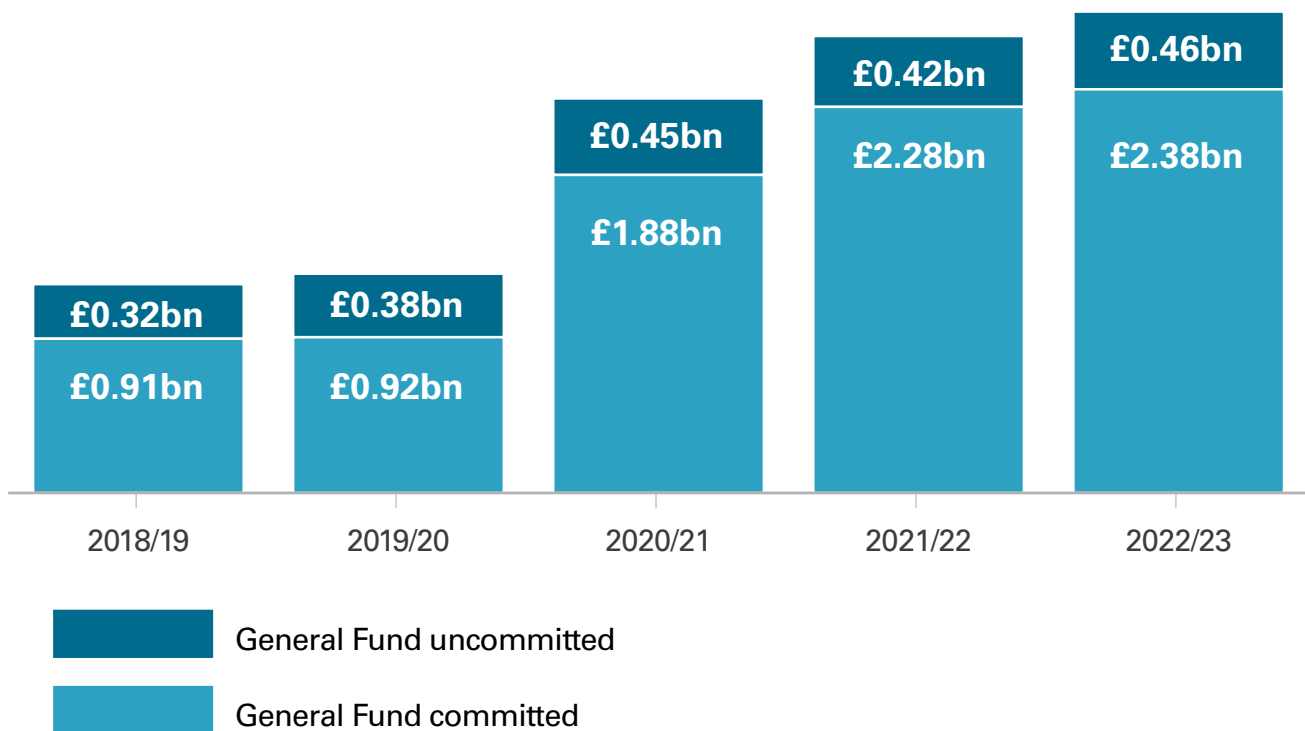
### Councils increased their general fund reserves, but this is driven by growth in committed funds

**53.** In 2022/23, councils increased their total General Fund reserves (excluding any HRA element which not all councils have) by £0.1 billion (4.8 per cent) to £2.84 billion compared to 2021/22.

**54.** Committed funds have increased by £0.1 billion (4.6 per cent) since 2021/22 and by £1.47 billion (159 per cent) since 2019/20 ([Exhibit 12](#)).

## Exhibit 12.

### National General Fund balance, 2018/19 to 2022/23, cash terms



Note: This chart excludes HRA.

Source: Councils' annual accounts (audited and unaudited)

**55. Paragraph 50** outlines some of the reasons for growth in committed funds in the past year. Based on data extracted from 2022/23 accounts, we calculate that remaining Covid-19 funding makes up around nine per cent of the total committed General Fund balance, but it is difficult to provide an exact figure for this and it may actually be higher. The continued lack of consistent transparency and detail in annual accounts around what and when reserves are committed for, and their associated spending plans, makes conclusions in this area difficult to draw.

## Recommendation

**Councils should provide clear statements about reserves policy and explicitly set out the purpose of committed reserves within their annual accounts. This will enhance the level of assurance that councils can provide regarding their ongoing financial sustainability.**

### **Some councils hold very low levels of uncommitted reserves but have specific reserves earmarked for contingency instead**

**56.** Councils have reserves policies in place that set out the rationale for the minimum reserves levels set by the council. Most councils plan to maintain uncommitted reserves at around 2 to 4 per cent of net budgeted expenditure as a contingency to respond to unforeseen events and associated cost pressures.

**57.** In 2022/23, five councils had an uncommitted reserve balance below two per cent of net budgeted expenditure. Low levels of uncommitted reserves present a risk as it limits a council's ability to cushion the impact of uneven cash flows, unexpected events or emergencies. However, a review of 2022/23 annual accounts for those with the lowest uncommitted balances found that these were planned decisions with specific reserve funds earmarked for contingency.

### **Councils' total net debt increased by £1 billion (six per cent) between 2021/22 and 2022/23**

**58.** Total net debt (total debt less cash and investments) increased by £1 billion from £16.4 billion in 2021/22 to £17.4 billion in 2022/23 ([Exhibit 13, page 24](#)).

**59.** At a council level, net debt increased in 24 councils between 2021/22 and 2022/23. This compares to an increase in net debt in 15 councils in 2021/22, and eight in 2020/21.

## Exhibit 13.

### Councils' total net debt, 2018/19 to 2022/23



	2018/19	2019/20	2020/21	2021/22	2022/23
Net debt (£ billion)	15.7	17.1	16.2	16.4	17.4
Year-on-year % change		9.1%	-5.3%	1.4%	5.8%

Note: Orkney is excluded from the total net debt analysis as it has net investments.

Source: Councils' annual accounts (audited and unaudited)

**60.** There is significant variation between councils. Some councils have experienced very large increases in their net debt, with the highest increases being in South Ayrshire (29 per cent) and East Dunbartonshire (21 per cent). Both these councils were also among those with the highest increases in the previous year. West Dunbartonshire saw the largest decrease between these years, at seven per cent.

**61.** Glasgow City Council had the highest net debt at £2.1 billion, which represents a 10 per cent increase on the previous year. Shetland had the lowest net debt, but this had increased by 14 per cent compared to the previous year.

**Councils' borrowing costs have reduced over the past nine years. However, decisions to reschedule debt repayment in recent years may create financial pressure in the longer-term**

**62. LGBF financial sustainability data** for 2022/23 shows that the proportion of councils' general fund revenue budget being used to service debt has fallen from 8.4 per cent in 2013/14 to 5.4 per cent in 2022/23.

**63.** A key contributory factor to this has been the decision by councils to re-profile principal repayments over a longer period, in line with 2016 Loans Fund regulations. Some councils also used the financial flexibility afforded by the Scottish Government that permitted a reduction in the statutory repayment of debt in 2020/21, 2021/22 and 2022/23.

**64.** Although borrowing costs have reduced, the long-term affordability of these payments is an important element of councils' financial sustainability. There is a risk that decisions to reschedule debt repayments may add pressure on future budgets as it defers costs to later years and does not tackle the underlying challenges to financial sustainability.



#### Financial sustainability indicators included within the Local Government Benchmarking Framework (LGBF)

consider the affordability of councils' borrowing costs. The ratio of borrowing costs to net revenue budget highlights the revenue implications of existing and proposed capital expenditure. The indicator included in the LGBF identifies the proportion of the general fund revenue budget that is required to meet the cost of borrowing.



## Scottish Government funding for 2023/24

### Revenue funding to local government from the Scottish Government in 2023/24 saw a cash and real-terms increase on 2022/23

**65.** The initial core revenue funding settlement for local government in 2023/24 was £10.9 billion. At the 2023/24 autumn revision, an additional £1.5 billion in general revenue grant funding increased total funding to £12.5 billion. This is a 13.5 per cent increase in cash terms and a 7.0 per cent increase in real terms (in 2022/23 prices) on the 2022/23 position. Almost £1 billion was transferred from health to support social care and integration, over £0.25 billion was additional funding for school staff pay and £0.2 billion was transferred from education. ([Exhibit 14](#)).

## Exhibit 14.

### Scottish Government revenue funding (autumn budget revision), 2023/24 compared to 2022/23, in real terms

Scottish Government revenue funding	Cash terms			Real terms		
	2022/23 £ million	2023/24 £ million	change %	2022/23 £ million	2023/24 £ million	change %
<b>Core revenue</b>	<b>10,999</b>	<b>12,482</b>	<b>13.5%</b>	<b>10,999</b>	<b>11,765</b>	<b>7.0%</b>
General revenue grant	7,458	8,683	16.4%	7,458	8,184	9.7%
Non-domestic rates	2,766	3,047	10.2%	2,766	2,872	3.8%
Specific revenue grants	775	752	-3.0%	775	709	-8.5%

Note: Real terms calculation uses 2022/23 as base year.

Source: Scottish Government budget documents (autumn revision)

**66.** Over the past decade, the total value of specific revenue grants has steadily increased – see [Exhibit 16 \(page 28\)](#) for further details. However, at the latest 2023/24 budget revision (autumn) it decreased in both cash terms and real terms.

### Councils' capital funding allocation for 2023/24 represents a real-terms decrease on 2022/23

**67.** The initial capital funding settlement for local government in 2023/24 was £747 million. At the autumn revision, capital funding was increased to £767 million. This represents a 2.6 per cent fall in cash terms and an 8.2 per cent fall in real terms compared to the same position in 2022/23.

**68.** Some capital funding is directed for specific policies. For example, £50 million capital to help with the expansion of the Free School Meals policy.

**69.** The capital funding outlook for the whole Scottish public sector is challenging and the Scottish Government is currently undertaking a programme of reprioritisation of capital projects. The continued pressure on capital budgets presents risks to local government capital programmes, many of which impact on key services (eg, schools, libraries, roads, etc). However, councils did increase their capital reserves by 40 per cent in 2022/23.

## Councils' budget-setting for 2023/24

### Councils' budget gaps increased significantly in 2023/24 compared to 2022/23

**70.** At the time of budgeting, from our sample of 30 councils, a total budget gap of £725 million was identified for councils' 2023/24 budgets, a significant increase on the £476 million identified in 2022/23. This represents 4.2 per cent of the net cost of services (in real terms) compared to 2.9 per cent in 2022/23.

**71.** All but three councils (East Lothian, Dundee and Highland) in the sample reported a higher budget gap in 2023/24 than 2022/23. The budget gaps for 2023/24 ranged from £5 million in Highland (0.6 per cent of net cost of services) to £77 million in South Lanarkshire (7.8 per cent of net cost of services). The wide range may be in part due to different approaches to budgeting rather than significant differences in cost and service pressures.

**72.** The most common bridging actions taken to set balanced budgets in 2023/24 were recurring savings (33 per cent), the use of reserves (27 per cent) and increases to council tax (18 per cent) ([Exhibit 15, page 27](#)).

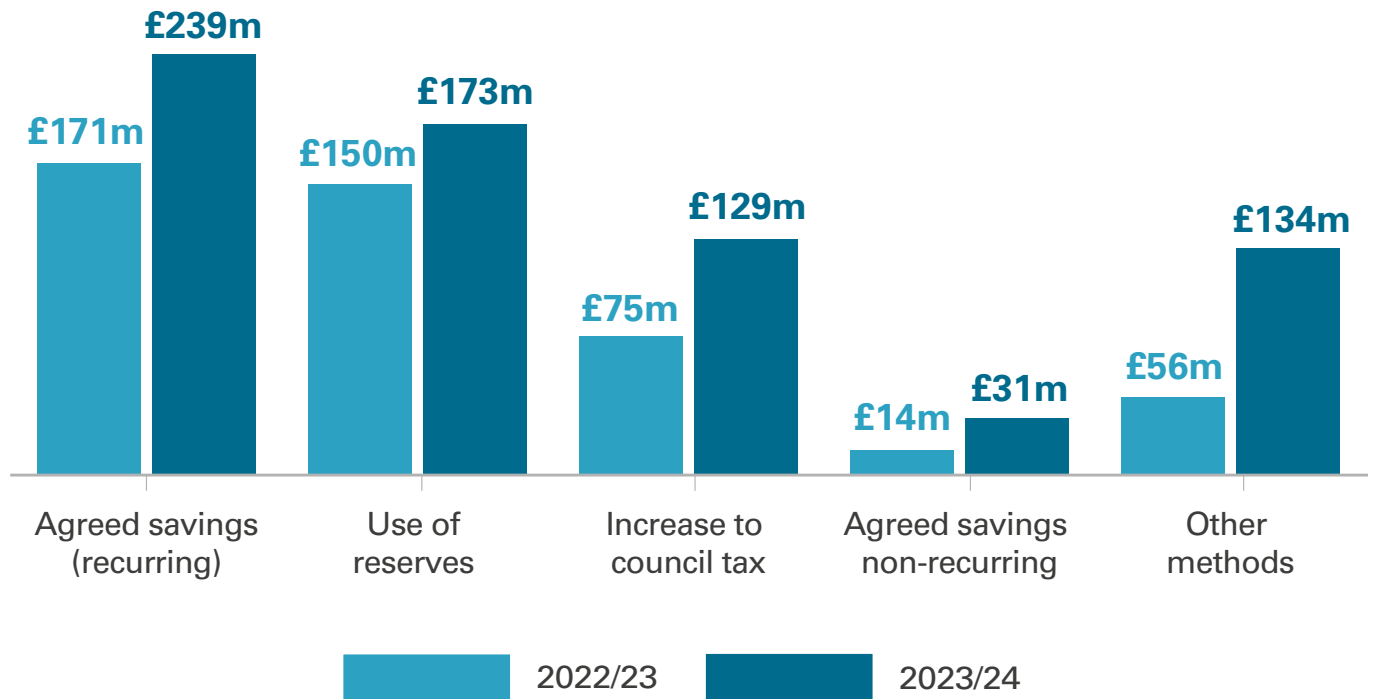
**73.** Some councils have already taken difficult decisions to address budget gaps through implementation of recurring savings options. However, in the face of public opposition, some councils have reversed decisions that related to the reduction or cessation of services as part of savings put forward for 2024/25. This illustrates the increasing challenges that councils are facing in delivering balanced budgets and highlights the need for proper and timely consultation over budget proposals.

### Recommendation

**Councils should ensure effective and timely consultation and engagement with communities on the options that must be considered to achieve a balanced budget.**

## Exhibit 15.

### Councils' bridging actions to set their 2023/24 budget compared to 2022/23



Note: The chart elements for 2023/24 add up to £733 million which is higher than the total anticipated budget gap for 2023/24. This is because Dundee and North Lanarkshire reported bridging actions of greater value than their budget gap.

Source: Auditor data returns (30 councils in the sample)

## Financial sustainability

**In real terms, councils' core revenue funding is similar to levels a decade ago. However, over that time, councils' have experienced periods of reduced budgets and increasingly ring-fenced funding**

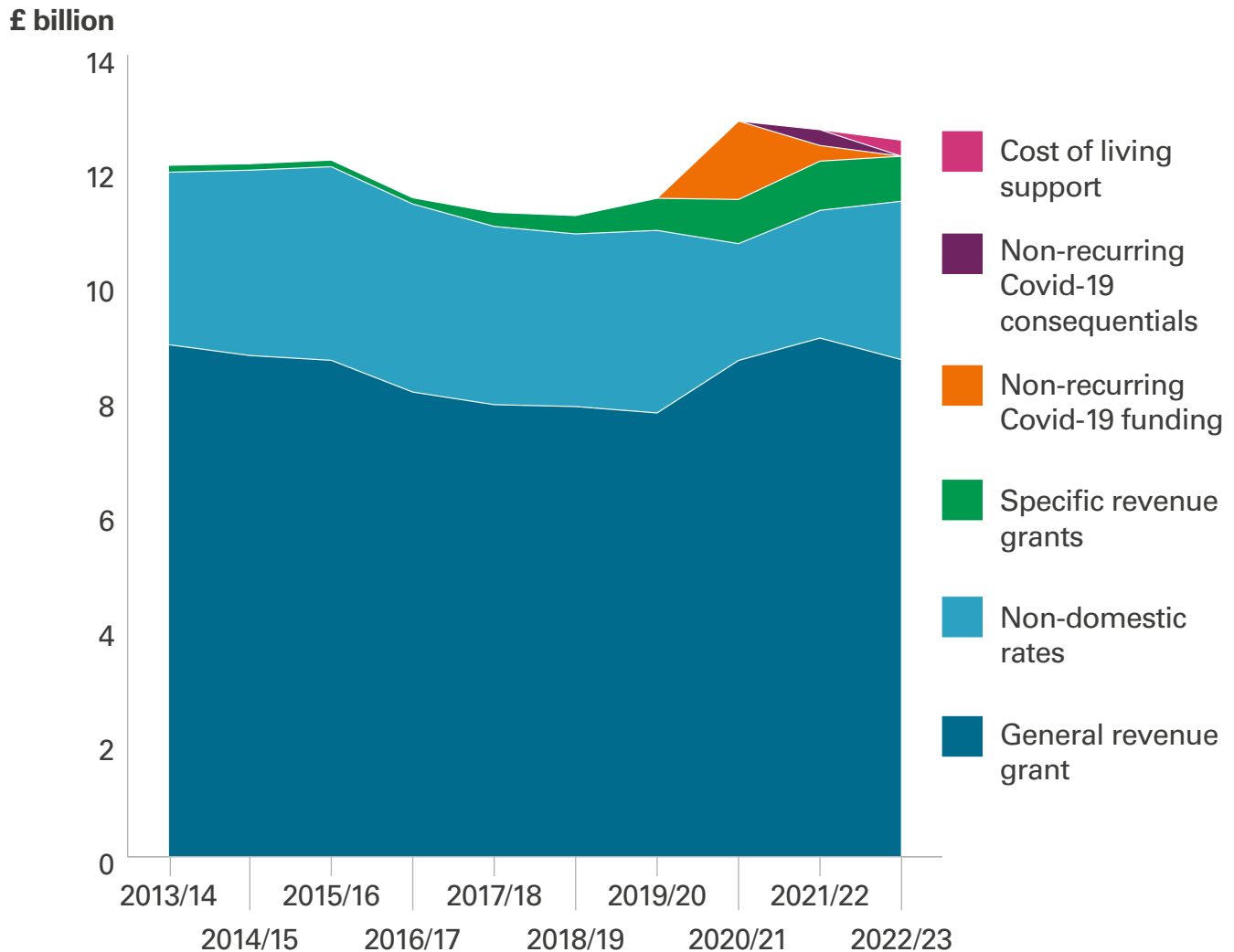
**74.** The £12.2 billion core allocation received by councils in 2022/23 compares to a real-terms value of £12.1 billion in 2013/14, a 1.3 per cent increase ([Exhibit 16, page 28](#)).

**75.** Over this period, in real terms the general revenue grant decreased year-on-year until 2020/21 and non-domestic rates also fell over the same period. During the pandemic, councils received additional core and specific non-recurring Covid-19 funding.

**76.** In real terms, the general revenue grant in 2022/23 is 2.9 per cent (£262 million) lower than in 2013/14 and income from non-domestic rates is 8.1 per cent (£244 million) lower.

## Exhibit 16.

### Scottish Government revenue funding to local government, real terms, 2013/14 to 2022/23



Source: Scottish Government budget documents (spring revision) for 2014/15 to 2022/23 and actual figures for 2013/14 (from 02/2014 circular) as budget documents were not available

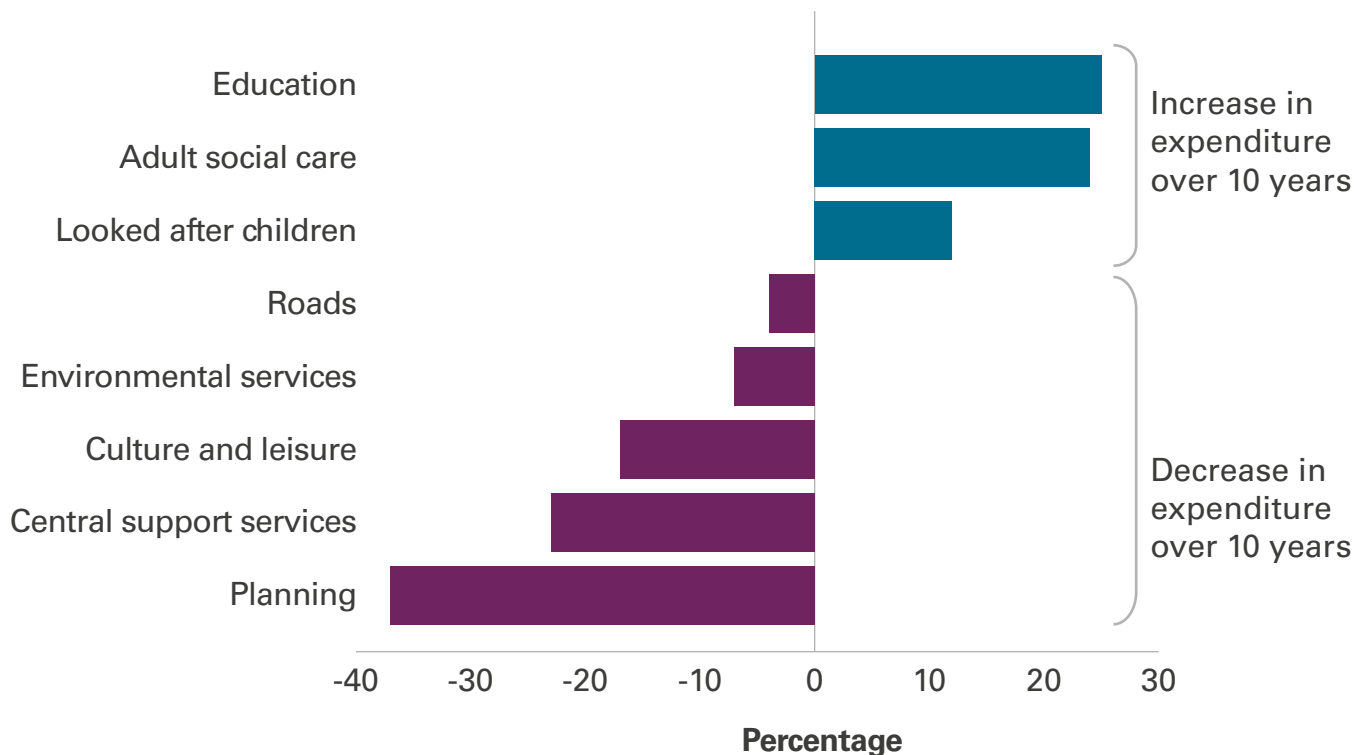
**77.** Specific revenue grants have increased by over 500 per cent (£663 million) across the same period in real terms (although there was a reduction in 2022/23). This significant increase has been a key contributory factor in keeping the overall local government budget at a similar level. These grants are to support the delivery of specific national policies, for example the expansion of early learning and childcare, rather than provision of flexible funding for councils to use at their discretion.

## As demand for council services continues to rise, councils have reduced spending on 'unprotected' services to balance budgets

**78.** As we reported in our [Local government in Scotland: Overview 2023](#) report in May 2023, over the last decade, there is a clear divergent pattern of spending on council services. Spending on children's services (education and looked after children) and adult social care has been protected and increased because of increased demand and national policy directives. This means that the remaining 'unprotected' services have borne a disproportionate level of spending reductions ([Exhibit 17](#)).

### Exhibit 17.

#### Percentage change in expenditure (in real terms) over ten years, 2012/13 to 2021/22



Source: Improvement Service

## Councils' medium- and longer-term financial plans demonstrate a clear recognition of the significant financial challenges that lie ahead

**79.** Councils' medium- and longer-term financial plans provide a clear picture of the challenging and volatile financial landscape that they face. Significant pressures resulting from increased demand for services, inflation, and legislative reform, as well as the continuing financial impacts of the Covid-19 pandemic and cost of living crisis, feature strongly.

**80.** Generally, these plans also set out projected budget gaps over the medium and longer term, highlighting the scale of the challenge and the level of savings required to continue to deliver balanced budgets in the years ahead.

**81.** As the whole public sector faces the most difficult financial outlook seen for many years, councils are having to make increasingly difficult choices about their spending priorities and need to balance short-term pressures with robust planning for long-term financial sustainability.

### **Some councils use indicators to assess their financial resilience but the extent to which they are used and their effectiveness varies**

**82.** From a sample of 30 councils, an assessment of financial resilience arrangements found all but five use the **financial sustainability indicators** from the local government benchmarking framework (LGBF) in local reporting. Of the same sample, only six use the CIPFA Resilience Index. The extent of this reporting also varies. Some councils provide regular reports to elected members, while others include detail on a less frequent basis in other documents, such as service plans or strategies.

**83.** Auditor returns indicated that in some cases, financial resilience indicators are not used to any great extent by councils on a regular basis. Financial resilience is instead built into day-to-day financial processes and strategies. In other cases, auditors highlighted the use of key financial ratios recommended by CIPFA Directors of Finance within the management commentary of the accounts or reporting upon financial resilience monitoring in their medium-term financial plans.



**Financial sustainability indicators** are a helpful tool for councils to measure performance and resilience on an ongoing basis. Councils have adopted different approaches to how they use indicators to monitor financial resilience.

### **Recommendation**

Given the scale of the challenges, councils should strengthen their monitoring and reporting of financial resilience including clearer and more public-facing use of performance against financial resilience indicators and measures. Financial resilience indicators should be a component of councils' medium- and longer-term financial plans to provide assurance that they are balancing short-term pressures with robust planning for long-term financial sustainability.

### **The pensions' triennial funding valuation as at 31 March 2023 is not yet complete, but preliminary results suggest a potential positive impact on finances at some councils in the short term**

**84.** The most recent triennial funding valuation took place across Local Government Pension Scheme pension funds at 31 March 2023. The main purpose of the valuation is to review the financial position of each fund and to set appropriate contribution rates for each employer for the upcoming three-year period as part of the fund's overall funding strategy.

**85.** Preliminary results across some pension funds show an improved funding position. An improved funding position may allow the fund to retain a surplus, change the investment strategy, take less funding risks, or reduce employer contributions.

**86.** Reducing employer contributions has the potential to create a 'windfall' effect for some councils, thus potentially reducing some of the cost pressures likely to be faced in 2023/24. This may allow councils some additional flexibility to manage immediate financial pressures while taking steps to enhance financial sustainability over the longer term. This will however require careful consideration at a local level. It is likely that auditors will monitor this closely as part of 2023/24 audits.

## **The Verity House Agreement and looking to the future**

**87.** In June 2023, a new partnership agreement, the Verity House Agreement, was agreed between the Scottish Government and COSLA.

**88.** The partnership committed to:

- **From June 2023, a default position of no ring-fencing or direction of funding unless there is a mutual understanding of the reasons for a ring-fenced funding arrangement.** A reduction in the level of ring-fencing is likely to have a positive impact on the efficient and effective use of resources at a local level. Councils will experience increased local flexibility, providing greater scope to respond well to local needs in a targeted manner. However, good accountability for the use of public funds remains crucial. It is important therefore that the Scottish Government and COSLA work together to establish the right balance between direction and flexibility.
- **By the end of October 2023, undertake a joint review of specific grants and in-year transfers to local government.** The purpose of the review is to identify what funding can be baselined into the General Revenue Grant or General Capital Grant from the 2024/25 financial year to create more flexibility for councils in terms of their spending.
- **By the end of September 2023, agree a new fiscal framework which will govern the allocation of funding for local authorities and provide councils with increased control over their budget-setting processes. This includes multi-year settlements wherever possible to support strategic planning and investment.** The Accounts Commission has previously highlighted the importance of longer-term certainty in funding for councils, and the ongoing need for effective and robust financial management. This commitment in the Verity House Agreement is a welcome development.

**89.** Work in these areas remains ongoing, although at mid-December 2023 these milestones had not been met.

### Recommendation

**Councils should work with the Scottish Government to build momentum and accelerate progress in the development of a fiscal framework for local government to enhance the clarity and certainty of budgets for councils in future years.**

**90.** In October 2023, the First Minister unexpectedly announced a council tax freeze for 2024/25 and the postponement of Scottish Government proposals to increase the council tax multipliers for properties in bands E to H, by 7.5 per cent, 12.5 per cent, 17.5 per cent and 22.5 per cent. This was done without consultation with COSLA. Following greater reliance on increasing council tax to help deliver a balanced budget over the past two years, indications were that many councils were planning to increase council tax again for 2024/25.

**91.** The **Fraser of Allander Institute** modelled that 'if councils were planning increases that mirrored last year's (5.4 per cent), fully funding the freeze and cancellation of the multipliers would cost £329 million – £148 million for the former and £182 million for the latter'.

**92.** In the Scottish Budget on 19 December 2023, £144 million was allocated to 'fully fund' the council tax freeze, with the Scottish Government stating this is equivalent to a five per cent increase. Details on what this means for individual councils were not available at this time.

**93.** The impact of the freeze on councils' financial sustainability is not yet known and we will monitor this in our future audit work. However, even when 'fully funded' a council tax freeze suppresses the growth of the council tax base over that period and the income generated when the freeze is lifted is potentially lower than if councils were able to make tax raising decisions at a local level. The latest council tax freeze follows decisions by the Scottish Government to freeze council tax between 2008/09 and 2016/17 and in 2021/22, as well as cap increases at three per cent in 2017/18 and 2018/19.

**94.** The Scottish Government published their single year 2024/25 budget on 19 December 2023. The 2024/25 initial core revenue and capital settlement for local government is £12.3 billion which is a 1.7 per cent cash increase on the 2023/24 initial settlement. An additional £144 million has been allocated to fund the council tax freeze. A number of elements that were previously specific grants have been baselined into the general revenue grant including early learning and childcare expansion and the Living Wage funding. We will examine the implications of the Scottish Budget for councils' own budget setting in a budget briefing in spring 2024.



Local government in Scotland  
**Financial bulletin**  
**2022/23**



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

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

**On:            18 March 2024**

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

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**Heading:     Absence Statistics – Quarter 3 of 2023/24.**

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## **1.     Summary**

- 1.1    The purpose of this report is to provide the Audit, Risk and Scrutiny Board with the absence information for the period 1 October 2023 to 31 December 2023.
- 1.2    Longer term absences continue to be impacted due to lengthier treatment and medical intervention waiting times.
- 1.3    The report details the absence statistics by service and by category of staff. The report provides information in relation to absence targets and how services have performed against them. An analysis of the reasons for absence has also been compiled and details are included within the report.

## **2.     Recommendations**

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

## **3.     Background**

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

- Progress made by services in relation to their supporting attendance action plans.




#### 4. Sickness absence statistics for quarter 3 – 1 October 2023 to 31 December 2023 overview.

4.1 The main presenting issues and their percentage of the overall absence percentages for the period were:






- Psychological (26%)
- Stomach/blood/bowel and metabolic disorders (19%)
- Musculoskeletal (18.6%)
- Respiratory (17%)

4.2 A comparison of the council overall absence performance for the period is detailed in tables 1 and 2. In line with the reporting requirements for Scottish Councils, absence is expressed as a number of workdays lost per full time equivalent (FTE) employee.

**Table 1**

Employee Group	Quarter Ending December 22	Quarter Ending December 23	Variance +/- year on year
Local Government	4.22	4.12	- 0.10 
Teachers	2.36	2.28	- 0.08 
Council Overall	3.74	3.64	- 0.10 

**Table 2**

Service	Quarter Ending December 22	Quarter Ending December 23	Variance +/- year on year
Chief Executives	1.35	1.96	+ 0.61 
Childrens Services	3.62	3.48	- 0.14 
Environment, Housing, and Infrastructure	N/A	3.93	N/A
Finance & Resource Services	2.38	2.45	+ 0.07 
Renfrewshire Health and Social Care Partnership	5.58	5.40	- 0.18 
Council Overall	3.74	3.64	- 0.10 
Council Overall Target	2.80	2.80	N/A

#### 5.0 Sickness absence targets analysis for quarter 3.

5.1 The local government employee absence level of 4.12 days lost per FTE employee is **1.32 days above** the council target of 2.80 days.

- 5.2 The teacher absence level of 2.28 days lost per FTE employee is **0.74 days above** the council target of 1.54 days.
- 5.3 The council has recorded an overall absence rate of 3.64 days lost per FTE employee, which is **0.84 days above** the council target of 2.80 days.

**6.0 Sickness absence support measures during quarter 3.**

- 6.1 To support employees with psychological absences, the council provides a range of support services that employees can be referred to at an early stage for assistance, such as the council’s Occupational Health Service and the Time for Talking employee counselling service.
- 6.2 The Time for Talking (TFT) counselling service provides 24-hour confidential support to employees with a range of personal health and well-being issues. It operates a flexible approach to appointments offering telephone consultations in the early mornings or evenings as well as throughout the day.
- 6.3 Referrals increased by 23% this quarter, with female employees accounting for 80% of referrals. A higher % of employees requesting support were ‘in work’, at 61%, where as, it has typically been around 50%. Changes and demands in personal life were still the highest reason for referral with a rise of 10% this quarter in ‘Demands at work’. Children’s Services continue to be the highest referring service. There was a marked increase in the 25-34 and 45-54 age range in referrals. In the Core Assessment, counsellors reported an average start score of moderate psychological distress falling to an average score of mild distress at the end of counselling. Time for Talking responded to a need for support from Health & Social Work Centre, in November.

A total of **277** referrals were offered during the reporting period. This generated an attendance rate of 82%. The main presenting issues are detailed below:



**Personal**

Demands or changes in life.  
Role/Control.  
Relationships.



**Work & Personal**

Stress/anxiety/depression.



**Work related.**

Role (the understanding of).  
Demands.  
Changes.

- 6.4 Telephone consultations remain the most requested type of intervention, however more face to face appointments are being requested.
- 6.5 HR&OD are working with our mental health first aiders across the council to further strengthen the supports on offer to our staff. We plan to deliver further mental health first aider courses throughout the year.
- 6.6 The Physiotherapy Service supports employees with Musculoskeletal and Joint Disorder conditions through the council's Occupational Health Service. The service has continued to be provided throughout the quarter using face to face appointments, video conferencing and telephone consultations.
- 6.7 The council's usage of the Occupational Health Service (OHS) for quarter 3 was **1,051** appointments offered. OHS provides advice and guidance on the impact of ill health on work and what steps the council and/or the employee may make in order to secure a return to work. The main appointment types are detailed in the table below:

Appointment referral type	Number	Main types of intervention
Wellbeing	384	CBT/DBT/Physiotherapy.
Management	445	Presenting health condition advice and guidance.
Health surveillance	222	Audio/ Hand Arm Vibration/Vaccines.

- 6.8 We continue with our Occupational Health Surveillance programme, offering audiometry, spirometry, hand arm vibration screening, and nightshift questionnaires. We have not been required to report any new occupational diseases to the Health and Safety Executive.
- 6.9 The council offered the flu vaccines to any employee not covered under the criteria for an inoculation from the NHS. We worked with our OH provider from October to December 2023 to deliver face to face inoculations. As part of this programme, we worked closely with our partner organisations (One Ren, RVJB and Scotland Excel) to provide to their employees.

## **7.0 Ongoing measures to support attendance at work.**

- 7.1 A number of measures continue to be progressed to support attendance at work, and include (but not limited to) the following: -
- We are continuing to develop, with the support of the corporate communications team and the Businessworld team, an engagement and training plan around the new policy and its application.
  - We have developed a comprehensive and inclusive guidance document that supports the new managing absence policy.

- To link with the engagement plan, we have developed a short training course that outlines the main changes between the old and the new policy, ensuring managers will be equipped to manage staff absence and take accountability for their absence status.
- We have developed in collaboration with the Business World Team, a suite of appropriate reports to enable managers to analyse their absence data. This will also provide an opportunity to increase the frequency of reporting sickness absence information to the Corporate Management Team.
- A new health and wellbeing plan that supports our People strategy, has been approved. This will focus on mental, financial, physical and social and themes.
- Throughout the reporting period, HR&OD have been working with service management teams to focus upon the absence data and look at interventions to support their staff. The biggest focus has been on the reduction of longer-term cases.
- In collaboration with the communications and marketing service, regular information and guidance continues to be issued, particularly around wellbeing issues.
- As part of the council's health and safety management system, risk assessments are reviewed on an ongoing basis to ensure that safe working practices are maintained, reducing the opportunity for ill health or injury.
- We work in collaboration with NHS colleagues, to offer safeTalk and ASIST courses on suicide awareness and prevention as well as anxiety awareness courses. We also promote the "Doing Well" service which supports employees with depression and low moods.
- We continue to promote our supporting polices such as menopause, pregnancy loss, control of smoking, and carers.

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### Implications of this Report

- 1 **Financial Implications** - Improvement in attendance impacts on the financial costs of absence.
- 2 **HR and Organisational Development Implications** - HR and Organisational Development Practitioners will continue to work with service managers and consult with the Trade Unions, on the implementation of the Supporting Attendance at Work Policy and Guidance and initiatives detailed in this report.
- 3 **Community Planning**

Children and Young People - none.

Jobs and the Economy - none.

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

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

Greener - none.

- Empowering our communities - none.
- 4 **Legal Implications** - ensures legal compliance with health and safety and equality legislation.
  - 5 **Property/Asset Implications** - none.
  - 6 **Information Technology Implications** - none.
  - 7 **Equality and Human Rights Implications** - none.
  - 8 **Health and Safety Implications** - it is integral to the Council's aim of securing the health and well-being of employees.
  - 9 **Procurement Implications** - none.
  - 10 **Risk Implications** - Without continued effective supporting attendance focus, there is a risk that sickness absence levels will adversely impact on the Council both financially and in terms of service delivery. Consequently, supporting attendance activities are monitored via the Corporate Risk Register.
  - 11 **Privacy Impact Implications** - none.
  12. **Cosla Policy Position** – none
  13. **Climate Risk** - none

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**List of Background Papers** - none.

**Author:** Steven Fanning, Principal HR, and OD Adviser,  
Finance and Resources,  
telephone 07747790211  
e-mail [steven.fanning@renfrewshire.gov.uk](mailto:steven.fanning@renfrewshire.gov.uk).

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

**On: 18 March 2024**

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

---

**Heading: AUDIT, RISK & SCRUTINY REQUEST FOR REVIEW IN RELATION TO POSSIBLE CLOSURE OF POLICE STATIONS WITHIN RENFREWSHIRE**

---

**1. Summary**

1.1 Councillor James MacLaren has submitted a request for a review to be carried out by the Audit, Risk & Scrutiny Board in relation to the possible closure of local police stations within Renfrewshire. He is concerned that closure of police stations may pose a risk to residents and has requested that a report be submitted to the next Audit, Risk & Scrutiny Board.

2.1 A copy of Councillor MacLaren's request is attached as an appendix to this report.

---

**2. Recommendation**

2.1 That the Board give consideration to carrying out this review regarding the closure of police stations within Renfrewshire and to choose one of the following four options:-

- (i) that the matter be considered immediately;
  - (ii) that the matter be considered as part of a future review;
  - (iii) that the matter be referred to officers for investigation;
  - (iv) that the matter be not considered.
-

### 3. **Background**

- 3.1 At the Police, Fire and Rescue Scrutiny Sub-Committee held on 16 January the Divisional Commander for Renfrewshire and Inverclyde provided a verbal update relative to the Police Scotland Estate within Renfrewshire. He advised that the Scottish Police Authority had commenced a public consultation on their website which would end on 31 July 2024 after which responses would be collated/analysed and decisions formed.
- 3.2 The consultation advised that there were 29 buildings proposed for closure/disposal across the Police Scotland Estate. Only two of these properties were within the Renfrewshire Council area; Paisley and Ferguslie Park. The Ferguslie Park Station has no front counter usage and currently the Community Policing and Alcohol and Violence Reduction Unit are located there. The Divisional Commander advised at the meeting that Police Scotland were seeking to move towards more police stations being co-located with partners where possible, to ensure services were delivered in the most efficient and effective way.
- 3.2 It was anticipated that the outcome from the consultation/engagement exercise would be realised approximately 24 months from the date of closure of the consultation.
- 3.3 The Divisional Commander provided assurances that there would be no reduction in response officers, CID or support staff.
- 3.4 Councillor MacLaren is seeking the review into the closure of Police Stations within Renfrewshire Police Scotland as he would like a base retained within Paisley.
- 3.5 The Council's Scheme of Delegations dictates that members of the Board have 4 options:
- The Board may agree:-
- (i) that the matter be considered immediately;
  - (ii) that the matter be considered as part of a future review;
  - (iii) that the matter be referred to officers for investigation;
  - (iv) that the matter be not considered.

---

### **Implications of the Report**

1. **Financial** - not relevant to report recommendations
2. **HR & Organisational Development** – not relevant to report recommendations
3. **Community/Council Planning** – not relevant to report recommendations
4. **Legal** – not relevant to report recommendations

5. **Property/Assets** – not relevant to report recommendations
  6. **Information Technology** – not relevant to report recommendations
  7. **Equality & Human Rights** – not relevant to report recommendations
  8. **Health & Safety** – not relevant to report recommendations
  9. **Procurement** – not relevant to report recommendations
  10. **Risk** – as per the subject matter of this report
  11. **Privacy Impact** – not relevant to report recommendations
  12. **Cosla Policy Position** – not relevant to report recommendations
  13. **Climate Risk** – not relevant to report recommendations
- 

### **List of Background Papers**

- (a) Background Paper - none
- 

**Author:** Carol MacDonald, Senior Committee Services Officer Finance & Resources tel: 07734358719, e-mail: carol.macdonald@renfrewshire.gov.uk

## **AUDIT, RISK & SCRUTINY BOARD ANNUAL PROGRAMME**

I would like to have the undernoted issue considered by the Audit, Risk & Scrutiny Board:

### **Issue:**

The possible closure of our local police stations and feel that this may pose a risk to residents of Renfrewshire.

### **Why the review should be undertaken:**

....Not everyone has access to a computer in order to make an online report and for some including the elderly and visitors to the town, visiting the local police station may be the only way they see as making a report or getting advice. It is also important that a police presence is felt by residents so they feel a sense of security. This may be lost if there is no police station in the town. If the police station is moved to Glasgow then it will take longer for a police response to get here if there is an incident. If there are no cells locally for locking someone up and they have to be taken to cells in Glasgow then that would probably take away 2 officers from other duties perhaps for an hour or more while they take the person to Glasgow to be locked up plus the paperwork that is involved. Then there is the issue of knowing the area. Policemen based in Glasgow are unlikely to know the area as well as policemen who are based here. Plus, the policemen in Glasgow are likely to end up being sent all over the west of Scotland and not just to Paisley, so the policemen attending an incident here may not know the area particularly well.

### **Expected outcome of the review**

Police Scotland retain a base here in Paisley

Councillor .....James W.H. MacLaren.....

Date .....27/2/24.....



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

**On: 18 March 2024**

---

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

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**Heading: AUDIT, RISK & SCRUTINY REQUEST FOR REVIEW OF STREET LIGHTING WITHIN RENFREWSHIRE**

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**1. Summary**

1.1 Councillor James MacLaren has submitted a request for a review to be carried out by the Audit, Risk & Scrutiny Board in relation to the LED street lights not providing enough light for pedestrians and has requested that a report be submitted to the next Audit, Risk & Scrutiny Board.

2.1 A copy of Councillor MacLaren's request is attached as Appendix 1 to this report.

---

**2. Recommendation**

2.1 That the Board give consideration to carrying out this review regarding the closure of police stations within Renfrewshire and to choose one of the following four options:-

- (i) that the matter be considered immediately;
  - (ii) that the matter be considered as part of a future review;
  - (iii) that the matter be referred to officers for investigation;
  - (iv) that the matter be not considered.
-

### 3. **Background**

3.1 The following motion was agreed at the Council meeting of 28 September 2023 which stated;

*“Council recognises the investment of £9M into modernisation of over 30,700 lanterns in Renfrewshire. Renfrewshire Council was recognised in both the GO Awards Scotland and the National GO Awards for the innovation, sustainability and carbon reduction in street lighting across Renfrewshire. Council agrees that an update report on the operation of the street lighting service be made to the next appropriate meeting of Infrastructure, Land and Environment Board and that elected members are encouraged to engage with the service team and officers on any particular issues that require to be addressed in advance of that report. Council instructs officers to carry out a Renfrewshire wide street lighting survey to assess areas and levels of risk. This would include an action plan identifying the needs for replacement, renewal or additional lighting The results of this plan to be reported to the appropriate Board.”*

3.2 Since the Council motion in September 2023 the Streetlighting Maintenance service has moved from Building Services to the Roads Service with a review of current arrangements for delivering the service being carried out.

3.3 An initial update report was submitted to the Infrastructure, Land and Environment Policy Board held on 24 January 2024. The report outlined the current position in relation to the streetlighting service and how officers intended to address the Council motion outlined. This report is attached as Appendix 2.

3.4 It should be noted that the Roads Service have awarded two separate contracts for replacement of around 150 streetlighting columns as a result of complaints about dark areas or where columns have been damaged by road traffic accidents.

3.5 It is anticipated that when the works associated with these contracts conclude officers will then review areas where there are complaints that there is a lack of adequate streetlighting provision or dark areas. This is in order to minimise duplication as some of these areas will potentially be covered by the contracts associated with column replacement.

3.6 In January 2024, officers advised the Infrastructure, Land and Environment Policy Board that future reports on progress with the review will be brought back to the policy board to provide Elected Members with an update on progress.

3.7 Councillor MacLaren is seeking the review of street lighting arrangement to ensure that there are enough street lamps and where there is a deficiency, that additional lampposts are installed.

3.2 The Council's Scheme of Delegations dictates that members of the Board have 4 options:

The Board may agree:-

- (i) that the matter be considered immediately;
- (ii) that the matter be considered as part of a future review;
- (iii) that the matter be referred to officers for investigation;
- (iv) that the matter be not considered.

---

## Implications of the Report

1. **Financial** - not relevant to report recommendations
2. **HR & Organisational Development** – not relevant to report recommendations
3. **Community/Council Planning** – not relevant to report recommendations
4. **Legal** – not relevant to report recommendations
5. **Property/Assets** – not relevant to report recommendations
6. **Information Technology** – not relevant to report recommendations
7. **Equality & Human Rights** – not relevant to report recommendations
8. **Health & Safety** – not relevant to report recommendations
9. **Procurement** – not relevant to report recommendations
10. **Risk** – as per the subject matter of this report
11. **Privacy Impact** – not relevant to report recommendations
12. **Cosla Policy Position** – not relevant to report recommendations
13. **Climate Risk** – not relevant to report recommendations

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## List of Background Papers

- (a) Background Paper - none

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**Author:** Carol MacDonald,  
Senior Committee Services Officer Finance & Resources  
tel: 07734358719, e-mail: carol.macdonald@renfrewshire.gov.uk

**AUDIT, RISK & SCRUTINY BOARD ANNUAL PROGRAMME**



I would like to have the undernoted issue considered by the Audit, Risk & Scrutiny Board:

**Issue:**

Review of street lighting.

Are the LED lights providing enough light for pedestrians?

**Why the review should be undertaken:**

Vehicles now have super bright headlamps compared to what they used to have, and pavements throughout Renfrewshire are in a poorer state than previous times due to lack of finance. Parked vehicles can put pavements into shade particularly when street lights are restricted to one side of the road only, and this is exacerbated when the road is on a curve. Factor in the encroachment of vegetation coupled with more and more people parking on street this results in some pavements/roads having significant blackspots. I know the adoption of pavements is less likely just now but for the length of Watt Road (BoW) lack of light and people walking on the road because they have no alternative because of the state of the unadopted pavements, is a problem especially in winter.

The old sodium lighting provided much more light and seemed to filter through tree branches much better than the LED lighting does. For a large number of streets, the LED lighting does not seem to stretch from one lamppost to the next meaning there are dark areas. Council is running the risk of being sued if a pedestrian has a bad fall.

**Expected outcome of the review**

...A review of the street lighting arrangement to ensure that there are enough street lamps and where there is a deficiency, that additional lampposts are installed.

Councillor ....James W.H. MacLaren.....

Date .....27/2/24.....






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**To:** Infrastructure, Land and Environment Policy Board

**On:** 24 January 2024

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**Report by:** Director of Environment, Housing & Infrastructure

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**Heading:** Streetlighting Service Update

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## 1. Summary

1.1 This report provides an update on the current priorities and challenges faced by the streetlighting service as well as addressing the motion agreed at the Council meeting of 28 September 2023 which stated;

***Council recognises the investment of £9M into modernisation of over 30,700 lanterns in Renfrewshire. Renfrewshire Council was recognised in both the GO Awards Scotland and the National GO Awards for the innovation, sustainability and carbon reduction in street lighting across Renfrewshire. Council agrees that an update report on the operation of the street lighting service be made to the next appropriate meeting of Infrastructure, Land and Environment Board and that elected members are encouraged to engage with the service team and officers on any particular issues that require to be addressed in advance of that report. Council instructs officers to carry out a Renfrewshire wide street lighting survey to assess areas and levels of risk. This would include an action plan identifying the needs for replacement, renewal or additional lighting. The results of this plan to be reported to the appropriate Board.***

1.2 As previously highlighted to the Board, a review of the Council's streetlighting service has commenced. Previously, the service operated from two different teams, with the Capital investment side being delivered by the roads service and the maintenance function being delivered by Building Services.

1.3 The first phase of the review has resulted in bringing both sides of the streetlighting function under a single service recognising the important relationship between infrastructure investment and maintenance functions.

1.4 Now that the service has integrated under the Roads Service the next phases of the review have been mapped out to identify areas where the service is working well as well as prioritising areas for improvement on a short, medium and long-term basis to ensure the service functions efficiently and effectively.

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## **2. Recommendations**

It is recommended that the Infrastructure, Land and Environment Policy Board:

- 2.1 Notes the progress with the streetlighting review and quick wins already achieved.
  - 2.2 Notes that future updates will be brought to the Board through the Service Update Reports to provide details of progress with identified improvements.
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## **3. Service Review**

- 3.1 The streetlighting service is presented with a number of different challenges, as outlined from section 3.2 below and the Roads Service is being assisted in the review with Amey Consultants, who are providing a 'critical friend' analysis of the service performance which will allow performance benchmarking as well as detailed review of systems and processes currently in operation.

### Systems and Processes

- 3.2 The service currently uses the asset management system Symology to record details of all streetlighting inventory on the Council network, including details of when repairs were last undertaken on the infrastructure. As the Roads Service will soon begin the migration of data over to a new supplier in the coming months the inventory details will need to be updated to allow effective planning of resources.
- 3.3 The streetlighting service will now have an increased focus on performance information and the data recorded will now be measured against the time taken to repair a defect rather than the time taken to attend to a defect but not necessarily rectify the issue.

### Infrastructure Investment and Maintenance

- 3.4 Early review work has identified a need for an enhanced testing and inspection regime as well as increasing planned maintenance activities. These essential maintenance requirements will be crucial to the service for forward planning purposes as part to inform capital investment planning requirements going forward.
- 3.5 Amey are focussing effort in this area to identify the appropriate level of resource required to carry out the appropriate testing & inspection and planned maintenance regimes.
- 3.6 The annual allocation of streetlighting capital investment has been approximately £500,000 per year, with this being split between the two teams for delivery. The integration of the teams will now ensure the capital delivery arrangements are more robust and priorities for investment are aligned.

### Recruitment Challenges

- 3.6 Similar to challenges being faced across Council services, the service faces significant challenges in the recruitment field and has had to rely on the use of agency resources for a number of years to keep the service functioning. The role profiles are being reviewed for the workforce in order to ensure there is an appetite in the market for those who want to come and work for the Council.

## **4. Identified Improvements**

### **4.1 Short Term Actions (3 – 6 months)**

The service has identified areas where columns have been cut down as they have been either life expired or damaged as a result of road traffic incidents. An initial contract for the replacement of 65 columns and 33 cable loops was approved at the Finance, Resources and Customer Services Policy Board on 23 November 2023 with a contract value of just under £240,000. A further contract to replace a similar number of columns and cable loops is being put out to tender in the coming weeks to address this backlog.

4.2 This initial work programme will go some way to addressing concerns from members and communities about sections of dark areas within communities. A further programme of work is being compiled to address the remaining outstanding known locations of dark spots caused by knocked down or removed columns.

4.3 The service has identified opportunities to address some of the areas of overspend currently within the streetlighting area. This will include the removal of long-term hire vehicles from the fleet and replacing these with vehicles purchased through the Council's Capital vehicle replacement programme.

### **4.4 Medium Term Actions (6 – 9 months)**

The joint work with Amey will result in a number of recommendations where improvements could be made to the service over a period of time. These will include changes to:

- The resourcing and delivery of maintenance functions, currently the service relies on the use of agency workers,
- Capital investment planning to ensure the investment is evidence led and focussed on areas of most need,
- A review of the streetlighting asset inventory to identify the levels of capital investment that will be required to maintain the asset at the required level, and
- Digitising the service to allow the maintenance function to be carried out in the most effective manner with the use of robust performance management information.

### **4.5 Longer Term Actions (9 – 12 months)**

The short-term actions outlined to address backlogs of damaged and removed lighting columns will go some way to address concerns about dark areas within Renfrewshire. It is anticipated that the backlog of column replacements will be attended to by the end of the Summer 2024.

4.6 At this point onward this would be the most appropriate time for carrying out the Renfrewshire wide survey of street lighting. This will allow the Service to have the most up to date and representative survey information to take any decisions on any future investment requirements. As this process develops, we will provide updates to the Board through the Service Update Reports.

4.7 The Service will continue to respond to reports of areas of dark lamps with our reactive maintenance service to ensure communities are not waiting considerable lengths of time for dark areas to be resolved.

## Implications of the Report

1. **Financial** – The ongoing level of capital investment in street lighting will be determined as part of the review of street lighting.
2. **HR & Organisational Development** - none
3. **Community Planning**
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** – Existing Framework contracts will be utilised.
10. **Risk** - none
11. **Privacy Impact** - none
12. **Cosla Policy Position** – not applicable.
13. **Climate Risk** – The expansion of LED units has a positive climate impact in reducing energy requirements and associated emissions.

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## List of Background Papers - None

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**Author:** Gerard Hannah, Head of Climate, Public Protection & Roads  
**Email:** [Gerard.hannah@renfrewshire.gov.uk](mailto:Gerard.hannah@renfrewshire.gov.uk)



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

**On:            18 March 2024**

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**Report by:   Lead Officer**

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**Heading:    Neighbour Disputes**

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## **1.     Summary**

- 1.1    At the meeting on 22<sup>nd</sup> August 2022, members of the Audit, Risk and Scrutiny Board agreed an annual programme of activity for the Board for 2022/23. This included an investigation into neighbour disputes in Renfrewshire.
- 1.2    This report reviews the current disposals/actions that are available to the Council and others to resolve neighbour disputes and antisocial behaviour, including legislation and regulatory powers.
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## **2.     Recommendations**

The Board is asked to:

- note the progress contained within the report.
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## **3.     Background**

- 3.1    At the Audit, Risk and Scrutiny Board in August 2022 it was agreed that the review of Neighbour Disputes be looked at in the widest sense and should also include antisocial behaviour. It was agreed that the purpose of the investigation into neighbour disputes would be fourfold:
1. Try to establish the scale and nature of neighbour disputes in Renfrewshire,
  2. Set out the current arrangements and approach the Council and other stakeholders have for responding to neighbour disputes,
  3. Review the current disposals/actions that are available to the Council and others to resolve neighbour disputes, and
  4. Identify any other approaches, policy changes or mitigating actions that could be available to the Council within existing resources.

- 3.2 Research has progressed, with Stages 1 and 2 being completed. At the Audit, Risk and Scrutiny Board on 22<sup>nd</sup> January 2024 it was agreed to move to Stage 3 of the investigation, to review the current disposals/actions that are available to the Council and others to resolve neighbour disputes, including legislation and regulatory powers.
- 3.3 The table below provides an outline of the proposed timetable, with a conclusive report being submitted to the Audit, Risk and Scrutiny Board on 20<sup>th</sup> May 2024, and a final report to Council on 27<sup>th</sup> June 2024:

<b>Date of Board Meeting</b>	<b>Stage of Investigation</b>
23 <sup>rd</sup> January 2023 - <b>Complete</b>	Scoping paper to initiate investigation
13 <sup>th</sup> March 2023 - <b>Complete</b>	Continuation of investigation
22 <sup>nd</sup> January 2024 - <b>Complete</b>	Continuation of investigation
18 <sup>th</sup> March 2024 - <b>Current</b>	Continuation of investigation – Point 3
20 <sup>th</sup> May 2024	Final Report to Board
27 <sup>th</sup> June 2024	Final Report to Full Council

#### **4. Progress Update**

- 4.1 The investigation has been progressing well and research has now been completed across the 3 main areas within the scope of the review, which will then form the identification of any other approaches, policy changes or mitigating actions that could be available to the Council within existing resources. Research to date has involved communications with a number of other Scottish Local Authorities, Local Housing Associations, Police Scotland and key internal stakeholders.
- 4.2 This report provides a summary and highlights findings from the research with a particular focus on point 3 of the original aims - to review the current disposals/actions that are available to the Council and others to resolve neighbour disputes.
- 4.3 This research focuses on legislation and regulatory powers and also the processes within the Council at different stages of a complaint, and for complaints of differing severity. Process maps outlining current disposals and actions and the links across services within the Council and partner organisations can be found in Appendix 1 (Housing), 2 (Environmental Health) and 3 (Antisocial Behaviour).
- 4.4 In addition, there were some outstanding answers from the January Board, whereby there was a requirement to clarify with the relevant Services in order to respond to the questions. These responses are confirmed as follows:
- 4.4.1 **Number of Antisocial Behaviour Orders in Renfrewshire:** 7 issued in the last 3 years: 2 in 2021, 4 in 2022 and 1 in 2023.

- 4.4.2 **Number of mediation referrals:** In 2022-23, there were 164 referrals for mediation. Of the 164 referrals, in 88 instances either Party 1 (the complainant) or Party 2 refused mediation – 53.7%.
- 4.4.3 **Confirmation relating to the MATRON formal noise recording equipment:** Renfrewshire Council has access to 3 MATRON systems. There is currently no waiting time for the MATRON system.
- 4.4.4 **Noise app evidence:** general noise recordings (e.g. of loud music) from a noise app have been used in court to demonstrate the nature of a disturbance as supplementary evidence but are not admissible in court in isolation as standalone evidence as it is not possible to confirm beyond doubt where the noise is coming from. Therefore, this can be likened to hearsay evidence and is likely to be objected to by the defence for this reason. In cases of verbal threats, a noise recording may be admissible to determine the content of the threat but would require a complainer to speak to the identification of the perpetrator, and in the case of behaviour apps which include video recording capabilities, these may be admissible in court as, in certain circumstances, this can be the same as witnessing the offence itself.

## 5. Categories of Neighbour Disputes and Antisocial Behaviour

- 5.1 As reported in January 2024, internally within local authorities there are often different teams that deal with different aspects of neighbour disputes and antisocial behaviour, dependent on the legislation it falls under and/or potential actions – between Housing, Community Safety and/or Environmental Health teams.
- 5.2 This is true within Renfrewshire Council, whereby specific teams would deal with different aspects of neighbour disputes and antisocial behaviour and have different levers due to different legislation that would be applied. There is a close working relationship between the teams, as well as with the Multi Agency Community Safety Partnership Hub to ensure patterns are picked up and responses can be targeted where needed.
- 5.3 The action taken in all cases must be proportionate to the incident and complaints are classified using 4 key categories. The category that the incident falls under will determine the process followed, the legislation that is applicable and the actions that are taken. The same categories are used by all internal services within the Council as well as all members of the Multi Agency Community Safety Hub:

Category	Definition	Example
A	Serious antisocial behaviour	Drug dealing, hate crime, violence
B	Antisocial behaviour	Frequent disturbances, excessive noise
C	Nuisance Cases	Vandalism, infrequent disturbances and private ownership
D	Estate management as a result of either complaints or observations	Dispute over communal areas, including cleaning close; use of drying green; dog fouling; misuse of bins or storage of waste

5.4 The majority of complaints received by staff are resolved at an early stage and do not escalate to formal stages.

## 6. Housing: Key Processes and Legislation

6.1 Renfrewshire Council's Housing Service follows a set of procedural steps when dealing with neighbour disputes and antisocial behaviour in proportion to the incident in question. This ranges from visits to both parties; mediation referrals; support agency referrals; and verbal and written warnings, up to reducing tenancy rights and eviction in the most serious cases. The full process map for Renfrewshire Council Housing Service which is followed for neighbour disputes and antisocial behaviour (Category B & C complaints) is set out in Appendix 1.

6.2 Most cases are resolved in the early steps of the process, through the early intervention measures of visits and warnings. Renfrewshire Council's locally agreed target to resolve antisocial behaviour complaints is 21 days. The definitions of resolved are:

- appropriate measures taken to address the cause of the antisocial behaviour complaint; or
- do not have the powers or authority to resolve but has provided a full explanation of the position.

6.3 For more persistent or serious cases of nuisance and antisocial behaviour, social landlords, including Renfrewshire Council, have two main levers that can be used:

**1. The Housing (Scotland) Act 2001:** the key piece of statutory guidance aimed at social landlords. Changes to the Housing (Scotland) Act in 2014, which came into effect in 2019, included allowing landlords to issue Short Scottish Secure Tenancies (SSSTs) to address antisocial behaviour and introduced Streamlined Evictions where there has been a recent criminal conviction punishable by imprisonment for tenancy related antisocial or criminal behaviour within the previous 12 months

**2. Tenancy Agreements:** as set out below

6.4 A tenancy agreement sets out the legal rights and responsibilities of both the tenant and the landlord. This includes levels of behaviour expected from tenants, members of their household and visitors to their home.

6.5 Renfrewshire Council's Tenancy Agreements include a section on 'Respect for Others' (Section 3) which specifically references antisocial behaviour and examples of what this includes, such as excessive noise, storage of waste, controlling pets, behaviour of visitors, vandalism and harassment.

6.6 The tenancy agreement makes it clear to tenants that breaking their tenancy agreement as a result of antisocial behaviour may result in legal action to evict, or a reduction in their tenancy rights. A reduction in tenant's rights is a result of converting a tenancy from a Scottish Secure Tenancy (whereby tenants have the right to stay in the home for as long as they wish provided they do not breach the terms of the tenancy) to a Short Scottish Secure Tenancy (SSST), where tenants only have security for the specified period of



the tenancy (a minimum of 6 months, up to 12 months) because of particular circumstances, including antisocial behaviour. Tenants must then comply with specified conditions in order to retain the tenancy.

- 6.7 At the end of the specified term of a SSST conversion due to antisocial behaviour, if issues have been resolved and no further action is required/taken the tenancy converts automatically back to a Scottish Secure Tenancy again.
- 6.8 During the term of the SSST there may be monitored improvements in behaviour, but still with further small or low level issues. This enables an extension of an additional 6 months to the SSST. If there are no improvements in behaviour, the tenancy can be brought to an end at the conclusion of the SSST.
- 6.9 Following a request, an order for eviction may be granted by the Sheriff Court under Section 14 of the Housing (Scotland) Act 2001 on any of the grounds contained within Section 2 of the Act. Section 2 includes antisocial behaviour in relation to an action or course of conduct that causes or is likely to cause alarm, distress, nuisance or annoyance.
- 6.10 Local authorities have a statutory duty to rehouse and eviction is used as a last resort. There are often more complex needs and cross-agency working is pivotal in ensuring access to services and support, and to prevent people from falling through the gaps in services. This ensures a robust approach to target anti-social behaviour, its causes and effects in order to take preventative action and resolve issues for the long-term when tackling public protection issues affecting residents in Renfrewshire.

## **7. Environmental Health Officers: Key Processes and Legislation**

- 7.1 Environmental Health Officers deal with statutory nuisance. A statutory nuisance occurs when the activity of an individual or business on their own premises unreasonably detracts from another's enjoyment of their property or causes a risk to public health.
- 7.2 In the case of statutory nuisance processes, a set of procedural steps are followed which range from visits to the source of the issue; mediation referrals; and verbal and written warnings, up to issuing of abatement notices and Fixed Penalty Notices. A full process map for Renfrewshire Council's Environmental Health response to statutory nuisance is set out in Appendix 2.
- 7.3 Most cases are resolved in the early steps of the process without the need for further escalation. This can include liaising with Renfrewshire Council Housing Service, Registered Social Landlords, social services, Community Safety and organisations within the Community Safety Hub, including Police Scotland. For the more persistent or serious cases of statutory nuisance the main levers that can be used are:
  - 1. The Environmental Protection Act 1990:** provisions within Section 79 of the Environmental Protection Act 1990 under Section 79 set out what can and can't be dealt with as statutory nuisance. This includes nuisance due to noise, artificial light, smoke, odour, state or condition

of premises, keeping of animals and accumulations of waste. There are a number of exemptions to some of these matters, e.g. noise from aircraft or traffic cannot be considered as a statutory nuisance.

**2. Abatement Notice:** a legal document that imposes specific requirements on the recipient with timescales, to abate the nuisance or mitigate to a point that it is no longer causing a nuisance. This includes noise abatement notices.

**3. Fixed Penalty Notice:** before a Fixed Penalty Notice is issued under the Environmental Protection Act, an Abatement Notice must have been served. The Abatement Notice must have expired without the problem being resolved and there must be a further breach of the Abatement Notice before a Fixed Penalty Notice can be served. If the Abatement Notice required the recipient to prevent recurrence of the problem, further Fixed Penalty Notices can be issued for each subsequent breach of the Abatement Notice. However, under such circumstances it would be considered more appropriate to report the offender to the Procurator Fiscal, recommending prosecution, rather than repeated issuing of Fixed Penalty Notices.

- 7.4 In instances where Environmental Health Officers are unable to verify complaints, or where the nuisance doesn't meet levels required for statutory nuisance action to be taken, there is specific provision within the Environmental Protection Act 1990 for the complainant to take civil action through the Sheriff Court. This would be at the complainant's cost, although costs may be awarded if they are successful.

## **8. Community Safety Team: Key Processes and Legislation**

- 8.1 The Community Safety Team and multi-agency partners within the Community Safety Partnership deal with antisocial behaviour. The Antisocial Behaviour (Scotland) Act 2004 states that a person engages in antisocial behaviour if someone acts "in a manner that causes or is likely to cause alarm or distress; or pursues a course of conduct that causes or is likely to cause alarm or distress to at least one person who is not of the same household as them". A process map for the overall response to antisocial behaviour is set out in Appendix 3.
- 8.2 Most complaints are resolved in the earlier stages of the process through early intervention measures, and cross-service working in the Council and in the Community Safety Hub. For persistent antisocial behaviour the main levers that can be used are:
- 1. The Antisocial Behaviour (Scotland) Act 2004:** the Act makes provision in connection with antisocial behaviour to deal with people who cause alarm, distress or annoyance to members of the public.
  - 2. Interim Antisocial Behaviour Orders:** interim orders allow the Sheriff Courts to grant an order designed to prevent antisocial behaviour prior to a full court hearing (around 6 weeks). The application is made at the same time as for the full ASBO and is available to provide more immediate protection from antisocial behaviour, but can impose the same prohibitions and has the same penalties for breach as full ASBOs but do not impact on security of

tenure. The provisions in the Housing (Scotland) Act 2001 are only related to the granting of full ASBOs.

**3. Antisocial Behaviour Orders (ASBOs):** are preventative orders intended to protect people in the community affected by antisocial behaviour from further acts or conduct that would cause them alarm or distress. ASBOs are court orders which prohibit, either indefinitely or for a specified period of time, the individual from doing anything described in the order. An ASBO is made in the civil court, however, breach of an order is a criminal offence.

- 8.3 ASBOs can be used to deal with antisocial behaviour wherever it occurs, provided the person(s) affected by the behaviour and the person behaving antisocially are not of the same household. They are not restricted to dealing with neighbour issues.
- 8.4 Guidance produced in relation to ASBOs states that applications should be considered in the context of wider strategies to prevent antisocial behaviour, and that prevention is better than cure and authorities will want to consider a range of options such as mediation, support services and voluntary agreements before pursuing legal action.
- 8.5 While registered social landlords, including Renfrewshire Council's Housing Service, may seek antisocial behaviour orders or even eviction as a last resort, they have no powers to evict private tenants and/or owner occupiers. However, other services within the Council and Police Scotland may have some powers that can be used to influence people to modify their behaviour depending on the nature and severity of the complaint, e.g. a private landlord who fails the 'fit and proper' test by not dealing with antisocial behaviour of tenants could have their landlord registration licence revoked under Section 8 of the Antisocial Behaviour (Scotland) Act 2004.
- 8.6 All services dealing with neighbour disputes and wider antisocial behaviour understand the importance of keeping the complainant updated throughout and this forms a key part of all processes, while still ensuring confidence is maintained.

## **9. Antisocial Behaviour National Review**

- 9.1 The Scottish Government Review on Antisocial Behaviour was published on 7<sup>th</sup> November 2023 and advocates a refreshed, long-term approach to antisocial behaviour, with a more preventative and supportive focus in preventing antisocial behaviour from occurring in the first place. This was based on discussions with key stakeholders across Scotland including those who have experienced antisocial behaviour, frontline staff seeking to prevent and tackle antisocial behaviour and community and equality groups.
- 9.2 There was also a recognition of the age of the antisocial behaviour legislation and societal changes over the subsequent 20 years. The review recommended an independently chaired group of experts, including statutory, non-statutory and voluntary service providers and key community representatives to develop a long-term framework for addressing antisocial behaviour. This will have a strong focus on steps that can be taken to prevent

antisocial behaviour in the first place as well as considering the effectiveness of current approaches to tackling antisocial behaviour that does occur.

- 9.3 Further consideration as part of the refresh may also include:
- the definition of antisocial behaviour
  - legislation and guidance
  - powers
  - reporting, including support and outcomes
  - general approach, including partnership working and public information
  - person-centred and trauma-informed approaches

## **10. Next Steps**

- 10.1 The next report to Board in May will provide a final summary of the overall review and seek approval for its submission to full Council.
- 10.2 To ensure the broadest review of the process, this review will continue to speak to all key stakeholders, including residents with lived experience of neighbour disputes and anti-social behaviour. This will help to identify any potential gaps in service provision or areas in the process where improvements could be made from a service user point of view through embedding learning from those who have been through the process.

## Implications of the Report

1. **Financial** - None directly arising from this report.
2. **HR & Organisational Development** - None directly arising from this report.
3. **Community/Council Planning** - None directly arising from this report.
4. **Legal** - None directly arising from this report.
5. **Property/Assets** – None directly arising from this report.
6. **Information Technology** – None directly arising from this report.
7. **Equality and Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because relates to carrying out an investigation on behalf of the Board. 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** - None directly arising from this report.
9. **Procurement** - None directly arising from this report.
10. **Risk** - None directly arising from this report.
11. **Privacy Impact** - None directly arising from this report.
12. **COSLA Policy Position** - None directly arising from this report.
13. **Climate Risk** - None directly arising from this report.

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### Appendix 1: Housing Process Map

### Appendix 2: Environmental Health Process Map

### Appendix 3: Antisocial Behaviour Process Map

#### List of Background Papers:

Audit, Risk and Scrutiny Board Annual Programme

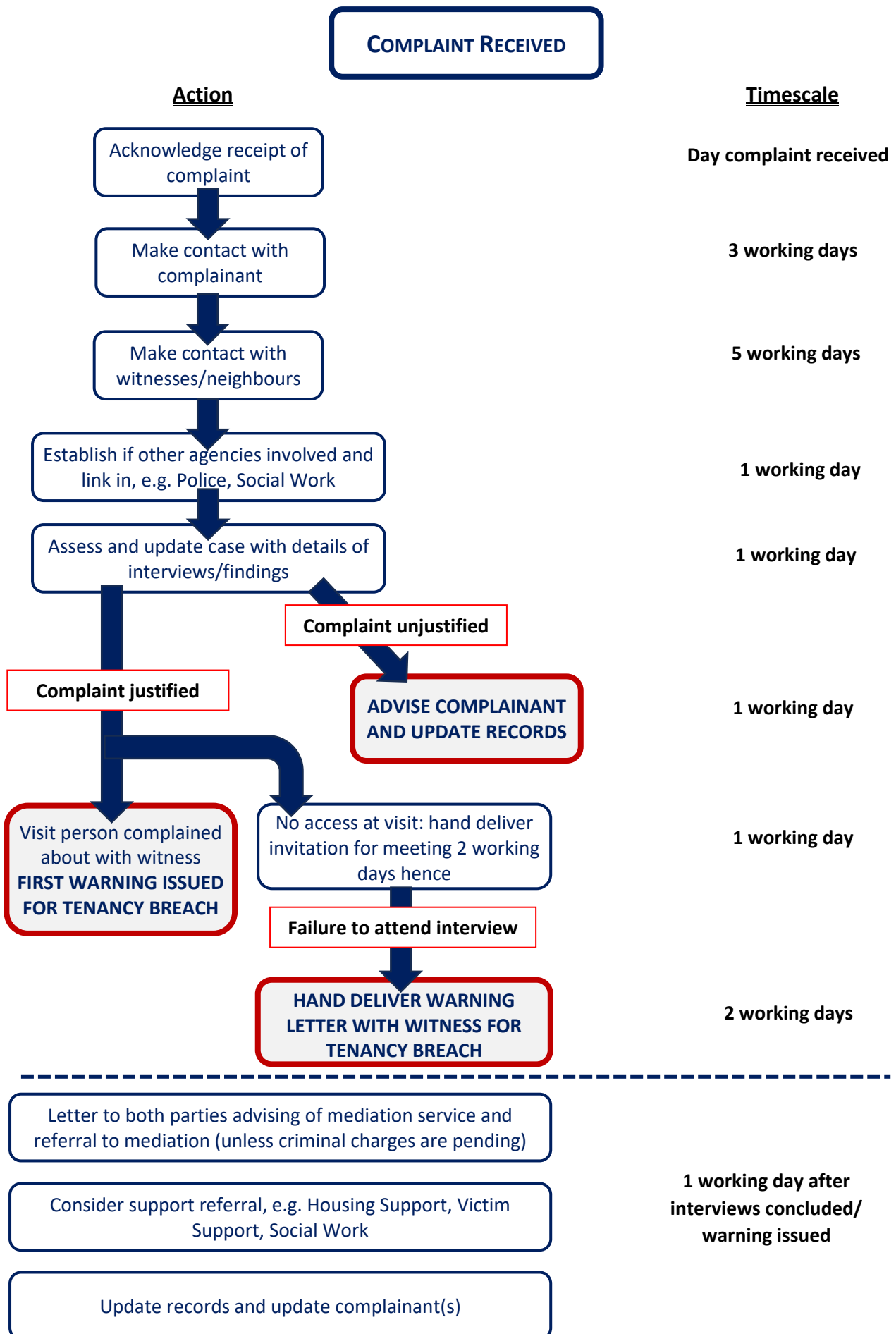
Neighbour Disputes Paper - Audit, Risk and Scrutiny Board, January 2023

Neighbour Disputes Paper - Audit, Risk and Scrutiny Board, March 2023

Neighbour Disputes Paper - Audit, Risk and Scrutiny Board, January 2024

**Author:** Roz Smith, Climate Emergency Lead Officer, Chief Executive's Service

**Appendix 1: Housing Process Map for Categories B & C (Antisocial Behaviour and Nuisance Cases)**



**IF FURTHER COMPLAINTS ARE RECEIVED WITHIN 12 WEEKS OF 1<sup>ST</sup> WARNING BEING ISSUED**

Action

Timescale

Previous complaint investigation process is followed

**Complaint justified**

Visit person complained about with witness  
**SECOND WARNING ISSUED FOR TENANCY BREACH**

**IF FURTHER COMPLAINTS ARE RECEIVED WITHIN 12 WEEKS OF 2<sup>ND</sup> WARNING BEING ISSUED**

Previous complaint investigation process is followed

**Complaint justified**

Discuss case with Local Housing Manager and prepare for authorisation

**1 working day**

Email case file to the Senior Tasking and Deployment Coordinator and arrange joint visit to interview person complained about to issue  
**FINAL WARNING FOR TENANCY BREACH**

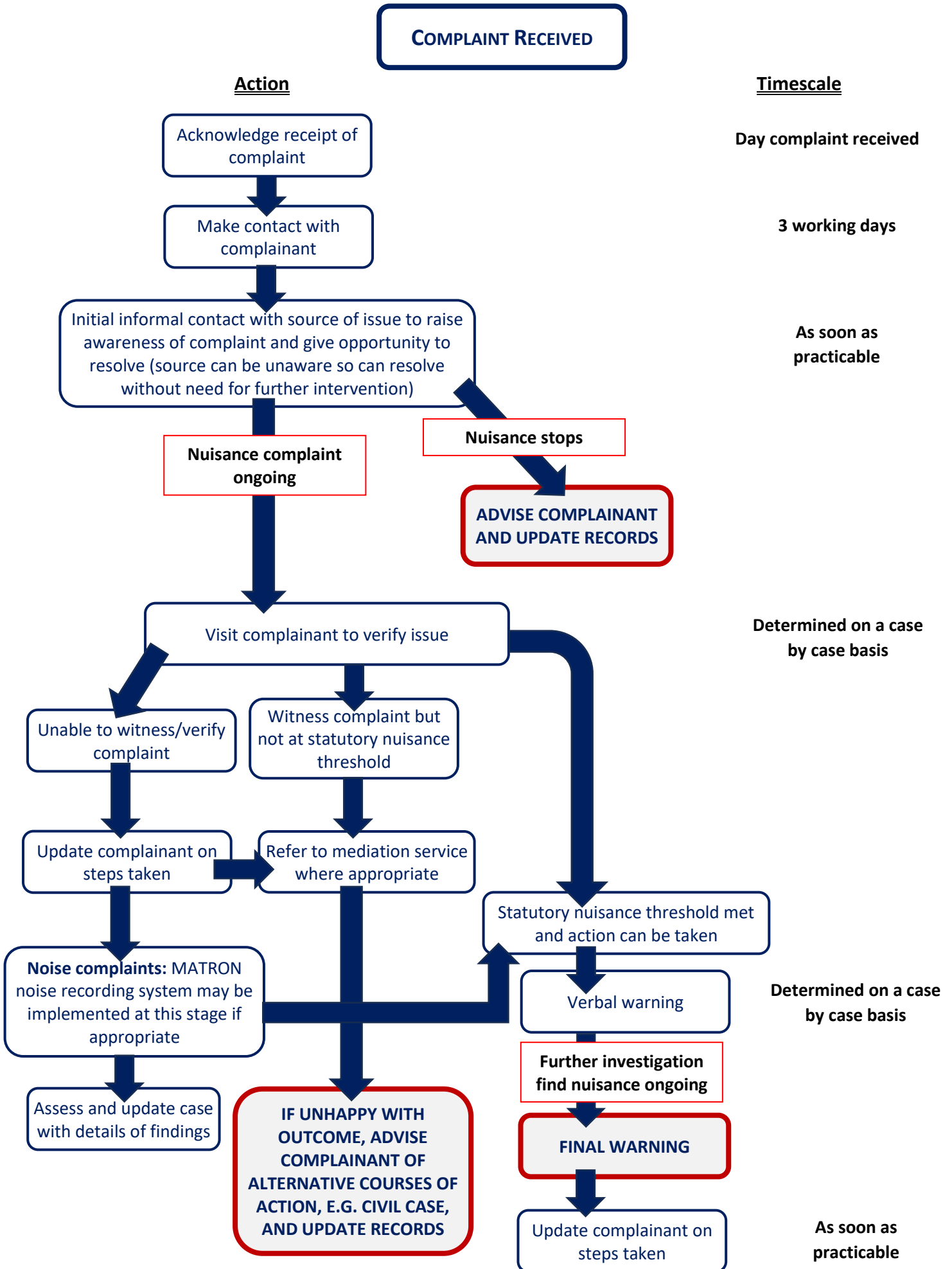
**2 working days**

Update complainant(s)

**Day warning issued**

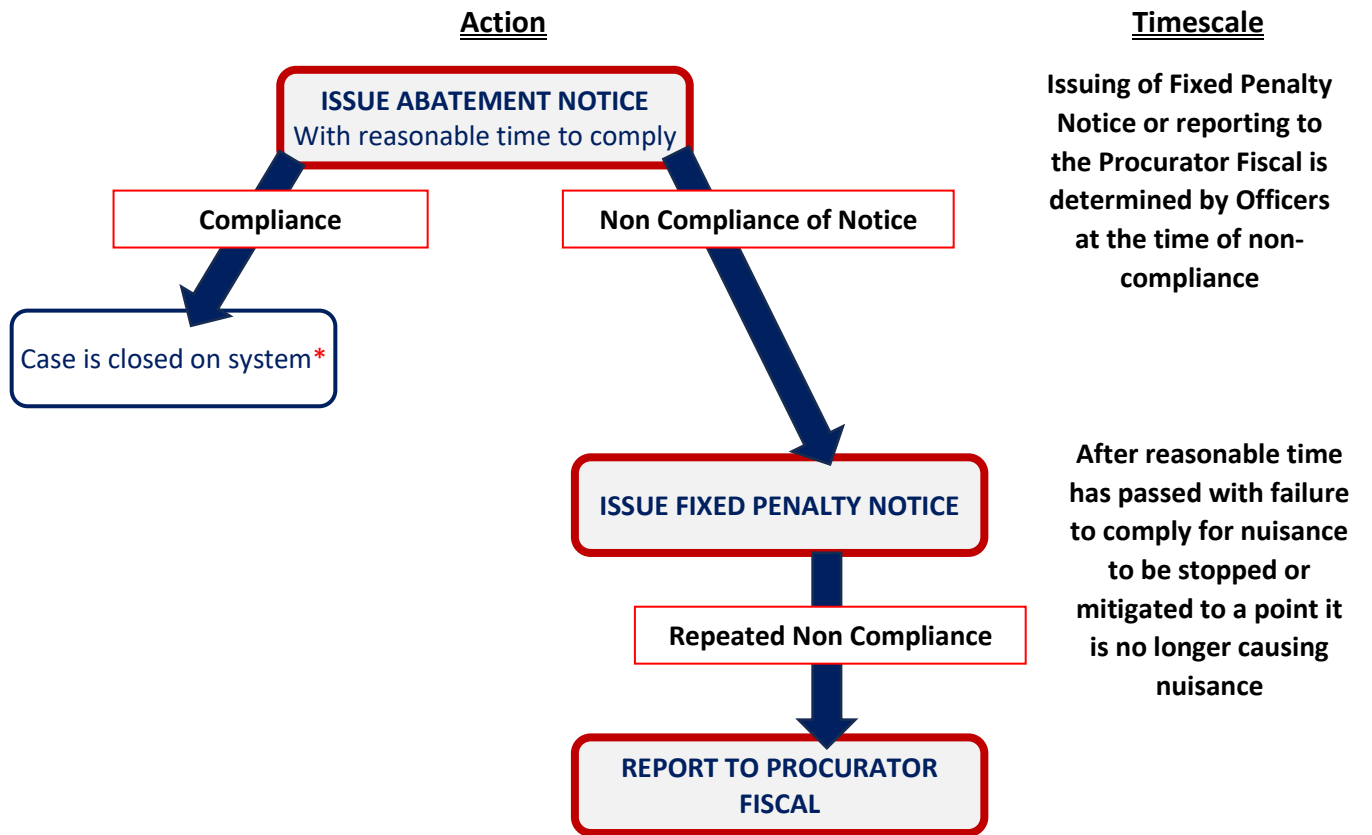
**CASE NOW ESCALATED FOR COMMUNITY SAFETY PARTNERSHIP INVESTIGATION TO TAKE PLACE AND THE LEAD COMMUNITY SAFETY INVESTIGATOR WILL BECOME THE KEY CONTACT FOR COMPLAINERS AFTER THE FINAL WARNING IS ISSUED**

## Appendix 2: Environmental Health Process Map for Statutory Nuisance Cases





**STATUTORY NUISANCE WITH NO RESOLUTION FOLLOWING FINAL WARNING**



\* In cases such as accumulated waste, if an abatement notice is served and waste is cleared then the Notice has been complied with. However, if the same issue occurs a few months later, the Notice remains live and can be enforced, requiring compliance at that time.

### Appendix 3: Antisocial Behaviour Process Map

