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Renfrewshire Council

Notice of Meeting and Agenda

Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 21 September 2020	10:00	Remotely via Microsoft Teams,

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Tom Begg: Councillor Stephen Burns: Councillor Michelle Campbell: Councillor Neill Graham: Councillor Jim Harte: Councillor John Hood: Councillor Emma Rodden:

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

Recording of Meeting

This meeting will be recorded for subsequent broadcast via the Council's internet site. If you have any queries regarding this please contact Committee Services on 07534 058160. To find the recording please follow the link which will be attached to this agenda once the meeting has concluded.https://youtu.be/zZAVrqej5JU

Chair

In Attendance

Also in Attendance

Apologies

Apologies from members.

Declarations of Interest

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

MONITORING AND REVIEWING SERVICE DELIVERY PERFORMANCE,POLICIES & PRACTICES

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

On: **21 September 2020**

Report by: **Chief Executive**

Heading: **Accounts Commission – Local Government in Scotland – Overview 2020**

1.   Summary

1.1   Each year Audit Scotland prepares a report on behalf of the Accounts Commission which provides a high level, independent view on the challenges facing councils in Scotland and how they are performing. The 2020 report was published on 23 June 2020 and is attached as Appendix 1 to this covering report. The report was published later than in previous years due to the Covid-19 pandemic, and whilst it was compiled prior to the escalation of the pandemic the report does recognise the added pressure faced by councils in the current climate.

1.2   Audit Scotland's report highlights the key challenges facing local authorities in Scotland in relation to issues such as the increasing demand on services due to demographic and social changes, the increasing strain on public sector budgets, the changing needs of communities and changing workforces.

1.3   As with previous year's reports, this report outlines the key messages and recommendations by Audit Scotland along with the summary position for Renfrewshire.

2.   Recommendations

2.1   It is recommended that Audit, Risk and Scrutiny Board note:
- the key messages contained in Audit Scotland's - 'Local Government in Scotland: Overview 2020' report which is attached as Appendix 1; and
- Renfrewshire Council's position in relation to the key messages and recommendations set out in the Audit Scotland report.

3. Background

3.1   In June 2020, Audit Scotland published its annual 'Local Government in Scotland: - Overview 2020' report, this was later than previous years due to the Covid-19 pandemic, and it should be noted that this was compiled before the escalation of the pandemic. The report provides a high level, independent view of the challenges facing councils in Scotland, how councils are responding to these challenges and the impact this is having on council services and communities they serve. It also provides a series of recommendations for councils to consider implementing.

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

- The Covid-19 pandemic brings unprecedented challenges across communities and public services and the effect on the health and wellbeing of communities, financial difficulties and increased levels of poverty will be significant.
- Councils are working hard to deliver services to their communities but the context in which they are working in is increasingly uncertain and complex. The report notes the cumulative effect of pressures on councils is beginning to show across service performance and use of financial reserves.
- Scottish Government revenue funding to councils has reduced in real terms over the period 2013/14 to 2020/21 by 3.3%, however since 2017/18 it has increased by 3.9% in real terms. The report notes a strain on budgets is evident as councils continue to dip into their reserves to make ends meet.
- The scale and complexity of challenges for councils and Integrated Joint Boards will continue to grow in the coming years. Audit Scotland recommends more radical thinking is needed for longer-term solutions alongside an investment of time and capacity by political and management leaders to analyse the range of challenges for the area, develop the thinking and planning for the medium and longer term.
- The report outlines that more progress is needed in collaborative working with partner organisations and communities to improve outcomes for communities and achieve local priorities.
- Workforce planning is fundamental to ensure that councils have the staff, skills and leaders they need to deliver change. As the workforce ages, councils need to be more flexible and agile in how they deploy staff, work with partners and attract younger people to work in local government and respond to specific skills gaps.

3.3   The Audit Scotland report is structured into three parts: the context councils were operating in (prior to the pandemic); the main tools that contribute to change and how effectively councils are using these to respond to increasing demand and strained budgets; and a case study from planning services on how these challenges are affecting an individual service.

4. The context for councils

4.1   The report sets out the challenging and complex landscape that councils continue to work in and breaks it down by political and economic challenges, financial, policy changes and community needs.

4.2   Audit Scotland notes that the political landscape continues to hold uncertainties, the most urgent currently being the impact of the Covid-19 pandemic. However, the potential impact

of the withdrawal from the European Union has still to be felt and the planned Scottish Parliament elections next year may also have an effect on local government.

4.3 The report also recognises that population pressures continue to grow, including the increase in people aged over 65 alongside a decrease in the child population, all of which affect the need for and demand for services provided by local government. In addition, increased levels of poverty also affect the level of need and demand for many services, with the levels of inequality and the challenges varying across council areas.

4.4 The report acknowledges that local government is a major contributor to a wide range of national policy priorities and initiatives, such as the Fairer Scotland duty, climate change, the expansion of early learning and childcare provision, and are required to balance responding to these policy changes with local priorities.

4.5 Audit Scotland also recognises the requirement for councils to balance the demands for services against budget pressures. As the level of Scottish Government funding in the medium-term is uncertain and the flexibility of how funding is used is reducing, this may place a challenge on local government to identify which services can make savings.

5. Doing things differently

5.1 Audit Scotland acknowledges that councils have done well over recent years in achieving savings whilst delivering high-quality services to the community. However, it recommends that moving forward councils will need to be open to doing things differently in order to continue to deliver services and to meet the needs of their communities.

5.2 The report sets out core aspects for councils to consider in order to implement changes to meet the changing needs of communities. These are: leadership; change and improvement; workforce planning; partnership working; and community empowerment and engagement.

5.3 The report highlights the need for councils to introduce more radical thinking in their change/transformational programmes. It acknowledges the good work that councils have been doing to make savings over the years but emphasises that very little of this work has involved fundamental service redesign. The report recommends that delivering services differently should be focused on improving outcomes in ways that are affordable.

5.4 Audit Scotland believe that workforce planning is a vital aspect of councils being able to deliver services to the community and should play a key part in any change programmes. The report emphasises that effective workforce planning is needed to ensure that councils have flexibility, agility and efficiency in how they use the workforce and can deliver the level of change that is required.

5.5 The report highlights evidence of good partnership working between councils and their partners in reshaping services. Audit Scotland feel that this is not widespread, and it could be strengthened in some areas, with Community Planning Partnerships taking a more active role in leading strategic change.

5.6 The report notes that more work needs to be done in involving communities in planning services and improving outcomes. It recommends that councils more fully embrace community empowerment as an integral part of changing the way they do things, and not be seen as an add-on or separate to other work, but part of a new way of working.

5.7   The report also provides a case study on how the challenges identified in the previous sections are impacting on the planning sector.

6.   Audit Scotland recommendations and Renfrewshire Council's position

6.1   The section below outlines Audit Scotland's recommendations and provides a local update on Renfrewshire Council's current position against these. Covid-19 had had a significant impact on the Council and will continue to affect operations and budgets going forward.

6.2   Audit Scotland recommends that to respond to the challenges facing local government and to deliver local priorities and improve outcomes for their communities, councils and integrated joint boards need to do the following:

Governance:

- invest leadership capacity in analysing the challenges and planning for the future, including: plans for how services will be delivered that reflect the scale of the challenges ahead and will deliver demonstrable improvement in outcomes for communities; and putting in place and continuing to develop medium and long term financial planning that will inform ongoing review and implementation of plans for change.

   Renfrewshire's Position – the Council has introduced a three-year transformation programme called Right for Renfrewshire which adopts a new approach to identifying, developing and designing change and transformation opportunities. Progress in implementation has been impacted by COVID19, as the focus of all services shifted fully to respond to the pandemic.

   The programme remains a key priority for the Council, with work now resuming.

- monitor and report on delivery of local priorities and outcomes while improving public performance reporting.

   Renfrewshire's Position – A six monthly report is provided to the Leadership Board on the progress of the Council Plan, which provides an opportunity for elected members to scrutinise the performance of the Council. In addition, an annual report is also published on outcomes and performance in relation the Renfrewshire Community Plan. Local priorities have also been developed by Local Partnerships, and it is anticipated that in the future these will develop into local action plans.

   Each year the Council publishes its public performance report 'It's all about you' on the public website which provides an overview of the Council's performance alongside case studies detailing projects and initiatives from across the Council. The performance page on the website was also streamlined to ensure that all performance information was in one easy to reach place on the website for the public to find.

Collaboration:

- Maximise the potential of collaborative working by working alongside partners to improve community planning partnerships, so that they have a clearer strategic direction and take a more active role in leading local partnership working.

   Renfrewshire's Position – A specific example is the Renfrewshire Forum for Empowering Communities which is taking a lead role in giving local communities a voice in

Renfrewshire. The Empowering Communities Board is led by Engage Renfrewshire, the 3rd sector interface organisation. The aim is to localise decision making and accountability as far as possible and work co-operatively with communities. The forum acts as a sounding board of the Community Planning Partnership in the development of community capacity building, consultation and communication.

- Increase the opportunity for communities to influence or take control of local decision-making and demonstrate how communities are supported to help design or deliver local services and improve outcomes.

  Renfrewshire's Position – Local Partnerships have been successfully operating since September 2018 and provide a more informal and inclusive approach to ensuring community voices are heard on local issues. Each Local Partnership identified the local priorities which were important to them in 2019 and are responsible for making decisions in relation to the award of Local Partnership grants.

  In addition, last year the Council launched a new participatory budgeting programme called Celebrating Renfrewshire, in which local young people made decisions about the local projects and groups that should receive funds to deliver their ideas. In total 3402 young people voted with a total of £149,340 being awarded to local projects and groups.

  The HSCP is also currently developing a programme of work with Strategic Planning partners focused on improving health and wellbeing across Renfrewshire. This will encourage the development of community-led projects aimed at developing new interventions which improve individual and community outcomes.

Capacity and Skills:

- develop leadership capacity and workforce planning arrangements including effective succession planning and capacity development for leadership positions.

  Renfrewshire's Position – the ASPIRE and Leaders of the Future courses provide an opportunity for senior and operational managers to undertake bespoke management and leadership development programmes. The courses have been designed to enhance skills, knowledge and competency of managers while providing a welcome insight into a variety of teams and departments across Council services.

  Managers can also take part in the Cross Organisational Mentoring programme which was piloted in 2019 and is delivered in partnership with NHS and several other councils. The programme aims to build supportive one-to-one relationships between senior leaders and managers in different organisations and sectors and support leadership development.

- develop approaches to increase the uptake of learning and development opportunities by councillors, to ensure that they are equipped to respond to the challenging context and their role in planning for the future.

  Renfrewshire's Position – each year a week is set aside in early spring to run the Elected Members development week. This was a suggestion from the Cross-Party Sounding Board in 2017 and has been run each year since, covering a range of topics, many of which are suggested by elected members. This year's scheduled development week had been due to be held in April but was cancelled due to Covid-19.

A regular programme of briefings and training is available throughout the year for Elected Members on pertinent subjects and are arranged as and when required.

- improving the quality and range of workforce data to give a comprehensive profile of the current organisation-wide workforce and using the data to identify and address skills gaps and planning for the skills required to deliver services both now and in the future.

  Renfrewshire's Position – Good progress continues to be made against the current council-wide workforce plan and against each individual service plan.

  A new People Strategy will be presented for approval in early 2021, underpinned by comprehensive workforce data. The strategy will integrate the Council's approaches to OD and workforce planning and align other key Council strategies and the Right for Renfrewshire Transformation Programme. The delivery and governance of the new integrated approach will now sit within services and senior managers, with HR & OD providing professional support to achieve planned outcomes.

  A key focus of the strategy will be to deliver the required skills and organisational development programmes required to drive cultural and transformational change in the Council, whilst supporting COVID recovery, new service models and new ways of working.

  Workforce planning with the Health and Social Care Partnership is updated following Scottish Government guidance, and a refreshed one-year workforce plan will be in place by April 2021, with longer-term plans developed by April 2022. The HSCP recognise the impact that COVID-19 has had on the workforce and support for their health and wellbeing is central to the HSCP's objectives moving forward.

- Prioritising the development of staff across the organisation, to build more resilient teams, focused on improving the lives of local people and building a learning culture to learn from experience both within and outside the organisation.

  Renfrewshire's Position – Council's values were launched in June 2020, one of the four values is: "We value **learning** to help us innovate, improve and deliver better services". The values will prioritise the organisation we all want Renfrewshire Council to be. Values that shape and reflect how we work together; how local people view the Council and importantly— how we act and support each other.

  Across the Council staff have shown great commitment and resilience during the pandemic delivering essential services, volunteering to support frontline services and helping others to remain safe at home.

6.3 Audit Scotland also advocate that the above recommendations are considered on how they relate to individual services. The Audit Scotland report, case study and the specific recommendations has been circulated to the Corporate Management Team for consideration.

7. Conclusion

7.1 Renfrewshire Council's position statements demonstrate that Audit Scotland's recommended approach is already embedded within current and planned activities across the Council, for example the approach to longer term financial planning; revised elected member development programme; commitment to community empowerment; digital expansion and workforce development. Elected members will continue to be informed of

the progress of these programmes through the relevant Board, as well as any changes to national priorities, demand-led pressures and any new challenges that the Council might be faced with.

7.2 The Covid-19 pandemic has had a significant impact on Council services with many business as usual tasks being postponed in order to manage the Council's emergency response. Work is now focusing on recovery and restarting of services; however, the full impact of the pandemic is still to be determined but is expected to have significant financial, economic and social consequences for Renfrewshire.

Implications of the Report

1. **Financial –** Local Government approach to financial sustainability is highlighted as a challenge in Audit Scotland's report.

2. **HR & Organisational Development –** Local Government approach to workforce planning and organisation development are highlighted as a challenge and recommendation in Audit Scotland's report.

3. **Community/Council Planning –** Recommendation in Audit Scotland's report.

4. **Legal** – none

5. **Property/Assets –** none

6. **Information Technology –** none

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

8. **Health & Safety –** none

9. **Procurement –** none

10. **Risk –** none

11. **Privacy Impact** – none

12. **Cosla Policy Position –** none

13. **Climate Change –** none

List of Background Papers: Accounts Commission – Local Government in Scotland – Overview 2020

Author*:* *Gemma Wilson, Chief Executive's service*

Local government in Scotland

Overview 2020

ACCOUNTS COMMISSION

Prepared by Audit Scotland
June 2020

The Accounts Commission

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

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

Our work includes:

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

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission

Contents

Links

PDF download

Web link

Exhibit data

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

Audit team

The core audit team consisted of: Carol Calder, Kathrine Sibbald, David Love and Claire Tennyson, with support from other colleagues and under the direction of Claire Sweeney.

Chair's introduction

Local government in Scotland is under unprecedented pressure due to COVID-19. We have all seen examples of outstanding work by councils and their partners in recent months to deliver vital services to communities across Scotland as they have sought to deal with the unprecedented challenges of the pandemic with professionalism, compassion and kindness.

This report is the Commission's annual summary of the key challenges and performance issues faced by councils. The report was produced prior to the pandemic and, after careful consideration, it has been decided to issue the report now.

I believe that although the world in which councils are operating has dramatically changed in the last few months, the report still contains important messages which will be helpful as part of the recovery.

The precise scale and impact of COVID-19 on our communities, critical services and the wider economy is as yet unknown. However, I believe that the economic impact on public services will be very significant on funding as well as, through its social consequences, on demand.

For several years, councils have been dealing with increasing challenges and uncertainty while continuing to address the needs of local people and national priorities. The challenges are only going to grow as we deal with the immediate and longer-term implications of COVID-19 alongside existing pressures such as leaving the European Union, the climate emergency, population change, poverty and tackling inequality. We have emphasised before the need to make more fundamental change to the way services are delivered and improve long-term financial planning.

The crisis puts into clear focus the pivotal role of public services, including councils, in delivering not only the day-to-day services that communities rely on, but also in responding to risks. Indeed, it emphasises the essential importance of effective leadership, good governance and good financial management for all councils.

As we start to see our way through this pandemic and attention turns to recovery and renewal, the Commission will take time to consider how we can appropriately reflect the changed circumstances in our work.

I hope that you will find this report helpful and we would be glad to receive your feedback on how we might focus our work during the recovery period.

Graham Sharp
Chair of the Accounts Commission

Summary

Key messages

The COVID-19 pandemic brings unprecedented challenges across communities and public services. The effect on the health and wellbeing of our communities, as well as the financial difficulties and increased levels of poverty, will be significant. The impact on the economy, on national finances and on local public services will also be considerable. This report was compiled before the escalation of the pandemic and is an overview of local government in 2019. But its messages remain relevant. The pandemic multiplies the challenges for local government further and so the need to do things differently to meet the needs of communities more efficiently and effectively is even more important.

1 Councils are working hard to deliver services to their communities. But the context they are working in is increasingly uncertain and complex. Demographic and social change is creating demand for services, while the strain on budgets continues to intensify. National policy commitments are increasing and the stresses on other public and third sector partners add to the difficulties in delivering services. The cumulative effect of these pressures on councils is beginning to show across service performance and use of financial reserves.

2 Scottish Government revenue funding to councils has reduced in real terms over the period 2013/14 to 2020/21 by 3.3 per cent. Since 2017/18 however, it has increased by 3.9 per cent in real terms, to £10.7 billion in 2020/21. This does not include additional funding in response to the COVID-19 pandemic. The strain on budgets is evident as councils continue to dip into their reserves to make ends meet. Medium-term funding levels are uncertain, making continued use of reserves to manage the funding gap unsustainable. Long-term financial planning is not well enough developed in many councils and in integration joint boards. Medium- and long-term financial planning are important tools for making well-informed decisions and to effectively manage continuing financial challenges.

3 Alongside the uncertainty of funding levels, the scale and complexity of the challenges for councils and integration joint boards will continue to grow in the coming years. Change is needed in how they serve their communities, so that they are able to respond to the needs and improve outcomes for people into the future, in the most efficient and effective ways. More radical thinking is needed for longer-term solutions. It requires investment of time and capacity by political and management leaders, to analyse the range of challenges for the

area, develop the thinking and planning for the medium and longer-term. This is difficult, in already demanding roles, but this investment is important.

4 Councils alone cannot improve outcomes for communities and achieve local priorities. The full potential of collaborative working with partner organisations and communities is not yet being realised. More progress is needed. Councils need to demonstrate strong leadership and collaborate with partners, including integration joint boards, NHS boards, the voluntary and private sectors, and their local communities. This is essential if they are to make best use of local resources, including the workforce, and demonstrate Best Value.

5 Workforce planning is fundamental to ensure that councils have the staff, skills and leaders they need to deliver change. Some progress has been made to improve workforce planning, but much more needs to be done. As the workforce ages, councils need to be more flexible and agile in how they deploy staff, work with partners and attract younger people to work in local government and respond to specific skills gaps. This also requires comprehensive workforce data and planning.

Recommendations

To respond to the challenges facing local government and deliver local priorities and improve outcomes for their communities:

Governance - councils and integration joint boards need to:

- invest leadership capacity in analysing the challenges and planning for the future, including:

  – plans for how services will be delivered that reflect the scale of the challenges ahead and will deliver demonstrable improvement in outcomes for communities

  – putting in place and continuing to develop medium- and long-term financial planning that will inform ongoing review and implementation of plans for change.

- monitor and report on delivery of local priorities and outcomes while improving public performance reporting.

Collaboration - councils and integration joint boards need to:

- maximise the potential of collaborative working by:

  – working alongside partners to improve community planning partnerships, so that they have a clearer strategic direction and take a more active role in leading local partnership working

  – engaging with other councils, partners and communities in developing plans to improve and change the way services are delivered.

- increase the opportunity for communities to influence or take control of local decision-making and, demonstrate how communities are supported to help design or deliver local services and improve outcomes.

Capacity and skills - councils and integration joint boards need to:

- develop leadership capacity and workforce planning arrangements including:

  - effective succession planning and capacity development for leadership positions

  - approaches to increase the uptake of learning and development opportunities by councillors, to ensure that they are equipped to respond to the challenging context and their role in planning for the future

  - improving the quality and range of workforce data to give a comprehensive profile of the current organisation-wide workforce

  - using this comprehensive workforce data to:

    - identify and address skills gaps, including those related to lack of capacity or the age profile of staff

    - plan for the skills required to deliver services, both now and in the future, including using skills from the third and private sectors, with a greater focus on collaborative and flexible working

  - prioritising the development of staff across their organisations, to build more resilient teams, focused on improving the lives of local people

  - building a learning culture to learn from experience both within and outside the organisation.

Services - councils and integration joint boards need to:

- consider how the recommendations above relate to each service.

- For planning services this specifically includes:

  - ensuring the role of chief planning officer is positioned to contribute at a strategic level to corporate level discussion and planning

  - developing detailed workforce planning and strategies that will respond to the changing skills needs of the service and consider at a national level how collectively the limited availability of planning professionals can be addressed

  - providing effective leadership to staff for the cultural changes needed to respond to the shift in focus for this service

  - implementing changes to how the service works to improve the level of partnership working and community engagement.

About this report

1. The evidence used in this report was compiled before the escalation of the COVID-19 pandemic. It sets out the Accounts Commission's view before this unprecedented situation began to unfold. It provides an independent overview of the other challenges facing councils in Scotland, how councils are responding to tightening budgets and how this affects the services provided to the communities they serve. As well as informing the public, the report aims to inform local government councillors and senior council officers, to support them in their complex and demanding roles. Although this report does not address the impact that the COVID-19 pandemic will have on local government and its communities, the issues and the messages remain relevant.

2. The report highlights the context councils were operating in prior to the pandemic, with increasing need for services for communities but also with financial pressures and uncertainties. It looks at some of the main tools that contribute to change and how effectively councils are using these to respond to increasing demand and strained budgets. The final section of the report sets out a case study on planning services as an example of how these challenges are affecting an individual service, how that service is responding and the impact on its performance.

3. The report draws on findings from Local government in Scotland: Financial overview 2018/19, published performance data and local government audit work in 2019. This includes **Best Value Assurance Reports** ⓘ (BVARs), annual audits and national performance audits. All national and individual council audit reports are available on our website. Where specific examples of council activities or circumstances are referenced, this is not intended to imply that the named councils are the only ones engaging in these activities or experiencing these circumstances.

4. We also draw on a range of sources of evidence for this report. Financial information is taken from the local government financial circulars, the Scottish Government's local financial returns (LFRs), and councils' annual accounts. Performance information is gathered from the Local Government Benchmarking Framework (LGBF) data, the National Performance Framework (NPF) indicators and relevant reports from other scrutiny bodies, such as Education Scotland and the Care Inspectorate.

5. To help councillors, we have produced a supplement to accompany this report. It sets out questions that councillors could ask to help them understand their council's position, scrutinise its performance and make difficult decisions. Councillors should feel that they fully understand, and are satisfied with, the answers to the questions that are most relevant to them in their roles within the council. A tool is also available on our website that provides a further breakdown of data in the report by council area to provide more detail at a local level.

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

- We refer, in a number of places, to real terms changes, which means that we have adjusted the figures to take account of inflation. Our analysis of local government funding adjusts figures into 2019/20 prices to reflect the current year.

ⓘ

In 2019, we have produced Best Value Assurance Reports about the following councils:

- Highland
- Midlothian
- North Lanarkshire
- Perth and Kinross
- Scottish Borders
- South Lanarkshire
- Stirling

These are all available on the Audit Scotland website.

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

The challenges

Councils operate in a challenging and complex landscape

7. It is well recognised that there are significant pressures on local government and its partners. Over the following pages, we illustrate the challenges and complex landscape that contribute to these pressures through a series of infographics. The illustration below gives a high-level breakdown of the main features of the overall landscape, which we explore in more detail on .

Political and economic

The political and economic landscape continues to hold uncertainties including:

- The impact of the COVID-19 pandemic on the economy, public finances and public bodies
- The impact of withdrawal from the EU
- The national political landscape: Scottish Parliament elections in 2021 and debate on a second independence referendum
- The outcome of the local governance review
- The impact of Scotland's economic performance on public finances

Community needs

Population changes affect the need for and demands on many services provided by local government

- The impact of the COVID-19 pandemic on communities is uncertain
- The proportion of the population over 75 years is increasing, affecting the demand for some services
- Most council areas are seeing a notable decrease in the proportion of children in their communities
- Poverty and child poverty levels are increasing

Policy

Local government is an important contributor to national outcome priorities

National policies and initiatives bring additional challenges and pressures eg:

- Health and Social Care Integration
- Tackling climate change
- Welfare reform
- Early learning and childcare expansion
- Additional support for learning
- Planning (Scotland) Act 2019

Financial

Local government faces a range of financial challenges

- The level of future Scottish Government funding is uncertain
- The flexibility of how councils can use this funding is reducing
- There are increasing cost pressures including staff costs and increasing need from communities
- Councils have been using reserves to manage funding gaps - this is not sustainable

Political and economic

The political and economic landscape continues to hold uncertainties

There are always uncertainties about change at a national level and the potential impact on communities and local government. But the current landscape involves some particularly significant unknowns. This makes forecasting issues and planning for the medium and longer term more difficult.

COVID-19 Pandemic

The full scale of the impact on the world, UK and Scottish economy of the COVID-19 pandemic is not yet clear. It will be significant and have long-term implications for public sector finances, political priorities and decisions that need to be made at a local level.

Withdrawal from the EU

The impact of withdrawal from the EU on 31 January, on the demographics, workforce and economy remains uncertain

Net migration to Scotland is expected to reduce, in the medium-term, affecting particularly the number of working age adults [already projected to decline] and so this may have a significant impact on communities and local economies

The Scottish Government has produced a Brexit Vulnerabilities Index to assess the degree of risk for each local authority- **rural areas and particularly the island authorities are most vulnerable**

We refer to some of the risks in greater detail in our Briefing Paper *'Preparing for Withdrawal from the European Union'* in which we also identify some of the mitigating approaches being adopted by councils.

Political landscape

The UK general election in December 2019 delayed budget setting processes

There is increased debate about a second referendum on Scottish independence

The Scottish Parliament elections are planned for spring 2021

The outcome of the local governance review remains uncertain

Economy

The Scottish Government's income is now more dependent on the economic performance of Scotland. This brings potential volatility and uncertainty to its budgets and in turn, this brings more uncertainty about Scottish Government funding to local government

While unemployment rates are low, economic growth is affected by low wage growth, which is struggling to outpace inflation

Demographic changes affect the level of available labour force and this will affect the level of new investment, productivity and the economic wellbeing of communities

Community needs

Population pressures are growing. These changes affect the need for and demands on services provided by local government

Nationally the population continues to grow, there is an increasing proportion of the population over 75 years old and there are increasing levels of poverty. The demographic and social challenges vary across the 32 council areas bringing different pressures and challenges for councils and integration joint boards as they plan for how they will improve outcomes for their communities. The financial, social and health wellbeing of communities and individuals will be affected by the COVID-19 pandemic. This will bring increased demands on services.

The population continues to grow but the pace is slowing

Scotland's population is expected to continue to increase, but the rate of growth is slowing. The population is projected to **rise by 2.5 per cent by 2043**, to a total population of 5.6 millon

The level of population **change varies across the country** and this brings different challenges for councils that they need to plan for

Some council areas are experiencing significant increases in population levels. This puts **pressure on services to meet the growing need**

Some council areas have reducing population numbers. This brings challenges in providing cost-effective services for fewer people and with less funding, as Scottish Government funding distribution is largely based on population levels

The proportion of the population over 65 years is increasing

In 2019, 10.6 per cent of the population was **65–74 years** old. This is **projected to increase by 23 per cent** by 2043. Almost two thirds of council areas are projected to have a decreasing number of people of working age. Nationally a reduction of 0.2 per cent by 2043

The current age profile of the workforce is affected with an increasing number of staff approaching retirement and the pool of working age people to employ is a smaller proportion of the population. Workforce planning is increasingly important

This is particularly challenging for some rural councils, with a high proportion of people aged 65 and over and relatively low levels of their populations aged 16 to 64. e.g. Highland Council: 41 per cent of the council's workforce is over 50. Only ten per cent of its workforce is under 30, and less than one per cent aged 20 or under

75+

The proportion of the **population over 75 years old is projected to increase by 71 per cent** by 2043. This places greater pressure on health and social care as some people in this age group have more complex needs. Across all age groups, increasing levels of complex needs brings additional pressures on services

The proportion of those aged 65 or over with long term care needs receiving personal care at home has increased from 60 per cent in 2013/14 to 61 per cent in 2018/19.

Since 2013/14, there has been a real-terms increase of 12.3 per cent in cost per hour on home care for people over 65. The total gross expenditure has increased by 13.7 per cent and the number of hours delivered has increased by 1.3 per cent

The proportion of children in the population is decreasing

Projections for 2043 show that **only 4 council areas will have an increase in their child populations**, of between 20 per cent in Midlothian to one per cent in Stirling.

This brings increased demands on many services in terms of responding to the infrastructure, education and social care needs of children. In Midlothian, there is a higher proportion of young people in the populaton than the average and significantly higher projected increases in the under-16s. This impacts on for example the costs of developing and staffing new schools and in delivering social care services

28 councils are projected to have a reduced child population by 2043. Reductions vary between one per cent in East Lothian to 28 per cent in Argyll and Bute. This brings challenges in terms of maintaining the standard of service for fewer children with less budget and economies of scale. This is particularly challenging in remote rural environments, where loss of services for children can affect the sustainability of communities

Population change at local authority level, 2018–43

Across the country, the population over 65 years and over 75 years is expected to continue to increase, whereas changes in the population of working age adults are expected to be more variable.

- Midlothian, East Lothian and West Lothian are forecast to have the highest increases across both older age groups.

- The majority of councils (28) are projected to have decreasing numbers of children, with a reduction of 10.5 per cent across Scotland. Reductions are significant in some councils, with Argyll and Bute having the highest forecast reduction of 28.4 per cent by 2043.

- Aberdeenshire, Clackmannanshire, Highland, Shetland Islands, Orkney Islands, Fife, North Lanarkshire, South Lanarkshire, Moray and Perth and Kinross, all have projected above average increases (average increase is 70.6 per cent) in the older adult (75 years and over) population, in addition to reduced working age populations, and falling numbers of children.

- Inverclyde and Eileanan Siar are expected to see the largest reduction in their overall populations (-16 per cent by 2043). For Inverclyde this is most significant for its child population, while the reduction in the working-age population will be the most significant in Eileanan Siar.

Exhibit 1
Projected change in population across council areas by age groups, 2018-43
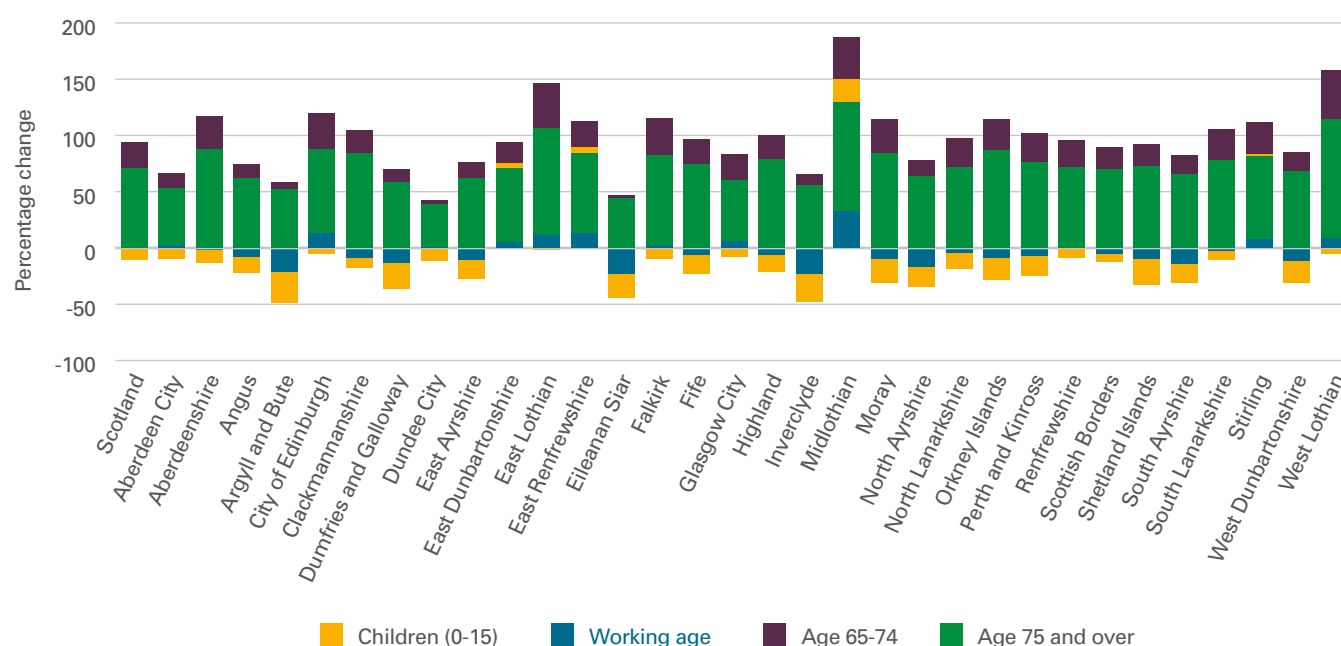
Note. Change is based on a percentage change.

Source: Audit Scotland using National Records of Scotland sub-national population projections (2018-based) for the period 2018-43

Poverty levels are rising

Increased levels of poverty affect the level of need and demand for many services

Between 2011-14 and 2016-19, relative poverty in Scotland increased from 18 per cent to 19 per cent

Growth in life expectancy has stalled. This is more prominent in areas with greater deprivation

In 2018/19, there was a four per cent increase in households in temporary accommodation as well as a six per cent increase in children living in temporary accommodation

Between 2011-14 and 2016-19, relative poverty for children in Scotland increased from 21 per cent to 24 per cent. Analysis by the Scottish Government indicates that this could rise to just under 38 per cent by 2030

Between 2011-14 and 2016-19, the level of pensioners in poverty has increased from 12 per cent to 15 per cent.

People in relative poverty in households with at least one adult in employment has increased from 47 per cent to 53 per cent

Levels of inequality and the challenges vary across council areas, for example:

Glasgow is one of the 14 council areas with a growing population. It is one of the councils worst affected by high levels of deprivation, child poverty and homelessness. This puts it under significant pressure to respond to the growing need for services. Glasgow also has the lowest life expectancy in Scotland. At birth, life expectancy for men in Glasgow is 73.4 years, and is 78.7 years for women. In contrast, East Renfrewshire has the highest life expectancy of 80.7 years for men and 83.6 years for women.
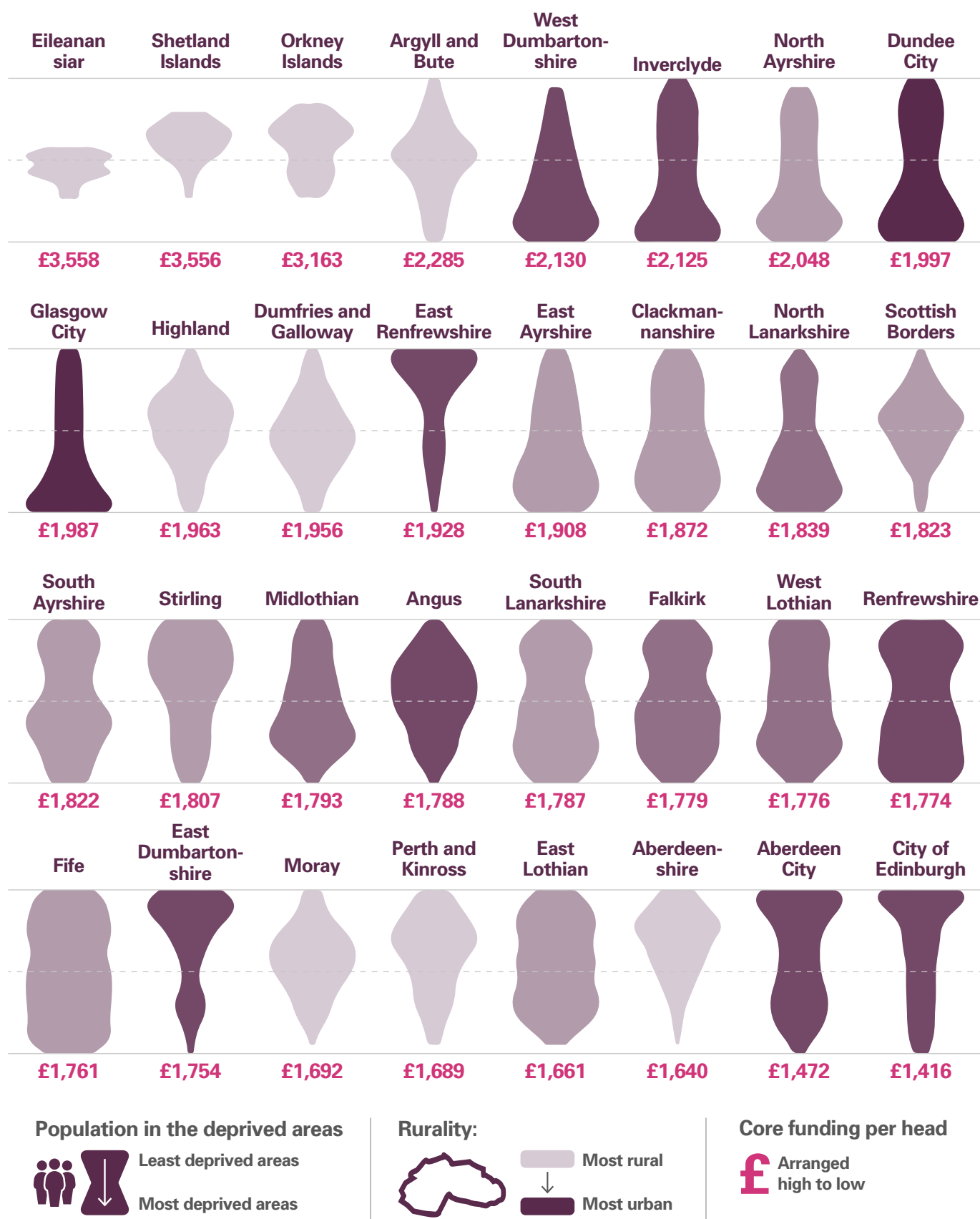
Inverclyde and North Ayrshire, among others, are expected to have a reduction in their populations, with fewer working-age adults, but they also have high levels of deprivation, child poverty and lower life-expectancy. The distribution of Scottish Government funding is largely determined by population levels. Councils with low or declining populations and with a complex local context, including deprivation levels, need to plan to respond to increasing pressures with less funding.

Island authorities, namely Eilean Siar, Orkney Islands and Shetland Islands, receive the most funding per head from the Scottish Government. This is due to the cost of delivering services in island settings, which is more complex. Other issues such as providing effective infrastructure are a key challenge. Deprivation is also an issue that island and rural authorities must respond to, however because the populations are so sparse, deprivation is not as easily identified using SIMD. Rural and island council areas have significant areas where rural poverty is an issue. The communities are often affected to a greater extent by issues such as fuel poverty.

Exhibit 2 illustrates the range of deprivation levels across the 32 councils using Scottish Index of Multiple Deprivation (SIMD) data 2020. SIMD is the official tool for identifying the most deprived areas in Scotland. It looks at multiple aspects of deprivation such as resources and opportunities as well as low income. The shape indicates the proportion of the population in the least and most deprived areas. The darker shades indicate the most rural areas and the lighter the most urban. The councils are ordered by the level of Scottish Government funding per head of population.

Exhibit 2

Deprivation levels, rurality and funding per head of population

Eileanan siar	Shetland Islands	Orkney Islands	Argyll and Bute	West Dumbarton-shire	Inverclyde	North Ayrshire	Dundee City
£3,558	£3,556	£3,163	£2,285	£2,130	£2,125	£2,048	£1,997

Glasgow City	Highland	Dumfries and Galloway	East Renfrewshire	East Ayrshire	Clackman-nanshire	North Lanarkshire	Scottish Borders
£1,987	£1,963	£1,956	£1,928	£1,908	£1,872	£1,839	£1,823

South Ayrshire	Stirling	Midlothian	Angus	South Lanarkshire	Falkirk	West Lothian	Renfrewshire
£1,822	£1,807	£1,793	£1,788	£1,787	£1,779	£1,776	£1,774

Fife	East Dumbarton-shire	Moray	Perth and Kinross	East Lothian	Aberdeen-shire	Aberdeen City	City of Edinburgh
£1,761	£1,754	£1,692	£1,689	£1,661	£1,640	£1,472	£1,416

Population in the deprived areas

Least deprived areas

Most deprived areas

Rurality:

Most rural

Most urban

Core funding per head

£ Arranged high to low

Source: Scottish Government Financial circular February 2020, Open Data Manchester using Scottish Index of Multiple Deprivation (SIMD), 2020. SIMD is a relative measure of deprivation across small areas, known as data zones. It looks at the extent to which an area is deprived across multiple factors including income, employment, education, access to services, health, housing and crime.

Policy

Implementing national policies and initiatives brings further challenges

Local government is a major contributor to a wide range of national policy priorities and initiatives. Councils, and integration joint boards, need to balance responding to these with local priorities. Responding to national and local priorities, with increasing demographic pressures and strained budgets is beginning to show in performance.

National Performance Framework

The Scottish Government and COSLA co-signed a refreshed National Performance Framework (NPF) in 2018

- Local government is a major contributor to the range of outcomes the NPF aims to improve.

- Having a positive impact on these outcomes will be challenging:

  - LGBF measures show performance has either stalled or declined in the past year - Exhibit 3

  - National Performance Framework indicators show a mixed picture of progress - Exhibit 4

Exhibit 3

Performance – Local Government Benchmarking Framework data

Since 2013/14, performance has broadly shown improvement. However, the pressure is beginning to show. Over the last year many performance indicators have been maintained or declined.

Adult social care

Since 2013/14 progress in adult care indicators has been mixed, with around half of indicators gradually improving. However, in the past year progress for these measures has slowed or showed a decline. There has been a 4.1 per cent increase in the number of days people spend in hospital when they are ready to be discharged in the past year, despite an overall reduction of 14 per cent since 2013/14. Measures show a declining trend in the level of satisfaction. Indicators for adult care quality have seen a decline in the last year, there has been a three percentage-point decrease in the proportion of care services graded 'good' or better in Care Inspectorate inspections.

Education and children

Most indicators have improved since 2013/14 but improvement over the past year has slowed and some indicators have declined, including some educational attainment and early years indicators. The cost per pupil in pre-school, primary and secondary education has increased. The attainment gap between children living in the most and least deprived areas has reduced slightly.

Environmental

Many cost indicators show reductions in cost since 2013/14, but performance in many areas has also declined. Recycling levels have improved since 2013/14 but this has stalled in the last year. Satisfaction with street cleaning and waste collection has also reduced.

Economic development

There are mixed trends, with improvement in half of the indicators since 2013/14. This includes an improvement in access to superfast broadband and an increase in the proportion of money spent on procuring goods and services locally. There was a slight increase in the proportion of unemployed people assisted into work, but this declined in 2018/19, meaning that overall progress since 2013/14 has been unchanged. Performance has declined in other indicators, such as the number of business gateway start-ups.

Culture and leisure

Costs for these services have reduced and the number of attendances has increased, however satisfaction has declined across all services.

Housing

Some indicators have improved since 2013/14 but this has stalled in the past year. The proportion of housing meeting Scottish housing quality standards has continued to improve to over 94 per cent in 2018/19. Gross rent arrears have worsened year on year since 2013/14.

Corporate

Most corporate indicators have improved or been maintained, but sickness absence for both teachers and other staff has worsened in the past year.

Note. The LGBF performance information for 2018/19 is summarised in a report National Benchmarking Overview Report 2018-19 and a tool to analyse the data by council and by service area is available on the Improvement Service's website.

Source: Local Government Benchmarking Framework data, 2018/19, published March 2020

Exhibit 4

Performance - National Performance Framework measures

There is a mixed picture of progress against measures of national outcome priorities. A sample of NPF indicators are illustrated below.

Health	2013	Change	2018
Health risk behaviours: Percentage of adults with two or more health risk behaviours (current smoker, harmful drinking, low physical activity, obesity)	28%	▲ +1	29%
Journeys by active travel: The proportion of short journeys less than 2 miles that are made by walking	47.3%	▼ -4.3	43%
Journeys by active travel: The proportion of short journeys less than 5 miles that are made by cycling	1.2%	▲ +0.6	1.8%

Education	2013	Change	2018
Quality of child care: Percentage of settings providing funded Early Learning and Childcare achieving good or better across all themes	91.6%	▼ -1	90.6%
Young people's participation: Percentage of young adults (16-19 year olds) participating in education, training or employment	90.4%*	▲ +1.4	91.8%

Employment	2013	Change	2018
Living wage: Percentage of workers earning less than the living wage	18.3%	▲ +1.1	19.4%
Gender pay gap: The difference between male and female full-time earnings, as a percentage of full-time hourly earnings	7.7%	▼ -2.1	5.6%

Environment	2013	Change	2018
Energy from renewable sources: Percentage of energy consumption which is renewable energy	12.7%	▲ +8.2	20.9%
Household waste: The amount of household waste generated in million tonnes	2.4	▬ 0	2.4
Wellbeing: Proportion of adults making one or more visits to the outdoors per week	46.2%	▲ +12.7	58.9%

Exhibit 4 continued

Community views	2013	Change		2018
Social capital index: A measure of the social networks, community cohesion, social participation, trust and empowerment, that collectively provide an important part of personal and social wellbeing	**100**	▼	**-5**	**95**
Perception of local area: Percentage of adults who rate their neighbourhood as a very good place to live	**55%**	▲	**+2.4**	**57.4%**
Satisfaction with public services: Percentage of respondents who are fairly or very satisfied with the quality of local services (local health services, local schools and public transport)	**59.9%**	▼	**-8.2**	**51.7%**
Influence over local decisions: Percentage of adults who agree that they can influence decisions which affect their local area	**22%**	▼	**-1.9**	**20.1%**
Satisfaction with housing: The percentage of households satisfied with their house or flat	**90%**	▬	**0**	**90%**

Note.*The baseline year for this indicator is 2016, when the data was first measured.

Source: Audit Scotland, Scottish Government NPF data, January 2020

Policy

Fairer Scotland Duty

The duty took effect in April 2018.
It requires public bodies **to actively consider how they can reduce inequalities.** Our audit findings show that councils need to embed a focus on fairness and equality.

In 2018, The Equality and Human Rights Commission reported that progress with promoting socio-economic equalities, before the duty was implemented, had varied across public bodies. It also identified that most public bodies are concerned about the resources needed to implement the duty in their plans and policies.

Health and social care integration

Health and social care integration began in 2016.

Joining up council social care and NHS health services aims to deliver better services for communities

The pace of progress with integration has been too slow.

Adapting to new ways of working continues to be challenging.

There is deterioration in key performance indicators, indicative of the strain felt by integration authorities:

- The 'Rate of readmission to hospital within 28 days per 1,000 discharges' has increased by 8 per cent since 2013/14, and over the past year there has not been any change

- Since 2013/14 there has been a 14 per cent reduction in the 'Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)', but a 4 per cent increase in the last year.

Other major policies and initiatives

Climate change -

Scottish Government has set a target of net-zero emissions by 2045

Tackling child poverty -

Scottish Government has set income targets for 2023 and 2030 but current child poverty levels are high

Early learning and child care -

ambitious targets set for increasing the funded hours provided (deferred due to the COVID-19 pandemic)

Additional support for learning -

meeting the individual support needs for children is challenging with current resources

Welfare reform -

rollout of Universal Credit brings changes to systems and increased demand on advice services

Planning (Scotland) Act 2019 -

new focus on 'place' based planning with partner and community engagement

Financial

Local Government faces a range of financial challenges

The demands on services to deliver more to meet community need is magnified by other pressures on budgets. The COVID-19 pandemic will bring further demands on local government services and budgets. Scottish Government funding is the main source of funding for local government. The level of this funding in the medium-term is uncertain. The flexibility in how funding is used is reducing. This affects which, and how much different services need to find savings. The workforce is local government's most important resource, but staff costs are increasing, adding further pressure.

Scottish Government funding

2020/21 revenue funding increased by 1.5 per cent (real terms) from the previous year to £10.7 billion

Since 2013/14 it has reduced by 3.3 per cent (in real terms)

These figures do not include additional funding identified since April 2020

Councils have less flexibility in how they use funding.

Funding dedicated to national policy initiatives, increased from £1 billion in 2019/20 to £1.5 billion in 2020/21, equating to 14.1 per cent of council funding from the Scottish Government.

The funding levels for the medium-term are uncertain. Funding settlements do not yet provide information for more than one year. The Scottish Government has committed to moving to multi-year indicative budgets in the future

Increasing cost pressures

Local government needs to respond to increasing service needs from communities with changes in population

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Increasing staff costs, including meeting the national living wage, are a significant pressure on budgets

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The cost of caring for looked-after children in both residential and community settings has continued to grow since 2013/14, by 5 per cent and 17 per cent respectively

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Spending on home care for older people has risen by 13.7 per cent since 2013/14, and by 1.9 per cent in the last year, but the number of hours of homecare provided has only increased by 1.3 per cent since 2013/14

For example, North Lanarkshire Council has partly attributed its high cost of adult care to commitments in paying the national living wage

19 councils including North Lanarkshire are accredited Scottish Living Wage employers, which pay a higher rate than the national living wage

The national living wage increased by 21 per cent between 2016/17 and 2020/21

Managing the funding gap

With increasing cost pressures, meeting the funding gap continues to present significant challenge for councils

Councils have been using reserves to manage funding gaps

In 2020/21, the Scottish Government expects a council tax increase of up to 4.84 per cent

20 councils are increasing council tax by this proportion

The highest council tax in Scotland for 2020/21 (D Band) is Midlothian at £1,409 and the lowest is South Lanarkshire at £1,203

The funding gap for 2019/20 is £0.5 billion, three per cent of revenue income

In 2018/19 16 councils ended the year with a lower level of reserves than the end of the previous year. This is not sustainable in the long-term

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Councils are seeking other ways to increase income. Most are increasing fees and charges for some services. Some councils are seeking to introduce a visitor levy

Spending

Spending on education continues to rise, while spend in most other service areas is falling
With increasing need from population changes, statutory and policy requirements, over two thirds of council spending is on education and social care.

Education, Social work and Environmental services		% change cash	% change real terms
Education, Social work and Environmental services increased net expenditure from 2013/14 to 2018/19.	Education	10.4	1.5
	Social work	7.1	-1.5
Adjusted for inflation (in real terms), spending on Education and Social work increased and decreased by only 1.5 per cent respectively. In real terms, Environmental services spent over five per cent less in 2018/19 than in 2013/14	Environmental services	2.9	-5.4

| Other services areas		% change cash	% change real terms
Other service areas have borne higher levels of savings in cash and real terms. For example, planning services, roads and transport, and culture and related services.	Cultural and related services	-6.2	-13.9
	Roads and transport	-18.2	-24.8
	Planning and development services	-27.7	-33.5
	Central services	-27.4	-33.3
	Non-HRA housing	-1.9	-9.9

Exhibit 5

Local government service expenditure

A comparison of net revenue expenditure between 2013/14 and 2018/19 (cash terms)
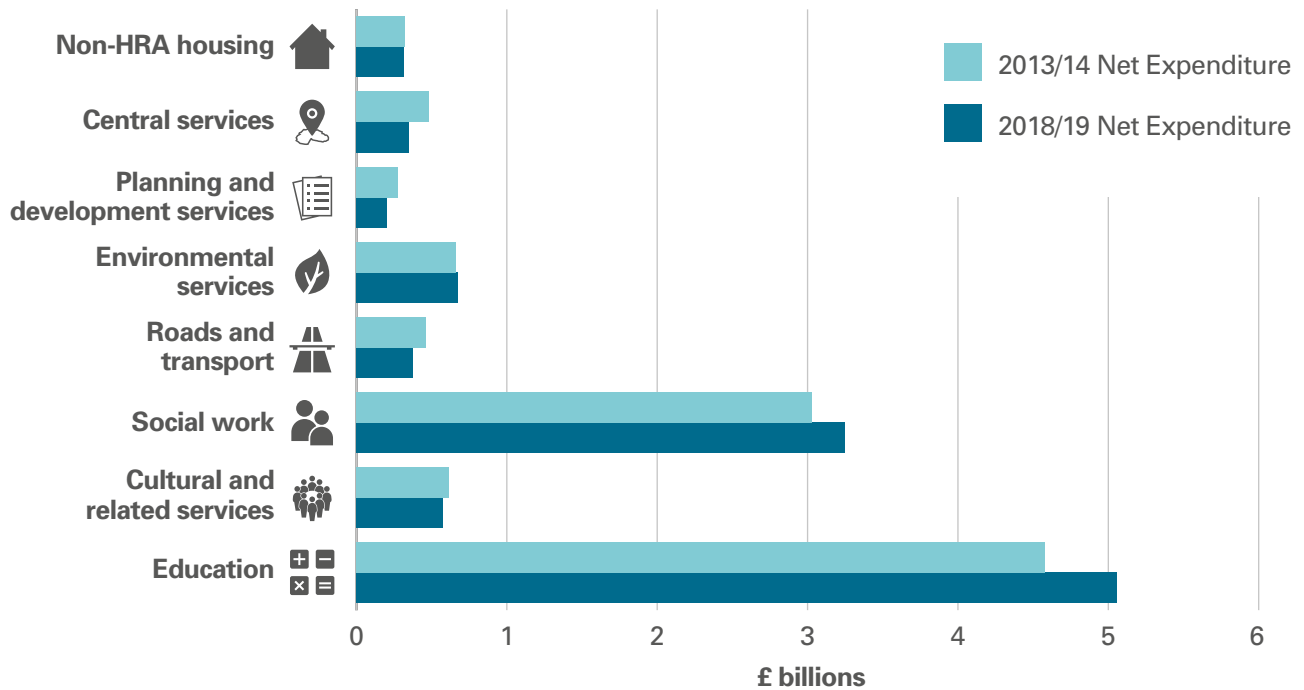
Source: Audit Scotland using Scottish Government local financial returns 2013/14 – 2018/19

Doing things differently

To meet the needs of communities into the future

Councils need to plan and implement changes that will allow them to meet the needs and improve the outcomes for their communities, in an increasingly challenging context. There are core aspects that need to be considered by political and management leaders to make good progress with this.

Leadership

Change and improvement

Workforce planning

Partnership working

Community empowerment and engagement

Councils need to invest time and the right skills and capacity to plan for the future

8. Local government in Scotland has done well over recent years to respond to its context and find ways to be more efficient. It has continued to provide services with gradually reducing levels of funding and increasing pressures on its services. However, the challenges are growing, and the strain is beginning to show in terms of managing the funding gap, maintaining service performance levels and meeting their communities' needs. To provide for their communities in coming years, councils and integration joint boards (IJBs) need to be open to doing things differently. It is complex with many interacting factors and stakeholders and it takes time to plan, implement and establish changes. It is important that councils recognise the increasing urgency to invest the time, knowledge and skills to plan, develop and put into practice efficient and effective new ways of working for the future. This will often mean re-prioritising the time of key managers and leaders within the organisation to free-up the right capacity to lead this important work.

9. The Commission recognises the challenges, complexities and the uncertainties that local government faces. It encourages councils and IJBs to build on progress made in recent years but recognises that now more radical change is required. Recent Commission reports looking at local government in Scotland have emphasised the importance of:

- developing leaders, staff, and skills to deliver change. This requires effective leadership and workforce planning that is clear about the workforce needs now and in the future, where the gaps are and what training or other action is needed to fill them.

- improving services' efficiency and performance through transformation and redesigning services around the needs of the people who use them.

- collaborating with partners, the third sector (such as charities) and communities to think differently about how to deliver and fund services and to continue to seek and implement innovative ways of working.

- undertaking medium- and long-term financial planning to deliver national policy commitments while continuing to sustain local services with reducing budgets and increasing demands.

10. These recommendations are becoming increasingly urgent. In this section of the overview we set out progress against these and other important contributing factors to effective change, which reflect some of the core characteristics of Best Value. The **statutory guidance for Best Value** ⓘ provides a framework that councils and IJBs should have regard for, in planning and implementing change, as well as for broader good governance.

Leadership

Effective leadership is even more critical at a time of increasing pressures and change

11. Good leadership is fundamental to good governance and in setting and delivering priorities for communities. In a time of increasing pressure on services and finances, this becomes even more critical. To do things differently in substantive ways takes time and requires a clear vision and strong leadership to make it happen. Both political and managerial leaders need to have the strategic vision to make the difficult decisions this might involve. They also need to have the leadership skills to engage effectively with and provide support to staff, partners and communities to navigate change.

12. In the *Local Government in Scotland: challenges and performance 2019 report* ⬇, the Commission emphasised that effectively led councils recognise that the financial and demand pressures mean that planning and implementing changes to find efficiencies alone is no longer enough, and that redesigning service delivery is needed. Council leaders differ in their recognition of the need for more radical change and their role in driving this. For example, we reported this year:

- Clackmannanshire - The council's financial position has improved but remains very challenging. The council recognises that its finances are not sustainable in the longer term without transformation. It cannot continue to avoid or defer difficult decisions about services.

- Scottish Borders - The council recognises the degree of change needed to meet its challenges. Making progress will require good leadership by councillors and the corporate management team.

- Midlothian - Councillors need to show better leadership to deliver the necessary change and to make difficult decisions about the future shape of services. Councillors need to work together urgently to agree the medium-

Best Value is a statutory duty for local government bodies. The requirements include among others:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); in securing that balance, have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development

- to make arrangements for the reporting to the public of the outcome of the performance of functions.

The refreshed statutory Best Value guidance ⬈ is available on the Scottish Government website.

term financial strategy and transformation programme required to address the council's challenges.

- Highland - Difficult decisions lie ahead for the council, requiring effective leadership. We therefore urge councillors to continue to work constructively together with council officers and communities.

13. Good working relationships (i) between councillors and officers, and across political divides, is a significant contributing factor to effective strategic leadership, clear direction and to supporting effective change and improvement. Through our Best Value work we have seen that weaker relationships affect the focus and pace of progress in delivering change. To make the significant changes required, it is even more important that councillors develop and maintain positive relationships with officers and each other and work together to deliver sustainable services.

Changes in officer leadership need to be managed effectively

14. Since August 2018, almost one third of councils have experienced a change of chief executive. This high turnover is also reflected in IJBs, with over one-third of senior IJB staff having changed in 2018/19.

15. Changes in leadership have been managed well and had a positive impact in some councils, for example in North Lanarkshire and in Perth and Kinross. In other councils, changes in the senior leadership team have resulted in a loss of knowledge and experience (or 'corporate memory') and of momentum. For example, this has been observed in Stirling and Highland councils. This highlights the importance of appropriate succession planning arrangements and building skills and capacity in management teams to support continuity of leadership and direction when senior staff leave.

16. Effective leadership development is essential to ensure that change is well managed at the right level and pace. The availability, capacity and depth of leadership skills across the public sector is an increasingly important issue. Organisations are competing not only with each other for the best quality leaders but also with the private and third sectors. Chief officer posts across councils and IJBs need to be attractive. The Commission recognises that this is a complex and difficult issue given the context and scale of the challenges for chief officers of both councils and IJBs. Reflecting its importance, leadership, including the turnover in senior staff and the effectiveness of succession planning, is of specific interest to the Commission and an issue it plans to focus on in the future.

Councillors need to ensure they have the skills and knowledge to provide a high standard of scrutiny and decision-making

17. The uptake of training and development by councillors remains variable and affects the ability of elected members to make difficult and complex decisions.

18. Effective leadership and decision-making require councillors to understand their roles and responsibilities at a strategic level, alongside being local representatives. They need to be well informed about the complex and changing landscape of national and local issues. To support this, councillors need to have access to good-quality **training and development** (i) opportunities and they need to take ownership and responsibility for their own development needs.

19. It is disappointing that the quality and uptake of training and development opportunities by councillors continues to be variable. We have highlighted the

(i) The Commission has previously reported on the importance of constructive working relationships - How councils work, in 2010: Roles and working relationships - are you getting it right? and 2016: Roles and working relationships in councils - Are you still getting it right?.

(?) **Am I aware what succession planning and leadership development arrangements are in place for the corporate management team?**

Am I satisfied that these are appropriate?

(i) There are many resources available for councillor training and development, including a range of tools and support from COSLA and the Improvement Service

(?) **Do I know what issues I need to develop my knowledge or understanding of?**

How do I plan to get the appropriate training?

importance of this in Best Value reports for many years. Officers need to ensure that councillors have access to informative, practical and up-to-date training on key and emerging issues. Councils also need to continue to find ways to promote and encourage engagement, for example, by widening the availability of training and, by making relevant materials accessible online to allow greater flexibility and increase uptake.

20. Personal development plans are a valuable tool for tailoring training to councillors' individual needs. Some councils, such as Perth and Kinross, have systematic arrangements in place to support personal development plans for councillors. The Commission urges all councillors to ensure that they have a personal development plan in place that supports them to be as effective as possible in their role.

21. Inadequate quality of training can have significant implications for councillors' understanding of issues. For example, in Midlothian Council, we reported this year that councillors were not always able to understand financial information that was provided to them. This has implications for the effectiveness of decision-making. All councillors and councils need to be proactive and systematic in identifying training needs and putting options in place to meet them.

Medium- and longer-term financial planning still needs to improve to provide a framework for implementing change

22. The need to find and deliver savings is expected to continue, increasing the importance of medium- and long-term planning to manage these financial challenges and to make well-informed decisions aligned with council priorities. Previous Commission reports have recommended that councils should plan for a range of scenarios, so that they are prepared for different **future levels of funding** ⓘ and income.

23. The Commission has previously highlighted in its overview reports the importance of good medium- and long-term financial planning as a fundamental tool to support councillors and officers to make well-considered decisions and effectively manage the continuing challenges and pressures. In the *Local government in Scotland: Financial Overview 2018/19* ⊕, we reported that all councils now have medium-term financial planning covering three years or more, but long-term financial planning has not improved since last year. The report also highlighted that in IJBs, medium-term financial planning is improving but no IJB had a financial plan that extended for more than five years.

24. Councils and IJBs need to continue to improve their approaches to medium- and long-term financial planning. Financial plans should be at the core of strategic planning and decision-making. They should be reviewed and refreshed annually, ensuring that the information is current and accurate. Financial planning should include:

- estimates of Scottish Government funding

- projections of corporate and service level income

- projections of corporate and service level expenditure

- projections of the costs of borrowing.

Do I have access to training and learning materials that meet my needs?

Do I have a personal development plan in place for training, learning and development, that will assist me to be as effective as possible in my role?

Scottish Government funding to councils is likely to reduce in the medium term. The Scottish Government's five-year strategy sets out its spending priorities. Services not identified as priorities will be disproportionately affected by any reductions to the Scottish budget. These services could face between one and 16 per cent real terms reduction to their budgets.

In addition, the Scottish Government forecasts it may need to budget for a revenue shortfall of £1 billion over three years.

25. Accurate and detailed information on factors such as these will assist councillors and officers to make informed decisions about changes in service design and delivery.

⚙ Change and improvement

Most councils have a change programme in place, but more radical thinking is needed for longer-term solutions

26. The Commission emphasised in its *Local Government in Scotland: challenges and performance 2019 report* ⊕, the increasing urgency for councils to be open to fundamental changes in how they deliver services. There is limited evidence that councils are changing the way they deliver services to the extent that is needed to respond to the forecast financial challenges, increasing pressure on services and to improve outcomes for communities. Most councils have continued to **respond to tightening budgets** ⓘ through efficiency savings, some restructuring and using financial reserves. While substantial savings have been made in recent years, more fundamental changes in the way council services are organised and delivered are needed. Using reserves to manage funding gaps is not sustainable.

27. Councils' approaches to making changes vary. Some councils include service re-design as part of existing operational and improvement activities, whereas most councils have a formal change programme in place. This is often branded as a transformation programme, which sets out a range of change objectives, accompanied by strategies to achieve them and specified timescales for when they will be delivered. However, many councils following this approach are still at the beginning of their programmes or have recently refreshed them. Our 2019/20 Best Value audits found some positive examples of partnership working to redesign services:

- Midlothian Council - more than 16 organisations from the Community Planning Partnership and the third sector are working on a project to redesign mental health and wellbeing support services.

- Stirling Council worked in partnership with NHS Forth Valley and the Scottish Ambulance Service to create Stirling Health and Care Village which opened in January 2019.

28. Delivering services differently should be focused on improving outcomes in ways that are affordable. The aim to is to find more efficient and effective ways to improve outcomes for communities and, their experiences of services. This might mean providing services very differently or changing how and what services are provided. In planning change, a council should be clear about the objectives and how they link to its vision, priorities and local plans, as well as about its duty to demonstrate Best Value. This requires investing the time and knowledge of political and managerial leaders and key staff to develop the thinking and plans for a medium- and long-term strategy.

29. The Scottish Approach to Service Design ⬔ (SAtSD) provides a set of key principles to follow in designing services. It was developed by the Scottish Government in response to the 2011 Christie Commission recommendations on empowering individuals and communities by involving them directly in designing the public services they use. The SAtSD was updated and published in June

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ⓘ

The Local Government in Scotland: Financial overview 2018/19 sets out how councils responded to tightening budgets in 2018/19 and their plans for 2019/20.

Councils' 2019/20 financial plans identified a total funding gap of £0.5 billion (three per cent of income).

Councils planned to meet 66 per cent of this through savings and 13 per cent through reserves.

In 2018/19 councils did not meet their savings targets and they used more reserves than planned.

2019. It sets out key considerations for service redesign that aim to explore problems openly and collaboratively, before finding and designing a solution in a way that removes organisational and sector boundaries. Key features of the approach include:

- identifying ways to design services around the key challenges, rather than around the structure of the public sector

- increasing collaboration with local people to better understand local issues and, in doing so, identify sustainable solutions

- increasing levels of innovative thinking, combined with effective management of risk.

The SAtSD challenges council and other public sector leaders to rethink how they plan and design services and to be bold by creating the right conditions for this approach to service design.

Digital approaches continue to develop

30. In developing more innovative approaches for delivering services to communities, digitisation is an important part of service redesign. Increasingly the public expect councils to keep pace with technological change and to be able to access services at a time and place that suits them. Using digital approaches can increase productivity, reduce costs and improve outcomes for citizens.

31. All 32 councils now work in partnership with the Digital Office (DO) for Scottish local government. The DO is working to build councils' digital capacity and use of tools including the SAtSD approaches in Scottish local authorities, with a core focus on helping to improve services for the public.

32. Progress in digitally based service redesign has been varied across councils. For example, Perth and Kinross Council is progressing well with providing online access to services. The council now offers 37 services online via MyPKC, its customer services platform. The council procured the underlying software collaboratively with Dundee City Council and Angus Council.

33. Stirling Council has also made progress in developing its 'Digital District', as part of the **City Region Deal** (*i*). This focuses on inclusive economic growth, by providing business start-up and scale-up support services for digital technology in local companies.

34. Although there is some progress in digital advances, such as mobile working and new digital platforms for interaction with the public, there is still a long way to go in using digital approaches to find ways to improve services and outcomes for communities. In last year's report, the Commission highlighted that councils should be aware of:

- Procurement - implementing digital projects is likely to require significant spending. North Lanarkshire's transformation programme is centred on the 'Digital NL' programme, aimed at simplifying and joining up services. This required investing in a digital partner with a maximum contract value of £6.4 million over six years.

- Skills - digitally-designed projects need to be led and managed by experienced staff with the appropriate skills. There is a shortage of digital

How clear are my council's plans for the changes needed so that outcomes for communities are improved alongside managing the financial and demand pressures?

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

skills in councils and they are competing for these skills with other public and private sector organisations.

- Digital exclusion - in Scotland, 87 per cent of households now have access to the internet.[1] Councils need to make sure that they still meet the needs of those without access to digital technology when developing new approaches. Residents from rural areas, the elderly, individuals living in poverty and individuals affected by disability, are more likely to be disproportionately affected by digital exclusion.

We will assess and report in more detail on the progress with digital approaches in local government and the challenges this brings, later this year.

Performance information, review and self-evaluation need to be used more systematically to inform improvement

35. Performance management systems and performance information, review, and self-evaluation tools (such as the European Foundation for Quality Management's Excellence Model, Public Service Improvement Framework and How good is my council) are fundamental tools to support improvement. However, these are not being used systematically by all councils.

36. Despite councils having outcomes-based strategic objectives and priorities, some councils remain limited in their ability to show if and how these outcomes are being achieved due to weaknesses in performance management arrangements.

37. Effective performance management systems and performance information are the most basic but essential tools for improvement work. Good data and information about performance are necessary for corporate and service level improvement activity, for understanding performance over time and how it compares with other councils, and to inform decisions about where services need to change.

38. How councils use performance information to drive improvement varies. For example, Midlothian Council makes good use of data to understand and improve its performance, while Scottish Borders and Stirling councils have service-level performance management arrangements but lack a council-wide focus. Highland Council needs to improve its performance management systems and is in the early stages of addressing this.

39. Corporate-level, service-level or thematic reviews are well-established improvement approaches and are used to some degree by all councils. For example:

- Midlothian and Perth and Kinross councils demonstrate good use of service-level reviews but lack a corporate approach

- Stirling Council's approach was found to be poorly structured and inconsistent

- South Lanarkshire Council uses an ongoing risk-based approach of structured self-assessments to review and redesign services with a focus on fundamental change. This review programme has improved service delivery and made some financial savings.

How do I know my council is delivering on the outcomes it has committed to achieve for local communities?

Do I receive clear, timely and sufficiently detailed performance information to effectively scrutinise service and corporate performance?

40. Self-evaluation at a corporate or service level can support change and improvement by using a structured approach to consider where there are strengths and weaknesses and areas for improvement. It is used by many councils but with different levels of success. For example:

- North Lanarkshire Council has a good approach to self-evaluation but needs to ensure that the actions arising from this are clear and measurable.

- Highland Council has developed self-evaluation arrangements but needs to ensure that these are used consistently across services.

- Midlothian Council's arrangements lack a structured corporate approach.

Workforce planning

There is some progress in improving workforce planning, but more still needs to be done to link workforce requirements to change plans, to ensure that councils have the staff, skills and leaders they need to deliver change.

41. Councils across Scotland employ around 252,000 staff (205,000 full time equivalent (FTE))[2]. To find efficiency savings over recent years, councils have restructured teams and departments, and made savings by reducing posts and not filling vacant posts. The workforce reduced by around 6,000 FTE staff from 204,000 FTE in 2013 to 198,000 FTE in 2016. A significant increase in 2019 largely reflects a 29 per cent increase in Glasgow's workforce (FTE) in the last quarter of 2018, compared with the same period in 2016, with posts from an arm's length provider, Cordia, being brought back into the council.

42. Changes in workforce numbers vary between councils. Between 2013 and 2019, the changes in FTE staff numbers were as high as a 14 per cent reduction in Angus, and 10 per cent in Argyll and Bute.[3] Some councils' FTE staffing did not change overall during this period. From year to year, the pattern varies between councils. Between 2018 and 2019, 19 councils increased their FTE staff numbers, four councils reduced their staffing and nine councils remained at the same level.

43. Having the right number of staff, with the right skills, in the right posts, is a basic requirement for delivering services. Good workforce planning that is linked to strategic plans and priorities is key to making informed decisions about changes to the workforce. In last year's report, the Commission highlighted that the quality of workforce planning is inconsistent across councils and workforce data is insufficient to clearly understand how individual service areas are affected by changes in the workforce such as the age profile and skills gaps. The extent to which councils provide adequate learning and development opportunities for officers is not known. More needs to be done to improve the quality and range of workforce data to inform workforce planning.

44. The need for councils to deliver services differently and more efficiently should be reflected in workforce decisions. Effective workforce planning is essential to ensuring that councils have flexibility, agility and efficiency in how they use the workforce and can deliver the level of change that is required. It is expected that councils will adopt a comprehensive approach to workforce planning. This should include planning at corporate and service levels and an assessment of current and future workforce capacity and skills, and of how

Is my council systematically using self-evaluation approaches corporately and in services to inform improvement?

How involved or informed am I of the results and monitoring of improvement plans?

Do we have detailed corporate and service level workforce planning?

How clearly do they set out the current and future staff capacity and skills required and how this will be managed?

How am I involved in scrutinising the effectiveness of workforce planning?

Do I know how the council is addressing any specific issues with the workforce age profile or skills gaps in services?

councils will achieve their required workforce profile. These should be reviewed regularly and reflect changing workforce needs.

45. Progress in developing corporate and service level workforce planning is mixed but showing some progress. Some councils have corporate workforce planning in place, while others have service level planning, without integrating these at a corporate level. The level and spread of detail within council workforce plans also varies, with some focused on an assessment of the current skills and employee numbers but lacking an assessment of the council's future workforce needs or setting out plans for how to meet those needs.

46. There are examples where workforce planning is more developed in some councils. For example, South Lanarkshire demonstrates a comprehensive and coordinated approach to workforce planning. It includes many key elements needed for successful service redesign; for example, a profile of the current workforce has been carried out to support succession planning. West Dunbartonshire's approach includes assumptions about the future context and how it will address potential skills gaps in its workforce.

47. Common skills that councils identify as gaps include professional skills such as planners, change, project and programme management, and digital and data management. These are all essential skills that councils need to implement their change programmes effectively and it is often difficult to recruit and retain staff with these.

48. Councils have adopted a variety of initiatives to manage skills shortages. Approaches such as apprenticeships, traineeships, grow-your-own schemes, and succession planning, have been utilised. Some councils offer existing staff the opportunity to move into expanding areas such as teaching or early learning and childcare. For example:

- North Lanarkshire has established a health and social care academy that aims to encourage young people to take up a career in the care sector.

- South Lanarkshire uses its switch to redeployment programme to match staff whose roles are at risk with suitable alternative roles, and it has initiatives in place to recruit staff for skills needed in its roads, early years and homecare services.

- Perth and Kinross has restructured all posts into five 'job families', which increases flexibility between services and encourages employees to retrain as the demand for skills changes between services. The council also operates a grow-your-own programme to address skills needs and tackle the challenge of its ageing workforce.

49. Councils need to continue to find ways to meet specific skills needs. This might include sharing staff with other councils or partners and working with education and training partners such as colleges and universities.

Partnership working

The full potential of collaborative working is not being realised.
50. There is some audit evidence of councils collaborating with partners when reshaping services, but this is not widespread. There are many examples of effective smaller-scale joint working.

51. The Commission continues to encourage councils to find ways to deliver services more efficiently and effectively through shared service arrangements and joint use of resources. With financial pressures and skills shortages in some areas, it is important that councils continue to work together to find innovative solutions. The following are examples of councils sharing services with others:

- Midlothian has developed some shared services and shared roles to help address challenges it faces as a smaller council. For example, it has shared a joint chief internal auditor with Scottish Borders since 2018. The chief auditor leads both councils' internal audit teams at a strategic level and is supported operationally by principal auditors in each council.

- South Lanarkshire is a host authority for a range of shared services, including the Clyde Valley Learning and Development Partnership comprising eight local authorities in the west of Scotland and set up to establish and deliver shared approaches to training, learning and development. This includes, for example, shared tools for e-learning development, accredited front-line management training, and learning and training for social care. These approaches enable the sharing of best practice across councils and making financial savings by providing joint training events and accreditation.

- Highland shares its procurement service with Aberdeen City and Aberdeenshire councils. The most recent annual procurement report shows that in total £1.39 million of savings was achieved during the period 1 April 2017 to 31 March 2018. As part of Highland Council's financial plans, it is looking at further ways of delivering savings through procurement.

- Stirling shares a trading standards service with Clackmannanshire. It also delivers animal health and welfare services on behalf of Clackmannanshire, Falkirk and East Dunbartonshire councils, and has a partnership arrangement in place with Clackmannanshire and Falkirk councils for a stray dog shelter.

Community Planning Partnerships need to take a more active role in leading partnership working and strategic change in some areas.

52. Good partnership working is evident across councils with many examples of services working well with partner organisations to deliver local services and projects with other public sector, private and third-sector organisations.

53. The picture at a strategic level is more mixed. Community Planning Partnerships (CPPs) should provide the strategic leadership and direction to local partnership working and be pivotal in driving improved outcomes for local communities. This is a joint responsibility across CPP partners, such as the NHS, and emergency services, as well as councils. However, much of the good local partnership working is happening independently of the leadership of the CPPs and their structures. Our BVAR audits during 2019/20 found the effectiveness of partnership working within the CPPs was mixed. For example:

- Midlothian - Midlothian Youth Platform involves more than 16 organisations from across the CPP, including third-sector bodies. They are working

How well do I understand all the partnership arrangements of my council?

How effectively is my council working with partners to deliver services better and/or save money?

What steps is the council taking to ensure partnership arrangements meet their full potential?

together on a project to redesign mental health and wellbeing support services for young people.

- Scottish Borders – Ambitions set out in locality plans had not been costed and so were not reflected in the council's or its CPP partners' budgets.

- Perth and Kinross – There is evidence of effective working in some parts of the CPP, for example the work of the Children, Young People and Families Partnership was commended by the Care Inspectorate in 2018. Some councillors and partners, however, raised concerns about community planning and other partnership working functioning as separate processes.

54. Councils need to build on their partnership working to respond to local challenges, such as inequalities and child poverty. Good partnership working is critical if councils are to deliver priorities and improved outcomes for communities.

Progress in integrating Health and Social Care has been too slow
55. There are 30 IJBs across Scotland. These are partnerships between NHS boards and councils. They are responsible for delivering adult health and social care, and, in some areas, for other services, such as children's services.

56. Progress with integration is slow. In 2018/19, a majority of IJBs struggled to break-even financially and 19 would have recorded a deficit without additional funding from the NHS and council partners at the year end. There is still limited evidence to suggest any significant shift in spending from health to social care. The Ministerial Strategic Group for Health and Community Care (MSG) is monitoring progress towards achieving the proposals set out in its integration review published in February 2019. The areas where least progress is being made include:

- IJBs being empowered to use all the resources at their disposal to better meet the needs of their local populations

- delegated hospital budgets and set aside requirements being fully implemented

- having effective, coherent and joined-up clinical and care governance arrangements in place.

57. The MSG also proposed that a framework for integrated community-based health and social care services should be developed. The framework intends to identify what a good service looks like.

58. Progress can be demonstrated in some cases. In December 2019, we reported that the Scottish Government, the Convention of Scottish Local Authorities (COSLA) and partners are progressing most of the recommendations made in the 2017 report *(Self-directed support: 2017 progress report Impact report)* ⬇. There is still significant work to do, which will take time to implement. The Care Inspectorate's thematic review in June 2019 found that there has been significant progress in implementing self-directed support, with some partnerships demonstrating significant change in their delivery of social care in this area. The review also highlighted, however, that more needs to be done to fully implement self-directed support.

59. The Commission has previously highlighted its concern about the pace of progress in integration. We published a report in November 2018, *Health and*

What obstacles are facing our area's IJB?

Am I aware of the steps taken to identify and address these obstacles and to improve the pace of integration?

social care integration: update on progress ⬇. We plan to report on social care sustainability in 2021 and will report on progress with IJBs in the next two to three years. The Commission is also currently considering how it will audit and report on Best Value in IJBs. Although the main focus of this overview report is on councils, the issues and changes required also relate to IJBs. We plan to report on social care sustainability in 2021 and will report on progress with IJBs in the next two to three years.

Regional economic development is stimulating improvements in collaborative leadership

60. Councils are active partners in the City Region and Growth Deals. A total of £5.2 billion has been committed so far to supporting economic development through City Region and Growth Deals (Exhibit 6).

Exhibit 6
Progress in City Region and Growth Deals

4 deals have been signed to date

Totalling £3.7 billion
Involving 17 councils:

Glasgow City Region Deal; Aberdeen City Region Deal; Edinburgh and South East Scotland Region Deal; and Inverness and Highland City Region Deal.

The UK and Scottish Governments have between them committed £2.1 billion over 20 years, councils have committed around £600 million and other regional partners have committed just over £1 billion.

8 further deals are in development

Receiving a further £1.5 billion of committed funding
Involving 15 further councils

If all the deals go ahead, all Scottish councils will be involved in a deal. Some deals involve single councils, others involve two or more councils, and some councils are involved in two deals.

Councils need to be conscious of potential challenges, such as shortages in the necessary staff, money and skills to deliver the deals. The impact of spending on the deals should be balanced against councils' overall spending capacity, particularly in the current volatile landscape.

The impact of the deals has been unclear, as their measurement is not linked to the National Performance Framework.

Source: Audit Scotland, City Region and Growth Deals, 2020

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61. The work around the deals is stimulating improvements in collaboration and partnership working across councils. Our report, *City Region and Growth Deals, January 2020* ⬇, highlights that the increase in joint working by council chief executives and officers is also starting to influence wider joint working. The evidence suggests that these relationships are beginning to influence how councils operate in other areas of council activity.

62. There are other positive examples of partnership working with a place and community focus. The Clyde Gateway Partnership involves South Lanarkshire and Glasgow City councils and Scottish Enterprise and receives funding from the Scottish Government. The project began around 12 years ago and aims to regenerate areas in the east end of Glasgow and Rutherglen. So far it has treated 248 hectares of contaminated land and delivered 2,995 new homes, while attracting 5,939 new jobs and assisting 2,813 businesses.

63. Midlothian Council partnered with the University of Edinburgh to create a multi-use facility including a secondary school for around 850 pupils, a public library, gym and sports facilities, including a swimming pool and community meeting spaces at the Newbattle Community Campus. It also provides workspaces for self-employed people and small businesses and provides access to and training in using the latest technology. The partnership has links to the Data Driven Innovation Programme and the City Deal, aiming to provide high-quality industry-led skills including those in digital technology skills.

Community empowerment and engagement

Most councils could do more to involve communities in planning services and better demonstrate how engagement is used to improve outcomes. Some councils have been slow to implement elements of the Community Empowerment (Scotland) Act 2015

64. Many councils recognise the value of involving their communities in the decision-making that affects their lives and in tackling inequalities to ensure that everyone can participate in that decision-making. But there has been slow progress in putting the **Community Empowerment** (*i*) Act's requirements into practice and few councils provide opportunities for communities to influence or take control of decision-making processes. More needs to be done to make the aims of the Act a reality.

65. The Community Empowerment Act requires each CPP to produce and publish a Local Outcomes Improvement Plan (LOIP). LOIPs set out a vision and focus for CPPs, based on agreed local priorities. The LOIP is intended to provide a shared plan for local communities in each CPP area. The LOIP is also the main framework that the CPP should publicly report its performance against. The CPP must be kept up to date and reflect local needs, circumstances and aspirations. The Community Empowerment Act requires CPPs to also undertake locality planning. These are plans focused on a specific locality within a council area. They should focus on tackling inequalities through targeted actions and involve participation of the community on the issues that affect it.

66. The Improvement Service reported, jointly with Audit Scotland and NHS Health Scotland, in its 2018 Local Outcomes Improvement Plans Stock-take 🖳 that LOIPs are being used to varying degrees and that these need to be more focused on the areas where the CPPs can have the biggest impact.

67. Participatory budgeting activity in councils has been limited. The Scottish Government and COSLA have agreed that at least one per cent of council budgets should be determined through participatory budgeting by 2021. Many councils, however, are unsure about what approach to take, or if participatory budgeting should be carried out separately from their LOIP processes, which is not the intention of the Act. We also found that locality planning had not been completed on time by some councils.

Community Empowerment

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

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

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

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

- Community planning – where community bodies can participate in community planning, in particular those that represent the interests of people who experience inequalities.

68. There is a range of guidance available to councils to help them develop their community empowerment approach. COSLA plans to publish guidance on participatory budgeting in 2020, which will include examples of positive practice and learning points. In July 2019, the Commission, alongside partners in the Strategic Scrutiny Group,[4] published the *Principles for community empowerment* ⊕ (Exhibit 7, page 38). The intention is to provide consistent understanding across the scrutiny bodies about what is expected of public sector bodies. It is also a useful reference for councils and communities.

69. The Scottish Government has commissioned an evaluation of participatory budgeting and community asset transfer, which was due to report in April 2020. In November 2019, the Scottish Parliament's Local Government and Communities Committee began a consultation on how best to achieve community wellbeing, which includes considering the effectiveness of community engagement arrangements and organisations working together in communities. This focus emphasises the importance of community empowerment and engagement. The Committee is considering the findings of its consultation as part of its current work programme, pending any changes in its programme required as a result of the COVID-19 pandemic.

70. Councils need to more fully embrace community empowerment as an integral part of changing the way they do things. It should not be seen as an add-on or separate to other work, but part of a new way of working. They need to engage with communities and involve the public in making decisions about the services councils provide, and the places people live in. This is crucial to councils making effective and sustainable changes to the ways they operate.

71. Community empowerment is relevant to all departments, roles and levels. It should not be seen as only relevant to staff who work directly with communities. All services should be involving communities more in decisions about public services. There needs to be clear leadership to embed this approach across organisations and to empower staff to carry out the activities and behaviours required to do this. It will mean more co-production of services, which will require trust between communities and public bodies and time to build up relationships. Ultimately, community empowerment should reduce inequalities and improve the wellbeing of communities, particularly those suffering from persistent inequality.
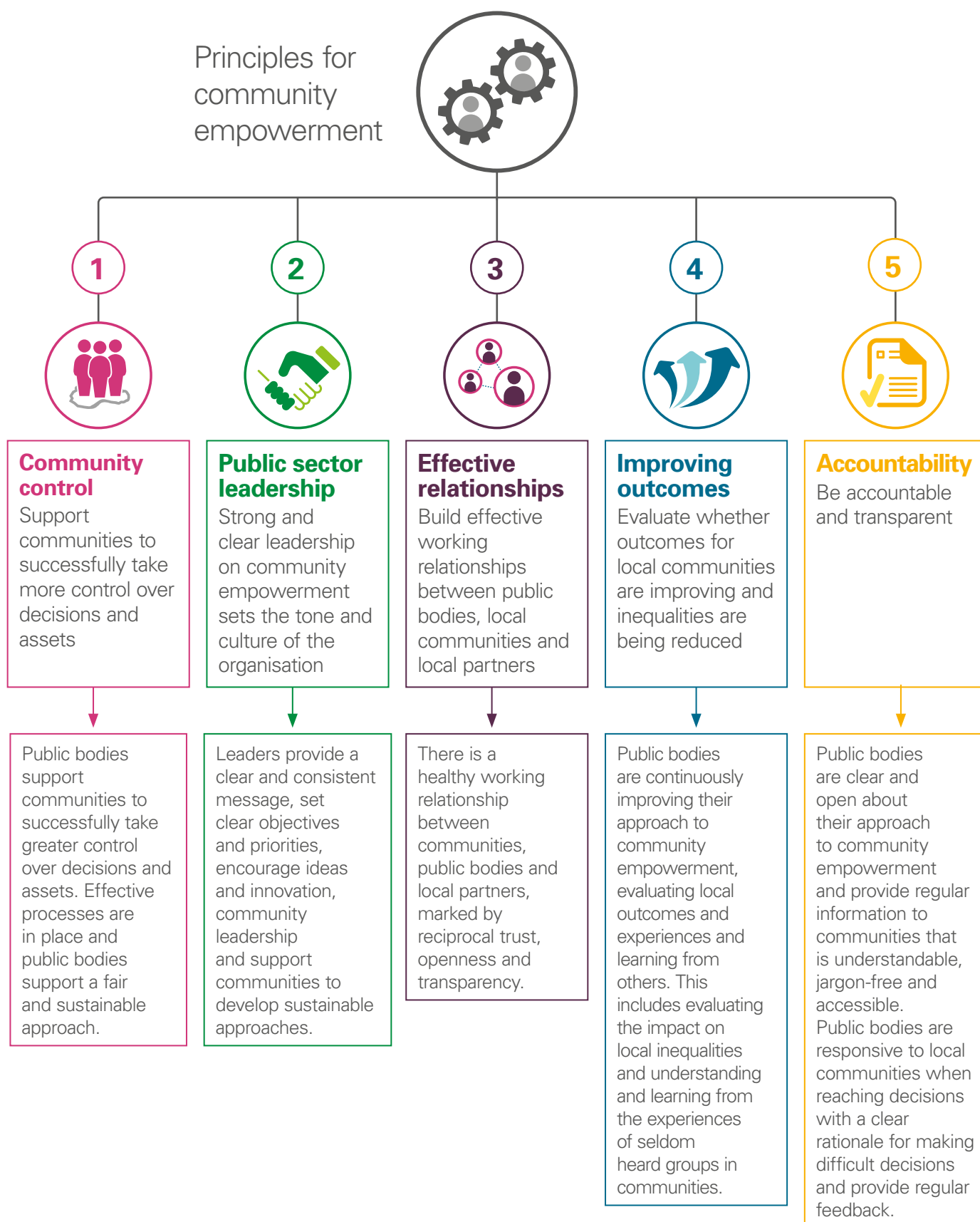
What do I know about the purpose and aims of participatory budgeting?

What do I know about my council's approach to participatory budgeting, and how effectively is it using this to empower communities?

Exhibit 7
Principles for community empowerment

Principles for community empowerment

1	2	3	4	5
Community control	**Public sector leadership**	**Effective relationships**	**Improving outcomes**	**Accountability**
Support communities to successfully take more control over decisions and assets	Strong and clear leadership on community empowerment sets the tone and culture of the organisation	Build effective working relationships between public bodies, local communities and local partners	Evaluate whether outcomes for local communities are improving and inequalities are being reduced	Be accountable and transparent
Public bodies support communities to successfully take greater control over decisions and assets. Effective processes are in place and public bodies support a fair and sustainable approach.	Leaders provide a clear and consistent message, set clear objectives and priorities, encourage ideas and innovation, community leadership and support communities to develop sustainable approaches.	There is a healthy working relationship between communities, public bodies and local partners, marked by reciprocal trust, openness and transparency.	Public bodies are continuously improving their approach to community empowerment, evaluating local outcomes and experiences and learning from others. This includes evaluating the impact on local inequalities and understanding and learning from the experiences of seldom heard groups in communities.	Public bodies are clear and open about their approach to community empowerment and provide regular information to communities that is understandable, jargon-free and accessible. Public bodies are responsive to local communities when reaching decisions with a clear rationale for making difficult decisions and provide regular feedback.

Source: Strategic Scrutiny Group, July 2019

The local governance review is still ongoing

72. The Scottish Government and COSLA have jointly made a commitment to work together to further empower communities and councils in Scotland through their local governance review. The aim is to ensure that Scotland's diverse communities and places have greater control and influence over decisions that affect them.

Not all councils are reporting their performance to the public in a comprehensive and transparent way

73. Effective public performance reporting (PPR) enables communities to assess the progress their council is making against its priorities and compare its performance with other councils.

74. All councils have performance sections on their websites; most publish annual performance reports and report the performance of their different services, and in most cases, these are linked to the council's strategic objectives. But there is wide variation in the quality of performance information councils publish, and some councils are not making it clear how their targets are being met.

75. The Commission's Statutory Performance Information (SPI) Direction of December 2018 reinforces the importance of councils reporting their performance to people and communities and is a key tool to guide councils on what information the Commission expects them to publish. Good PPR will fulfil the requirements of the Commission's SPI Direction. It should provide a clear picture of the council's performance as well as demonstrating how it is meeting its duty of delivering best value. PPR should use a range of media formats to target key audiences with information, including digital channels. This should consider different community needs, including hard-to-reach groups that may need specifically targeted approaches. Good PPR will show progress against strategic and outcome priorities as well as service performance, in a balanced way. For example, it will report areas for improvement and what is being done to address these, as well as where good progress is being made. Good PPR will also invite communities to provide feedback.

Some councils are using place-based approaches to improve outcomes for their communities

76. The *Place Principle* was adopted by COSLA and the Scottish Government in February 2018 to support elements of the National Performance Framework. The Place Principle challenges those responsible for providing public services (and those looking after their assets), to 'work collectively with partners and communities, with the shared objective of providing more successful places that support inclusive economic growth and improved outcomes for the people in an area.'

77. There are some limited but positive examples of councils working with partners to start taking a place-based approach. For example, Perth and Kinross has adopted a place-based approach to tackling inequalities for each of its seven localities. These are supported by 'stories of place', created by the council to provide a profile of each locality to support its work.

78. An increasing emphasis on place is apparent in other key policy areas and developments, for example in relation to the Planning (Scotland) Act 2019 which we will refer to in greater detail in our planning services case study (page 41)). Place is also a core aspect of partnership planning as part of the LOIP and locality planning processes, the City Region and Growth Deals and participatory budgeting.

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How well is my council providing clear, balanced and accessible information to the public about how well it is performing, what needs to improve and how it is addressing this?

79. The Scottish Government, in collaboration with NHS Scotland and Architecture and Design Scotland, has produced an online Place Standard tool (https://www.placestandard.scot/) to help planners and communities assist with assessing and considering priorities for their places.

Service case study
Planning Services

80. In this section we focus on planning services to illustrate how the challenges for local government have affected this service area, and how it is responding. Planning is an important service for supporting delivery on national policy outcomes such as inclusive, sustainable economic growth and protecting and enhancing our environment. It is also subject to a range of national policy developments such as the new Planning (Scotland) Act 2019 (the Act) which changes the role and responsibilities of the service. It is an example of a service that has been significantly affected by reduced budgets and staff numbers in recent years. As with the previous sections, this case study was produced prior to the COVID-19 pandemic and does not reflect the challenges or changes that this brings to planning services. We are aware that councils are already responding with new thinking and approaches to the challenges, for example to enable physical distancing in streets.

81. Scotland's planning system is concerned with the use and development of land and buildings. Council planning services are a key part of that system, and their planning activity focuses on three areas:

- Development plans set out how places should change, and the policies councils use to make decisions on planning applications.

- Development management is the process for making decisions about planning applications.

- Enforcement is about making sure that development is carried out correctly and acting where this is not the case.

Challenges
How the challenges (page 10) are reflected in planning services
Population changes mean changing pressures for planning services

82. The demographic changes set out in the first part of this report also have implications at a service level. For planning services for example:

- Growing populations in areas such as Aberdeenshire, East Renfrewshire and the Lothians mean increased demand for housing, local services and amenities. Councils need to plan for these changes.

- Areas with shrinking populations, such as Argyll and Bute, Ayrshire, Dumfries and Galloway, Inverclyde and Eilean Siar may see reduced demand for some services and different challenges for planners.

Population changes also have implications for local economic activity and economic development priorities as demand for services and availability of workforces and skills change. This will affect the local priorities for planning services

How well informed am I about the requirements of the Planning (Scotland) Act 2019 and what this means for the council?

What do I know about the demographic make-up and the projected changes within the council area?

How effectively is the council using this information to plan how we deliver services, including planning services?

83. Increasing proportions of people over 65 and 75 years old, changes in the child population, and changes in inequalities such as deprivation levels have implications for the demand for types of housing and local services in the places where people live.

The Planning (Scotland) Act 2019 introduces new responsibilities for planning services and requires them to have a more strategic focus

84. The Act brings significant challenges for planning services, with new duties and activities. It brings a shift in role from focusing on regulating the planning process to becoming more proactive in engaging with communities and organisations to achieve shared outcomes, and a focus on places. Key new responsibilities for councils include:

- a legal requirement to take Local Place Plans into account when preparing development plans – these cover issues such as housing, open space and community facilities as well as business and employment opportunities

- a duty to work with other councils to produce Regional Spatial Strategies

- the appointment of statutory chief planning officers

- new powers to introduce control areas where planning permission will always be required if owners want to change the use of their property to short-term lets.

85. The Act widens councils' focus beyond their current largely regulatory role to more proactively engage at a strategic level with people, communities and organisations in developing and improving the places where they live. Our Planning roundtable February 2019 highlighted that there is a perception within the profession that the value of planning services is not recognised. There is also evidence (Scottish Government report: Barriers to community engagement in planning, May 2017) that communities lack trust and confidence in, and respect for, planning services. To change this and deliver the Act's objectives there needs to be a cultural shift in the way planning services are delivered, to focus on community engagement and empowerment. This change requires different skills and approaches from planning services that challenge their current practice. Councils must now plan for how they will meet these challenges.

86. It is early days in the implementation of the Act, so it is too soon to assess the effectiveness of councils' responses. However, a good deal of change in planning services will be needed to implement the Act effectively. Council political leaders and managers will need to provide effective leadership, support and resources for planning services to enable these changes to happen at a good pace.

Planning services' budgets are shrinking at the same time as their responsibilities are expanding

87. Planning services must meet their new responsibilities while they have seen some of the most significant budget cuts of all council services, with a 28 per cent decrease in net expenditure between 2013/14 and 2018/19, (34 per cent in real terms).[5] In response, planning services have been proactive for example by ensuring improved efficiency in processing applications. However, as councils face further forecast funding reductions the challenges for planning services are likely to increase.

Do I know how well prepared my council is to deliver the requirements of the Planning (Scotland) Act 2019?

How do I know if the planning service has the skills, capacity and resources to implement the new responsibilities the Act brings?

What am I and the council doing to improve or restore community trust, confidence and respect in planning services?

88. It is not possible at this stage to fully determine the financial impacts of the Act for local government, but RTPI (Royal Town Planning Institute) Scotland has estimated (Financial Implications of Implementing the Planning Act, August 2019) 📥 that the Act places 49 new and currently unfunded duties on councils. RTPI Scotland estimates these new duties could cost councils an extra £12.1 million to £59.1 million over the next 10 years.

89. Planning services can charge fees for the services they provide to people and businesses, such as assessing planning applications, and these fees constitute a small but increasing proportion of the total income of planning services. The Scottish Government sets the basis for their calculation, including the maximum that councils can charge for planning applications. Fees were last increased by the Scottish Government in 2017. The Heads of Planning Services (HOPS) report "Costing the Planning Service"February 2019 🖥, found that fee income as a proportion of planning service costs increased from 26.1 per cent in 2014 to 32.9 per cent in 2018. But planning fee income does not, and isn't intended to cover the cost of planning services, and it is not retained exclusively by planning services to fund their activities. Planning services must therefore consider what changes will be needed initially and in the medium to longer term to resource their new responsibilities in the context of tightening budgets in the future. The Planning (Scotland) Act 2019 presents an opportunity to carry out a wide review of the planning fee structure, and a consultation on areas including looking at the potential for discretionary charging was completed in February 2020.

✉ Uncertainty remains about the detail of the Act's requirements

90. Planning services, like all council service areas are affected by political and economic change and uncertainty. Most directly, although the Act sets out new responsibilities and roles, there will continue to be a level of uncertainty during 2020/21 while the Scottish Government develops secondary legislation and guidance to support delivery of the Act's objectives. More widely, planning services will need to respond to the economic impacts of political changes such as withdrawal from the EU and national and global economic changes. Planning services also have a significant role to play in responding to the escalating climate change crisis and in the national and local strategies to combat this.

Doing things differently

Planning services need to do things differently to be able to meet national policy priorities while maintaining and improving services
How the core aspects for change (page 24) are reflected in planning services.

👥 Leadership: Strong leadership of planning services is needed to meet the challenge of performing new duties with reducing resources

91. Meeting the challenges of the Act and putting the Place Principle into practice requires strong leadership from council officers and councillors. Collaborative leadership is critical to success.

92. The Act introduces a statutory requirement for chief planning officers to be appointed in every council. This is a positive step creating a lead senior officer post to drive the changes required for councils to fulfil the objectives of the Act. Details of the role are yet to become clear, and the Scottish Government is scheduled to work with councils and partners over 2020 and 2021 to develop supporting guidance and legislation for the Act. Including chief planning officers

❓

How confident am I and what assurance do I have that the council is well prepared to make the shift in planning services from the regulatory role to include more proactive engagement with communities and other partners?

as key members of councils' senior management structures will enable the required collaborative leadership across council service boundaries and with partners.

93. The cultural shift from a mainly regulatory to strategic role will need effective leadership and engagement with staff. Given skills gaps in change management in many councils, they need to consider how they will ensure the change management capacity required is put in place to support councillors and management to lead the culture change needed.
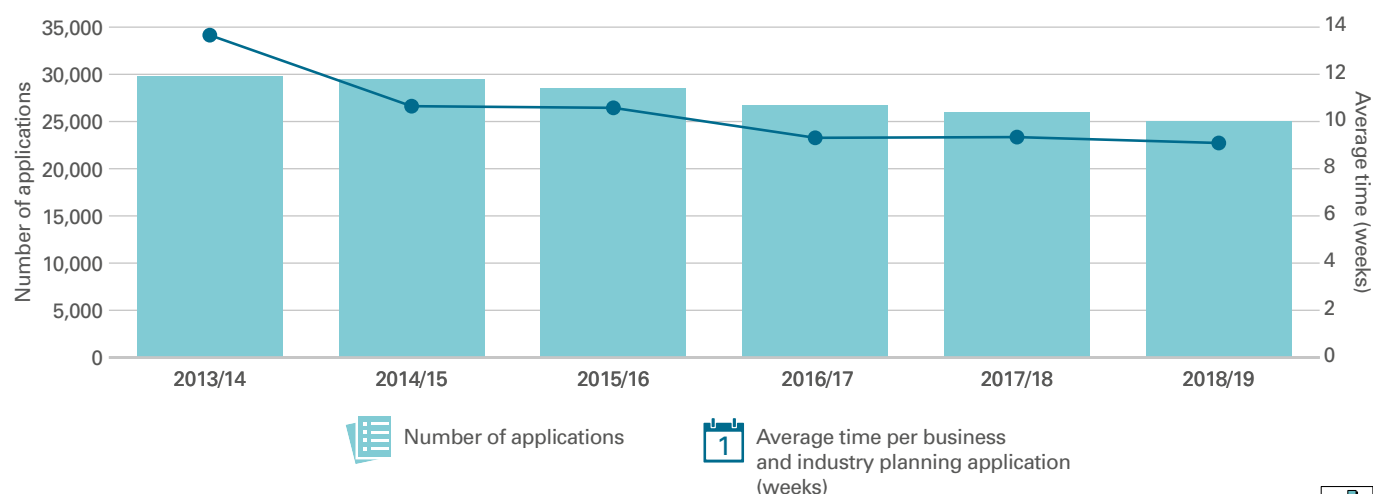
⚙️ **Change and improvement: planning services have improved performance over recent years but need to widen their focus from the regulation process to engaging with communities and partners**

94. Planning services have reacted to reducing budgets and staff numbers in recent years by focusing on providing a core regulatory service, ensuring that planning standards are being met.

95. Possibly as a result of that narrowed focus, performance in processing planning applications has improved. For example, the average time taken per business and industry planning application has fallen by 34 per cent since 2013/14.[6] However, this improved performance has been achieved with reducing numbers of planning decisions made each year since 2013/14: from 29,779 applications to 25,027 in 2018/19 (Exhibit 8).

Exhibit 8
Planning decision times and number of applications since 2013/14

Source: Audit Scotland, Improvement Service, Local Government Benchmarking Framework data 2013/14 to 2018/19

96. Councils are making positive changes to the way they approach planning applications, which may also be contributing to improved performance. Many councils are increasing their use of pre-application advice which can reduce the numbers of applications they receive, for example, where the advice is that the application should not proceed. This approach may also increase councils' efficiency when dealing with previewed applications.

97. The improving performance in reducing application processing and decision-making times is positive, but current performance indicators don't reflect how planning services impact on people and places or how they contribute to broader outcomes in the National Performance Framework. Wider measures of responsibilities beyond councils' regulatory role need to be developed so that councils can demonstrate their contribution to delivering them.

98. The Act provides opportunities to widen the scope of performance reporting, including new requirements for councils to produce annual planning performance reports, which they must submit to Scottish Ministers and publish. The detail of these reports has yet to be determined but the requirement puts statutory weight behind the Planning Performance Framework reporting process.

99. Measuring how planning services are delivering or supporting more successful outcomes means looking beyond service-specific processes to the outcomes achieved. For example, the Clyde Gateway initiative measures and reports progress against three strategic goals:

- **Sustainable place transformation** to focus on the overall infrastructure and environment of the area which in turn will increase its attractiveness as a place to live and work.

- **Increased economic activity** to attract major employers into the area and work with existing businesses to maximise growth, which in turn will generate employment opportunities for local people.

- **Building community capacity,** to ensure that there are increased levels of community participation in activities that promote a better, healthier lifestyle and/or improve employment prospects.

Progress against these strategic goals is measured through nine performance indicators. These measures are not service-specific but rather aim to assess progress made in these key outcome themes by all partners in the initiative.

100. The changed role, responsibilities and focus for planning services also mean that councils need to review how these services are funded, to ensure that they can meet their current responsibilities and the new duties arising from the Act. In January 2019, HOPS reported on the impacts of councils' 2017 major planning application **fees increases** ⓘ, following the Scottish Government increasing the maximum planning application fees from £20,050 to £125,000 and maximum fees for applications for planning permission in principle from £10,028 to £62,500. The report found that the impact of the fee increases varied widely across Scotland: the main beneficiaries are the larger city councils, Edinburgh and Glasgow and the larger urban planning authorities. Smaller, more rural councils and island councils do not receive significant numbers of major applications, if any, which significantly influences the overall impact of the fees increase for these councils.

101. More broadly, planning fee income is not directly reinvested in planning services in many councils. In some councils planning fee income is treated as a corporate or council income, and so is not controlled by or ringfenced for the planning service. The additional income generated by fee increases does not make much difference to the budget available for reinvestment. Increasingly the income generated is offset against council savings targets.

ⓘ The total additional income generated by a fee increase in 2017 was £4.2 million generated by 338 separate major planning applications. This averages out at £12.5 thousand per application or £124 thousand per planning authority; Edinburgh and Glasgow's combined fee increases were £1.2 million, or 29 per cent of the total Scottish fee increase.

ⓘ Fees and costs of planning services vary across councils:

In 2018/19 Inverclyde had the highest planning application fee of £8,818, compared to the lowest fee of £1,048 in Renfrewshire.

Renfrewshire saw the largest reduction in the cost of planning between 2013/14 to 2017/18, by 74 per cent while Shetland Islands had the greatest increase of 218 per cent.

Workforce planning: the workforce in planning services is ageing and reducing in number. New skills will be needed to deliver the Act's objectives

102. There are significant workforce challenges for planning services. Local government planning services have seen a 25.7 per cent cut in staff numbers since 2009[7] (Exhibit 9).

Exhibit 9
Challenges for planning services workforce

Evolving role	Workforce reductions	Workforce profile	Skills gaps challenge
The new duties under the Act place new demands on the workforce outside the traditional 'planner' role. Building community engagement and collaborative relationships will be important.	In March 2019, there were 1,332 planners in Scotland. Across local government planning staff numbers have reduced by almost 26 per cent since 2009.	Around 9 per cent of planning staff are aged under 30 and 35 per cent are over 50. Only around 100 new planners graduate each year, many taking up private sector employment.	A HOPS survey found that 30 councils confirmed that they had to fund additional technical planning expertise in the last three years. Only 18 councils had in-house training provisions. 28 councils shared a service with another council. Training and sharing services is more challenging for island authorities, due to the associated distance and cost.

Source: Audit Scotland, Heads of Planning Scotland, Royal Town Planning Institute Scotland

103. Seven councils reported challenges in recruiting for planning roles in the last year (Argyll and Bute, Dumfries and Galloway, Eilean Siar, Glasgow City, North Ayrshire, Shetland and West Dunbartonshire). Councils are taking steps to address their skills and recruitment challenges, for example:

- Eilean Siar, which had to re-advertise for a planning officer, looked at unqualified applicants interested in learning additional skills to become a planning officer. The council operates a career-grade structure, which supports officers to qualify through work.

- North Ayrshire, recognising a nationwide deficit in qualified and experienced planners, has re-designated planning officer posts to planning assistants and recruited new graduates. Staff development is supported with a planning skills programme including training and site visits.

Do I know how the council is addressing any specific issues with the workforce age profile or skills gaps in services, such as planning services?

- West Dunbartonshire, which experienced difficulties in recruiting building and planning officers, is investing in a 'grow-your-own' programme.

104. In terms of planning training and development for councillors, 28 councils have an in-house training programme for planning committee members. The Act strengthens the importance of training councillors on planning, giving councils the power to impose training requirements and a requirement that councillors who have not completed specified training will be excluded from taking part in planning business.

105. Further collaboration and innovation are required to tackle skills gaps and respond to the training and capacity issues in planning services and in the range of specialisms within planning. The Improvement Service is working with Skills Development Scotland to identify planning skills demands, needs and gaps across councils, what training and support is currently provided, and what measures are needed to address the recruitment challenges that planning services face.

Partnership working: planning services need to build relationships with other council services, external partners and communities

106. The Act puts increased emphasis on planning services engaging and collaborating with key partner organisations and communities to develop and improve places. The need for improved collaboration has been an issue for some time as highlighted in a report by HOPS in 2013, Collaborative working in development planning ⬉ which highlighted key themes for improvement:

- the importance of ongoing dialogue

- clear and considered engagement, including improved publicity for consultations and engagement methods so that all parties get the most out of them

- culture change, collaborating more effectively with partners in developing policies, engaging meaningfully with partners and using shared information to improve outcomes

- clearly communicating roles and remits.

These themes are now even more relevant given the Act's requirements. Making the necessary changes in practice and culture happen is challenging and will take time to become a reality, so councils need to respond actively and with urgency now.

Community empowerment and engagement must become a core activity for planning services to deliver the letter and spirit of the Planning Act and the Place Principle

107. Planning services have an important role to play in supporting community empowerment. They need to effectively engage and involve communities when developing proposals and local plans for the places where they live. This reflects the purpose of community empowerment, namely, to reduce inequalities and improve the wellbeing of communities, particularly those suffering from persistent inequality.

Case study

West Dunbartonshire

West Dunbartonshire Council's Place and Design Panel brings together professionals to provide objective guidance on design through collaborating with developers, architects and contractors. The panel aims to ensure a high-quality built environment that 'raises aspirations, elevates levels of health and wellbeing and increases economic vitality'. The panel's volunteer members review planning proposals in the design review process, before they reach the application stage. It aims to improve the quality of the proposals and allow applicants to consider a wide range of issues such as the suitability of materials and wider considerations such as transport links.

West Dunbartonshire includes some highly deprived areas. The council wants to raise people's aspirations in those areas and focus on planning as an enabler of improvement. To do this the panel has developed close working relations with a range of other council services.

The council has seen positive early indications of the panel's value such as encouraging more open and informative conversations between developers and planners, which creates a smoother planning process. The panel's role is still developing and one of its key aims is to encourage more community involvement in the design process.

Source: Audit Scotland

108. To deliver the aims of the Planning and Community Empowerment Acts, planning services need to be much more proactive in leading the collaborative development of places, by bringing together the various parties across their communities. This requires a change in focus from meeting statutory responsibilities to linking planning activity to wider outcomes, and to developing local plans in partnership with communities and partners.

Planning services are key drivers in delivering the Place Principle
109. The challenges brought by the Act are still taking shape as the Scottish Government develops supporting secondary legislation and procedural guidance over the next two years. But from our review of a sample of councils' Planning Performance Framework reports there are examples of councils adopting different approaches, with an awareness of the value of prevention to address current challenges, such as:

- encouraging online applications

- increasing use of pre-application advice services

- developing new software techniques for various aspects of planning, for example mapping exercises

- re-aligning planning teams, changing how teams are structured and the scope of work for team members

- using revised schemes of delegation to create efficiencies, upskilling existing staff to process planning applications more efficiently and to work across diverse roles.

The Place Principle aims to move public service delivery away from the traditional focus on service structures and boundaries to place-based approaches which have communities at their heart. Such approaches aim to create more successful outcomes for people and communities, through improving the quality of people's lives. Within this principle there is scope for the planning system to support the delivery of some of the outcomes in the National Performance Framework, and for councils to focus on this through planning services' changing role.

110. A 2017 Scottish Government report 'Barriers to community engagement in planning: a research study' highlighted that there is limited public trust, confidence in and respect for the planning system and that public perceptions are that community engagement has very little influence on planning outcomes. The study highlighted reasons for seldom-heard groups' exclusion from the planning process, including officers' attitudes towards disadvantaged and minority groups, as well as the skills, capacity and motivation of those groups. The study findings also mirrored our 2019 planning roundtable discussion where planning practitioners and key stakeholders find that too often engagement is about managing expectations and securing consent for development proposals, rather than working with communities to achieve better planning outcomes.

111. To be effective planning services need to lead a change in perceptions of planning and its relationship with communities. This means attracting and developing people with the right skills, including leadership, to work with communities and partners to make improved places a reality.

112. Through our BVAR work in 2019, we saw some examples of councils taking a place-based approach to improving the lives of the people in their communities:

- North Lanarkshire Council plans to demolish all its tower blocks and replace them with new modern homes to help reduce inequalities. This is part of its regeneration of place 'plan for growth', which also includes transforming town centres. The council's 'tower re-provisioning programme' will see tower blocks and low-rise properties demolished across North Lanarkshire over the next 25 years, and the council's 'NL Homes' new build programme aims to deliver 5,000 affordable new homes by 2035.

- Perth and Kinross Council adopts a place-based approach for each of its seven localities, aimed at tackling inequalities. Localities are each supported by 'stories of place', created by the council to summarise statistical and background information on each locality to support its work.

- Clyde Gateway is a partnership between Glasgow City Council, South Lanarkshire Council and Scottish Enterprise, with funding and support from the Scottish Government. Beginning in 2008, the 20-year initiative aims to lead social, economic and physical change across communities in the east end of Glasgow and Rutherglen.

113. Planning services are operating in a challenging environment that reflects the wider challenges faced by local government. The introduction of the Act heightens that challenge. Council planning services must grasp the opportunity this presents by building on good practice and developing new ways of working. This includes working with communities more closely and engaging with them and with partners to develop shared plans and objectives to improve places and jointly tackle inequalities.

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	Living Wage Scotland, [Living Wage Scotland](#), – Interactive tool
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Local government in Scotland
Overview 2020

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AUDIT SCOTLAND

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

On: **21 September 2020**

Report by: **Chief Executive**

Heading: **Annual Review of Compliance with the Local Code of Corporate Governance 2020**

1. **Summary**

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

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

1.3 The evidence presented in Appendix 1 reflects the impact that the COVID-19 pandemic has had on the Council's governance arrangements for 2020. The evidence presented demonstrates that strong governance arrangements have remained and are in place within the Council, and that Councillors and Officers are working together to lead and manage the Council in order to provide vital public services.

2. **Recommendations**

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

3. **Background**

3.1 CIPFA published the *Delivering Good Governance in Local Government: Framework* in 2007 to set the standard for local authority governance in the UK. It reviewed and

published a revised edition in 2016 to ensure it remained 'fit for purpose'. The new code places greater emphasis on relationships and behaviours between Elected Members and senior management; performance reporting; and Council and service level plans. The Council reviews its Local Code of Corporate Governance annually, and last reviewed and approved its code and the supporting evidence of compliance, in May 2019.

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

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

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

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

Implications of the Report

1.   **Financial - none.**

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

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

4.   **Legal – none**.

5.   **Property/Assets – none**

6.   **Information Technology –**

7.   **Equality & Human Rights**

            The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified

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

8. **Health & Safety – none**

9. **Procurement – none**

10. **Risk –** The Council must comply with CiPFA's Local Code of Corporate Governance.

11. **Privacy Impact – none**

12. **Cosla Policy Position – none**

13. **Climate - none**

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List of Background Papers

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

Appendix 1

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.1 Behaving with integrity			
1.1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	Code of conduct for employees and Councillor's Code of Conduct	The Finance, Resources and Customer Services Board revised the code of conduct for its employees in late 2017. The Councillors' Code, which was introduced by the Ethical Standards in Public Life etc. (Scotland) Act 2000, sets out a protocol for relations between Councillors and employees. All Elected Members, following their election in May 2017, have signed their declaration of acceptance of office whereby they undertook to meet the requirements of the Councillors' code issued under the Ethical Standards in Public Life etc. (Scotland) Act 2000 in the performance of their functions as a Councillor.
		Protocol for Relationships between Political Groups, Elected Members and Officers	The Council's elected member and inter-party protocols and protocol for member / officer relations were reviewed and combined into one composite protocol which was approved by the Finance and Resources Policy Board on 12th November 2014. Members are offered refresher briefings on code of conduct issues twice annually, in February 2020 this included 'Code of Conduct Roadshow – Standards Commission. The programme of training scheduled for April 2020 included a session on the Code of Conduct, this was postponed due to the pandemic.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Code of corporate governance	The Council complies with this requirement through the agreement of the Code of Corporate Governance which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis.
			Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved, with the exception of those powers which cannot be delegated or have been reserved to the Council. These functions have been delegated to Boards and committees, the Chief Executive, Directors and Heads of Service and other officers, including through statutory appointments of officers. During the pandemic an Emergencies Board commenced and an Emergencies Management Team was established, as specified in the Scheme of Delegations: Delegations to Officers, which provides that the Chief Executive, all Directors and all Heads of Service have the delegated authority "To take any actions necessary in any emergency situation that are within the remit of their own post or the service for which they are responsible."
1.1.2		Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These	Code of Conduct	The Council currently complies with the requirement through its Code of Conduct for employees and the Councillors' Code, which sets out a protocol for relations between Councillors and employees which has been issued to all Elected Members. Declarations of interest are

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		should build on the Seven Principles of Public Life (the Nolan Principles)		recorded in the minutes of meetings. Briefings for members on the Councillors' code of conduct are held twice annually. The training scheduled for April 2020 was postponed due to the pandemic.
			Protocol for relationships between Political Groups, Elected Members and Officers	The Council's Elected Member and inter-party protocols and protocol for member/officer relations were combined into one composite protocol which was approved at the Finance and Resources Policy Board on 12th November 2014.
1.1.3		Leading by example and using these standard operating principles or values as a framework for decision making and other actions.	Codes of Conduct	The various codes of conduct determine how officers and members work within partnerships, and the shared values that they will demonstrate.
			Values	The Council's new values were launched in June 2020.They will be embedded across the organisation through: reviewing people policies; managers to develop role model behaviours; and manage staff according to these values.
			Council Plan and Local Outcome Improvement Plan (LOIP)	The Council complies with this requirement through the Council Plan and Local Outcome Improvement Plan (LOIP) which were refreshed during 2017 and approved by Council in September 2017. The plans highlight the key role that the Council will play in terms of delivering on the key targets and outcomes that it is committed to progressing with its partners.
1.1.4		Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.	Register of Interests for Senior Officers	The Council has a register of interests for Senior Officers. Information contained on the register is subject to Freedom of Information. Officers are contacted on an annual basis to update the register.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				Information from the register of senior officers' interests was published from 28 October 2016 on the Council's website. Renfrewshire was the first Council in Scotland to publish information on the interests of its senior officers online.
			Whistle blowing policy	The Council has a whistle blowing policy which is part of the employees' code of conduct.
			Complaints Policy	The Council refreshed its complaints handling procedure in April 2019, which continues to follow the two stage process of the Scottish Public Service Ombudsman. The refreshed procedure makes it easier to understand for the customer and staff and was approved by Finance, Resources and Customers Policy Board on 27 March 2019. The time taken to respond to complaints is monitored by services and a report is submitted to the Audit, Risk and Scrutiny Board on the Council's annual complaints data.
			Codes of conduct	The various codes of conduct determine how officers and members work within partnerships and the shared values that they will demonstrate.
			Councillors' Register of Interests	In relation to declarations of interest, members are formally asked to regularly update their register of interests every six months. Members are advised that Minutes should include a brief explanation of the individual nature of the interest and to assist members, the agenda item reminds them to provide such an explanation on every occasion the interest is declared. Declarations of interest are minuted and are available for public

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				view on each member's online profile page on the website.
1.2 Demonstrating strong commitment to ethical values				
1.2.1		Seeking to establish, monitor and maintain the organisation's ethical standards and performance.	Protocol for Relationships between Political Groups, Elected Members and Officers Councillors' Code of Conduct	Any alleged contraventions of the Ethical Standards in Public Life etc (Scotland) Act 2000 would be referred for investigation to the Commissioner for Ethical Standards in Public Life. And thereafter for consideration by the Standards Commission appointed by Scottish Ministers. Where a hearing involving 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.
			Councillors' Register of Interests	Councillors hold public office under the law and must observe the rules of conduct stemming from the law, the Code of Conduct for Councillors and any guidance from the Standards Commission and the rules, standing orders and regulations of the Council. In addition, the Council has developed an inter party protocol which highlights that Political Groups have the responsibility not to require individual Councillors to vote on party lines in respect of decisions where group decision-making would be unlawful or contrary to the Councillors' Code of Conduct. 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.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Register of interests for Senior Officers	The Council has a register of interests for Senior Officers. Information contained on the register is subject to Freedom of Information. Officers are contacted on an annual basis to update the register. Information from the register of Senior Officers' interests has been published from 28 October 2016 on the Council's website. Renfrewshire was the first Council in Scotland to publish information on the interests of its senior officers online.
1.2.2		Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	Provision of ethical awareness training/code of conduct	A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce capability building and job ready activities to foster the organisations performance culture. The Council's new values will be supported by a training package and review and refreshing of the Council's People Policies. The Council implemented a new Code of Conduct for Employees in late 2017. In addition, briefings for Elected Members on their responsibilities under the Code of Conduct for Councillors are held regularly every year, conducted by the Head of Corporate Governance. The planned session on the Code of Conduct for April was postponed due to the pandemic.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				Councillors are advised of and can attend road shows delivered by the Standards Commission on the implementation of the Code of Conduct for Councillor, last one was in February 2020.

Guidance notes issued by the Standards Commission are provided to Councillors, most recently in relation to the application of Article 10 of the Human Rights Act.

An annual register of training delivered for Councillors is available online. |
| | | | Members Induction | A welcome and induction package of events was delivered for newly-elected and returning Councillors following the local government election in May 2017. Notice of further development events and opportunities is issued to Councillors each month. For 2020, this was paused with the commencement of lockdown.

A focussed development week is generally held in April, due to the pandemic this year it was postponed.

The postponed members' development programme for April 2020 included sessions on Future Paisley; ICT Q & A; personal development for councillors; ethical standards; scrutiny workshop; tour of waste plant (Dunbar); electric cars; blue badge scheme; tour of museum refurbishment; and participatory budgeting.

The annual record of training provided is available online |

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.2.3		Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	Appraisal processes take account of values and ethical behaviour	A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce capability building and job ready activities to foster the organisations performance culture. All new and refreshed People Policies will align with the Council's values and behaviours.
			Staff appointments policy	The Council has robust recruitment procedures in place to ensure the fair selection of candidates. There is an appointment panel for Chief Officer level appointments. The Council's recruitment and selection processes are designed in accordance with best practice principles, legislation and COSLA recruitment and selection guidance. A Recruitment and Selection Policy, guidance and revised training implemented in 2018.
			Standing Orders relating to contracts	The Council has a statutory obligation to have standing orders in place relating to contracts, the main purpose of which is to provide open and transparent procedures for tenderers; to achieve value for money for the Council; and to provide guidelines for officers. These standing orders are reviewed regularly as a matter of good practice.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.2.4		Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.	Local Outcome Improvement Plan (LOIP)	The Local Outcome Improvement Plan was approved in September 2017 by Council. It sets out a clear vision for Renfrewshire and its people, as well as the key areas of priority and actions to be targeted by community planning partners.
			Data processing agreement	The Council has a written agreement with any data processor that they will keep personal data secure and the data processor agreement specifies security requirements as data processors.
1.3 Respecting the rule of law				
1.3.1		Ensuring members and staff demonstrate a strong commitment to rule of the law as well as adhering to relevant laws and regulations.	Scheme of delegation Standing Orders Procedural Standing Orders Financial Regulations Policy Board Reports Statutory Officers Role	The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked. Each report has a section on legal implications. The frontispieces to reports require that community planning partners are consulted in the preparation of reports where appropriate and reports must outline community / Council plan implications. The Council has appointed a Data Protection Officer in terms of the General Data Protection Regulation.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
1.3.2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	Scheme of delegation Standing Orders Procedural Standing Orders Financial Regulations Board Reports	The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council's Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked. Each report has a section on legal implications. In addition, the Council has a programme of development for Elected Members in place. Members who sit on the Licensing Board must undertake and pass a mandatory training course. The members' development programme provides members with briefings as soon as practicable when new legislation is introduced, e.g. the General Data Protection Regulation. Members who are involved in taking quasi judicial decisions, e.g. planning, licensing, are briefed regularly on their responsibilities.
1.3.3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	Record of legal advice provided by officers/ Community Empowerment Act Council Approval.	The Council has approved reports on its arrangements for dealing with community empowerment as the various parts of the Community Empowerment (Scotland) 2015 Act have been enacted. In relation to asset transfer, the Council has an approved Community Asset Transfer Policy that sets out the legal and policy framework for asset transfer.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				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. A Community Empowerment Fund was established in 2018 to support groups and organisations with the community asset transfer process

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

Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships.
These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships. |
| 1.3.4 | | Dealing with breaches of legal and regulatory provisions effectively. | Monitoring Officer | The Head of Corporate Governance acts as Monitoring Officer in terms of the Local Government and Housing Act 1989 and as detailed in 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. |
| | | | Scheme of delegation
Standing orders
Procedural standing orders | The Council complies with this requirement in terms of its scheme of delegated functions, standing orders relating to contracts, financial |

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Financial regulations Board reports	regulations and procedural standing orders which are kept under review and updated as appropriate. In addition, each of the Council Boards has a dedicated solicitor who reviews reports in order that the vires of proposed actions can be checked, with each report having a section on legal implications.
			Internal Audit Charter	The Council's Internal Audit Charter sets out the authority, responsibility independence and reporting lines for internal audit activities.
1.3.5		Ensuring corruption and misuse of power are dealt with effectively.	Strategy for the prevention and detection of fraud and corruption - Corporate counter fraud arrangements Integrity Group Anti -Money Laundering Policy Internal Audit arrangements	A strategy for the prevention and detection of fraud and corruption and whistleblowing policy are in place. An Anti-Money Laundering Policy has also been introduced. The Council's Integrity Group has been established to strengthen the Council's internal resilience to corruption and has developed an action plan which includes review and update of Council policies which will strengthen the arrangements currently in place. Any matters coming to light would be investigated by Internal Audit or Counter Fraud.

PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
2.1 Openness			
2.1.1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	Council Plan and Local Outcome Improvement Plan (LOIP)	The Council Plan and LOIP confirm to employees and to local communities, what the Council is trying to achieve with its partners for Renfrewshire. We communicate progress on this through the Annual Report on the Community Plan, through community planning conference events. Progress on delivering on the priorities in the Council Plan is and will continue to be reported to the Leadership Board on a regular basis. The Plan highlights the key priorities, targets and success measures that the Council has committed to deliver on. In December 2017, the Leadership Board approved the performance framework and agreed to six monthly reporting. An annual report on the Community Plan / Local Outcome Improvement Plan is published each year.
		Minutes and agendas available online	The Council ensures the minutes and agendas of all Board and Council meetings are available to the public, and by ensuring that key documents are also available through its publication scheme. Board and Council meetings are open to the public and meetings of the Council are webcast live and are also able to be viewed in archive. Due to the impact of the pandemic, the cycle of Policy Boards starting in August will be conducted

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				online via Teams. Recordings of meetings have been made available online.
			Public Performance Reporting	Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. The performance section on the Council's website provides a number of sources to assess how the Council is performing. It provides data on how well we responding to complaints, how we are achieving progress against the Council plan and best value action plan, how we compare with other authorities and the Scottish average, across the following pages: - **Our current performance**, which includes the latest version of 'it's all about you' as a storymap. It provides a ranges of performance data, images and case studies; - **Renfrewshire data,** with the open data platform and data needs assessments; and - **Benchmarking** information such as the latest Local Government Benchmarking Framework report to Board.
2.1.2		Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	Minutes and agendas	Meetings of the Council and its Boards are open to members of the public and they are entitled to a copy of the agenda and reports prepared by officers which deal with items on the agenda unless items are to be discussed which contain exempt or confidential information. Minutes of meetings record decisions which have been taken.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			The agenda, minutes and board papers are published on line for ease of access. Due to the impact of the pandemic, the cycle of Policy Boards starting in August will be conducted online via Teams. Recordings of meetings have been made available online.
		Meetings held in public	All meetings of the Council and its Boards are held in public unless in terms of the Local Government (Scotland) Act 1973, the meeting takes a decision to exclude the press and public. Where it is recommended that a matter by held in private, the reason for this is identified on the agenda for the meeting and in the minutes. Due to current Government advice the Council implemented temporary decision-making arrangements to reduce the need for face-to-face meetings during the coronavirus (COVID-19) pandemic. The Emergencies Board meets as timetabled at remotely-facilitated meetings. A recording of each remotely-facilitated meeting from the Emergencies Board held on 17 April 2020 onwards will be published as soon as possible after each meeting and accessed through a link attached to the relevant electronic agenda. The cycle of policy board meetings starting in August will be conducted via Teams and recordings will be made available online thereafter.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved. With the exception of those powers which cannot be delegated to Boards and committees, the Chief Executive, Directors, Heads of Service and other officers, including statutory appointments of officers. During the pandemic an Emergencies Board commenced and an Emergencies Management Team was established, as specified in the Scheme of Delegations: Delegations to Officers, which provides that the Chief Executive, all Directors and all Heads of Service have the delegated authority "To take any actions necessary in any emergency situation that are within the remit of their own post or the service for which they are responsible."
			Elected Members' information bulletin	To reduce the reporting of routine operational matters to policy boards and to allow Boards to focus on policy issues, a range of matters including the exercise of delegated authority by officers are reported to members by means of a regular bulletin rather than a formal report to a Policy Board. This has continued to be issued during the pandemic.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Live webcasting of Council meetings	All meetings of the full Council are webcast live. The webcast is also available in archive. The cycle of meetings starting in August will be conducted via Teams. A recording of each remotely-facilitated meeting from the Emergencies Board from the 17 April 2020 onwards will be published.
2.1.3		Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	Board reports Minutes and agendas	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take reasoned decisions and provide clear recommendations. Minutes of meetings record decisions made. Report templates are reviewed regularly, most recently in 2019, and aligned to community planning themes and also have required sections on where equality, human rights and privacy impact implications are noted.
2.1.4		Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, service user groups, Community Planning process, Complaints procedure and Community Councils. Members of the public are also able to contact the Council through the website and are able to take part in consultations or complete complaints forms.
			Community Planning structure – Renfrewshire Forum for Empowering Communities	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Review of Community Planning Partners was approved by full Council in December 2016	knowledge, skills, capacity and potential that communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision making and accountability as far as possible and work co-operatively with communities. The Empowering Communities Board is led by Engage Renfrewshire, the 3rd sector interface organisation. The forum acts as a sounding board of the Community Planning Partnership in the development of community capacity building, consultation and communication. Following on from this extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships.
			Public Services Panel	The Public Services Panel (PSP) is used as a mechanism for gaining the views of Renfrewshire residents on a number of issues / topics. The PSP is being refreshed for 2020.
2.2 Engaging comprehensively with institutional stakeholders				
2.2.1		Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for	Internal Communications and Engagement Strategy	An internal communications and engagement strategy was developed and approved by the Corporate Management Team in June 2020. The

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.		strategy outlines a number of methods to improve internal communications across the Council. Communication is *everyone's* 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. Our values were launched in June 2020 and work is underway to embed these values in everything we do including working with HR & OD to weave these into the full employee lifecycle/journey.
			Communications channels	The Council communicates with members of the community and its stakeholders (and vice versa) through several mechanisms including: • Renfrewshire Magazine – which is now online • Tenant Forums • Community Planning Groups • Community Councils • Local Partnerships • Council Website • Complaints procedure • Public Performance reports • Customer Service Channels

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
2.2.2		Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	Community Plan & Local Outcome Improvement Plan	While the Council has not developed a set of agreed values with its partners, it has agreed to work with other organisations in the spirit of partnership to achieve a number of outcomes in Renfrewshire. The new Community Plan was agreed in September 2017.
2.2.3		Ensuring that partnerships are based on: − trust − a shared commitment to change − a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.	Strategic Partnership Agreements	Renfrewshire Council agreed a Strategic Partnership Agreement with Active Communities and Paisley Community Trust during 2019.
2.3 Engaging stakeholders effectively, including individual citizens and service users.				
2.3.1		Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievements of intended outcomes.	Consultation methods	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, service user groups, Community Planning process, Complaints procedure and Community Councils.
			Petitions Board	The Petitions Board provides an opportunity for individual members of the public to raise issues of concern with the Council, either as individuals or on behalf of an organisation.
2.3.2		Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	Internal Communications and Engagement Strategy	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.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Communication is *everyone's* 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. Our values were launched in June 2020 and work is underway to embed these values in everything we do including working with HR & OD to weave these into the full employee lifecycle/journey. Service specific strategies and plans have also been developed and informed through the Community Planning process and through wider consultation mechanisms such as the Public Services Panel, community planning conferences and online consultation.
		Communications Channels	The Council communicates with members of the community and its stakeholders (and vice versa) through several mechanisms including: • Renfrewshire Magazine – issued to all households across Renfrewshire • Tenant Forums • Community Planning Groups • Community Councils • New Local Partnerships • Council Website • Complaints procedure • Public Performance report • Customer Service Centre Channels

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
2.3.3		Encouraging, collecting and evaluating the views and experience of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forums, Public meetings on specific issues, service user groups, Community Planning process, Complaints Procedure, Community Councils and the new local partnerships. Members of the public are also able to contact the Council through the website and can take part in consultations or complete complaints forms.
			Community planning structure – Renfrewshire Forum for Empowering Communities Review of Community Planning Partners was approved by full Council in December 2016	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the knowledge, skills, capacity and potential that Renfrewshire communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision-making and accountability as far as possible and work co-operatively with communities. The Empowering Communities Board is led by Engage Renfrewshire, the 3rd sector interface. The forum acts as a sounding board of the Community Planning Partnership in the development of community capacity building, consultation and communication. At community planning conferences, community planning partners engage with individuals and representatives from local community and voluntary sector organisations.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			New Local Partnerships Participatory budgeting programme – Celebrating Renfrewshire	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships.

At their March 2019 meeting Local Partnerships discussed and agreed a set of Local Priorities. These Local Priorities will shape the work plan for the Partnerships and support Partnerships to make decisions about the award of grants.

A new participatory budgeting programme called Celebrating Renfrewshire was launched in 2019, in which local young people made decisions about the local projects and groups that should receive funds to deliver their ideas. In total 3402 young people voted with a total of £149,340 being awarded to local projects and groups. |
| 2.3.4 | | Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. | Results from consultations published | The Public Services Panel (PSP) section of the website provides results from the last survey alongside details of how we are using the feedback. The PSP is being refreshed in 2020. |
| 2.3.5 | | Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. | Processes for dealing with competing demands within the community/CPP process | The role, remit and action plan of Diversity Equality Alliance Renfrewshire (DEAR) Group was reviewed and agreed in January 2018. The purpose of this work is to ensure that equality-focused organisations have ownership of activity |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			to have a greater voice in shaping public services in Renfrewshire. Renfrewshire Council is the first Council in the UK to have undertaken two All Children Wellbeing Survey, giving Renfrewshire a comprehensive picture of the issues facing school-age young people.
2.3.6	Taking account of the interests of future generations of tax payers and service users.	Strategic Needs Assessment	As part of the development of the Local Outcome Improvement Plan and Council Plan, a strategic needs assessment was carried out between January and March 2017 with Renfrewshire communities. A regular 'deep dive' of the relevance of the information is supported as part of the planning and development of services.

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
3.1 Defining outcomes			
3.1.1.	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.	Council Plan	The new Council Plan, 2017-2021, approved in September 2017 sets out the overarching strategic vision and objectives of the Council. The Plan sets out five strategic outcomes on how we will invest in a better future for all of Renfrewshire and create a better Council that will work with customers and partners to deliver that future. The implementation of the Plan is driven and managed throughout the organisation through Service plans and operational plans.
		Service Planning Guidance / Service Improvement plans	Revised service planning guidance was issued in November 2019, which links to the priorities of the Council Plan. The guidelines are outcome focused and flexible, supporting Services to take an individual approach to how they respond to the Community and Council Plans. The aim of the Service Improvement Plans are to: • Explain in a structured way, how each Service is going to deliver their element of the Council Plan priorities and Community Plan outcomes; • Sets out each service's actions on how they are going to achieve the outcomes for each communities and the performance indicators to monitor if progress and improvement is being achieved.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
3.1.2		Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	Council Plan	The Council Plan refresh was approved by Council on 28 September 2017 and sets out the overarching strategic vision and objectives of the Council. The accompanying performance framework, which sets out a six monthly monitoring process was approved by Leadership Board in December 2017.
			Community Plan and Local Outcome Improvement Plan (LOIP)	The new Community Plan (LOIP) was agreed by Council on 28 September 2017. A strategic needs assessment and extensive community consultation was undertaken to identify priorities and challenges.
			Service Planning guidance / Service Improvement Plans	Revised service planning guidance was issued in November 2019, which links to the five strategic outcomes of the Council Plan. The guidelines are outcome focused and flexible, supporting Services to take an individual approach to how they respond to the Community and Council Plans. The aim of the Service Plans are to: • Explain in a structured way, how each Service is going to deliver their element of the Council Plan priorities and Community Plan outcomes; and • Set out each Service's actions on how they are going to achieve the outcomes for communities and the performance indicators to monitor if progress and improvement is being achieved.
3.1.3		Delivering defined outcomes on a sustainable basis within the resources that will be available.	Council Plan Monitoring Report	Reports on the performance of the Council Plan actions and performance indicators are taken to the Leadership Board on a 6 monthly-basis.

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

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

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

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

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.1 Determining interventions				
4.1.1		Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.	Reports to Council / Boards	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take decisions, including personnel, legal, risk, financial and other implications relating to the key Council Plan / Community Plan themes, and provide recommendations. All reports have a 'frontispiece' which details consultation undertaken by the author of the report in relation to financial and legal implications. Reports are in a standard format in which legal and financial implications (if any) require to be detailed. Pre-agenda meetings are held with Convenors and Depute Convenors at which any issues can be addressed prior to the finalised agenda being issued.
			Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is updated on the Council website. Dates of pre-agenda meetings are provided to relevant officers and members. The most recent timetable has been approved until June 2021. A spreadsheet is issued quarterly to services advising of last lodging dates for reports.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
4.1.2		Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	Public Consultation	The Council has a track record of engaging with services on new developments or wide scale changes to services such as the public consultation on City Deal. In addition, the Community Planning events used the place model and Public Services Panel capture opinions of citizens on what matters to them most in terms of Council priorities or service provision.
			New Local Partnerships	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships. Local Partnerships met in June 2019 to award grants to local groups, with community representatives having an active part in decision making for the first time. Over 3,000 young people voted during autumn 2019 in a Participatory Budgeting exercise that decided the allocation of Local Partnership funding to projects benefiting young people. A further round of local funding allocation and a youth participatory budgeting exercise will take place in September 2020.
			Petitions function	The Council introduced a public petitions procedure in 2007 which strengthens the connection between the Council and the

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				community to raise issues of concern in relation to services provided by the Council or other bodies such as the police and health board, recognising that the Council has limited influence over other bodies. Details of petitions received and their outcomes are included in the annual report to the Board and on the Council's website. Petitions previously were considered by the Audit, Scrutiny and Petitions Board but as of June 2017, a separate Petitions Board has been established to consider petitions only.
4.2 Planning interventions				
4.2.1		Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is published online, together. Dates of pre-agenda meetings are provided to relevant officers and members. The Council has approved its timetable of meetings until Dec 2019. A spreadsheet is issued quarterly to services advising of the last lodging dates for reports.
			Service Improvement Plans	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, details how its actions will achieve improved outcomes for customers/communities in the future and 3 years of targets for the indicators.
4.2.2		Engaging with internal and external stakeholders in determining how	Communications channels	The Council communicates with members of the community and its stakeholders (and vice versa) through a number of mechanisms including:

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		services and other courses of action should be planned and delivered.		- Renfrewshire magazine – issued to all households across Renfrewshire - Tenant Forums - Community Planning Groups - Community Councils - Local Partnerships - Council Website - Complaints procedure - Public Performance reports - Customer Service Centre Channels
			Internal Communications and Engagement Strategy	An internal communications and engagement strategy has been developed on the approach the Council will use to engage with staff. Various internal communication channels have been refreshed and frequency increased for 2020, including: - new 'Staff News - Take 5' - weekly staff update; - new - Staff monthly newsletter; - fortnightly - Chief Executive's Blog; - regular Team Briefs for managers to inform and update staff on key issues; - use of text messaging and posters to reach frontline workers; - 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; - use of Microsoft Yammer for news and staff updates;

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				• Pulse survey on internal comms during the pandemic; and • recent working from home survey to gain understanding of staff viewpoints and supports required.
			Community Planning structure – Renfrewshire Forum for Empowering Communities	Renfrewshire Forum for Empowering Communities is taking a lead role in giving local communities a voice in Renfrewshire. It provides meaningful, sustained and effective engagement with communities and citizens. It values the knowledge, skills, capacity and potential that Renfrewshire communities have and seeks to build on the commitment and confidence evident in local groups and organisations. The aim is to localise decision making and accountability as far as possible and work co-operatively with communities.
			New Local Partnerships.	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships.

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

Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year.

Information including commentary on performance is collected and analysed using the Pentana performance management system. |

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			CMT Performance Scorecard Quarterly monitoring	Quarterly – a quarterly performance scorecard is discussed at the Corporate Management Team meetings reporting on the performance of services during the previous quarter.
4.2.6		Ensuring capacity exists to generate the information required to review service quality regularly.	Performance Framework - for SIPs; CMT Quarterly Scorecard; and Annual Complaints Report	The Council has a comprehensive performance scrutiny framework in place. These cover: (i) Spring – review progress of Service Plan implementation and report the new Service Improvement Plan covering the next three years to Board. (ii) Autumn – report to Board the mid-year point progress to allow Elected Members to scrutinise performance against targets and due dates. In addition, there are internal meetings with the Chief Executive and the Corporate Management Team to monitor and scrutinise performance at Council and service level. (iii) Quarterly – a quarterly performance scorecard is discussed at the Corporate Management Team meetings reporting on the performance of services during the previous quarter. (iv) Regular - operational performance reports and progress for certain service areas during the year, such as Customer & Business Services Performance Report to Finance, Resources and Customer Services Policy Board. (v) Annually - a report on Complaints performance is also taken to Audit, Risk and Scrutiny Board.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Benchmarking performance reviewed each year by Audit, Risk and Scrutiny Board	The Council's performance in terms of Local Government Benchmarking Framework indicators is reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction. The report also sets out the actions which will be taken to improve performance for the indicators in the bottom quartile (ranked 25th to 32nd).
4.2.7		Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.	Annual financial statements, annual accounts and annual audit review Budget guidance and protocols Medium-term financial planning	The Council complies with this requirement through the publication of its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on the Council's website. The Council's financial outlook for the medium term is presented to Leadership Board each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.2.8		Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	Budget guidance and protocols Medium-term financial planning Corporate plans	The Council's financial outlook for the medium term is presented to Leadership Board each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.3 Optimising achievement of intended outcomes				
4.3.1		Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	Service Improvement Plans	Each service improvement plan includes a section on finance and resources and includes information on gross revenue estimates for the coming year, and identifies resource pressures.
			Financial outlook	The Council's financial outlook for the medium term is presented each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall the Council's immediate financial position takes into consideration all known influencing factors.
4.3.2		Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	Budgeting guidance and protocols	A revised programme of financial management training for budget holders has been implemented as part of the Aspire programme (development programme for first line managers and supervisors). This acts as a refresher and update for operational staff. Financial reports detailing revenue expenditure and income are made to policy boards throughout the year and are based on the total cost of the main divisions of service and the total cost based on the key expenditure headings such as employee costs etc. Capital expenditure and income reports also follow this same process with

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
				each capital project showing the previous year's cumulative spend (full cost)
4.3.3		Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	Financial Outlook	The Council's financial outlook for the medium term is presented each year. The report sets out the current financial position and the significant financial challenges to be faced in the forthcoming years, together with likely indications of grant and borrowing levels. Overall, the Council's immediate financial position takes into consideration all known influencing factors.
4.3.4		Ensuring the achievement of 'social value' through service planning and commissioning.	Service Improvement Plans	Services are required to demonstrate through the service improvement plans how they contribute to the Council Plan and Community Plan objectives for Renfrewshire. They also demonstrate the achievements of the various outcomes and targets agreed by the Council and its partners.
			Community Benefits	A Community Benefits Strategy was developed and approved by the Procurement Sub Committee in June 2014.

A suite of guidance documents have been produced to provide procurement staff with the tools to effectively manage Community Benefits

The outcomes and impact of Community Benefits to Renfrewshire are monitored by CPU Compliance Team and be integral to the Supplier Management process. |

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.1 Developing the entity's capacity			
5.1.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board prepare an annual programme, including areas for specific review. Members suggesting an area for review must identify the purpose and objectives of the review and the intended outcome. The Board takes a common sense approach to reviewing decisions and policies and the process provides the opportunity for Elected Members to examine the various functions of the Council, to ask questions on how decisions have been made, to consider whether service improvements can be put in place and makes recommendations as appropriate. For each review, the Chief Executive appoints a lead officer to assist members of the Board to identify potential issues and questions to be asked of witnesses. Following each review, a report is prepared by the lead officers for approval by the Board and thereafter the Council. If appropriate, minority of dissenting views are recorded in the minutes of the meeting.
		Performance management system, Pentana.	Performance information from across services is monitored by the Chief Executive and the Corporate Management Team using the Council's performance management system, Pentana. The system is used to monitor strategic indicators, statutory indicators and operational indicators.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Performance management reports to Board - Council Plan and LOIP reports Council Plan Performance Framework Local Government Benchmarking Framework (LGBF)	The Council provides regular updates covering performance to relevant Boards: in terms of delivering on the Council Plan; in conjunction with partners, on the Community Plan / Local Outcome Improvement Plan; progress on service improvement plans; the Local Government benchmarking Framework; and operational performance reports.
5.1.2		Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.	Benchmarking / peer review	Services across the Council are involved in both formal and informal benchmarking arrangements through for example, the Association for Public Service Excellence and Scottish Community Care Benchmarking Network. Communities, Housing and Property Services participate in the Scottish Housing Best Value Network (SHBVN) annual benchmarking process.

The Council has also been involved in the development of the Local Government Benchmarking Framework and the subsequent benchmarking groups. This framework provides national benchmarking information on a range of indicators covering service delivery, cost and customer satisfaction. |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.1.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	Community Plan and Local Outcome Improvement Plan Strategic Partnership Agreement	The Council currently complies with this requirement through its Community Plan and Local Outcome Improvement Plan (LOIP), which set out a clear vision for partnerships and for Renfrewshire and its people, as well as the key areas of priority and actions to be undertaken. The new Community Plan, which was agreed by Council on 28 September 2017, was based upon extensive research and community consultation which identified the key issues facing Renfrewshire. Renfrewshire Council agreed a Strategic Partnership Agreement with Active Communities and Paisley Community Trust during 2019.
5.1.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	Workforce Plan	A Council workforce plan was approved by the Finance, Resources and Customer Services Board in August 2017, with each service having an individual workforce plans also. All plans are designed around the six step methodology of workforce planning and incorporates 5 strategic themes: − A modernised and flexible workforce; − A developing workforce; − A resilient workforce; − A skilled workforce; and − A partnering workforce. The themes are aligned to the Council Plan which will enable the Council to address future working challenges, supporting organisational change. Workforce planning priorities under the five key themes will be integrated and driven through the

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Service Improvement Plan process. This will ensure robust monitoring of progress and that workforce planning is not seen as a standalone activity.

5.2 Developing the capability of the entity's leadership and other individuals

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
5.2.1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	Protocol for relationships between Political Groups, Elected Members and Officers Member Development Programme	The Council's Elected Members and inter-party protocols and protocol for members/officers relations were reviewed in 2014 and combined into one composite protocol which was approved at the Finance and Resources Policy Board on 12th November 2014.
		Councillors' Code of Conduct, Code of Conduct for Employees	The Council complies with this requirement through the Councillors' Code of Conduct and the Code of Conduct for Employees. The Council's protocol for relationships between political groups, Elected Members and officers sets out the rights and responsibilities of Councillors and political groups in the course of conducting Council business; good practice guidelines in relation to the multi-member ward issues. Members were provided with a briefing on the respective roles and responsibilities of officers and members as part of their induction following the Local Government elections in 2017.
		Meetings between Chief Executive and Leader	The Chief Executive holds weekly meetings with the Leader.
		Cross Party Sounding Board	The Council at its statutory meeting 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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			discussion forum, with no decision making powers: to provide an opportunity to discuss matters of common interest or of Council wide relevance. Members include 2 administration and 4 opposition members.
5.2.2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decisions making of the governing body.	Scheme of delegation	The Council's scheme of delegation ensures that decisions are made at the lowest or most local level consistent with the nature of the issues involved. With the exception of those powers which cannot be delegated or have been reserved to the Council, functions have been delegated to Boards and committees, the Chief Executive, Directors and Heads of Service and other officers. The scheme also includes a section detailing, statutory officers.

During the pandemic an Emergencies Board commenced and an Emergencies Management Team was established, as specified in the Scheme of Delegations: Delegations to Officers, which provides that the Chief Executive, all Directors and all Heads of Service have the delegated authority "To take any actions necessary in any emergency situation that are within the remit of their own post or the service for which they are responsible." |
| 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 | Conditions of Employment, scheme of delegation, statutory provisions and job descriptions/person specification | The Chief Executive has responsibility as head of the paid service for all aspects of operational management. |
| | | Annual review | The Chief Executive is subject to a facilitated annual review by the leaders of the political |

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			development. This includes a comprehensive e-learning induction module for employees which covers terms and conditions and the statutory appointments of officers are detailed in the Council's scheme of delegation and this is reviewed on a regular basis.
		New Leadership Development Training Programmes Review of Employee Development Mentoring scheme pilot	Two new Leadership Development Programmes were introduced in 2017 - Leaders of the Future and ASPIRE. These programmes aim to develop leaders by focusing on enhancing skills, knowledge and competency in key leadership areas and strengthening capacity to lead and deliver change effectively. The CMI Level 3 Certificate in First Line Management was also launched in 2017. Due to the pandemic these courses have been adapted from a 'classroom' approach to be delivered online with virtual training. A new cross organisational mentoring scheme for staff was piloted in 2019/2020 with 35 staff from the Council participating. The programme was led by the Council in partnership with NHSGCC, Glasgow City Council, Inverclyde Council and West Dunbartonshire Council. The aims of the scheme were to support leadership development, identify emerging talent, facilitate knowledge and expertise between managers and leaders from different organisations and at different stages in their career and to develop professional relationships across councils and disciplines. A review of the pilot has taken place and

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			discussions are underway to launch a 2nd cohort early 2021.
5.2.5	Ensuring that there are structures in place to encourage public participation.	Consultation and engagement mechanisms	Council services engage and consult with communities in a number of ways including: Public Services Panel, Focus Groups, Tenants and Residents Forum, service user groups, Community Planning process, Complaints procedure and Local Partnerships.
		New Local Partnerships	Following on from extensive consultation in 2018, the previous Local Area Committees (LACs) have been replaced by Local Partnerships. These partnerships adopt a more informal and inclusive approach as part of a drive to ensure community voices are heard on local issues. Community Representatives now sit alongside Elected Members and Community Councils for the seven Local Partnerships. Local Partnerships met in June 2019 to award grants to local groups, with community representatives having an active part in decision making for the first time. Over 3,000 young people voted during autumn 2019 in a Participatory Budgeting exercise that decided the allocation of Local Partnership funding to projects benefiting young people. A further round of local funding allocation and a youth participatory budgeting exercise will take place in September 2020.
5.2.6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to	Improvement Service Continuing Professional Development (CPD) framework for Elected Members.	Councillors are encouraged to assess their own performance and identify any development needs using the CPD framework.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
	constructive feedback from peer review and inspections.		
		Peer reviews	Using the Improvement Service CPD framework, Councillors can opt to undertake a 360° peer review of their performance as an Elected Member.
5.2.7	Holding staff to account through regular performance reviews which take account of training or development needs.	Pentana performance management system – Corporate Management Team / Council Plan scorecard	Performance information from across services is monitored by the Chief Executive and the Corporate Management Team using the Council's performance management system, Pentana. The system is used to monitor strategic PIs, statutory indicators and operational indicators.
		Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board agree an annual programme of activities which includes areas for specific investigation. The Audit, Risk and Scrutiny Board also has a written intimation procedure in respect of which any member of the Board may request that a particular matter by considered by the Board. Each of the policy boards has a scrutiny function.
		Improvement Service Continuing Professional Development (CPD) framework for Elected Members.	The CPD framework for Councillors was developed by the Improvement Service and all members have access to it. Members are encouraged to assess their own development needs and develop a personal development plan.
		People, Performance, and Talent Policy (Appraisal Process)	A People, Performance and Talent Policy, Guidance and Competency Frameworks for all levels across the Council has replaced the former frameworks of MTIPD and MDP. The competency framework has been designed to align with the Council's values and behaviours. This enables services and individuals to identify areas for development and engage in effective workforce

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			capability building and job ready activities to foster the organisations performance culture.

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

During the pandemic, a Health, Safety and Wellbeing at Work page was developed on the Council's website. It includes online learning guide for working at home; a wellbeing guide; and useful contacts. |

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
6.1 Managing risk			
6.1.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	"Risk Matters" – the Councils Risk Management Policy and Strategy	The Council has a well-established risk management strategy which is subject to routine monitoring and review. Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group (CRMG) to ensure it reflects current standards and best practice and fully reflects the rapidly changing environment in local government. Risk Matters is explicit regarding the Council's risk management philosophy and regarding members' and managers' responsibility for risk management.
		Strategic Risk Management Development Plan (SRMDP)	The Strategic Risk Management Plan underpins Risk Matters. It reflects the development work required to fulfil the Strategic Risk Management Objectives outlined in Risk Matters. Progress on the SRMDP is monitored by the CRMG on a quarterly basis. The Audit, Risk and Scrutiny Board was renamed to reflect the importance of considering risks in the decision making process.
6.1.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	Strategic and Corporate Risk Register • Submission report to Board • Quarterly reports to CRMG • Midyear report to Board	The Council maintains, routinely monitors and reviews the corporate risk register and service risk management plans in accordance with Risk Matters.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Service Risk Management Plans • Submission reports to Boards • Regular reports to SMTs/DMTs • Midyear report to Boards	Standard compliance was in place until March 2020, when the priority shifted to monitoring (often on a daily basis) the council's corporate risk for *response* to Covid-19. Thereafter, focus shifted to monitoring the corporate risk for *recovery* from Covid-19 and then onto planning for local clusters, outbreaks and lockdowns. The CRMG is now reviewing the full strategic and corporate risk profile with a view to putting this to Board in November 2020.
		Risk Management Annual Report	A report on the effectiveness of the Council's risk management framework is provided to the Audit, Risk and Scrutiny Board on an annual basis. Due to the pandemic, Board meetings were cancelled. The annual report will now go to the relevant Board in November.
6.1.3	Ensuring that responsibilities for managing individual risks are clearly allocated.	Corporate Risk Management Group	The Corporate Risk Management Group oversees the Council's risk management framework on behalf of the Corporate Management Team. The Group oversees the ongoing development, monitoring and review of the corporate risk register and facilitates an escalation process whereby risk can be moved between corporate or service level.
6.2 Managing performance			
6.2.1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review.	Service Improvement plans and key performance indicators	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year. Due to the pandemic, these outturn service improvement plan reports were not reported in May this year, as Board meetings were cancelled. Instead, a policy update on services' response to the pandemic; key priorities; and risks - were reported to relevant Policy Boards in August. A service improvement plan report will also go to the relevant Board in November. Information including commentary on performance is collected and analysed using the Pentana performance management system.
6.2.2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	Reports to Council / boards	Reports to the Council and all Board meetings provide members with sufficient information on which they are able to take decisions, including personnel, legal, risk, financial and other implications relating to the key Council Plan / Community Plan themes, and provide recommendations.
		Annual timetable of board meetings	A timetable covering the various board cycles is approved by the Council and is available online dates of pre-agenda meetings are available to relevant officers and members. A spreadsheet is

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			of key performance indictors to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year (outturn reports) by the relevant Policy Boards. Due to the pandemic, these outturn service improvement plan reports were not reported in May this year, as Board meetings were cancelled. Instead, a policy update on services' response to the pandemic; key priorities; and risks - were reported to relevant Policy Boards in August.
		Corporate Management Team - scorecard / spotlight meetings	A quarterly performance scorecard is discussed at the Corporate Management Team meetings, reporting on the performance of services during the previous quarter. In addition, spotlight meetings are held on thematic areas of performance that are of strategic importance and relate to the Council Plan priorities.
		Performance reviewed each year by Audit, Risk and Scrutiny Board – LGBF and Complaints Report	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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			breakdown on number of complaints, how timeously we have responded to complainants and the service improvements made as a consequence. Both reports were presented to the Audit, Risk and Scrutiny Board on 16 March 2020.
6.2.5	Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements).	Financial regulations and financial codes	The Council has in place financial regulations which set out the responsibilities of the Director of Finance and Resources, who has been appointed as the 'proper officer', along with the responsibilities of the Chief Executive, Directors and other authorised people for the financial affairs of the Council. These regulations also set out the responsibilities of the Leadership Board, the Audit, Risk and Scrutiny Board and the various policy boards for financial affairs.
6.3 Robust internal control			
6.3.1	Aligning the risk management strategy and policies on internal control with achieving objectives.	"Risk Matters" – the Council's Risk Management Policy and Strategy	The Council has a well-established risk management strategy which is subject to routine monitoring and review. Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group (CRMG) to ensure it reflects current standards and best practice and fully reflects the rapidly changing environment in local government.

		Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Audit reports and Audit, Risk and Scrutiny Board - Public Sector Internal Audit Standards	In terms of the Public Sector Internal Audit Standards, the Council's Chief Auditor submits an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which detail the main issues arising. Annual Internal Audit risk-based plan is approved by the Board.
6.3.2		Evaluating and monitoring risk management and internal control on a regular basis.	Risk Management Annual Report	A report on the effectiveness of the Council's risk management framework is provided to the Audit, Risk and Scrutiny Board on an annual basis.
6.3.3		Ensuring effective counter fraud and anti-corruption arrangements are in place.	Strategy for the prevention and detection of fraud and corruption Internal Audit arrangements Corporate counter fraud arrangements Integrity Group Anti-Money Laundering policy	A strategy for the prevention and detection of fraud and corruption is in place. The Council's Integrity Group has been established to strengthen the Council's internal resilience to corruption. Effective counter fraud arrangements are in place having established a counter-fraud team. The Chief Auditor has also been appointed as the Money Laundering Reporting Officer.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
6.3.4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	Code of Corporate Governance Guidance Annual Governance Statement Internal Audit Annual report	The Council complies with this requirement through its Code of Corporate Governance Guidance which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis.
6.3.5	Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: − provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. − that its recommendations are listened to and acted upon.	Audit, Risk and Scrutiny Board	The Audit, Risk and Scrutiny Board functions as the Council's audit committee and has an overview of the internal audit role to ensure that resources are being targeted effectively. The Board reviews the Council's internal control mechanisms, approves action where appropriate, considers reports by external auditors and submits recommendations to the Council where this is considered appropriate.
		Training programme for Audit, Risk and Scrutiny Board	The Chief Auditor provides a regular briefing programme for members of the Board, prepared in consultation with them, to assist them in fulfilling their audit committee role. Issues covered by the training programme include the role of the Audit committee and CyberSecurity. This programme is approved annually by the Board.
6.4 Managing data			
6.4.1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Information Governance Strategy and Framework Information Governance Team Data protection policies and procedures Information Governance Learning & Development Strategy General Data Protection Regulations (GDPR)	The Council is subject to routine external audit by the Information Commissioners' Office (ICO) and also by internal audit. The Managing Solicitor reports monitoring figures, to the Senior Information Risk Owner (SIRO) on a monthly basis and to the CMT on at least a six monthly basis.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Appointment of Statutory Data Protection Officer (DPO)	Extensive work programme and communication took place in preparation for the introduction of the General Data Protection Regulations (GDPR) in May 2018. The Council has appointed a 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.
6.4.2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	Data sharing agreements Data processing agreements Central repository of data sharing and data processing agreements Cyber Security	Data sharing and data processing agreements are in place as appropriate. There is a central repository of signed agreements. The Council Data Sharing Code, based on the ICO code, was approved by the Finance, Resources and Customer Services Board. Cyber security transfer and sharing requirements are included with the legal documents.
6.4.3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	Service Improvement Plans and key performance indicators	Each year, every service is required to produce a rolling 3 year service improvement plan which outlines how the service will contribute to the Council Plan and Community Plan priorities, and details how its actions and plans will achieve improved outcomes for customers/communities in the future. Services are required to select a range of key performance indicators to create a scorecard to measure how well they are contributing to these priorities. It is monitored at a mid-year point and at the end of that service improvement plan year.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Information including commentary on performance is collected and analysed using the Pentana performance management system.
		Performance reviewed annually by the Audit, Risk and Scrutiny Board	The Council's performance in terms of Local Government Benchmarking Framework Indicators is reported to and reviewed by the Audit, Risk and Scrutiny Board each year. This includes information on service levels, service costs and customer satisfaction.
		SPI Direction	The SPI Direction from Audit Scotland sets out the requirements of monitoring and reporting on performance indicators by Councils. Internal Audit undertakes an annual review of a sample of statutory performance indicators.
6.5 Strong public financial management			
6.5.1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	Financial strategy and financial monitoring reports	Regular financial monitoring reports detailing the current financial position together with the projected outturns for each main service area (and its appropriate divisions) are reported on a routine basis to Policy Boards. These reports also advise members of any management action that is being taken or is planned for the future to alleviate any current or projected deviations from the initial financial plan.
6.5.2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	Budget management training	A revised programme of financial management training for budget holders has been implemented as part of the Aspire programme (development programme for first line managers and supervisors). This acts as a refresher and update for operational staff.

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

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
7.1 Implementing good practice in transparency			
7.1.1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	Council Performance on website Annual 'It's all about you' report	The performance section on the Council's website provides a number of sources to assess how the Council is performing. Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. These new pages are more accessible and easier to find. The annual statutory performance indicator public performance report is published and is uploaded onto the Council's website in an accessible format.
7.1.2	Striking a balance between providing the right amount of information to satisfy transparency demand and enhance public scrutiny while not being too onerous to provide and for users to understand.	Public Performance Report – 'It's all about you'	The Council Performance section on the website provides a number of sources to assess how the Council is performing. The Council publishes an annual report – 'It's all about you'. This provides information to the public on performance of services and the Council in an easy to read format, using data, text, graphs, infographics and videos.
7.2 Implementing good practices in reporting			
7.2.1	Reporting at least annually on performance, value for money and the stewardship of its resources.	Annual financial statements, annual accounts and annual audit review	The Council publishes its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on the Council's website.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Public Performance Reporting	Public performance reporting is undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance over time. The performance section on the website provides several sources to assess how the Council is performing. It provides data on how well we responding to complaints, how we are achieving progress against the Council Plan and Best Value action plan, how we compare with other authorities and the Scottish average, across the following pages: - **Our current performance**, which includes the latest version of 'It's all about you' as a storymap. It provides a ranges of performance data, images and case studies; - **Renfrewshire data,** with the open data platform and data needs assessments; and - **Benchmarking** information such as the latest Local Government Benchmarking Framework report to Board.
		Efficiency Statement	The Council produces and publishes an Annual Efficiency Statement which reports on its efficiency projects and activities and seeks to quantify the level of efficiency gains achieved by the Council over the period.
7.2.2	Ensuring members and senior management own the results.	Performance reports to Boards	Elected Members receive a number of performance reports at Policy Boards, including reports on the performance of the Council Plan, Community Plan, Service Improvement Plans, Complaints, Local Government Benchmarking

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
			Framework (LGBF) and operational performance reports.
7.2.3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	Annual Governance statement	The Council complies with this requirement through its Annual Governance statement which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis. The statement is submitted to the Audit, Risk and Scrutiny Board.
7.2.3	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	Annual governance statement	The Council complies with this requirement through its Annual Governance statement which details the organisation's governance arrangements. This is in line with national guidance and is updated on an annual basis. The statement is submitted to the Audit, Risk and Scrutiny Board.
7.2.4	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.	Annual financial statements, annual accounts and annual audit review	The Council publishes its Annual Accounts, through the regular submission of budget reports to Policy Boards, the submission of the annual audit review and other audit reports to the Council and/or Audit, Risk and Scrutiny Board as appropriate and by publishing performance information on the Council's website.
7.3 Assurance and effective accountability			
7.3.1	Ensuring that recommendations for corrective action made by external audit are acted upon.	Audit, Risk and Scrutiny Board reports	Recommendations made by external audit and/or national external audit reports along with management's response and/or Renfrewshire Council's position are reported to the Audit, Risk and Scrutiny Board.

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
7.3.2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.	Audit, Risk and Scrutiny Board report Annual Internal Audit Charter	In terms of the Public Sector Internal Audit Standards, the Council's Chief Auditor submits quarterly reports on internal audit performance and an annual report to the Audit, Risk and Scrutiny Board on the activities of internal audit to demonstrate performance and containing a view on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Again, in terms of the above standards, regular reports are submitted to the Audit, Risk and Scrutiny Board in relation to the findings of the Council's internal and external auditors which details the main issues arising.
7.3.3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	Benchmarking / peer review	Services across the Council are involved in both formal and informal benchmarking arrangements through for example, the Association for Public Sector Excellence. Communities, Housing and Property Services participate in the Scottish Housing Best Value Network (SHBVN) annual benchmarking process.

The Council has also been heavily involved in the development of the Local Government Benchmarking Framework and the subsequent benchmarking groups. This provides national benchmarking information on a range of indicators covering service delivery, cost and customer satisfaction. |
| | | Best Value Audit | The Council took part in the Best Value Assurance Audit process from January to June 2017. An action plan to respond to recommendations contained within the BVAR report was approved at the full Council meeting on 28th September 2017. |

	Requirements of corporate governance	Evidence of meeting requirement	Demonstration of annual compliance
		Independent Inspection and Audit	The Council is independently evaluated by bodies such as the Care Inspectorate, Education Scotland, Audit Scotland and the Scottish Public Services Ombudsman (who considers complaints against the Council).
7.3.4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	Annual governance statement Self Assessment Checklists	Any key risks identified through the annual self assessment process which is undertaken by the Directors of each Service would be reflected in the governance statement.
7.3.5	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.	Community Planning Boards Integrated Joint Boards / Health and Social Care Partnerships Renfrewshire Leisure	Arrangements are in place between Renfrewshire Council and its Community Planning partners, the IJB and Renfrewshire Leisure. Governance arrangements, such as systems for managing, monitoring and scrutinising the IJB's business and finances have been developed. Effective arrangements are in place for sharing information between partners that can lead to improving how services are provided, such as the Community Safety Partnership. The Head of Policy and Commissioning is the Monitoring Officer and undertakes quarterly meetings to review performance of Renfrewshire Leisure. In addition, six-monthly updates and an Annual Business Plan is reported to and agreed by the Leadership Board.