

Corporate and Community Services Department

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Date: 6 March 2020

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TO: Councillors Stewart Miller (Chair), Barbara Grant (Vice-Chair), Provost Jim Fletcher, and Councillors Charlie Gilbert, Annette Ireland, Jim McLean and Jim Swift.

AUDIT AND SCRUTINY COMMITTEE

A meeting of the Audit and Scrutiny Committee will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, on **Thursday, 12 March 2020 at 2.00 pm.**

CAROLINE INNES

C INNES

DEPUTY CHIEF EXECUTIVE

AGENDA

1. Report apologies for absence.
2. Declarations of interest.
3. Chair's Report.
4. Review of Strategic Risk Register and Risk Management Progress – Report by Chief Executive (copy attached, pages 3 - 26).
5. East Renfrewshire Council - Annual Audit Plan 2019/20 – Report by External Auditor (copy attached, pages 27 - 46).
6. Internal Audit Strategic Plan 2020/21 - 2024/25 - Report by Chief Auditor (copy attached, pages 47 - 58).
7. National External Audit Report - Local Government in Scotland - Financial Overview 2018/19 – Report by Clerk (copy attached, pages 59 - 66).

- 8. National External Audit Report – Scotland’s City Region and Growth Deals – Report by Clerk (copy attached, pages 67 - 80).**

- 9. Investigation on Climate Change – Final Draft Report - Report by Chief Executive (copy attached, pages 81 - 108).**

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

12 March 2020

Report by Chief Executive

REVIEW OF THE STRATEGIC RISK REGISTER
AND RISK MANAGEMENT PROGRESS

PURPOSE OF REPORT

1. This report provides the latest biannual update of the Council's Strategic Risk Register and a summary of risk management progress. The previous update of the Strategic Risk Register was considered by the Audit and Scrutiny Committee on 26th September 2019.

RECOMMENDATIONS

2. The Audit and Scrutiny Committee is asked to consider and note the development of the Council's Strategic Risk Register noting that this is considered a "live" document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

BACKGROUND

3. The Strategic Risk Register (Appendix 1) sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. Each service has an operational risk register to record day to day and service specific risks.

4. The previous update of the Council's Strategic Risk Register was considered by the Audit and Scrutiny Committee on 26th September 2019.

5. Several risks have been amended to include additional control measures and the risks have been rescored for significance. A thorough review of all risks on the register has been undertaken by the CMT. There are now 31 risks of which 3 are evaluated as high and 20 as medium. Where a risk has been evaluated as "low" it will be removed from the Strategic Risk Register and monitored within Departmental or Operational registers if appropriate.

6. Where risk numbers are not sequential within the Register this is as a result of a risk having been removed from the Strategic Risk Register.

7. Relevant significant risks which may impact on the achievement of the Council's outcomes relating to the work of the Integrated Joint Board and the Culture and Leisure Trust have been considered as part of this update.

8. Amendments to the register are summarized in the "change log" and "removed risks" sheets

REPORT

9. The following risks remain as **high risks**:

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- Scottish Child Abuse Inquiry (*Risk 4.4*)
 - Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services. (*Risk 6.9*)
 - Service disruption due to divergence from EU legal and regulatory provision (*Risk 6.17*)
10. The following risk **was added to** the register:
- Emergence of a Pandemic Disease – with impact on staff availability, supply chain, increased demands on service; with resultant impact on financial and service planning. Potential for :
 - Panic buying, limiting our ability to purchase.
 - Government advice / measures leading to isolation / closure of buildings or communities.
 - Significant increase in burials, cremations & associated registrations. (*Risk 6.18 – high*)
11. The following risk **increased in score from medium to high**.
- Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet the demands of the S21 notice. (*Risk 4.4*)
12. Risks 1.1 (Extra childcare), 2.2 (Additional support), 2.3 (School places), 5.1 (Ageing demographic), 6.10 (Living Wage), 6.14 (new Finance/HR/Payroll system) and 6.16 (No agreement Brexit) were **reduced in score from high to medium**
13. Risk 6.7 (Disruption to ICT services) was **reduced from high to low**
14. The following risks retained the same score as before but the risk descriptions were amended to **reflect the current position or provide further clarity** (additions in bold, removed text with line through and revised risk included below for clarity).
- ~~Recent increases in Acts of harassment, violence and intimidation, directed at some particular religious or minority groups abroad, migrate to the Council area, thereby undermining the Council's Equality Outcome 6, "Members of equality groups live their lives, safe from discrimination, harassment, victimisation and violence~~ **impact on individuals and communities, resulting in harm and reduced confidence in being able to live safely and without fear within East Renfrewshire.** (*Risk 4.2*)
 - Acts of harassment, violence or intimidation, directed at particular religious or minority groups, impact on individuals and communities, resulting in harm and reduced confidence in being able to live safely and without fear within East Renfrewshire.
 - ~~Historical Sexual Abuse Enquiry –~~ **Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet the demands of the S21 notice.** (*Risk 4.4*)
 - Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet the demands of the S21 notice.
 - Increase in older people, **particularly very old**, due to demographic changes leads to an over demand on certain services and failure to meet legislation,

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overspend and negative publicity. Pressures from national delayed discharge targets of 72 hours. (*Risk 5.1*)

- Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from national delayed discharge targets of 72 hours.
- ~~Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards resulting in an impact on service users and carers and a reputational risk to HSCP and Council.~~ **Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from national delayed discharge targets of 72 hours. (*Risk 5.3*)**
 - Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from national delayed discharge targets of 72 hours.

15. Risk 3.4 (“potential issues arising from public/fatal accident inquiries...”) has been removed from the corporate register and will instead be managed under the Environment Department’s register.

RISK TOLERANCE

16. Map of strategic risks in East Renfrewshire Council

Likelihood	4		6.10. 6.16	4.4 6.9 6.17 6.18	
	3		3.2 6.12	5.2 5.3	
	2		6.3 6.7 6.15	2.5 3.1 3.5 3.7 6.1 6.4 6.8	1.1 2.2 2.3 2.4 5.1 6.14
	1			1.3 3.3 6.6	4.1 4.2
		1	2	3	4
Impact					

<i>Risk Score</i>	<i>Overall Rating</i>
11-16	<i>High RED</i>
5-10	<i>Medium YELLOW</i>
1-4	<i>Low GREEN</i>

Count of risk	Category			
	Low GREEN	Medium YELLOW	High RED	Total
1. All children in East Renfrewshire experience a stable and secure childhood and succeed	1	1	-	2
2. East Renfrewshire residents are healthy and active and have the skills for learning, life and work	-	4	-	4
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	1	4	-	5
4. East Renfrewshire residents are safe and live in supportive communities	2	-	1	3
5. Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives	-	3	-	3
Our Strategic Outcomes: Customer, Efficiency and People	4	7	3	14
Total strategic risks	8	19	4	31

RISK PROGRESS

17. The CMT has discussed and reviewed the Strategic Risk Register on a regular basis. A number of updates have been made to reflect the risk Control Measures currently in place and the proposed risk control measures.

FINANCE AND EFFICIENCY

18. The review of the Strategic Risk Register forms a fundamental role in ensuring that the Council meets the objectives detailed in Fairer East Ren, the Modern Ambitious Programme (MAP) and the Outcome Delivery Plan.

CONSULTATION

19. The Corporate Management Team, Heads of Service and all Corporate Risk Representatives were invited to provide updates to the Strategic Risk Register. In addition, all operational risk registers were scrutinised and high risks examined to determine if they should be escalated to the Strategic Risk Register. Risks associated with East Renfrewshire Culture and Leisure (ERCL) and the Integrated Joint Board were also considered and escalated to the Council's Strategic Risk Register where appropriate.

CONCLUSION

20. As part of the review of the register, 1 new risk was added and 4 risk descriptions were amended to reflect the current position. There are now 31 risks on the register of which 13 are classified as "high" risk.

21. The risks captured in the Strategic Risk Register continue to be monitored and evaluated by the Corporate Management Team on a regular basis. The Strategic Risk Register is reported every 6 months to the Audit and Scrutiny Committee and annually to the Cabinet.

RECOMMENDATIONS

22. The Audit and Scrutiny Committee is asked to consider and note the development of the Council's Strategic Risk Register noting that this is considered a "live" document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

Lorraine McMillan, Chief Executive

26 February 2020

Report Author: Gill Darbyshire, Chief Executive's Business Manager
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Appendix 1 East Renfrewshire Council Strategic Risk Register_V7.10_26.02.2020

KEY WORDS

This report provides the Audit and Scrutiny Committee with the latest biannual update of the Council's Strategic Risk Register.

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Strategic Risk Register
East Renfrewshire Council

East Renfrewshire Council's Vision:
"A modern, ambitious council, creating a fairer future with all"

Completed by: Corporate Management Team (CMT) & Heads of Service

Date reviewed	04/03/2020
Version	7.11

Outcome 1: All children in East Renfrewshire experience a stable and secure childhood and succeed

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
S (05/09/19)	1.1	Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020: Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.	Following resubmission of financial projections by Local Authorities (LAs) in March 2018, multi year revenue and capital funding announced by (SG)/COSLA (reflecting national population projections). Scottish Government (SG) commitment made to review annually. Report to Education Committee in June 2018 highlighted funding gap due to higher local population projections and detailed options/ impact if additional funding not forthcoming. Recommendation accepted that officers and elected members continue to lobby SG/COSLA.	3	4	12	Make best use of available funding to recruit, retain and develop quality staff in readiness for August 2020 delivery.	17/08/20	2	4	8	Director of Education
			Maintain tight programme governance as per ELC Expansion Board				Support new funded providers to establish high quality nurseries/ childminding provision in areas where places are at a premium in readiness for August 2020 delivery.	17/08/20				
			Ongoing lobbying of SG/COSLA pending annual review of funding allocations. Current funding covers period to 2021/22 and discussions have commenced at national level about funding thereafter. Continue to monitor provision and regularly review delivery models based on affordability, preferences of parents and taking account of any changes in policy/ legislation making bids as appropriate for funding.									
			The 8 year capital plan reflects infrastructure requirements. Major new builds now at construction stage and currently progressing according to programme.									
			Ongoing training programme for existing employees to gain the necessary qualification to work in the ELC sector and ongoing pilot our preferred delivery model in some communities. Early recruitment of additional ELC staff on a phased basis to ensure required workforce in place by August 2020.									
			Ongoing engagement with funded providers, including childminders, to increase ELC places underway.									
Implement Early Learning and Childcare Strategy including continuing to work with all providers to ensure quality early learning and childcare.												

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Outcome 2: East Renfrewshire residents are healthy and active and have the skills for learning, life and work

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk Score	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
S (21/05/19)	2.2	Increase in the number of children and adults with additional support requirements leading to a rise in demand on services.	Analysis of demographic changes. Increased financial forecasting.	4	3	12	Recruit Advanced Practitioner to improve practice across adult and children services in preparing young people with additional support needs for adulthood.	31/05/20	4	2	8	Chief Officer HSCP
			Inclusive Support redesign completed and implemented (April 2019)				Completion of Fit for the Future Phase 2.	31/03/20				
			Education Resource Group to manage specialist resources and admission to specialist provision.				Council continues to contribute to funding to demographic cost pressures	Ongoing				
			Phase 1 of Fit for the Future Redesign implemented.				HSCP/Education to meet to look at strengthening transition arrangements	03/04/20				
			Children's Services redesign implemented.									
S (05/09/19)	2.3	Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of inward migration including the impact of new residential developments- in particular the Local Development Plan.	Regular review of places and demand; and implementation of admission arrangements policy.	3	4	12	Council's Capital Investment Strategy and the associated future 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.	Annual update (next due 28/02/2021)	2	4	8	Director of Education
			Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015.				As appropriate education statutory consultation to be undertaken in advance and within required timeframes.	In line with relevant timescales				
			On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements. This will also take cognisance of inward migration to existing housing along with ongoing residential development under the adopted LDP1 and any windfall sites as reflected in the Housing Land Supply register.				Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.	In line with relevant timescales				
			Revised Pupil Product Ratios (PPRs) for ELC, primary, secondary and ASN (Additional Support Needs) reflecting current build costs published summer 2019.				Continue to review school rolls projections annually and Pupil Product Ratios (PPRs) at least every 2 years.	Annual update (next due 30/6/2020)				
			Council approved in June 2019 that the Proposed LDP2 go out to consultation in Autumn 2019 adopting a strategy of consolidation and regeneration with no further new housing sites released.									

S (30/08/19)	2.4	Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee.	Current capital plan reflects major new replacement for Eastwood Leisure Centre and provision for repair and maintenance of Culture & Leisure facilities to improve the customer environment. In addition the capital plan includes the intent to renew sports and library facilities for the village of Neilston as part of campus approach to replace outdated local educational provision.	2	4	8	Capital Plan reviewed annually and updated to reflect operational requirements of facilities operated by the Trust. This will be ongoing.	Annual update (next due 28/02/2021)	2	3	6	Director of Education/Head of Accountancy
			Quarterly meetings take place between the Trust and Property and Technical Services to monitor performance.				Progress new facilities planned for Eastwood Park and Neilston Leisure Centres in line with timescales set out in the Capital Plan.	In line with timescales set out in Capital Plan				
			Business Continuity Plans in place for services.				ERCL to take advantage of any opportunities offered by development of LDP3 taking account of due process such as planning and consultation in partnership with East Renfrewshire Council and in line with relevant timescales.	In line with relevant timescales				
			SLA in place between ERC & ERCL.									
			Responded to the Main Issues Report and contributed to the new LDP (2) highlighting any impact in terms of the culture and leisure estate.									
			Additional capital maintenance budget agreed for Trust properties in February 2019.									
S (13/05/19)	2.5	Potential successful judicial review into lawfulness of charging for instrumental music leads to additional budget pressures due to loss of income as well as increased service demand.	Charges are reviewed annually as part of the Charging for Services exercise with any impact factored into the budget setting process.	2	4	8	Monitor progress of potential judicial review and assess the budget implications of the outcome.	Subject to timescale of potential judicial review	2	3	6	Director of Education/Head of Accountancy
			Concessions currently in place providing free tuition for children and young people eligible for free school meals and discounts provided for siblings and no charges levied for pupils studying music in S4-S6.									
			Following service review strategies to encourage uptake from pupils from less affluent households are being prioritised as well as an enhanced extra-curricular programme for pupils (within current budgets/staff allocations)									

Outcome 3: East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
S (14/04/19)	3.1	Glasgow and City Region City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits resulting in a gap in funding provided by UK and Scottish Government.	<p>Collaborative agreement in place between the Clyde Valley partners committing to project delivery and additional GVA.</p> <p>Rigorous check of all business cases by Programme Management Office (PMO) prior to expenditure approval and project implementation.</p> <p>Assurance Framework in place, which will be subject of a Cabinet Report in April 2019.</p> <p>All business cases developed in accordance with green book guidance</p> <p>Existing and new employees trained in PRINCE2 to ensure effective project management</p> <p>Regular meeting of the City Deal Governance Group within the Environment Department, led by the Director of Environment to monitor progress and issues relating to City Deal projects</p>	2	4	8	Monitor City Deal projects through use of Microsoft Project.	Currently ongoing with monthly review	2	3	6	Director of Environment
S (30/08/19)	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan and City Deal GVA.	<p>Major capital projects have been reviewed for inflationary impact in preparing the 2020/21 to 2029/30 Capital Plan. Reassessment of capital plan to ensure budget can be met.</p> <p>Prudent budgeting and ongoing monitoring of reserves</p> <p>Building Cost Information Service (BCIS) is updated annually and the mid construction point is used to inflate projects, and notified to the Finance service.</p> <p>Close monitoring of capital expenditure/income against budget throughout year</p>	3	3	9	Monitor potential effects of Brexit on construction costs and labour availability.	Currently ongoing with monthly review	3	2	6	Director of Environment
S (14/04/19)	3.3	Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties.	<p>State Aid reference is made within appropriate Cabinet/Council reports, where relevant.</p> <p>An annual State Aid return is submitted to the Scottish Government's State Aid Unit in June of each year.</p> <p>A member of the Environment Department attends 2 meetings per year at the Scottish State Aid Local Authority Network, to keep up to date with any changes to State Aid compliance.</p> <p>The Scottish Government's State Aid Unit recently delivered a training session to employees from Environment, Legal Services, Finance and Procurement. A recent email was sent to all Heads of Service asking if new employees required training. Further training can be requested from the Scottish Government State Aid Unit. Training is carried out every two years, the last event being October 2018.</p> <p>There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. Further information including examples of what constitutes State Aid is provided in the relevant links.</p>	2	3	6	Develop a Council-wide grant aid register and process for addressing State Aid with clear governance/guidelines.	31/12/19	1	3	3	Director of Environment

C (14/01/2020)	3.5	There is a risk of an internal structural collapse at Braidbar Quarry which could result in the ground surface opening up possibly leading to fatalities if restrictions on access are not maintained. Several residential properties are blighted by this site.	Full fencing of the site completed November 2019. Warning signs erected around the perimeter.	2	4	8	Repair of fence when breached.	Ongoing	2	2	4	Director of Environment
			Regular inspections undertaken and repair regime maintained and documented.				Digitalise process.	30/11/2020				
			No mitigation factors are presently in place for an internal structural collapse other than protection of the public through restricted access.				Remediation of the affected land is the only measure which will completely remove this risk. Achieving this however would be a multi-million pound exercise and would require significant collaboration with land remediation specialists.	Long term project				
S (14/04/19)	3.7	Impact of severe weather (caused by climate change) disrupting the functioning of the Council and its ability to deliver services.	Business Impact Assessments and Business Continuity Plans consider implications of sudden and severe weather events.	2	4	8	Develop a Climate Change Strategy	[to be determined]	2	3	6	Director of Environment
			The Council participates in Climate Ready Clyde (CRC) project to evidence the impacts of climate change on the area and its assets and develop a climate change risk and opportunity assessment, adaptation strategy and action plan.				Adaptation Strategy being developed at Glasgow City Region level	November '20				
			Continue to construct and maintain all buildings and infrastructure to the best possible standard to reduce likelihood of structural failure.				Implement the Climate Change and Sustainability Strategy	[to be determined]				
			Participate in Clyde And Loch Lomond Flood Risk Management Group (CALL)									

Outcome 4: East Renfrewshire residents are safe and live in supportive communities

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (05/12/19)	4.1	Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements- MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.	<p>The operation of Child Protection, Adult Protection committees and MAPPA meetings to deal with the strategic and practice issues.</p> <p>Service Manager Adult Support and Protection (ASP) responsible for chairing Case Conferences and leading on self evaluation and audit activity. Post vacant since 5th November 2019.</p> <p>ASP priorities for 2019/20 improvement and proposal for new structure and increased frequency of APC meetings agreed (06.06.19)</p> <p>Risk assessment integral part of the assessment process</p> <p>New Chair of Adult Protection Committee (APC) appointed April 2019.</p> <p>Council officer and managers forums established</p> <p>All front line managers provided with refresher training concerning statutory compliance.</p> <p>The extension of MAPPA to include Category 3 violent offenders - Risk of Serious Harm training completed.</p> <p>Partnership working is at an advanced stage with Police Scotland, NHS, Scottish Prison Service and other statutory partners.</p> <p>Job descriptions for statutory criminal justice social work posts in East Renfrewshire have been amended and candidates are required to be eligible to achieve NPPV (Non Police Personal Vetting) level 2 vetting status.</p> <p>Multi-Agency Audit of Child Protection (CP) cases undertaken in November 2019.</p> <p>Multi Agency Risk Assessment Conference (MARAC) fully operational (5th March 2019)</p> <p>"Safe Together" model implemented.</p> <p>PVG (Protecting Vulnerable Groups) scheme in place</p>	2	4	8	<p>New Postholder to start</p> <p>01/05/20</p> <p>New schedule for performance reporting to be developed for adult services.</p> <p>13/11/2020</p> <p>Quality assurance framework for ASP activity. To be annual activity</p> <p>31/10/2020</p> <p>Engagement with social workers not yet vetted to NPPV status. Increase in vetting coverage for criminal justice has improved but focus engagement consulting with non-vetted Social Workers for NPP status.</p> <p>31/12/20</p> <p>Data report and outcome report to COPP</p> <p>31/05/20</p> <p>Introduce rolling review of PVGs on 3 yearly basis. Consistent with Care Inspectorate regulations</p> <p>31/03/20</p>	1	4	4	Chief Officer HSCP	

C (09/01/2020)	4.2	Acts of harassment, violence or intimidation, directed at particular religious or minority groups, impact on individuals and communities, resulting in harm and reduced confidence in being able to live safely and without fear within East Renfrewshire.	<p>Local authorities have a duty under the Counter Terrorism and Security Act (2015) to have “ due regard to the need to prevent people from being drawn into terrorism”. The Council participates in multi-agency 'Prevent' and 'CONTEST' working groups, alongside other local authorities, Police Scotland and the Scottish Government, and has designated the Head of Digital and Community Safety as the Single Point of Contact (SPOC) for Prevent.</p> <p>The Council CRMT and the Civil Contingencies Service (CCS) ensure that appropriate business continuity and civil contingencies procedures are developed and maintained, to co-ordinate an effective response in the event of an incident impacting people, infrastructure or services.</p> <p>Where an individual has been identified as being at risk of being drawn into terrorism, there are well-established procedures for multi-agency case conferences (chaired by the Head of Adult Support and Protection) using the Prevent Professional Concern referral process, with appropriate information sharing between the Council and Police to deliver targeted intervention activities.</p>	2	4	8	<p>The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust staff of the Prevent duty and identifying signs and risk factors of potential radicalisation.</p> <p>Continuing to liaise, as appropriate, with key partners to ensure that appropriate interventions are made for any individuals identified as being at higher risk of being drawn into terrorism.</p>	30/06/2020 Ongoing	1	4	4	Director of Corporate & Community Services
C (14/01/20)	4.4	<p>Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care.</p> <p>Capacity to meet the demands of the S21 notice.</p>	<p>Adult Protection Committee and Child Protection Committee have been sighted on these issues.</p> <p>Clear process for managing historical cases and protocol in place with Legal Services.</p> <p>East Renfrewshire Working Group established to take forward S21 work.</p> <p>Chief Social Work Officer (CSWO) has written to the inquiry to request an extension to the 27/01/20 return date from the S21 notice.</p> <p>Email issued by Chief Social Work Officer highlighting support for survivors of abuse.</p> <p>Appointed Team Manager to manage the demands of the historical inquiry. Partial submission for Parts A and B on 27 January 2020. Submission for Parts C & D to be completed by 10th April 2020.</p> <p>Scoping exercise carried out to determine the potential scale of survivors involved.</p> <p>Senior Information and Improvement Officer (within Chief Executive's Business Unit) collaborating with historical archivists.</p>	4	3	12	<p>Identified leads in HSCP will work alongside Legal Services to manage the process of any allegations/claims made.</p> <p>Child Protection Committee (CPC) to address awareness raising/training for staff.</p>	Ongoing 31/03/20	4	3	12	Chief Officer HSCP

<p>C (02/12/19)</p>	<p>5.3 Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. Impact on service users and carers. Reputational risk to HSCP and Council. Risk of enforcement action should we fail to meet the Care Inspectorate requirements.</p>	<p>Increased resource to support robust absence management. We have recruited additional care at home staff and there is an ongoing recruitment programme.</p>	<p>4</p>	<p>4</p>	<p>16</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Chief Officer HSCP</p>		
		<p>New medication policy adopted. Commenced medication management training and implemented small scale pilot testing medication policy.</p>								<p>Ensure recruitment targets can be met through focussed recruitment campaign including social media and TV advertising</p>	<p>1/6/20</p>
		<p>Improvement Task Force overseeing phase 2 of improvement activity involving embedding the changes into operational teams and commencing our service redesign activity. This is supported by additional funding to secure resources required. Recruited additional care at home staff. Ongoing recruitment programme in place.</p>								<p>Increased level of quality assurance of care plans and reviews undertaken</p>	<p>31/5/20</p>
		<p>All Care at Home clients have an up to date review</p>								<p>Rollout of medication management training to all staff.</p>	<p>30/6/20</p>
		<p>Oversight Board chaired by Chief Executive established.</p>								<p>Continue rolling medication management programme to ensure refresher training continues to be undertaken</p>	<p>Ongoing</p>

Our Strategic Outcomes: Customer, Efficiency and People

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (24/2/20)	6.1	Reduced central government funding leading to failure of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down council reserves on future years' budgets.	Budget strategy group	3	3	9	Achievement of annual targets and outcomes outlined in Modern Ambitious Programme.	Annually (31/08/20)	2	3	6	Head of Accountancy
			Corporate ownership									
			Treasury management strategy									
			Maintain Council reserves between 2% and 4% in line with Audit Scotland recommendations									
			3 Year budget arrangements									
			Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes.									
			Close monitoring of expenditure/income against budget throughout year.									
			Prioritisation of Modern Ambitious Programme and continual review of projects to ensure effective progress and business cases.									
			Budget aligns with conditions set out in Scottish Government settlement letter									
			Updated settlement figures received from Scottish Government.									
Long term budget and scenario planning. Outline Financial Plan, reserves and Council Tax level reviewed annually by Council.												
S (06/04/19)	6.3	Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.	Leadership Competencies (which are linked to PRD) and the Leaders of the Future Development Programme.	2	3	6	Implement the actions from the Workforce Planning Action Plan.	31/03/2022	2	2	4	Director of Corporate & Community Services
			Head of Service lead in each department on workforce planning with an active corporate workforce planning group.									
			Use of organisational and financial business case when considering redundancies/ early retirements.									
			Workforce planning strategy approved with improved recruitment and selection procedures.									
			Succession planning toolkit available for managers.									
			Actively support COSLA working groups to benchmark best practices in workforce planning.									
			Modern Ambitious Programme (MAP) ongoing with core programmes on Digital and Core Systems supported by Strategic programme reporting from MAP Phase 1 complete									
			Workforce plan updated detailing department actions and demonstrating alignment with financial plan.									

S (18/09/19)	6.4	<p>The drive to deliver our ambitious change programme has an adverse impact on our employees as they strive to balance a relentless pace and scale of change with day to day responsibilities, leading to slower delivery of benefits and/or lower performance as services go through change.</p>	<p>Modern Ambitious Programme with core workstreams on Organisational Development, Digital, Data and Modernising in place since 2015. Core Systems Programme live since 2017. Each department has its own change programme and governing board to oversee progress, capacity, performance and delivery of benefits. Programmes also in place for Digital and Core Systems.</p> <p>Use of Modernisation Fund to ensure projects are adequately resourced, including use of additional employees on temporary contracts.</p> <p>Skills development in support of change includes accredited Project Management Courses, agile courses, management training, training to assist with service redesign and new courses on user research, Service Design, following the <u>Scottish Approach to Service Design</u></p> <p>Capital Bids required to demonstrate alignment to 5 capabilities and key outcomes.</p> <p>Overall summary of cashable efficiency benefits produced as part of Annual Efficiency Statement.</p> <p>Consideration of flexible external assistance and skills when change projects require.</p> <p>Greater use of "agile" project methodology to chunk projects into smaller, more manageable iterations, with lower risk.</p> <p>Review of Council's values with the OD Board, to support delivery of change.</p> <p>Use of resource planning tools and project prioritisation model to determine impact of new and ongoing projects especially for key corporate resources (e.g. ICT, HR, PMO, Accountancy) with CMT oversight through MAP Board</p> <p>Development of Programme management reporting in line with recommendations from Best Value Audit.</p>	3	3	9	Enhance the role of service design and user design in change projects to ensure that the outcome best meets customer needs planned for Spring 2020	30/06/20	2	3	6	Director of Corporate & Community Services
S (04/09/19)	6.6	<p>Failure to effectively manage the Council's information assets may lead to a risk of inadequate data handling, not adequately preventing loss of data and unlawful sharing of data may result in non compliance with legislation in particular Data Protection Act 2018 (GDPR) , Freedom of Information Scotland Act(2002) and Records Management Public Services Act 2011</p> <p>Failure to incorporate information governance elements through a privacy by design approach into procurement, project management, process and technologies</p> <p>Inability to recognise the value of</p>	<p>Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed.</p> <p>Review of current contracts and sharing agreements completed.</p> <p>New procedures in relation to Subject Access Requests (SAR) introduced.</p> <p>Records Management Plan updated in line with Audit review and through ongoing revision.</p> <p>Retention schedule under ongoing review and revision.</p> <p>Data Protection Officer started April 2019.</p>	2	4	8	<p>Consider review or resubmission of Records Management Plan</p> <p>Implement and embed a clear, defined and communicated information Governance Strategy (IGS) across the Council that supports a pragmatic and risk based approach to ensuring the confidentiality, integrity and availability of information assets whilst focusing on citizen and employee safety, business transparency, and legislative compliance.</p> <p>Data Protection Impact Assessment (DPIA) Framework is currently being reviewed and new guidance and templates to be published and supported by training.</p> <p>Assessment of requirements for storage of hard-copy records to be considered</p>	<p>31/12/20</p> <p>30/03/21</p> <p>31/12/20</p> <p>31/12/20</p>	1	3	3	<p>Chief Executive</p> <p>Director of Corporate & Community Services</p> <p>Director of Corporate & Community Services</p> <p>Chief Executive</p>

		our information assets may result in lost opportunities to use data to inform decision making, transform services, support increased performance, enhance customer service and promote transparency and information quality assurance																Director of Corporate & Community Services
S (06/09/19)	6.7	<p>Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls).</p>	Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience.	4	3	12	Review of breach reporting.	31/12/20	2	2	4							Director of Corporate & Community Services
			Ensure that the Council reviews Business Continuity Plans at least annually.				Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery.	31/12/19										
			Ensure that equipment is regularly maintained and replaced as required.				Plan and perform regular audited disaster recovery tests and rehearsals.	31/03/20										
			Ensure supplier(s) contracts support recovery activities.				Identify costs and capabilities to implement generator backup options and secure further capability for the Barrhead Data Centre to improve power and service resilience. Seek agreement and approval for resources and appropriate options.	30/09/19										
			Undertake independent review of core infrastructure design and architecture to gain validation and assurance of both security and operational capability.				Review infrastructure architecture to provide assurance of levels of resilience.	31/12/19										
			Improve monitoring and alerting of hardware and environmental systems to provide a proactive response.				Review and implement fixes for issues identified with basic network service resilience following incidents of summer 2019.	31/12/19										
			Cyber insurance taken out in 2018 to provide an element of cover in the event of such an outage.															
			Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity.															
			Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.															
			ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.															
			The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.															
			Security standards are reviewed and revised using a risk management approach.															
			The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.															
Ensure the security architecture follows layered approach as defined by best practice.																		
Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.																		

			Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements. Delivered additional capability for granular and specific data restores through the recently installed enterprise backup solution which enables fast and reliable backups and enables a resilient replication schedule which stores the councils data locally before replicating all backed up data to our secondary DC site.										
S (22/01/19)	6.8	Failure to pay invoices within a specified timeframe (Local Government Benchmarking Framework indicator) or failure to pay invoices correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; and possibly, in the extreme, legal action.	Centralisation of invoice delivery to Creditors implemented January 2017. Good progress on delivery against Internal Audit recommendations. Regular governance meetings of Purchase to Pay process, chaired by the Senior Management. Daily tasking/production line meetings held with Creditors team. Monthly performance figures produced for Corporate Management Team. New Induction pack including procedures developed January 2020 Regular sessions with departmental representatives to address progress. Progress reports to Audit and Scrutiny Committee in January and August 2017 and March 2018. Compliance Officer recruited to focus on procedures, training, audit sampling and financial compliance. Use of AP Forensics system to identify potential duplicate payments prior to each payment run. All invoices over £20k subject to a double-check by senior employees prior to payment. Accountants included in this check. Checklist developed with Internal Audit. Percentage sample of all payments under £20k checked prior to each payment. Use of finance networks to share information on potential frauds.	3	3	9	Continue to implement all audit actions timeously. Continue to focus on financial compliance and control with development of regular management reporting on accuracy, processing rates and performance. Participate in Core Systems Programme to replace the Council's finance system in 2019.	31/03/20 31/03/20 31/03/20	2	3	6	Director of Corporate & Community Services	
C (15/01/20)	6.9	Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services.	Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements. Corporate Management Team consider possible implications of Brexit for services and take action as appropriate. The price of goods / services is reviewed by appropriate officers within Departments, with concerns raised at an early stage against significant increases. Business Continuity planning considers alternative suppliers to ensure key service continuity.	4	3	12	Continue to monitor national position during 2019. Revise future budget plans if required, taking account of financial scenarios outlined in Financial Plans to Council in February 2019.	29/02/20	4	3	12	Head of Accountancy	

S (05/04/19)	6.10	Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades.	Supplement currently paid on Grade 1,2 and 3. COSLA paper has been prepared to share with Elected Members on the impact of living wage	4	3	12	Consolidation of the Scottish Local Government Living Wage was agreed as part of the implementation of the 2018-21 pay award.	31/03/21	4	2	8	Director of Corporate & Community Services Director of Education Chief Officer HSCP
S (30/08/19)	6.12	Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.	<p>ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.</p> <p>The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.</p> <p>Security standards are reviewed and revised using a risk management approach.</p> <p>The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.</p> <p>Ensure the security architecture follows layered approach as defined by best practice.</p> <p>Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.</p> <p>Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.</p> <p>Delivered additional capability for granular and specific data restores through the recently installed enterprise backup solution which enables fast and reliable backups and enables a resilient replication schedule which stores the councils data locally before replicating all backed up data to our secondary DC site.</p> <p>Undertake regular rehearsal of Cyber Incident Response process across ICT. First event planned and calendar being developed.</p>	3	3	9	<p>Enforce and report on mandatory information security training ensuring that managers are provided with reports of non-compliance. Package being developed</p> <p>Implement additional protection technology to provide proactive threat detection. Use of a partner Security Operations Centre to deliver round the clock detection of malicious activity. Contract now awarded, implementation over coming months.</p>	31/12/20 30/06/20	3	2	6	Director of Corporate & Community Services

S (18/09/19)	6.14	Failure to implement a new Finance/HR/Payroll System within planned timescales leading to the anticipated benefits and savings not being delivered for the Council	Strong and robust Core Systems Programme and associated Project governance and risk and issues registers backed by appropriate level of resources.	3	4	12	Detailed testing of all workstreams including technology and unique services	31/08/20	2	4	8	Chief Executive
			At least monthly meetings of the Core Systems Programme Board where Programme level risks and issues are discussed.				Comprehensive training of employees in the new system to support implementation.	31/08/20				
			Core Systems Programme Team using lessons learned from other public sector organisations who have implemented an integrated core corporate system.									
			Regular engagement with a wide range of stakeholders across the Programme and Projects.									
			Working closely with ICT, the Core Systems Team use enterprise architecture to ensure that the potential impact of each Project release is co-ordinated and accounted for.									
			Identification and recruitment of employees with key skills and expertise to form the appropriate Programme Team and associated Project Teams in place.									
			Business readiness reviews in place prior to "go live" for all workstreams and Departments.									
S (03/09/19)	6.15	Failure to ensure adequate insurance cover is in place (which cover includes Cyber, Employer, Engineering, Motor, Property, Public Liability & Travel) which could result in the Council incurring financial loss and reputational damage.	At time of renewal, Insurance Policies are reviewed to ensure the type and level of cover is adequate for the Council. This in conjunction with relevant departments.	2	4	8	A review of the current insurance premium payment process to be undertaken to identify any further potential opportunities for enhancement.	31/03/20	2	2	4	Director of Corporate and Community Services
			When reviewing content of the Strategic Risk Register, departments are now advised to consider potential insurance implications of risks and take advice.				Review the Strategic Risk Register to ensure that adequate consideration has been given to insurance implications of existing risks.	31/03/20				
			Quarterly meeting held with Insurance Providers to review Insurance arrangements (split between Renewals and Broker). This includes pricing and cover.				Follow-up any identified areas with services and the Council's insurers.	31/03/20				
			Quarterly communication issued to department contacts to remind any changes which may impact upon Insurance Cover arrangements must be notified to Revenues.									
			Revenues Operations Manager and Insurance Officer review of both claims experience and wider environment which may impact upon level and type of cover									
C (15/01/2020)	6.16	A Brexit with no further agreement between the UK and EU leads to significant disruption to Council operations and the services we provide, including front line and support services.	Arrangements are in place for current EU nationals to apply for settled status, allowing them to continue to work in the UK after EU withdrawal.	4	4	16	Additional activity to increase awareness of EU Settlement Scheme.	31/01/20	4	2	8	Director of Corporate & Community Services
			Cross Departmental Working Group establish to ensure co-ordinated approach to all aspects of Brexit work.				Brexit Working Group and Brexit Co-ordinator to regularly review the situation ensuring risk register and actions undertaken are appropriate.	30/07/2020				
			Crisis Resilience Management Team (CRMT) liaising with National Organisations as appropriate and leading work to minimise potential disruption and ensure a smooth exit in all scenarios.				Refresh and implement agreed call, meeting and reporting cycles and responsibilities through EU-Exit date until agreed date post EU-Exit date.	30/12/2020				
			Service specific mitigation in place where identified as appropriate.									
			Brexit Co-ordinator appointed and in post to lead Brexit activity across the Council including chairing the Brexit Working Group.									
N (16/01/2020)	6.17	The UK significantly diverges from existing EU legal and regulatory provisions, leading to significant disruption to Council operations and services provided.	Environmental Health collective engagement with other Local Authorities, COSLA and the Scottish Government - to ensure that Export Health Certificates and associated concerns are considered and addressed.	4	4	16	Monitoring of negotiations, identifying any significant known changes to enable relevant departments to consider training and updating of procedures where required.	31/11/2020	4	3	12	Director of Corporate & Community Services
			Specific services maintain up to date policies and procedures; reflective of their duties and obligations.									
			Officers are appropriately trained to carry out their duties.									

N (26/02/2020)	6.18	Emergence of a Pandemic Disease – with impact on staff availability, supply chain, increased demands on service; with resultant impact on financial and service planning. Potential for : - Panic buying, limiting our ability to purchase. - Government advice / measures leading to isolation / closure of buildings or communities. - Significant increase in burials, cremations & associated registrations.	Council Resilience Management Team oversight of Business	4	4	16	Monitor up to date Government guidance	ongoing	4	3	12	Chief Executive
			Updated Mass Fatalities Guidance				Consider PPE & Cleaning Requirements	3/3/20				
			Established links to NHS Public Health & Multi Agency Working				Ensure consistent staff messaging	ongoing				
			Establish links to Regional Resilience Partnerships				Sharing of key Health / Government advice to the public	ongoing				
			Develop initial communications to Managers and Staff				Regular updating of risk assessments	ongoing				
							Consideration of buying & storing PPE or cleaning materials as an outbreak emerges	13/3/20				
							Up to date and maintained Business Continuity Plans that consider significant staff absence levels (e.g. 20%) in their delivery of critical functions	13/3/20				

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East Renfrewshire Council

Annual Audit Plan 2019/20



 AUDIT SCOTLAND

Prepared for East Renfrewshire Council

March 2020

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and [guidance on planning the audit](#). This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit including the audit of Best Value.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


Adding value


3. We aim to add value to East Renfrewshire Council through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help East Renfrewshire Council promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks


4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following significant risks for East Renfrewshire Council. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1 2019/20 Significant audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements risks		
<p>1 Management override of controls</p> <p>Auditing Standards require that audits are planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls that results in fraudulent financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business. • Completion of cut-off testing to ensure transaction appropriately recorded in the correct year.

 Audit Risk	Source of assurance	Planned audit work
<p>2 New finance system</p> <p>During 2019/20, East Renfrewshire Council introduced a new finance ledger which represents the main accounting system, together with new integrated accounts payable, accounts receivable systems and integrated fixed asset register. The system went live during September 2019 with the fixed asset register due to go live in February 2020.</p> <p>The new system will be used for the production of the 2019/20 financial statements, and, as with any major change in financial systems, there is an increased risk of misstatement in the figures and balances.</p>	<p>There is a dedicated project team of experienced staff in place to deliver the Core Systems programme.</p> <p>The Chief Accountant, Finance Business Partners and Chief Internal Auditor worked with the core team at the time of transfer to ensure that the correct balances were carried over to the new Financial system.</p> <p>Data migration strategy was prepared and approved by the Core System Board on 14 August 2019. Both External & Internal audit were consulted during this exercise.</p> <p>Continual bank reconciliations, budget monitoring along with system reports provide the required confidence.</p>	<ul style="list-style-type: none"> Review and testing of the all controls in place within the new finance ledger, the accounts payable ledger and accounts receivable ledger Confirm the completeness and accuracy of the balances transferred from the old ledger to the new finance system. Confirm the completeness and accuracy of the balances transferred from to the new fixed asset register.
<p>3 New payroll system</p> <p>East Renfrewshire Council is due to complete the introduction of a new payroll system during 2019/20. As the new system will be used for the production of payroll figures in the 2019/20 financial statements, there is an increased risk of misstatement in the figures and balances.</p>	<p>There is a dedicated project team of experienced staff in place to deliver the Core Systems programme.</p> <p>The HR Manager, Payroll Manager and Chief Internal Auditor are working to understand the process that the core team have used to ensure that prior to transfer the parallel pay runs completed appropriately reflect the correct payments to employees on all pay runs.</p> <p>Continual payroll reconciliations and the setting up and checking of system reports will need to be in place to provide the required confidence.</p>	<ul style="list-style-type: none"> Review and testing of the controls in place within the new payroll system. Confirm the completeness and accuracy of balances transferred from the old to the new payroll system.

 Audit Risk	Source of assurance	Planned audit work
<p>4 Estimates and judgements in the valuation of property, plant and equipment</p> <p>At 31 March 2019, East Renfrewshire Council held property, plant and equipment (PPE) with a net book value of £687 million. Valuation of these assets is based on specialist and management assumptions and estimates. Therefore, there is a significant degree of subjectivity in the valuation of PPE and changes in assumptions and estimates made by the valuer or management can result in material changes in value.</p>	<p>Valuation of Non-Current assets is undertaken by RICS members who are experienced Chartered Valuation Surveyors and Registered Valuers. Valuations are undertaken in accordance with RICS Red Book and CIPFA guidance and use valuation approaches adopted across the UK public sector. Where methodologies require comparable evidence these are also undertaken in accordance with RICS guidance. Peer reviews are also undertaken. The approach adopted reduces the degree of subjectivity and gives rise to smaller variances than would otherwise occur.</p> <p>In addition, following External Audit recommendations Accountancy services issue a formal instruction to Estates in advance of the year end setting out the requirements for finalising the annual accounts.</p>	<ul style="list-style-type: none"> • Completion of 'review of the work of an expert' for the in-house valuer. • Review and assess the reasonableness of revaluations performed in year. • An assessment of the underlying information the valuer is using to base valuations to ensure it is complete and accurate. • Examine evidence that the valuer is performing an annual impairment exercise.
<p>5 Estimates and judgements in accounting for pensions</p> <p>At 31 March 2019, East Renfrewshire Council recognised a net liability of £135 million relating to the council's share of Strathclyde Pension Fund. Valuation of this liability is based on specialist (actuary) assumptions and estimates. As there is a significant degree of subjectivity in the measurement and valuation any changes made in assumptions can result in material changes to the valuation.</p> <p>Additionally, following successful legal action brought against the UK government in relation to pension schemes for judges and firefighters in 2018/19, on the grounds of age</p>	<p>Pension Liabilities are calculated by independent actuaries (Hymans Robertson) who provide calculations for all Councils contributing to Strathclyde Pension Fund. Reports providing their assumptions are available for review.</p> <p>When Glasgow City ask for confirmation to proceed with the valuations this year, confirmation will be sought that they will be following the anticipated CIPFA guidance on the</p>	<ul style="list-style-type: none"> • Completion of 'review of the work of an expert' for the professional actuary. • Review of the estimates and assumptions made in calculating the pension fund liability. • Assess the extent to which the Council has complied with the CIPFA briefing note.

 Audit Risk	Source of assurance	Planned audit work
<p>discrimination, a material change to the valuation recorded in the draft financial statements was required. Uncertainty remains over the impact of this decision and CIPFA intends to issue a briefing note setting out how Council's and pension funds should account for the impact of the legal judgements. This will need to be reflected in the pension fund liability valuation in 2019/20.</p>	<p>McCloud legal judgements.</p>	

Wider dimension risks

6 Financial sustainability

The Council identified a savings gap of £5.8 million within the 2020/21 budget. Work is underway to identify further savings options. Additional savings requirements of £14.2 million have been identified for 2021/22. This is against continued rising demand for services, ongoing reductions in local government funding and a number of uncertainties that may have a financial impact on the council (e.g. the impact of EU withdrawal, increased in ring-fenced funding). There is a risk that the council is not able to deliver its strategic objectives.

The Council approves many Long-term financial Planning documents including the Capital Investment Strategy, Capital Programmes and the Financial Planning report all of which look forward by up to 10 years. All Departments contribute to these reports ensuring that any anticipated risk is minimised. In addition we publish indicative departmental totals for the coming three years in our Outcome Delivery Plan

- Review the 2020/21 budgets and consider the reasonableness of budget assumptions.
- Assessment of the adequacy of the council's longer-term financial management arrangements and plans reported to members.
- Monitor the council's financial position through budget monitoring reports presented to members and consider the delivery of in year savings programmes and the robustness of future savings plans and targets.

Source: Audit Scotland

5. As set out in ISA 240, there is a presumed risk of fraud in the recognition of income. There is a risk that income may be misstated resulting in a material error in the financial statements. We have rebutted the risks of material misstatement caused by fraud in income recognition in 2019/20 due to the nature of the council's income. The majority of income is from the general revenue grant, council tax, non-domestic rates, and various other grants. There is limited scope to manipulate these in the financial statements as the amounts are set within the council's budget or announced by the Scottish Government. The remainder of income is generated from services provided by the council. Again, we have assessed that due to controls in place, that there is limited scope to materially manipulate this income in the financial statements as this is generally made up of many lower value transactions at fixed prices.

6. In line with Practice Note 10, as most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. We have rebutted the risk of material misstatement caused by fraud in expenditure in 2019/20 as we do not consider this to be a significant risk for East Renfrewshire Council. The majority of council expenditure relates to payroll costs which are tightly controlled allowing for limited opportunities to materially manipulate payroll expenditure. Other expenditure is similarly controlled. We acknowledge that estimate and provisions and accruals allow for a degree on manipulation and material estimates will be reviewed. However, we rebut this risk due to the controls in place and the

limited scope for material manipulation. We do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures in respect of expenditure.

Other areas of audit focus

7. As part of the 2020/21 budget setting exercise, the council have advised that they plan to introduce a change in the internal calculation rate used in loans funds advances. We plan to review the council's methodology and the governance of the planned changes and will report accordingly.

8. We continue to monitor the ongoing development of disaster recovery and business continuity plans with East Renfrewshire Council. This has been an ongoing issue and we note the progress made during 2019/20 and the upcoming plans for testing. However, there remains an ongoing risk that until the full implementation of the disaster recovery plans, the council may suffer a loss of service and data.

Reporting arrangements

9. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

10. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

11. We will provide an independent auditor's report to East Renfrewshire Council and the Accounts Commission setting out our opinions on the annual audit. We will provide the Accountable Officer, Auditor General for Scotland and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2

2019/20 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	13 February 2020	12 March 2020
Management Report	20 May 2020	18 June 2020
Annual Audit Report	By 4 September 2020	24 September 2020
Independent Auditor's Report	By 30 September 2020	24 September 2020

Source: Audit Scotland

The audit of trusts registered as Scottish charities

12. Officers of East Renfrewshire are trustees for 7 trusts, registered as Scottish charities, with total assets of around £0.114 million. The preparation and audit of financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

13. The 2006 Regulations require charities to prepare annual accounts and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any

trust fund where some or all members of a council are the sole trustees. Therefore, a full and separate audit and independent auditor's report is required for each registered charity where officers of the East Renfrewshire Council are trustees, irrespective of the size of the charity.

Audit fee

14. The agreed audit fee for the 2019/20 audit East Renfrewshire Council is £231,500 [2018/19 £227,130]. This includes a fee for the audit of the registered trusts. In determining the audit fee, we have taken account of the risk exposure of East Renfrewshire Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package by 30 June 2020.

15. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Audit and Scrutiny Committee and Head of Accountancy (Chief Financial Officer)

16. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

17. The audit of the annual accounts does not relieve management or the Audit and Scrutiny Committee as those charged with governance, of their responsibilities.

Appointed auditor

18. Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standards.

19. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

20. Our audit team membership has changed since last year. For 2019/20 we have appointed Pauline Gillen as the Senior Audit Manager for the East Renfrewshire Council audit. Pauline Gillen will have overall control of the delivery and quality of the audit including audit engagement and ensuring the audit is properly planned, resourced and concluded within time.

Audit scope and timing

Annual accounts

21. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of East Renfrewshire Council and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how East Renfrewshire Council will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

22. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with the applicable law and the 2018/19 Code of the of the council and its group as at 31 March 2020 and of the income and expenditure of the council and its group for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code
- whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



characteristics



responsibilities



principal activities



risks



governance arrangements

Statutory other information in the annual accounts

23. We also review and report on statutory other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

24. We also review the content of the annual accounts for consistency with the financial statements and with our knowledge. We report any uncorrected material misstatements in the statutory other information.

Materiality

25. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any

uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

26. We have assessed materiality at different levels as described below and the materiality values for East Renfrewshire Council are set out in [Exhibit 3](#).

Exhibit 3 Materiality values



Materiality	Amount
Planning materiality – This is the figure we use to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2020 based on the latest budget for 2019/20.	£3.4 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have set performance materiality at 60% of planning materiality.	£2 million
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been set at 1% of planning materiality.	£34,000

Source: Audit Scotland

Timetable

27. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#).

Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual report and accounts by those charged with governance	By 30 June 2020
Latest submission date by the Council of unaudited annual report and accounts with complete working papers package to Audit Scotland	By 30 June 2020
Latest date for final clearance meeting with Head of Accountancy (Chief Financial Officer)	Early September 2020
Issue of Letter of Representation and proposed independent auditor's report	Mid-September 2020
Agreement of audited unsigned annual report and accounts	Mid-September 2020
Independent auditor's report signed by Audit Scotland	By 30 September 2020
Issue of Annual Audit Report to those charged with governance	By 30 September 2020

**Key stage****Date**

Latest date for signing of WGA return by Audit Scotland

By 30 September
2020

Internal audit

28. Internal audit is provided by East Renfrewshire Council staff overseen by the Chief Internal Auditor. As part of our planning process we will be completing our annual assessment of the adequacy of the internal audit function to ensure that it operates in accordance with the main requirements of the Public Sector Internal Audit Standards (PSIAS). ISA 610 requires an assessment on whether the work of the internal audit function can be used for the purposes of external audit. This includes:

- the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors
- the level of competence of the internal audit function
- whether the internal audit function applies a systematic and disciplined approach, including quality control.

29. We will report any significant findings to management and the Audit and Scrutiny Committee on a timely basis.

Using the work of internal audit

30. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to use the work of internal audit wherever possible to avoid duplication. We have considered the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

31. From our initial review of internal audit plans we plan to use internal audit work in the areas outlined below. In addition, we also seek to use the work of Internal Audit in relation to balances transferred to the new finance ledger.

- Creditor Payments
- Debtors Control
- Housing – Rent Accounting
- Procurement Red Flags

Audit dimensions

32. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

Exhibit 5 Audit dimensions



Source: Code of Audit Practice

33. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

34. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

Financial sustainability

35. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether there are arrangements in place to demonstrate the affordability and effectiveness of funding and investment decisions.

Financial management

36. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether arrangements are in place to ensure systems of internal control are operating effectively

- the effectiveness of budgetary control system in communicating accurate and timely financial performance can be demonstrated
- how East Renfrewshire Council has assured itself that its financial capacity and skills are appropriate
- whether there are appropriate and effective arrangements in place for the prevention and detection of fraud and corruption. In particular, we will consider whether there are effective arrangements in place within the procurement function.

Governance and transparency

37. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether East Renfrewshire Council can demonstrate that the governance arrangements in place are appropriate and operating effectively including services delivered by, or in partnership with others.
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.
- the arrangements in place for complying with the revised 2018 Statutory Performance Information Direction

Value for money

38. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether East Renfrewshire Council can demonstrate:

- value for money in the use of resources
- there is a clear link between money spent, output and outcomes delivered.
- that outcomes are improving.
- there is sufficient focus on improvement and the pace of it.

Best Value

39. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the new approach coincided with the new five-year audit appointments. Auditors started using the framework for their audit work from October 2016.

40. A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five-year audit appointment, both through the ongoing annual audit work, and through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:

- The annual audit report for each council that will provide a rounded picture of the council overall.
- An annual assurance and risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 council annual audit reports.

- A Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five year period.

41. The seven councils on which a BVAR will be published during the fourth year of the new approach are listed in [Exhibit 6](#). Reports will be considered by the Accounts Commission in the period between March and November 2020.

Exhibit 6 2019/20 Best Value Assurance Reports



Aberdeenshire Council	Dundee Council
Argyle and Bute Council	Falkirk Council
City of Edinburgh Council	Moray Council
North Ayrshire Council	

Source: Audit Scotland

42. The work planned in East Renfrewshire Council this year will focus on the Council's arrangements for demonstrating Best Value in Partnership Working and Empowering Communities in line with our agreed Best Value Plan. In addition, we will consider arrangements for carrying out aspects of options appraisals focusing on service redesign through the Council's Modern Ambitious Programme and Transformation Programme and also in major capital works. We will also follow up and consider the ongoing impact of workforce planning arrangements within the council. The work will be integrated with work described in the audit dimension areas. It will involve us gaining an understanding of how effective the council's self-evaluation processes are in driving improvement across the council. The results of this work will be reported in the annual audit report.

Independence and objectivity

43. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.

44. The engagement lead (i.e. appointed auditor) for East Renfrewshire Council is John Cornett, Audit Director. Auditing and ethical standards require the appointed auditor John Cornett to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of East Renfrewshire Council.

Quality control

45. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

46. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code

of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

47. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

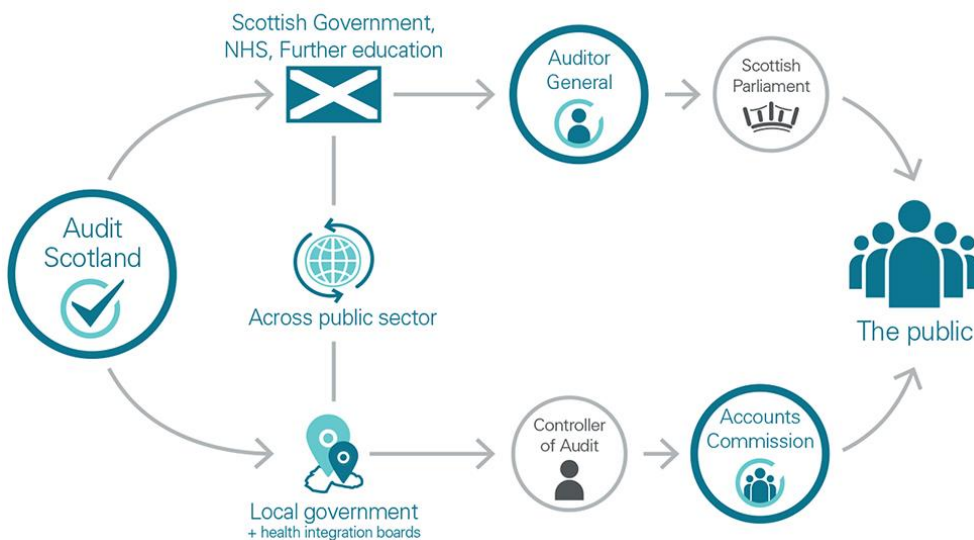
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Appendix 1

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

East Renfrewshire Council

Annual Audit Plan 2019/20

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE12 March 2020Report by Chief AuditorINTERNAL AUDIT STRATEGIC PLAN 2020/21 TO 2024/25**PURPOSE OF REPORT**

1 To submit Internal Audit's 5 year strategic plan for 2020/21 to 2024/25 to members for approval. The strategic plan includes the detailed annual plan for 2020/21 plus the indicative number of days to be spent in the following four years based on the risk assessed audit universe which lists all potential audits.

BACKGROUND

2. The Internal Audit service is an independent appraisal unit within the Chief Executive's Office. It performs independent examinations of accounting, financial and other operations of the Council to provide assurance to management and members on the adequacy of the system of internal control. Independence is achieved through the organisational status of Internal Audit and the objectivity of internal auditors. The Chief Auditor reports directly to the Chief Executive and the Audit & Scrutiny Committee.

3. Through independently reviewing the Council's key systems and controls, Internal Audit helps to ensure that the corporate aim of providing local services which are measurable and of a high standard, is achieved. Internal Audit contributes to the realisation of the Council vision to ensure that resources are managed to provide services that represent value for money.

4. Internal Audit is required to give an annual assurance statement on the adequacy of internal controls. The evaluation of the control environment is informed by a number of sources:

- The results of the work carried out by the Internal Audit service
- The results of the work carried out by the Council's external auditor
- The assessment of risk completed during the preparation of the annual plan
- Reports issued by other agencies such as Education Scotland, Care Inspectorate etc
- Knowledge of the Council's governance, risk management and performance monitoring arrangements.

5. In reviewing these different sources of evidence, consideration will be given as to whether any key controls are absent or ineffective and when taken together with other findings, would lead to the conclusion that the overall system of control has been significantly impaired as a result.

6. The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). Internal Audit work is governed by the policies, procedures, rules and regulations established by the Council such as the Contract Standing Orders, Financial Regulations and the Anti-Fraud and Bribery Strategy.

STRATEGIC AUDIT PLAN 2020/21 TO 2024/25

7. The work performed by Internal Audit is based on a rolling 5 year strategic plan (see attached appendix) which is revised annually to take into account changes in circumstances.

8. In preparing the plan, members of the corporate management team, elected members and the Council's external auditors were consulted to ensure that current and developing risks were appropriately considered and included in the strategic audit plan. The corporate strategic risk register was also reviewed to ensure that key identified areas of risk were included in the audit universe as appropriate.

9. In accordance with the Public Sector Internal Auditing Standards (PSIAS) which require a risk based approach to be taken when preparing the plan, audits have been prioritised based on risk assessments, the service's collective experience of the risks involved, resources available and knowledge gained over the past 5 years. It is also important that annual audit coverage is sufficient to allow Internal Audit to conclude on the adequacy of internal controls. Contingency time is available to allow any further risk related work to be carried out should this be required for new or changing risks identified during the year.

10. A number of key financial systems have been identified, including financial ledger and budgetary control, cash income and banking, debtors, council tax, creditors, rent accounting, payroll and housing and council tax benefit/universal credit. The aim is that all identified systems in the audit universe will be audited at least once in the 5 year cycle however the key financial systems will usually be audited more frequently than this depending on the perceived risks. The timing of systems audits will also be adjusted to avoid duplication of effort with external audit.

11. As part of the consultation process and risk assessment, some new audits have been added to the audit universe, for example new council houses.

12. Similarly, some audits have now been deleted from the audit universe as they are no longer applicable or have low risk assessments or been merged with other audits

13. The Internal Audit service supports the Council's commitments outlined in the Outcome Delivery Plan by monitoring the systems that underpin the delivery of these commitments. Employees who work for Internal Audit adhere to the corporate values.

14. A total of 20 audit days have been included in the annual plan for providing an internal audit service to East Renfrewshire Culture and Leisure Trust (ERCLT). The scope of audits to be carried out using these days have been agreed with the management of ERCLT and members of its Finance, Audit and Risk Committee. Resulting audit reports will be issued directly to the Chief Executive of ERCLT.

AUDIT RESOURCES ASSESSMENT

15. The Internal Audit section has an establishment of five members of staff (4.7 FTE) including the Chief Auditor. There is currently one vacant post due to a secondment but an assumption has been made that this will be filled in the first quarter of 2020/21 when calculating the number of audit days available.

16. The number of days available in 2020/21 has been estimated and compared to the number of days required. Various assumptions have had to be made regarding the number of working days that will be available. On the basis of the audit universe which lists all potential audits, an estimated

3,767 days are required to complete all planned audits at the required frequency within the 5 year period. An estimated 3,676 staff days are available for direct audit work over this same period, leaving an estimated shortfall of 91 days over the 5 year period (or an average of 18 days per annum). The current shortfall in audit days over the 5 year period is viewed as manageable at present but will be kept under review. Audits have been rescheduled to ensure that planned audits for 2020/21 can be met with the estimated days available. The current staffing levels of the Internal Audit section are therefore considered to be adequate at the present time on the assumption that the vacant post will be filled and the secondment will terminate during the year.

17. One of the internal audit performance indicators measures direct audit days as a percentage of total days available. The target for this indicator is 75% however based on the estimated number of days available in 2020/21 of 987 and an estimated 254 days for indirect audit work, this would result in only 733 days available for direct audit work or 74%. There is therefore the possibility that this indicator may not be met however it is reported quarterly to Audit and Scrutiny Committee so will be kept under review.

18. In line with good practice, the internal audit plan will be reviewed on a regular basis throughout the year and may be adjusted in response to changes in the Council's business, risks, systems and controls. Any such requires changes to the plan will be drawn to the Committee's attention as part of the quarterly reporting mechanism already in place.

RECOMMENDATION

19. The committee is asked to approve Internal Audit's Strategic Plan for 2020/21 to 2024/25.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.
Chief Auditor
26 February 2020

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EAST RENFREWSHIRE COUNCIL

STRATEGIC AUDIT PLAN

2020/21 to 2024/25

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Chief Auditor
26 February 2020

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EAST RENFREWSHIRE COUNCIL 2020/21
Internal Audit Section
ANNUAL AUDIT PLAN

Department	Title	Audit Number	No. of days
Chief Executives Office	Financial Ledger and budgetary control	1	20
Corporate & Community	Payroll	2	25
	Maximising Attendance	3	20
	Overtime	4	22
	Cash Income and Banking	5	22
	Creditor Payments	6	10
	Debtors Control	7	10
	Housing Benefits/ Universal Credit	8	30
	Clothing Grants/free school meals	9	12
	Council Tax - billing and collection	10	24
	NDR	11	7
	Travelling & Subsistence	12	12
	Education	Pupil Equity Fund	13
Environmental Controls - Education		14	10
Schools cluster		15	30
Educational Payments		16	8
Environment	Asset Management	17	20
	Grant Certification	18	15
	Gas Servicing	19	15
	City Deal	20	15
	Burial Income	21	8
	Health and Safety	22	15
	Climate Change Report	23	5
	Energy and Fuel	24	15
Housing	Housing allocations and homeless person accomm	25	27
	New council houses	26	20
HSCP	Care First Finance System	27	15
	IJB	28	20
Trust	Trust	29	20
Various	Contract 1 - TBA	30	20
	Contract 2 - TBA	31	20
	Application Audit - Integra	32	32
	Fraud Contingency	33	67
	General Contingency	34	30
	LG Benchmarking Framework	35	10
	Follow Up	36	50
	Previous year audits	37	20
			733

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EAST RENFREWSHIRE COUNCIL 2020/21
 Internal Audit Section
SUMMARY OF STRATEGIC PLAN

<u>Type of Audit</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>Total</u>
Systems/Regularity Audit	479	511	448	482	492	2,412
Contract Audit	40	40	62	40	40	222
Computer Audit	42	96	66	47	10	261
Performance Indicators	10	10	10	10	10	50
Fraud Contingency	67	70	70	70	70	347
General Contingency	30	30	30	30	30	150
Previous Year Follow Up	50	50	50	50	50	250
Grant Certification	15	15	15	15	15	75
Total	733	822	751	744	717	3,767

**Internal Audit Section
AUDIT DAYS AVAILABLE**

ESTIMATED ANNUAL DAYS AVAILABLE		2020	2021	2022	2023	2024	TOTAL
		Days					
Number of days in full year	Note 1	1,226.0	1,226.0	1,226.0	1,222.0	1,226.0	6,126.0
Less:							
Public Holidays		46.0	46.0	46.0	46.0	46.0	230.0
Annual Leave		140.5	140.5	140.5	140.5	140.5	702.5
Purchase of Annual Leave		6.0	16.0	16.0	16.0	16.0	70.0
Sickness Absence		33.0	33.0	33.0	33.0	33.0	165.0
induction training		10.0					10.0
Authorised Absence		3.5	8.5	8.5	3.5	8.5	32.5
Working days available		987.0	982.0	982.0	983.0	982.0	4,916.0
Indirect Audit Work :-							
Administration		50	50	50	50	50	250.0
Planning and Reporting		60	60	60	60	60	300.0
Courses/training		24	20	20	20	20	104.0
Seminars & Audit Meetings		30	30	30	30	30	150.0
Audit Committee/team meets		40	40	40	40	40	200.0
PSIAS	Note 2	5	10	10	5	5	35.0
HGIOS		4	4	4	4	4	20.0
Recruitment		6					6.0
PRD		15	15	15	15	15	75.0
Consultancy		20	20	20	20	20	100.0
FOI		-	-	-	-	-	-
Total for Indirect Audit Work		254	249	249	244	244	1240
Estimated annual time available for Direct Audit Work		733	733	733	739	738	3,676
Direct as % of available days		74%	75%	75%	75%	75%	75%

Note 1 Internal audit has 4.7 FTE established posts including Chief Auditor

Note 2 Additional days for PSIAS in years where external assessments are involved

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AUDIT UNIVERSE
EAST RENFREWSHIRE COUNCIL 2020/21

Title	Dept	Type	2020	2021	2022	2023	2024	Total	Est days	Freq (yrs) 1=annual	Days in 5 yrs	Gen Risk
Asset Management	Env	Sys	20					20	20	5	20.00	L
Barrhead & Eastwood Payment Centres	Corp& Comm'y	Reg			16			16	16	3	26.67	M
Barrhead Resource Centre	HSCP	Reg		8				8	8	5	8.00	L
BID process	Env	Reg						0	0	5	0.00	L
Building Cleaning	Educ	Reg					15	15	15	5	15.00	L
Burial Income	Env	Reg	8					8	8	5	8.00	L
Climate Change Report	Env	reg	5	5	5	5	5	25	5	1	25.00	LX
Cash Income and Banking	Corp& Comm'y	Sys	22			22		44	22	3	36.67	M
Cashless catering and Parentpay	Educ	Reg		30			30	60	30	3	50.00	M
HSCP Health Care Centres and area offices	HSCP	Reg			8	0		8	8	5	8.00	L
HSCP emergency payments (Sect 22 & 12)	HSCP	Sys				8		8	8	5	8.00	L
HSCP Self Directed Support Charges	HSCP	Sys		20			20	40	20	3	33.33	M
Project management of capital projects	Env	cont			22			22	22	3	36.67	M
City Deal	Env	Reg	15	15	15	15	15	75	15	1	75.00	LX
Clothing Grants / Free Meals	Corp& Comm'y	Reg	12					12	12	5	12.00	L
Commercial rents (ind units/shops)	Env	Sys			20			20	20	5	20.00	L
ERCLT	Trust	Reg	20	20	20	20	20	100	20	1	100.00	LX
Community Safety Unit	Corp& Comm'y	reg			20			20	20	5	20.00	L
Complaints Monitoring	Corp& Comm'y	Sys			15			15	15	5	15.00	L
Computer	Various	Comp	42	96	66	47	10	261	40	1	200.00	LX
Contract	Various	Cont	40	40	40	40	40	200	40	1	200.00	LX
Corporate Procurement Cards	Ch Exec Office	Sys		15				15	15	5	15.00	L
Council Tax - Reductions/liability	Corp& Comm'y	Sys		24			24	48	24	3	40.00	M
Council Tax - Billing & Coll.	Corp& Comm'y	Sys	24			24		48	24	3	40.00	M
Council Tax - Recovery and Enforcement	Corp& Comm'y	Sys			18			18	18	3	30.00	M
Creditor Payments	Corp& Comm'y	Reg	10	10		10	10	40	10	5	10.00	LX
Creditors	Corp& Comm'y	Sys			24			24	24	1	120.00	LX
Debtors	Corp& Comm'y	Sys		24				24	24	1	120.00	LX
Debtors Control	Corp& Comm'y	Reg	10		10	10	10	40	10	5	10.00	LX
Education - music service and parentpay	Educ	Reg				10		10	10	5	10.00	L
Education Support (SEN, Bi-Lingual Supp, taxis etc.)	Educ	Sys		20				20	20	5	20.00	L
Creditor interfaces/ e-invoicing	Corp& Comm'y	sys		15			15	30	15	3	25.00	M
Energy and Fuel (incl utility payments)	Env	Reg	15					15	15	5	15.00	L
Financial Ledger and budgetary control	Ch Exec Office	reg	20			20		40	20	3	33.33	M
Follow up	Various	FU	50	50	50	50	50	250	50	1	250.00	LX
Fraud Contingency	Various	Fraud	67	70	70	70	70	347	70	1	350.00	LX
Gas Servicing	Housing	Reg	15					15	15	5	15.00	L
General Contingency	Various	Gen Cont	30	30	30	30	30	150	30	1	150.00	LX
Grant Certification	Env	Grant	15	15	15	15	15	75	15	1	75.00	LX
Health & Safety	Env	reg	15					15	15	5	15.00	L
Grounds Maintenance	Env	Reg					15	15	15	5	15.00	L
Highways Maintenance	Env	reg					20	20	20	5	20.00	L
Home Care Services	HSCP	Sys		22			22	44	22	3	36.67	M
Housing - Rent Accounting	Housing	Sys			20			20	20	3	33.33	M
Housing - voids, garage allocations etc.	Housing	Sys					14	14	14	5	14.00	L
Housing Allocations and homeless person accom	Housing	sys	27			27		54	27	3	45.00	M
Housing Benefits/ Universal Credit	Corp& Comm'y	Sys	30	30	30	30	30	150	30	1	150.00	X
Housing Repairs	Housing	Sys		20			20	40	20	3	33.33	M
Staff and Civic Catering	Educ	Reg		10				10	10	5	10.00	L
Human Resources Management	Corp& Comm'y	Sys		20		20		40	20	2	50.00	H
IJB	HSCP	reg	20	20	20	20	20	100	15	1	75.00	LX
Income Maximisation, money advice, welfare rights	Corp& Comm'y	sys				30		30	30	5	30.00	L
Insurance Arrangements	Corp& Comm'y	Sys				8		8	8	5	8.00	L
Kinship, Fostering and Adoption	HSCP	Sys		16				16	16	5	16.00	L
Bonnyton House	HSCP	Reg					10	10	10	5	10.00	L
LG Benchmarking Framework	Various	Pis	10	10	10	10	10	50	10	1	50.00	LX
Licensing Income	Corp& Comm'y	Reg					15	15	15	5	15.00	L
Maximising Attendance	Corp& Comm'y	Reg	20			20		40	20	3	33.33	M
Members' Expenses	Corp& Comm'y	Sys				12		12	12	5	12.00	L
NDR	Corp& Comm'y	Reg	7					7	7	5	7.00	L
Ordering & Certification	Ch Exec Office	Sys			20			20	20	3	33.33	M
Overtime	Corp& Comm'y	Reg	22			22		44	22	3	36.67	M
Parks & other outdoor income	Env	Reg					8	8	8	5	8.00	L
Payments to Care providers	HSCP	Reg		25		25		50	25	2	62.50	H
Payroll - All payruns	Corp& Comm'y	Sys	25		25		25	75	25	2	62.50	H
Pupil Equity fund	Educ	Sys	12					12	12	5	12.00	L
Petty Cash	Various	Reg			15			15	15	5	15.00	L
Phone/Internet Payments	Corp& Comm'y	Sys		18				18	18	5	18.00	L
Previous year audits	Various	Sys	20	20	20	20	20	100	20	1	100.00	LX
Record Management Plan	Ch Exec Office	Reg		10				10	10	5	10.00	L
Risk Management & Corporate Governance	Various	Reg		15				15	15	5	15.00	L
Schools - Educational Payments	Educ	Sys	8					8	8	5	8.00	L
Schools - Transport	Educ	Sys			15			15	15	5	15.00	L
schools cluster 1 St Lukes	Educ	Reg						0	32	7	22.86	LX
schools cluster 2 Mearns Castle	Educ	Reg					32	32	32	7	22.86	LX
schools cluster 3 Eastwood	Educ	Reg						0	32	7	22.86	LX
schools cluster 4 Woodfarm	Educ	Reg	30					30	32	7	22.86	LX
schools cluster 5 Williamwood	Educ	Reg		32				32	32	7	22.86	LX
schools cluster 6 St Ninians	Educ	Reg			32			32	32	7	22.86	LX
schools cluster 7 Barrhead High	Educ	Reg				32		32	32	7	22.86	LX
Schools Vat Free Purchase Scheme	Educ	Sys			12			12	12	5	12.00	L
Scottish Welfare Fund	Corp& Comm'y	Reg			15			15	15	3	25.00	M
Stores	Env	Sys					20	20	20	5	20.00	L
Sustainability (incl procurement)	Env	Reg		20				20	20	5	20.00	L
Carers Legislation	HSCP	Reg					15	15	15	5	15.00	L
GDPR	Corp& Comm'y	Reg					15	15	15	5	15.00	L
Clyde Valley Contract Group	Env	Reg		12				12	12	5	12.00	L
State aid	Env	Reg				10		10	10	5	10.00	L
Care First Finance System	HSCP	Sys	15			15		30	15	5	15.00	L
PPP projects	Env	Reg				15		15	15	5	15.00	L
DSM guidelines	Educ	sys		15			15	30	15	3	25.00	M
Early Learning and Childcare payments	Educ	sys			15			15	15	3	25.00	M

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AUDIT UNIVERSE EAST RENFREWSHIRE COUNCIL 2020/21

Title	Dept	Type	2020	2021	2022	2023	2024	Total	Est days	Freq (yrs) 1=annual	Days in 5 yrs	Gen Risk
New Council Houses	Housing	sys	20					20	20	5	20.00	M
Thornliebank Resource Centre	HSCP	Reg			8			8	8	5	8.00	L
Trade Refuse Income and special uplifts	Env	Sys					12	12	12	5	12.00	L
Travelling & Subsistence	Corp& Comm'y	Reg	12					12	12	5	12.00	L
Treasury Management	Ch Exec Office	Sys			18			18	18	5	18.00	L
VAT	Ch Exec Office	Reg			12			12	12	5	12.00	L
Vehicle Services	Env	Reg				12		12	12	5	12.00	L
Wraparound care	Educ	Sys				20		20	20	5	20.00	L
Total days needed per universe			733	822	751	744	717	3767				
Available days (automated from audit needs)			733	733	733	739	738	3676				
Audit Needs Assessment	Shortfall/ (over)		0	89	18	5	-21	91				
Average shortfall/(Over) per year								18.2				
Main financial systems in bold												
		Risk										
	X	Very High annual coverage required										
	H	High - audited on 2 year cycle										
	M	Medium - audited on 3 year cycle										
	L	Low - audited on 5 year cycle										
	LX	Frequency determined by factors other than risk eg coverage, external requiremnt, annual or cyclical coverage needed										

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

12 March 2020

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – LOCAL GOVERNMENT IN SCOTLAND
FINANCIAL OVERVIEW 2018-19

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Local Government in Scotland Financial Overview 2018-19*.

RECOMMENDATION

2. It is recommended that the Committee considers the report.

BACKGROUND

3. A copy of the Audit Scotland report [Local Government in Scotland Financial Overview 2018-19](#), published in December 2019, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Provost Fletcher and Councillor Ireland. The Head of Accountancy (Chief Financial Officer) has provided comments on that report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

4. It is recommended that the Committee considers the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)
e-mail: linda.hutchison@eastrenfrewshire.gov.uk

Background Papers:-

1. Audit Scotland Report – Local Government in Scotland Financial Overview 2018-19.

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EAST RENFREWSHIRE COUNCILAUDIT and SCRUTINY COMMITTEE12 March 2020LOCAL GOVERNMENT IN SCOTLAND: FINANCIAL OVERVIEW 2018/19

INTRODUCTION

1. In December 2019 Audit Scotland prepared a financial overview report of local government in Scotland. This report advises members on the Council's position in relation to the findings from the report.

COUNCILS' INCOME IN 2018/19

2. Part 1 of the report considered Councils' Income in 2018/19 and found that total revenue income rose by 2.3% between 2017/18 and 2018/19. The largest element of this income is Scottish Government revenue funding, which increased by 1.1% (reduced by 0.7% in real terms) in 2018/19. A growing proportion of this funding was committed to national policy initiatives.

3. Scottish Government revenue funding for local government has fallen by 7.3% in real terms since 2013/14, whilst funding for other areas fell by only 0.4%. This has resulted in Councils having to raise more funding themselves through Council Tax and charges or to identify additional savings. All Councils raised Council Tax by the maximum permissible 3% in 2018/19.

4. The Scottish Government distributes around 2/3 of its funding to Councils using the Grant Aided Expenditure methodology, which takes account of factors such as population, deprivation, crime and rurality. In recent years East Renfrewshire has increased its share of the national grant funding as our population was rising faster than most other authorities. This trend has now changed as Council areas in the east are experiencing significant increases in house building at the same time as grant allocations are taking more cognisance of deprivation, crime and rurality factors which are not prevalent in East Renfrewshire. The remainder of funding is distributed using a variety of other methodologies agreed by the Scottish Government and COSLA. From 2020/21 details of these methodologies will be published in the annual Green Book document to improve transparency.

5. The increasing commitment of funding to national policy initiatives is reducing local flexibility for Councils. COSLA estimates that around 60% of Council operations (e.g. teachers, adult social care, PFI/PPP etc.) is effectively ring fenced or protected in 2019/20. This increases pressure for savings on other Council services.

6. In comparison to other Councils, East Renfrewshire receives a relatively low level of income from grants and NHS funding. This is likely to reflect the relatively low levels of deprivation in this area.

COUNCILS' FINANCIAL POSITION IN 2018/19

7. Overall, Scottish Councils faced a 2018/19 funding gap of 3%. East Renfrewshire was similar to this at 3.2%.

8. The Council planned to make some £4.830 million savings in 2018/19 and achieved this target. We expect £3m of savings each year to be achieved from efficiencies or as a result of our transformation programmes which modernise processes, systems and structures across all Council services.

9. In common with many other councils, East Renfrewshire also drew on reserves to balance the budget in 2018/19. As our unallocated general reserve was at a healthy level (4% of revenue budget) we agreed to utilise £1.5 million to assist with the budget gap in 2018/19. This represented almost 19% of the budget gap. In 2019/20 utilisation of £4.312 million of reserves was also budgeted (28% of the budget gap), with a further £1.5 million committed in 2020/21 to help address budget pressures. It is estimated that this would leave the unallocated general reserve level at 2.6% at 31 March 2021, still within the acceptable 2-4% range. This will be reviewed in setting the 2020/21 budget.

10. In closing the 2018/19 accounts half of Scottish Councils reported a reduction in their overall level of reserves. East Renfrewshire maintained or increased the level of most of its reserves during the year, but did make a planned draw of over £8 million on its capital reserve to support its school building programme.

11. East Renfrewshire Council sets out its plans for each reserve in its Revenue Estimates report to Council each year at the Council Tax setting meeting. In addition, the Council's Reserve Policy is reviewed every three years.

12. Reserves cannot be used indefinitely to avoid taking savings. The Council recognises that permanent savings plans must be identified to address savings gaps in the long term.

13. In terms of capital expenditure, the report notes that the proportion of expenditure across Scotland is rising on housing and economic development and falling on education projects. East Renfrewshire is also committing to more capital investment in new housing stock (a total of more than 240 new Council homes (8% increase) planned) and in economic development projects such as City Deal but we are also continuing to spend more on education, with Maidenhill Primary School completing in 2019/20 and £25 million of investment in Early Learning and Childcare underway.

14. Council Directors and the Corporate Asset Management Group have recently reviewed our capital programme and project management arrangements so as to minimise slippage and improve forecasting. Some slippage is, however, outwith Council control as some schemes can only proceed once utility company or Scottish government processes are complete.

15. Whilst some funding for capital projects comes from government grants, developers' contributions and capital receipts from selling assets, the majority of capital expenditure in East Renfrewshire is funded by borrowing. This has to be carefully monitored as the debt repayments impact on the revenue budget.

16. Audit Scotland report that net debt is rising across Councils. This will also be true of East Renfrewshire in future, given our ambitious capital plans, however in 2018/19 the Council is shown to be third lowest in Scotland in terms of debt as a percentage of annual revenue budget. Debt repayment charges are reviewed annually and action taken to ensure these are kept as low as possible. Interest rates are currently low and are expected to remain so for the next year or two and the Council took on all £20 million of its 2019/20 planned borrowing prior to the recent 1% increase in Public Works Loan Board (PWL) rates.

17. The report comments on Glasgow City Council's plans to address its outstanding equal pay claims. East Renfrewshire has settled all such claims and has no outstanding liabilities in this respect.

18. The increase in employers' pension liabilities as a result of the McCloud case is also covered in the report. This arose as a result of some transitional protections associated with 2015 pension fund changes being ruled unlawful. The impact on East Renfrewshire is relatively small and was reflected in our balance sheet for 2018/19. We do not expect any direct revenue consequences for the Council.

19. All Councils need to keep their staffing structures under review in order to maximise efficiency and deliver savings. The auditors report that some Councils' business cases in support of severance packages do not always demonstrate payback over a reasonable period. The Scottish Government recommends that the severance (redundancy) costs should be covered by salary savings within 2 years. East Renfrewshire's business cases apply a tougher test, in that both redundancy and "strain on the fund" costs associated with early retirements have to be covered by salary savings within 3 years. Our severance cases over the last few years have been checked and all of these also comply with the Scottish Government's recommendation.

20. In terms of the ongoing liabilities payable to the pension fund annually for enhanced pension commitments granted in the past to early retirees, East Renfrewshire is listed as being one of the 10 Councils with the lowest level of liability.

21. Overall explanations of a Council's strategic priorities, key risks and financial and operation performance should be set out in the Management Commentary include in the annual accounts each year. East Renfrewshire believes that we comply with the requirements and indeed we have been cited by Audit Scotland as demonstrating some exemplary practice, but will continue to review and implement the guidance issued each year with a view to improving transparency in future.

COUNCILS' FINANCIAL OUTLOOK

22. Whilst total revenue funding to Councils in 2019/20 increased by 0.9% in real terms (2.9% cash terms), this resulted in increased savings for most Council services, largely due to above inflation pay awards and to the new duties that had to be delivered as part of the funding package.

23. East Renfrewshire plans its detailed revenue budgets on a 3 year cycle, with the first year fixed and the following years set on an indicative basis. In recent years this has been rendered more difficult as UK and Scottish Government settlement figures have been provided only on a single year basis. It is hoped that national multi year settlements will be published from 2021/22 onwards.

24. Departmental planning figures for Outcome Delivery Plan purposes are produced by the Council on a 3 yearly rolling basis to enable medium term planning. These include forecasts of government grant levels, loan charges, inflation and any departmental expenditure pressures. The Council also publishes its updated higher level financial plans, including consideration of possible scenarios for the coming 6 years, as part of the Council budget process each year. These plan takes into account economic forecasts and any medium/long term plans published by the Scottish Government.

25. In setting budgets for 2019/20 it is recognised that Councils faced particular pressures due to the above inflation pay award and the continuing demographic pressures, largely related to an ageing population. These contributed to typical funding gaps of between

2 and 4% for the year. In East Renfrewshire the position was more severe with a 6% funding gap. This higher gap reflects a number of factors including the decision to use reserves rather than identify savings to address the full gap the previous year and costs associated with opening new school and nursery facilities at Maidenhill and St. Cadoc's.

26. The report uses East Renfrewshire as an example of how Councils use a mix of different means to close their funding gaps. We addressed 61% of our 2019/20 funding gap through savings, 28% from use of reserves and 11% by increasing Council Tax. Nationally the respective proportions were 69%, 13% and 17% respectively.

27. Councils include increases in charges as a means of addressing funding gaps. In 2019/20 East Renfrewshire was one of 13 Councils who chose to increase Council Tax by 3%. The remaining 19 Councils opted for larger increases, with 12 applying the maximum 4.79% uplift.

28. East Renfrewshire also reviews all other charges for services annually and expects to increase these by inflation unless this would have a detrimental impact. More recently, a review into income generation has been undertaken, overseen by the Audit & Scrutiny Committee. The Council has no plans, however, to apply a Transient Visitor Tax or Workplace Parking Levy.

29. A further area of financial and operational uncertainty, relating to Brexit, was also highlighted in the report. East Renfrewshire has appointed a co-ordinator who works with relevant services and our Crisis Resilience Management Team to prepare for a range of scenarios.

INTEGRATION JOINT BOARDS OVERVIEW 2018/19

30. Part 4 of the report provides an overview of Integration Joint Boards for 2018/19 and the key messages along with East Renfrewshire's Health and Social Care Integration Joint Board (IJB) position are set out below:

31. Overall IJB budgets increased by 3%. East Renfrewshire IJB budget for 2018/19 (excluding grant funded and set aside) was £114.2m compared to the 2017/18 budget of £111.3m, so increased by 2.6%.

32. Nationally the budget gap reduced from 2.9% to 2.5%. For East Renfrewshire IJB the savings challenge in 2018/19 was £1m compared to £4.4m in 2017/18.

33. A majority of IJBs struggled to achieve break even and 19 would have been in deficit without additional funding from partners at year end. East Renfrewshire IJB ended the financial year with a modest underspend of £0.3m.

34. Around a third of the IJBs failed to agree a budget with their partners for the start of 2019/20; East Renfrewshire IJB agreed its budget on 20 March 2019 with budget contributions from both partners identified.

35. A focus on long term financial planning is required by IJBs to assist effective decision making; East Renfrewshire IJB agreed its Medium Term Financial Plan covering the period 2019/20 to 2023/24 at its meeting of 20 March 2019.

36. The projected funding gap in 2019/20 is estimated nationally at 2.5%; East Renfrewshire IJB savings target is 3.2% of the total partner contributions excluding set aside and grant funding.

37. Over a third of IJB senior staff have changed in 2018/19; East Renfrewshire IJB revised its structure from the top down, in order to achieve part of the 2017/18 savings. It was recently agreed that a senior post be added back to the structure in order to meet the capacity constraints and challenges faced by the HSCP.

CONCLUSION

38. The report outlines the main issues facing Scottish Councils in 2018/19. Overall East Renfrewshire is well placed in terms of addressing these but will continue to face substantial financial challenges in future.

RECOMMENDATION

39. The Committee is asked to consider and note the contents of this report.

Margaret McCrossan, Head of Accountancy, 5 February 2020

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE12 March 2020Report by ClerkNATIONAL EXTERNAL AUDIT REPORT
SCOTLAND'S CITY REGION AND GROWTH DEALS**PURPOSE OF REPORT**

1. To provide information on the Audit Scotland report *Scotland's City Region and Growth Deals*.

RECOMMENDATION

2. It is recommended that the Committee considers the report.

BACKGROUND

3. A copy of the Audit Scotland report [Scotland's City Region and Growth Deals](#), published in January 2020, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor Miller and Councillor Grant. The Director of Environment has provided comments on that report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

4. It is recommended that the Committee considers the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)
e-mail: linda.hutchison@eastrenfrewshire.gov.uk

Background Papers:-

1. Audit Scotland Report – Scotland's City Region and Growth Deals

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

12 March 2020

SCOTLAND'S CITY REGION AND GROWTH DEALS

PURPOSE OF REPORT

1. The purpose of this report is to provide the Audit and Scrutiny Committee with details of the Glasgow City Region – City Deal Cabinet response to the Audit Scotland report entitled Scotland's City Region and Growth Deals published in January 2020.

BACKGROUND AND REPORT

2. The Audit Scotland report entitled Scotland's City Region and Growth Deals was published in January 2020. The report, which seeks to provide an early assessment of city deals in Scotland, includes 15 recommendations:-

- 8 recommendations for Councils;
- 3 joint recommendations for the Scottish Government and Councils; and
- 4 recommendations for the Scottish Government.

3. As Members will be aware, the main governance arrangement around the Glasgow City Region deal is the Glasgow City Region – City Deal Cabinet upon which the Council is represented by the Leader of East Renfrewshire Council. In that respect, a comprehensive report was submitted to the Glasgow City Region – City Deal Cabinet in February 2020. The report provided the City Deal Cabinet with:-

- a summary of the key messages within the Audit Scotland report;
- an overview on the key recommendations covering Councils; and
- the current status of the Glasgow City Region City Deal arrangements in relation to those recommendations.

A copy of the City Deal Cabinet report is attached.

5. The report highlights key messages which were positive, but also highlights key messages around areas for improvement. In particular, the report provides an overview of the arrangements which are already in place or are being developed to ensure the recommendations from the Audit Scotland report relating to Councils are being addressed.

RECOMMENDATION

6. It is recommended that the Committee note the Glasgow City Region response.

Report Author: Andy Cahill, Director of Environment

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Glasgow City Region - City Deal

Cabinet

Report by Director of Regional Economic Growth

Contact: Jane Thompson, 0141 287 5369

Audit Scotland Report on Scottish City Deals

Purpose of Report:

This paper provides the Cabinet with:

- a summary of the key messages within the Audit Scotland report;
- an overview on the key recommendations covering Councils; and
- the current status of the Glasgow City Region (GCR) City Deal arrangements in relation to these recommendations.

Recommendations:

The Cabinet is invited to note the content of the report.

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1. INTRODUCTION

- 1.1 On Thursday 16th January 2020, Audit Scotland published its 'Scotland's City Region and Growth Deals' Report. The report can be accessed at <https://www.audit-scotland.gov.uk/report/scotlands-city-region-and-growth-deals>

2. PURPOSE

- 2.1 This paper provides the Cabinet with:

- a summary of the key messages within the Audit Scotland report;
- an overview on the key recommendations covering Councils; and
- the current status of the Glasgow City Region (GCR) City Deal arrangements in relation to these recommendations.

3. AUDIT SCOPE

- 3.1 The Audit Scotland report seeks to provide 'an early assessment of deals in Scotland'. Its scope includes:

- a consideration of why the Scottish Government adopted the Deal approach to economic growth and how it fits with its wider economic policy;
- an examination of how Deals are made and an early assessment of the management, governance and accountability structures at national and local level; and
- a look at progress to date, risks and plans to measure the impact of Deals.

- 3.2 The Audit Report notes that, while the UK Government provides significant funding for Deals in Scotland, the scope of its audit, in terms of judgements and recommendations for improvement, excludes the work of the UK Government.

4. GLASGOW CITY REGION'S CITY DEAL GOVERNANCE REQUIREMENTS

- 4.1 When GCR's Deal was agreed in 2014, it was among the first in the UK and the first in Scotland. As a result, the governance arrangements for GCR, which were agreed by the GCR Cabinet, the UK and Scottish governments, were similar to those which had already been agreed for the English city regions which had Deals. So in addition to meeting the Scottish Government's grant conditions, governance and reporting requirements, in common with the English city regions, Glasgow City Region must also pass independent five-yearly Gateway Reviews before, in GCR's case, the UK and Scottish governments will commit to the next five-year block of funding.

- 4.2 The Gateway Reviews include scrutiny by an independent and objective National Evaluation Panel and a Challenge Session between senior officers from GCR and civil servants from both governments. GCR participated in its first Challenge Session on 16th January 2020. GCR expects to be notified of the outcome of the Gateway process before the end of March 2020.
- 4.3 Preparation for the Gateway Review required GCR to work alongside other UK Growth Deals to develop a National Evaluation Framework (NEF). Following the creation of the NEF, a GCR Local Evaluation Framework (LEF) and Local Evaluation Plan (LEP) was created with input from the Region's Independent Commission on Economic Growth, with the LEF and LEP subsequently agreed by Cabinet.

5. AUDIT REPORT KEY MESSAGES

- 5.1 The Audit Report has thirteen key messages regarding City Deals across Scotland:

Key Messages – Positive

- a. Deals bring additional long-term funding;
- b. Deals deliver additionality, funding projects which would not otherwise go ahead;
- c. Deals are a catalyst for increased collaboration between Councils and partners; and
- d. All individual Deals include output measures, such as new jobs created; and
- e. Governance and scrutiny arrangements are in place at national and Deal level.

Key Messages – Areas for Improvement

- f. The Scottish Government has not set out how it will measure the long-term success of Deals;
- g. The Scottish Government has not set out how it will know if Deals are value for money;
- h. The Scottish Government has not set out how Deals will contribute to the outcomes in the National Performance Framework;
- i. It is not clear why some projects are selected and approved for funding and others are not;
- j. Local communities have had very little involvement in the Deal process;
- k. There is limited transparency and ability to hold public bodies to account for their Deal spending;
- l. It remains untested how accountability will work in practice;
- m. There is a risk around the capacity of Councils and their partners to deliver deal projects against a challenging backdrop for the public sector.

6. AUDIT RECOMMENDATIONS

6.1 The Report includes 15 recommendations:

- eight recommendations for Councils;
- three joint recommendations for SG and Councils; and
- four recommendations for the Scottish Government.

6.2 The table below sets out each of the Report's recommendations and provides an overview of the arrangements which are already in place or are being developed to ensure the recommendations relating to Councils are being addressed.

	COUNCIL RECOMMENDATIONS	GLASGOW CITY REGION ARRANGEMENTS
1.a	Work with partners to agree clear and commonly understood lines of accountability	GCR's governance structures and accountability arrangements, in terms of the responsibility for costs in the event of project failure/overspend, are set out within the Assurance Framework (AF). The AF sets out key governance, assurance and programme management arrangements. It is approved by Cabinet and shared with the UK and Scottish Governments for comment.
1.b	Agree how information on the progress of Deals is reported to Elected Members and Council partners	The Programme Status Report, a formal report of ongoing progress, is approved by Cabinet every 8 weeks. A detailed Annual Performance Report is produced to summarise progress for each financial year. The City Deal Programme Management Office (PMO) produces regular Update Briefings on the progress of the Deal. These briefings are circulated to key stakeholders, including Regional Partnership agencies. All of the above documents are publically available through the City Deal website. An additional new arrangement will see an update on the City Deal provided to the Economic Delivery Group and the Regional Partnership from February 2020 onwards.
2.a	Ensure Deals are aligned with an agreed regional economic strategy, with input from a wide range of partners	The individual Business Cases produced for all City Deal projects and the Programme Business Case (PBC) set out their alignment to local, Scottish and UK strategic economic objectives. The GCR Regional Economic Strategy (RES) is currently being refreshed. Future versions of the PBC will be updated to show alignment and contribution to this refreshed RES.

2.b	Ensure Deals can demonstrate how they will help deliver national and local priorities for economic development	The PBC sets out how the City Deal's Programme Objectives align with the National Outcomes and Member Authority Local Outcome Improvement Plans. Future iterations of the PBC will include more detail showing this mapping at individual project level.
3.a	Regularly review their governance, monitoring and risk management arrangements to ensure they are clear and operating effectively	GCR has recently reviewed and refreshed its governance, monitoring and risk management arrangements. With the updated Assurance Framework 2019 approved by Cabinet in October 2019. In 2017/18 Glasgow City Council's Internal Audit Team undertook an audit of Compliance with Assurance Framework Project and Programme Management Arrangements on behalf of the Cabinet. Internal Audit's recent Follow-Up Audit (January 2020) has reported that all four recommendations within the audit have been completed.
3.b	Consider the ways that internal audit can provide assurance on governance, monitoring and risk management arrangements	The Programme is subject to a series of planned audits, externally by Audit Scotland and internally, by Glasgow City Council's Internal Audit, appointed by the Cabinet. An annual plan for audit activity for the year ahead is agreed by Cabinet, with findings, recommendations and progress on follow up actions reported to Cabinet throughout the year. A list of all Programme-level audits is included within the PBC.
4.a	Regularly monitor the risk of partner funding not materialising as agreed and be aware of their own financial implications if that risk is realised	A formal risk register is in place, for both the Programme and individual Projects. The risk of external funding not materialising is included within the Programme Risk Register. Risks are considered and reviewed four-weekly by the Chief Executives' Group and eight-weekly by Cabinet. The Risk Management Strategy is reviewed regularly and is currently being reviewed as part of the development a new Programme Management Toolkit to be launched in February 2020. An Audit of Risk Mitigation and Management was completed and reported in 2019. Internal Audit's recent Follow-Up Audit (January 2020) has reported that all four recommendations within the Risk Audit have been completed. A GCR Financial Strategy Group, consisting of the most senior Finance Officers from each Member Authority, is charged with monitoring the finances of the City Deal. The Group meets regularly to discuss and oversee the Programme budget and review Financial Risks.

5.a	Ensure a wide range of partners and stakeholders, including local businesses, voluntary organisations, communities and community planning partners, are involved in the Deal development and agreement process	The Glasgow City Region City Deal Programme Assembly exercise was completed in 2013/14. The process, which is set out within the PBC, saw the Region's Member Authorities work together to identify a short-list of 21 projects (from a long-list of 80+ projects) which were appraised as providing the best economic, and distributional, benefits for the Region. The long-list of projects was compiled from project proposals which were put forward by each of the Member Authorities. These locally-generated proposals were developed within Member Authority areas, coming from their Local Development Plans and/or area masterplans. In addition to the consultation with businesses and communities which will have been undertaken by Member Authorities in the development of these local plans, ongoing engagement and consultation is undertaken at a local level as the project progresses e.g. in order to gain planning consent.
6.a	Consider how they will measure the full long-term impact of the Deal and whether it has achieved value for money	Glasgow City Region City Deal has clear targets for jobs and GVA. In terms of Value for Money, the PBC includes the Benefit Cost Ratios for all projects with an Approved Outline Business Case and the running total for the Programme based on these Approved Business Cases.
6.b	Consider arrangements for collecting and analysing data on different groups in their communities to allow the impact of Deals on minority and disadvantaged groups to be evaluated	Glasgow City Region Cabinet has given a commitment to achieving inclusive growth outcomes through the delivery of the Deal. The Cabinet has also given a commitment to tackling poverty via Deal delivery. The PMO has agreed to work alongside the government's City Deals Policy Manager for Equality and Investment in the Scottish Government's Cities Team to develop monitoring and evaluation arrangements to ensure the impact on minority and disadvantaged groups can be evaluated.
7.a	Look at how Deals affect their longer-term financial plans, capital programmes and borrowing strategies	In GCR individual Member Authorities must receive local approval for their 14% funding contribution and their own Business Cases prior to submitting this to the GCR PMO for appraisal. As part of gaining this local approval, individual Member Authorities will be assessing the priority of their proposed City Deal projects alongside their own wider capital investment programmes for their local area. The PBC sets out how Prudential Borrowing requirements are met, namely that debt financing costs will be met from Member Authority resources and be in line with the Prudential Borrowing Code.

8.a	Ensure that enough staff, money, expertise and skills are available to develop and deliver Deals including sufficient project management capacity and expertise	The Management Case within the PBC sets out the role profiles of the staff within the City Deal PMO and the training which has been provided to ensure staff have the skills required for these roles. Each year the PMO agrees a forward plan of its activities, known as the Annual Implementation Plan. At a Member Authority level, projects are required to set out their arrangements, including local skills and capacity, within their Management Case of their business cases. Additional training in Business Case development has been provided for Member Authority and PMO staff.
	SCOTTISH GOVERNMENT AND COUNCIL RECOMMENDATIONS	GLASGOW CITY REGION ARRANGEMENTS
9.a	Consider how best to make more information publicly available as to the reasons behind key decisions on funding and project selection for signed deals and those still in development, to promote understanding and support effective scrutiny	An overview of the GCR Programme Assembly exercise is included within the Programme Business Case. It includes the: options framework and the Critical Success Factors.
10.a	Improve arrangements for sharing knowledge and learning across deals in the interest of improving the Deal process	The GCR PMO engages in regular informal knowledge exchange meetings with staff in the other Scottish Deal PMOs. GCR PMO also engages with other UK cities with Growth Deals through the National Evaluation Panel Steering Group.
11.a	Regularly review the governance and accountability arrangements for Deals to ensure they are clear and operate effectively	For GCR, the accountability arrangements, in terms of the responsibility for costs in the event of project failure/overspend, are set out within the Assurance Framework.
	SCOTTISH GOVERNMENT RECOMMENDATIONS (for information)	
12.a	Set clear aims and objectives for the overall deals programme, including how it will help to deliver inclusive growth	

13.a	Explain in medium- and long-term financial plans how it will fund deals from its budget and how this relates to ongoing financial support for local government No response required from GCR.
14.a	Develop arrangements for measuring the impact of the overall deals programme, in particular how it has taken account of outcomes set out in the National Performance Framework and whether it has achieved value for money.
15.a	Clarify for partners how they should plan for and then measure and report on the impact of individual deals, including their delivery of inclusive growth. This is especially urgent for shorter-term deals that are already in the delivery stage.

7. CONCLUSIONS

- 7.1 The Glasgow City Region Programme Management Office welcomes the analysis undertaken by Audit Scotland of Deals in Scotland. As a result of being the first City Deal in Scotland, and through the work which has been undertaken recently to prepare for the first Gateway Review, GCR has already addressed, or is making good progress with addressing, the recommendations for Councils outlined in the Audit Scotland report.
- 7.2 Indeed, at the 20th January 2020 Glasgow City Region's Commission on Economic Growth meeting, the Commission noted that, while the report findings related to Scotland's City Deals in general, the report was, overall, complimentary regarding Glasgow City Region's arrangements.

8. RECOMMENDATIONS

- 8.1 The Cabinet is invited to note the contents of this report.

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

12 March 2020

Report by Chief Executive

INVESTIGATION ON CLIMATE CHANGE:
FINAL DRAFT REPORT

1. To submit the Audit and Scrutiny Committee's final draft report on its investigation into climate change within East Renfrewshire Council.

RECOMMENDATIONS

2. It is recommended that the Audit and Scrutiny Committee:-
 - (a) approves the final draft of its report on its investigation into climate change within East Renfrewshire Council, including related recommendations, for submission to the Cabinet (Appendix 1 refers); and
 - (b) agrees that a progress report on the implementation of the recommendations on climate change that are accepted by the Cabinet is requested, and submitted to the Audit and Scrutiny Committee at a future date.

BACKGROUND

3. The Audit and Scrutiny Committee agreed on 26 September 2019 to investigate climate change as its next high priority issue to be the subject of a scrutiny and evaluation review, subject to further discussions, including with the Environment Department. At the time it was noted that the Director of Environment had prepared some preliminary proposals for a refreshed climate change strategy and action plan for the Council, the existing Environmental Sustainability Strategy and Action Plan 2015-18 having been approved in 2015.
4. The timing of the consideration of climate change issues was considered opportune by the Committee, given the increasing expectations upon the Council from the East Renfrewshire community, and due to the increasing profile which climate change is receiving through the media, not least of which will be the staging of the UN (COP 26) Climate Change Summit in Glasgow in November 2020.
5. At the meeting of the Committee held on 21 November 2019, the proposed scope and timeline of the investigation on climate change were approved, on the basis that a final draft report with recommendations would be submitted to the Committee on 12 March 2020 for consideration prior to its submission to the Cabinet.

PROGRESS TO DATE

6. Work on the investigation included collecting and reviewing evidence from national organisations on guidance available on climate change; and initial discussions with Council departments on their current and planned activities and thoughts on climate change. At a

later stage, an informal meeting took place on 14 January 2020 between representatives of the Audit and Scrutiny Committee and Council departments and services, to discuss their current and planned approaches to climate change and related issues. A visit by the Committee also took place on 31 January 2020 to the Isobel Mair School and Family Centre to see the work of the children on the environment and recycling.

7. The results of a national survey, conducted by the Scrutiny and Evaluation Officer, of Scottish local authorities on climate change were also shared with the Committee as part of the review, and discussions have commenced with the trade unions on the possibility of joint working in the preparation of a new policy on single-use plastics. Members of the Audit and Scrutiny Committee have had opportunities at each stage of the investigation to ask questions, to offer views or to obtain more information.

NEXT STEPS

8. The final draft report, summarising the work of the investigation is attached (Appendix 1 refers) for the committee to consider in advance of its submission to the Cabinet. This summarises the work of the investigation, and provides recommendations based upon the views of Elected Members.

CONCLUSION

9. This review area was considered by the committee to have the potential to inform the development of the Council's new strategy on climate change, and also contains recommendations such as regarding governance, resourcing, and citizen engagement to listen to their views, which will be essential to the success of the new strategy.

RECOMMENDATIONS

10. It is recommended that the Audit and Scrutiny Committee:-

- (a) approves the final draft of its report on its investigation into climate change within East Renfrewshire Council, including related recommendations, for submission to the Cabinet (Appendix 1 refers); and
- (b) agrees that a progress report on the implementation of the recommendations on climate change that are accepted by the Cabinet is requested, and submitted to the Audit and Scrutiny Committee at a future date.

Chief Executive
26 February 2020

Report author: Charles Leleux, Scrutiny and Evaluation Officer, in liaison with the Clerk to the Committee (0141 577 8788) E-mail address: charles.leleux@eastrenfrewshire.gov.uk

Background Papers

1. Report on Audit and Scrutiny Work Plan Submitted to Audit and Scrutiny Committee on 20 September 2019: and
2. Report on Investigation on Climate Change Submitted to Audit and Scrutiny Committee on 21 November 2019.



EAST RENFREWSHIRE COUNCIL

CLIMATE CHANGE

INVESTIGATION BY THE AUDIT AND SCRUTINY COMMITTEE

DRAFT (v1.0)

Date: 25 February 2020

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FOREWORD

The challenges which East Renfrewshire Council is facing on climate change are increasing, and extend to all parts of the organisation. We will meet these challenges head-on, and provide civic leadership to the wider East Renfrewshire community of schools, families, community groups, businesses, and not least of all to the Council's staff.

We should not be daunted by what we are facing, but rather, due to the professionalism of our staff and their adaptability to changing circumstances, we can look forward to making a significant contribution to mitigating the effects of climate change in East Renfrewshire.

External factors are contributing greatly to the shape of the Council's response, including forward planning and investment to meet the needs of new legislation, and changing expectations. Thanks to the dedication and innovation of the staff involved, I am pleased to report that the latest annual Climate Change Return to the Scottish Government (December 2019) shows consistent improvement in our response across a range of areas, including the extent of reductions in greenhouse gas emissions, and tonnage of CO₂ saved.

Turning to some specific issues, the timing of this review is opportune, and a key recommendation is that the Council's climate change strategy is renewed, which will provide a new policy direction. It is also proposed that the Council considers setting 2040 as the date by when we will become carbon neutral, which will help embed the ethos of sustainability throughout the Council, and provide new impetus for all involved.

The continuation of the excellent work taking place in our schools regarding the Learning for Sustainability (LfS) initiative should be encouraged, which has seen East Renfrewshire Council achieving the highest proportion of educational establishments in Scotland with Green Flag status. The committee witnessed good work taking place at first hand, when we visited the Isobel Mair School and Family Centre, and met the children and staff.

Due to the capacity of trees, grass and especially peat to absorb CO₂ from the atmosphere, we have commented that further opportunities should be explored to maximise the potential for tree planting, and the preservation of grassed areas, and our peatlands in East Renfrewshire as 'carbon sinks'. Exciting plans are also included in our recommendations to plant a tree for every resident in East Renfrewshire.

The ongoing roll-out of agile working across the Council, through the deployment of new laptops, is increasing options for working remotely, and improved connectivity allows meetings to be held by Skype. These measures are reducing the need for staff to travel to their work base, or to meetings, therefore cutting CO₂ emissions. The development of a new Sustainable Procurement Policy, which is in progress already, will provide a greater environmental focus to our procurement and purchasing activities, and a new policy on single-use plastics is proposed, on which input from the trade unions has already started to be gathered.

The committee's thanks go to the departments, and their management, for the work they are carrying out in mitigating the effects of climate change. My gratitude is also extended to the members of the committee for their support throughout the investigation.

On behalf of the committee, I commend this report and its recommendations to you.

Councillor Stewart Miller
Chair of Audit and Scrutiny Committee
Date: 20 February 2020

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EXECUTIVE SUMMARY

1. Work is already underway across East Renfrewshire Council within all departments to mitigate the effects of climate change, and the activities which schoolchildren are engaged in is to be encouraged, including the attainment of ECO school status;
2. The Council's climate change strategy (the former Environmental Sustainability Strategy and Action Plan 2015-18), needs to be renewed as a matter of urgency to reflect changing priorities, and to provide a stimulating new policy direction, including the involvement of children and young people in the development of the new strategy;
3. In relation to oversight, it was noted that the Cabinet and the Convener for Environment have responsibility for climate change and sustainability. Notwithstanding, it is suggested that a cross party Elected Member / Officer working group could be established on climate change to make further recommendations to Cabinet;
4. That the Corporate Management Team should consider how they can best take forward their leadership role in climate change;
5. That an inter-departmental working group should be formed on climate change, supported from existing resources, and a dedicated climate change officer;
6. That the Council should consider setting a date by which it should be carbon neutral. The Audit and Scrutiny Committee suggest that 2040 could be an option, on the basis that should the Council achieve milestones earlier than planned on climate change, then a revised date could be considered;
7. New policies are either underway or planned, in relation to a Sustainable Procurement Policy, and on single-use plastics with support and input from the trade unions;
8. Importantly, to have maximum impact, the Council's new climate change strategy must have input from residents and the East Renfrewshire community, involving existing channels and new ones, such as using the Council's new website when it goes live;
9. Following a recent visit by the Audit and Scrutiny Committee to the Isobel Mair School and Family Centre, it is proposed that a film produced by pupils there on climate change and recycling, should be shared via social media links, with other educational establishments in East Renfrewshire;
10. The extension of agile working practices and the roll-out of laptop computers replacing older ones, allowing greater flexibility for when, where and how staff conduct their business, is leading to reductions in business mileage, and CO₂;
11. To protect the environment and to help the Council reach its suggested objective of reaching carbon neutrality by 2040, a headline project for the new climate change strategy could be considered e.g. a tree being planted for every resident of East Renfrewshire (approx. 95,000); and
12. The Council's annual Climate Change Return to the Scottish Government, includes examples of: innovative energy and lighting management; greater use of renewable

energy; increased use of electric fleet vehicles; increased recycling and less waste going to landfill, e.g. the 'waste to energy' scheme agreed recently with other Councils, where household waste is converted to energy at a specialist plant in Dunbar.

1. INTRODUCTION

1.1 On 26 September 2019, the Audit and Scrutiny Committee decided that a detailed review should be undertaken on climate change, and on 21 November 2019, the committee agreed the scope and timeline. The investigation commenced in late November 2019, and concluded at the end of February 2020.

1.2 The decision to select this topic area originated from a suggestion made by the Chair, who was keen that it should focus on scientifically-based findings. Although the title of the report of this investigation is 'climate change' it also covers environmental and sustainability issues too, each of which are often used interchangeably.

1.3 Climate change features strongly in the Council's overarching strategy 'Vision for the Future' (VFTF), which is currently being revised and due for completion in Spring 2020. Building upon the Community Plan, VFTF sets out the Council's role, including the mission to '*make people's lives better*'. One of the five Outcomes of the Community Plan is '*Environment and Economy*' and a number of the objectives from this Outcome relating to the environment will be reflected in the proposal to renew the Environmental Sustainability Strategy and Action Plan, which expired in 2018. The renewal of the Council's climate change strategy forms one of the main recommendations of this report.

1.4 Initial discussions were held with Council departments on climate change activities, and these were considered at an informal meeting between the Committee and departmental representatives held on 14 January 2020. This allowed the committee the opportunity to receive more information, ask questions, and to offer views on recommendations. Subsequently, discussions took place with the Health and Social Care Partnership. Joint discussions have also commenced with trade unions on the proposal to develop a new policy on single-use plastics.

1.5 The Council's recent annual Climate Change return to the Scottish Government (December 2019) showed further encouraging reductions in carbon emissions compared to the Council's submission for 2018. The reasons for this are explained in the 'Findings Section: Scope Item 3';

1.6 The Council is participating in collaborative work on climate change with the Sustainable Scotland Network, and with partner Councils through 'Climate Ready Clyde', where the Glasgow city-region level Climate Adaptation Strategy and Action Plan is being developed.

1.7 We have welcomed hearing that across East Renfrewshire's schools, children are actively involved in nature and environmentalism through the ECO schools project, and with the LfS initiative which forms part of the Curriculum for Excellence. The Council has invested in 'active travel' infrastructure, in particular cycling and walking routes, to provide safer routes to schools, and to give residents and visitors greater travel choices. On 31 January 2020, the committee visited the Isobel Mair School and Family Centre to meet the children and staff to see at first hand the work taking place there on climate change.

1.8 Looking forward, the Council has a series of challenges which it has to meet to fulfil its obligations to, and expectations of, the East Renfrewshire community. This will require investment, and new forms of engagement and communication channels to be established with all interested parties, including citizens and our own staff. These areas are addressed in further detail in the following sections. The United Nations COP 26 Climate Change summit to be held in Glasgow in November 2020, will bring increased focus on Glasgow and the City Region authorities, locally, nationally, and internationally.

2. SCOPE OF INVESTIGATION

2.1. The Audit and Scrutiny Committee on 21 November 2019, agreed that a detailed review take place on climate change, with the following objectives to be pursued:-

- (i) Assessing the level of awareness of the importance of addressing climate change within departments;
- (ii) If there is a need to review governance arrangements within the authority associated with addressing climate change issues to ensure this issue is pursued effectively (for example creating a specific body or board to oversee its implementation);
- (iii) The extent to which adequate targets have been set and are being considered and developed further within the authority to address climate change;
- (iv) Linked to the above, assessing the level of existing capacity and expertise within the authority, not only within the Environment Department but also other departments, to enable climate change issues and related targets to be pursued effectively;
- (v) Considering the extent to which departmental budgets align with goals linked to addressing climate change, including capital projects and bids;
- (vi) The extent to which discussions on pursuing carbon neutrality take place when project proposals are being discussed and developed;
- (vii) The extent to which the importance of carbon neutrality is considered in relation to the procurement and purchasing of goods and services;
- (viii) From a benchmarking perspective, which approaches have been successfully adopted by other authorities on addressing climate change; and
- (ix) The extent to which the Council is taking preventive measures and adapting practices to address climate change.

3. METHODOLOGY

3.1 The committee decided that the following approaches would be used in the conduct of the investigation. Arguably, the more information sources which were used, the better informed Elected Members would be to scrutinise the Council's response to climate change, and to offer suggestions for improvement. This involved the following methods:

- 1 Gathering information from local authorities through a national survey conducted by the Scrutiny and Evaluation Officer, and completed in late 2019, on climate change. Further details are provided under Scope Item 2.
- 2 Collecting evidence from national organisations on guidance which was available on climate change;
- 3 Liaison with East Renfrewshire Council's departments, to hold initial discussions on their current and planned activities, and thoughts on climate change;

- 4 Initial discussions with the trade unions on developing a policy on single-use plastics;
- 5 Arranging for an informal meeting of the Committee to be held on 14 January to meet representatives of each of the Council's departments to ask questions, and to take evidence; and
- 6 Arranging for the committee to visit the Isobel Mair School and Family Centre on 31 January to witness the good work taking place there on sustainability by the schoolchildren and staff.

Members of the committee were also invited to contribute their views on climate change at different stages of the investigation.

4. FINDINGS

Scope Item 1

Assessing level of awareness within departments of importance of addressing climate change

4.1 The Audit and Scrutiny Committee invited representatives of the Council's Departments to an informal meeting which was held on 14 January 2020. Each representative was asked to give a short summary of examples of issues which their department was currently working on concerning climate change, and outline future plans. These examples had, prior to the informal meeting, been sent to the Committee in the form of a briefing note prepared by the Scrutiny and Evaluation Officer. The Committee asked questions of the departmental representatives, and there followed a wide ranging discussion, during which evidence of awareness of addressing climate change was presented. The Health and Social Care Partnership (HSCP) provided comments separately on their climate change activities.

4.2 The Education Department, and all of its establishments, are committed to the LfS initiative, which is an integral aspect of the Curriculum for Excellence. Professional learning on LfS and awareness of climate change has been extended to all probationary teachers (approximately 140 staff). This is to raise awareness of their responsibility to incorporate LfS themes into their learning and teaching, in order to complement the training already on offer to teachers who take lead roles in LfS.

4.3 The Environment Department leads the coordination of the Council's annual climate change return to the Scottish Government. Commendable work is also being carried out on energy management; asset management; sustainability and new-build Council properties; flood management; protecting the environment and encouraging biodiversity; active travel initiatives such as park and ride, and safer routes to schools; traffic management schemes; greater use of electric vehicles; and sustainable practices in relation to roads maintenance and route optimization for gritter and refuse vehicles.

4.4 The Chief Executive's Office is developing a new Sustainable Procurement Policy which will benefit Council staff once it is implemented later in 2020. Effective measures have been implemented within Accountancy Services, to reduce the carbon footprint: minimising office space requirements; cutting down on printed material, such as the annual accounts; making greater use of digital technologies, with documents being available on the Council's website; and moving towards more flexible working.

4.5 Corporate and Community Services has been instrumental in creating opportunities for more agile working across departments, including home-working through upgrading and replacement of desktops/laptops. Approximately 1700 employees in 2020 will be enabled with Skype for Business and Teams, helping to facilitate meetings to be held online, and reduce business mileage and CO2. There has been a concerted effort to minimise business mileage, and since 2016 there has been reduction of 22.6% in travel claim costs. Further analysis will be undertaken to allow fuller understanding of the reasons for these changes. Analysis will be undertaken to review opportunities to reduce production of printed and laminated materials.

4.6 HSCP advised that lighting at Eastwood Health and Care Centre switches off when no movement is detected by sensors. Landscaping at the Centre was designed to provide a home for insects, with a wildflower area and nesting boxes for small birds. Trees have been planted, and bee hives will be installed in the summer of 2020. There is one electric car, EV charging points, and a green travel plan which was introduced when the building opened three years ago will be reviewed soon. Offices are becoming 'paper-lite' including an online document management system, and staff are becoming more agile through the switch to laptops, which allows flexibility to work from other locations, whilst reducing unnecessary travel.

4.7 Overall, it was evident that meaningful activities were taking place on climate change across all departments, and there was widespread awareness of climate change. However, communications could be strengthened, and the proposed new Council website offers the potential for this to happen within the East Renfrewshire community, and the Council's staff.

Recommendations:

To raise awareness levels further on the importance of addressing climate change, across all levels within the Council, and the wider East Renfrewshire community, including maximisation of the potential offered by social media, and the Council's new website once it is launched;

To support the further promotion of agile working procedures in the Council, including raising awareness through guidance, of how employees and departments as a whole impact upon the Council's carbon footprint, and steps they can take to reduce this.

Scope Item 2

The need, or otherwise, to review governance arrangements within the authority to address climate change issues effectively

4.8 To provide the Committee with an overview on governance arrangements within other local authorities in Scotland concerning climate change, the Scrutiny and Evaluation Officer conducted a climate change survey amongst Scotland's thirty-two Councils. The survey, which was concluded at the end of 2019, covered the following key points in relation to governance:

- Had the Council declared a climate emergency
- Had the Council made a declaration of carbon neutrality
- Employee resources dedicated to central coordination of climate change
- What was the decision-making structure for climate change
- A request for a web-link to the Council's latest policy on climate change

4.9 The overall survey response was 66%, of which 86% of those replying had declared a

climate emergency, and each having done so during 2019. 52% of responders had pledged dates by when the Council, or the Council area, will become carbon neutral. Some had agreed for this to happen in stages. Further information on the survey is contained in Scope Item 3.

4.10 Central coordination of climate change within other Councils is undertaken typically by one-two full time employees, supported by departments. East Renfrewshire Council does not currently have a dedicated climate change officer. Consideration of climate change within other Councils varied considerably, with most having undertaken a review in the past year, or are currently doing so. Examples of governance arrangements elsewhere include:

Policy and Sustainability Committee
 Environment, Sustainability and Carbon Reduction Policy Development Committee
 Sustainability and Climate Change Committee
 Cross-party Member Group
 Officer Working Group – reporting to Committees

4.11 It is considered timeous, in view of national discussions on climate change, and how local government is responding to the challenges posed, that the Council considers its governance arrangements. The Committee recognises the importance of leadership at the highest level to achieve the organisational change required, including the need to renew the Council's climate change strategy. Greater focus, impact and improved coordination could be achieved through a variety of measures, as detailed in the following recommendations.

Recommendations:

That the Council's strategy on climate change is renewed, setting out the Council's future priorities with clear actions, replacing the former Climate Change Strategy and Sustainability Action Plan, and to include the involvement of children and young people in the development of the new strategy;

That in relation to oversight, it was noted that the Cabinet and the Convener for Environment have responsibility for climate change and sustainability. Notwithstanding, it is suggested that a cross party Elected Member / Officer working group could be established on climate change to make further recommendations to Cabinet;

That the Corporate Management Team should consider how they can best take forward their leadership role in climate change;

That an inter-departmental working group be formed on climate change, supported by the change-management team within the Environment Department, reporting through the Director of Environment to the Corporate Management Team.

Scope Item 3

The extent to which adequate targets have been set, and are being considered/developed further to address climate change

4.12 Since 2016, the Council, in common with other authorities in Scotland, has submitted an annual climate change return to the Scottish Government. This is coordinated by the Environment department, with information analysed under the following headings:

*Profile of Reporting Body
 Governance, Management and Strategy*

Emissions, Targets and Projects
Adaptation
Procurement
Validation and Declaration

4.13 The return to the Scottish Government includes a list of all of the Council's targets for discharging its climate change duties, and requires the submission of baseline information, comparisons to be made, and details of progress recorded. Once the return has been completed in draft form, it is submitted first to the Council's Internal Audit Section within the Chief Executive's Office for internal scrutiny and validation. Only when this thorough exercise has been completed and validated, is the final return authorised for submission.

4.14 The 2019 Climate Change Return showed the Council achieved a reduction in CO₂ emissions of 13.7% compared to last year's total. Since 2015/16, the reduction in emissions has been 26.1%, representing 5,570 tonnes of CO₂. The biggest reduction in emissions was related to lower electricity consumption across Council properties, coupled with increased supply from renewable sources. Lower consumption has been achieved from: replacement of street lighting with LED lights; upgraded and optimised timers; replacement of old inefficient electric heating with air-source heat pumps; and internal and external lighting replacement of old fluorescent lamps with LEDs.

4.15 Lower gas usage consumption was achieved across the Council's property portfolio. Programmes to install more efficient boilers, and improve building insulation contributed to this. Transport emissions reduced, including lower mileage by the Council's fleet of diesel vehicles. There was increased use of the Council's electric vehicles, and a reduction overall in mileage carried out on Council business (22.6% reduction in travel claims since 2016). Less waste was sent to municipal landfill (86 tonnes less, resulting in a saving of 429.6 tonnes of CO₂); and less gas oil was used in Council machinery e.g. for street cleaning and gardening.

4.16 From the national climate change survey results (see Scope Item 2), the dates by when other Councils had pledged to become carbon neutral ranged from: 2025 (2); 2030 (6); 2040 (1); and 2045 (2). Glasgow City Council has received wide coverage in the media relating to its declaration of carbon neutrality by 2030 (along with Edinburgh, Falkirk, Midlothian, Moray and Renfrewshire Councils). Dumfries and Galloway, and Highland Council, have set their dates as 2025. Other Councils have pledged to become carbon neutral, but have still to set a date. The Scottish Government's target is 2040.

4.17 As the Council's activities on climate change adapt and expand, further meaningful indicators could be developed to measure the Council's progress, and to allow assessment of ongoing performance. It is proposed that as a headline priority, the Council considers setting 2040 as the date by when it will become carbon neutral, on the basis that should progress accelerate ahead of target, then this date could be revised. Further consideration, through the new climate change strategy, should be given to the setting of a target date for the reduction in the Council's greenhouse gas emissions.

4.18 The setting of a date by when the Council will be carbon neutral is critical to the overall success of the Council's strategy to mitigate the effects of climate change. By setting such a date, this should ensure that the Council's future activities remained concentrated on this target, and bring a strong influence to bear on future decision-making. However, in view of the Committee's preference for this investigation to be scientifically-based, it is not considered necessary to recommend to the Council that it should declare a climate emergency in East Renfrewshire.

Recommendations:

That the Council considers setting a date by which it should be carbon neutral. The Audit and Scrutiny Committee suggest that 2040 could be an option, on the basis that should the Council achieve milestones earlier than planned on climate change, then consideration could be given to revising this date;

That consideration be given to establishing reporting mechanisms to inform the Cabinet on progress being made towards reaching the suggested target date of 2040, subject to baseline figures being agreed for all services, e.g. reductions in paper, printers, vehicle mileage, single-use plastics, to enable better information gathering on the Council's climate change performance;

Scope Item 4**Assessing the level of capacity/expertise to enable climate change issues/targets to be pursued effectively within the authority**

4.19 As detailed earlier in this report, a wide range of activity is taking place on climate change across each department of the Council, with the Education and Environment departments having the largest remits. However, there is no single officer with full-time responsibility for climate change coordination within the Council, which has been challenging, especially within the Environment Department. The current arrangements for climate change coordination within the Council are described in the following sections.

4.20 Sustainability and the environment are coordinated within the Education department by the Quality Improvement Officers, each of whom liaises with their respective school cluster. Currently, the Council has the highest proportion of educational establishments (with thirty) holding Green Flag status, of any local authority in Scotland, although the ambition is for every establishment to hold one. Training will take place this term, in partnership with Keep Scotland Beautiful, to guide staff through the process of achieving a Green Flag. Work is also taking place on successfully integrating the LfS initiative within the Curriculum for Excellence, to become a part of everyday school life. Although challenging, there is not considered to be a deficit in climate change support within the Education department.

4.21 Within Environment, work on climate change strategy, sustainability, the environment, carbon reduction, biodiversity, innovation in energy efficiency, recycling, new-build projects etc. is being carried out mostly by existing staff, as their remits have evolved due to changing national policy, legislative compliance, and new collaborations. In some cases, the work has been supported through external grant funding, and in others, the expertise required has been secured through secondment of officers, or revision of roles of existing staff, and specialist recruitment. Overall however, resourcing of this work has been challenging in the current economic climate.

4.22 For the Chief Executive's Office and Corporate and Community Services, the range of work carried out in support of climate change is being undertaken by employees through existing roles and responsibilities, with no single officer having a remit dedicated to this. There will, inevitably, be an increasing requirement for project-based working on climate change responses.

4.23 From the national climate change survey results, (see Scope Item 2), most Councils have assigned between one and two members of staff to centrally coordinate climate change matters. Others use a team to undertake this role, or they have an arrangement similar to East Renfrewshire Council's approach. It is clear that the expectations on our Council are increasing,

and are doing so at national, regional, and local levels. Given the growing importance and centrality of climate change as an issue which cuts across all services and departments, and with the expected impact of future legislative changes, it is appropriate that the Council considers how it should meet these challenges.

4.24 Arguably, much more could be achieved if a full-time dedicated officer was responsible for Council-wide coordination of climate change activities, including the direction of the inter-departmental officer working group, as proposed in Scope Item 2. This post would also provide support to the Elected Members in their consideration of climate change and sustainability too.

Recommendations:

That a full-time post of climate change coordinator is created with Council-wide responsibility, as a matter of urgency, and based within the Environment Department, subject to further discussion on the resource implications;

That the Council's departments give further consideration to the capacity which they have to coordinate climate change activities, especially due to the need for greater inter-departmental working and the likelihood of greater project-based work, through the joint working arrangements proposed at Recommendation 6 above.

Scope Item 5

The extent to which departmental budgets align with goals linked to addressing climate change, including capital projects/bids

4.25 Departmental budgets within East Renfrewshire Council are not currently aligned with goals linked to addressing climate change. This position is largely very similar to the vast majority of authorities which responded to the national climate change survey. One Council though has developed this theme quite significantly, and it might be worthwhile for East Renfrewshire Council to monitor further developments, and to revisit this proposal at some point in the future when considered timeous to do so.

4.26 For the Council to meet its future climate change objectives and targets, consideration will require to be given as to how these will be financed. Although the availability of grants will continue to be pursued, and a fair degree of success in this area has already been achieved, greater use of the Council's own financial resources may inevitably be required. Although the committee is not making a specific recommendation on this, the point is considered to be important, and is included in this report for the attention of Elected Members.

4.27 Regarding the Council's capital programme, and to provide increased focus on the environment and sustainability, it is proposed that consideration be given to a standard paragraph being included on the capital projects appraisal form to ensure sufficient focus is placed on these issues as bids are developed. This suggestion will require to be approved by the Corporate Asset Management Group prior to the start of the 2021/22 process, and input from the Budget Strategy Group and the Corporate Management Team will also be required.

Recommendation:

To invite the appropriate bodies to consider inclusion of the following wording on the capital projects appraisal form:

'Please outline any positive or negative effects for sustainability which the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel. In terms of the environment, benefits could include the provision of sustainable drainage, tree-planting, habitat creation and reduced use of plastics.'

Scope Item 6

The extent to which discussions on carbon neutrality occur when project proposals are being discussed and developed

4.28 Given the increasing focus on climate change, and to assist Elected Members in their consideration of items, it is proposed that the Corporate Report Format Guidance is revised and re-issued to all departments of the Council, to reinforce the importance of climate change. The Guidance, which is used by authors when writing reports for the Council's committees and decision-making bodies, currently includes a requirement to consider and report on sustainability implications of their proposals. Even where the issue is not relevant, authors are requested to still report this, to demonstrate that sustainability was considered. New criteria on sustainability and climate change should be developed in keeping with the Council's overall climate change strategy, to assist authors with this.

4.29 The Director of Education has held discussions with primary and secondary pupil councils to seek the views of pupils on the Council's Local Development Plan 2. She invited members of the planning team to present to pupils, and led a discussion around how the Plan could meet the needs of children and young people by ensuring opportunities to: walk and cycle safely to school; enjoy well planned and maintained green spaces; and to keep East Renfrewshire clean by providing and using recycling bins in streets and public spaces. Pupil council representatives were asked to discuss these issues further with pupils across their schools, and to make their views known through the online public consultation space. We welcomed hearing about such initiatives which encouraged pupils to take an interest in both climate change and sustainability issues in their area.

Recommendation:

That the Council's Corporate Report Format Guidance is re-issued with a request that sustainability and climate change implications are given greater prominence and wider consideration. Further criteria on sustainability and climate change should be developed, led by the Council's renewed climate change strategy, to assist authors in the preparation of reports.

Scope Item 7

The extent to which the importance of carbon neutrality is considered in the procurement/purchasing of goods and services

4.30 We welcomed the fact that work is underway to develop a Sustainable Procurement Policy. This demonstrates commitment to the process for organisations to meet their needs for goods, works and services in a way which achieves value for money on a whole life basis, and generates benefits to society, the economy and the environment. The new policy which will be implemented in 2020, covers the three strands of sustainability: environmental, social, and economic. It aims to meet the substantial challenges of balancing the complexities of sustainable procurement and the continued drive for best and added value. It

will also provide improved focus on sustainability considerations for all procurement and purchasing activities.

4.31 Useful discussions have commenced through the Chief Executive's Office with the trade unions concerning the usage of single-use plastics across the Council, which might lead to the formation of a new Council policy on this matter, including guidance for staff when procuring/purchasing goods and services.

Recommendation:

To agree that a Council policy is developed, with input and support from the trade unions, on the usage and deployment of single-use plastics throughout the authority, to minimise and eventually eradicate their use.

Scope Item 8

From a benchmarking perspective, which approaches have been successfully adopted by other authorities on addressing climate change

4.32 The results from the national local authority survey on climate change showed that some Councils advocated a strong partnership approach to addressing climate change, working with other public, private and community organisations. One Council will use a Citizens' Assembly to help identify how its Council's activities can be made net-zero carbon, and another held a successful Youth Climate Change Conference which gathered valuable contributions from young people. Citizen, third sector, and business engagement with the climate change debate are considered to be essential to the formation of policy and related action plans. Examples from the survey will help to inform the new strategy.

4.33 It is proposed that East Renfrewshire Council engages further with its communities to find out their views and priorities. Existing channels could be used, such as the Citizens' Panel, while the Council's new website will provide opportunities for both communication of information, and citizen participation once it is launched. The Director of Environment has established links with East Renfrewshire Youth Voice to ask what their concerns are. The committee supports the Director in maintaining this dialogue, which could lead to the group undertaking a climate change project, which could be filmed and then sent to schools.

4.34 It is clear from the national climate change survey results that each Council was addressing climate change seriously from a range of fronts. This included policy-making, governance arrangements including decision-making structures, and how they engage with their communities. Examples from the survey on a range of areas will be useful to consider in the preparation of the proposed new climate change strategy for our Council.

Recommendation:

To agree that further consultation and engagement takes place with the East Renfrewshire community to establish what their views and priorities are on climate change, to inform the renewal of the Council's climate change strategy, using existing channels such as the East Renfrewshire Citizens' Panel, East Renfrewshire Youth Voice, and through new channels, e.g. the Council's new website once launched.

Scope Item 9**The extent to which the Council is taking preventive measures and adapting practices to address climate change**

4.35 The visit which the Committee undertook to the Isobel Mair School and Family Centre on 31 January 2020, allowed the Members attending to witness the excellent work which was taking place there, including the production by pupils of a climate change film. On the day of the visit, one of the pupils suggested that the film could be shared via social media to other schools in East Renfrewshire, and this was supported fully by the committee.

4.36 Other activities taking place in educational establishments as part of their ECO schools work included: development of a science garden with areas to encourage insects and pollinators; vegetable growing and soup-making; compost heaps; bug hotels; bird boxes; bird feeders; 'bee bombs'; pond areas; orchards; wildflower areas; sensory herb gardens; willow tree tunnels; and installation of poly tunnels with work benches.

4.37 The Council has invested heavily in active travel initiatives in recent years, including the provision of safer routes to schools, and improved infrastructure for cycling and walking, such as park and ride facilities. It might be valuable to assess the impact of this investment to provide useful information for Elected Members, citizens, and partner organisations.

4.38 Discussions on the Council's approach to public transport have commenced, including information gathering on local transport movements, including citizens' needs. A briefing arranged by the Director of Environment for Elected Members was held in January 2020, and a report is awaited on the findings from survey work, which will include recommendations.

4.39 The Environment Department have provided various options for the Council to take preventive measures, and adapt practices to mitigate climate change, many of which are already underway. The Committee considered these at their informal meeting held on 14 January 2020, with discussions on protecting the environment and promoting biodiversity; increasing tree planting, and preservation of peatlands; promoting greater use of electric vehicles, and investment in associated infrastructure; increasing liftshare options; improved energy management of Council housing and other public buildings; and including greater sustainability considerations in the planning of new house-building developments. Recently, the Council has been advised of the new (and very challenging) energy efficiency targets associated with the Scottish Government's Learning Estates Strategy, which will be used to deliver our new Neilston Learning Campus.

Recommendations:

That the film produced by pupils at the Isobel Mair School and Family Centre on climate change and recycling, should, on the suggestion of a pupil there, be shared via social media links, with other educational establishments in East Renfrewshire;

To maximise the potential for achieving further ECO schools status and Green Flag awards, across educational establishments in East Renfrewshire, building upon the excellent work already taking place;

To investigate the feasibility of reviewing the Council's recent investment in active travel, to assess the impact of more choices for citizens of cycling and walking, and associated benefits, such as safer routes to schools, alternative commuting options, increasing access to the countryside, or more generally improving the quality of life for residents;

That consideration be given to what further action can be taken, such as thorough revisions to the Local Development Plan, and related planning guidance, to promote sustainability and raise awareness of the authority's expectations regarding new housing developments;

That a review be undertaken of our approach to public transport to ensure it is sufficiently sustainable, and tailored to residents' current and future needs;

That the opportunity is taken through the re-development plans for Eastwood Leisure Centre complex, to consider the option of introducing a district (i.e. linked) heating system for the public buildings located within Eastwood Park;

That the implications should be assessed of plans to replace gas boilers with low carbon heating after 2025, for new homes;

To continue the programme of improvements already underway to the Council's housing stock and other public buildings, to improve energy efficiency and reduce carbon emissions through the use of innovative new technologies in relation to lighting, heating, and infrastructure;

To continue working with partner organisations and other agencies to ensure the preservation and protection of peatlands in East Renfrewshire, including the exploration of new funding opportunities, to ensure that the huge potential of peat to absorb CO₂ is maintained and increased where possible;

To protect the environment, and to help the Council reach its suggested objective of reaching carbon neutrality by 2040, a headline project for the new climate change strategy could be considered e.g. a tree being planted for every resident in East Renfrewshire (approx. 95,000).

5. CONCLUSION

5.1 The proposed renewal of East Renfrewshire Council's climate change strategy, and consideration of other high-level objectives, such as the recommendation to agree 2040 as the date by when the Council will become carbon neutral, comes at a time when publicity and public interest on climate change are growing. Increased focus on Glasgow and the City Region will take place in the build up to the major United Nations Climate Change Summit (COP 26), to be held in Glasgow during November 2020.

5.2 The overriding purpose of this report is to support the renewal of East Renfrewshire Council's climate change strategy, and a wide range of recommendations covering all departments and services, are provided for the consideration of the Cabinet. The renewal of our Council's climate change strategy will also support the revised Council strategy VFTF, and help the authority to meet its community plan objectives.

5.3 Further engagement with the East Renfrewshire community is suggested to find out their thoughts on climate change, and what their expectations are. For the Council's departments and services, staffing resources will require to be identified, and thought given as to how information on climate change will be communicated internally. New policies are either in development or proposed on sustainable procurement, and usage of single-use plastics, which is commendable and will be useful to help guide staff.

5.4 Climate change is receiving greater coverage in the media due to world news events such as Australian wildfires, flooding in Jakarta, and Amazon forest fires. It could be easy to miss the importance of the collective impact of what can be achieved by encouraging

relatively small steps to be taken across the East Renfrewshire community to increase recycling; help nature; encourage sustainable practices; and reduce carbon emissions.

5.5 There is further scope for citizens and community groups to become involved in sustainability activities, such as: planting of vegetables in gardens, which will reduce 'food miles'; leaving parts of garden ground to grow wild, or planting wildflowers which can attract insects and birds. Planting of trees would help to absorb carbon from the atmosphere (over time). Many schools in East Renfrewshire are already spearheading these activities, and if neighbours adopt some of the same practices, then wildlife corridors can start to be created. Guidance for citizens on active participation will be included in the new climate change strategy.

5.6 The suggested setting of 2040 as the date by when the Council pledges to become carbon neutral, and the renewal of the Council's climate change strategy would provide further momentum for the Council to take on climate change challenges. Regarding governance, various recommendations have been made which, if adopted, would provide greater resilience for consideration of climate change matters and decision-making. New investment will be required if we are to meet our climate change objectives, and innovative practices will continue to play an important part in the Council's approach. The results of this investigation, including the identification of best practice, will also be shared with the East Renfrewshire Culture and Leisure Trust.

5.7 The timing of this investigation mirrors that of many Councils across Scotland during the past year. This has seen consideration of such matters as the declaration of a climate emergency, the setting of a date (ranging from 2025 to 2045) by when Councils will become carbon neutral, how they will engage their communities, and provide a new policy direction by refreshing their overall strategy on climate change.

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RECOMMENDATIONS

It is proposed that the Cabinet considers the following recommendations:

1. To raise awareness levels further on the importance of addressing climate change, across all levels within the Council, and the wider East Renfrewshire community, including maximisation of the potential offered by social media, and the Council's new website once it is launched;
2. To support the further promotion of agile working procedures in the Council, including raising awareness through guidance of how employees and departments as a whole, impact upon the Council's carbon footprint, and steps they can take to reduce this;
3. That the Council's strategy on climate change is renewed, setting out the Council's future priorities with clear actions, replacing the former Climate Change Strategy and Sustainability Action Plan, and to include the involvement of children and young people in the development of the new strategy;
4. In relation to oversight, it was noted that the Cabinet and the Convener for Environment have responsibility for climate change and sustainability. Notwithstanding, it is suggested that a cross party Elected Member / Officer working group could be established on climate change to make further recommendations to Cabinet;
5. That the Corporate Management Team should consider how they can best take forward their leadership role in climate change;
6. That an inter-departmental working group be formed on climate change, supported by the change-management team within the Environment Department, and reporting through the Director of Environment to the Corporate Management Team;
7. That the Council considers setting a date by which it should be carbon neutral. The Audit and Scrutiny Committee suggest that 2040 could be an option, on the basis that should the Council achieve milestones earlier than planned on climate change, then consideration could be given to revising this date;
8. That consideration be given to establishing reporting mechanisms to inform the Cabinet on progress being made towards reaching the suggested target date of 2040, subject to baseline figures being agreed for all services, e.g. reductions in paper, printers, vehicle mileage, single-use plastics, to enable better information gathering on the Council's climate change performance;
9. That a full-time post of climate change coordinator is created with Council-wide responsibility, as a matter of urgency, and based within the Environment Department, subject to further discussion on the resource implications;
10. That the Council's departments give further consideration to the capacity which they have to coordinate climate change activities, especially due to the need for greater inter-departmental working and the likelihood of greater project-based work, through the joint working arrangements proposed at Recommendation 6 above.

11. To invite the appropriate bodies to consider inclusion of the following wording on the capital projects appraisal form:

‘Please outline any positive or negative effects for sustainability which the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel by private car. In terms of the environment, benefits could include the provision of sustainable drainage, tree-planting, habitat creation and reduced use of plastics.’
12. That the Council’s Corporate Report Format Guidance is re-issued to all departments, with a request that sustainability and climate change implications are given greater prominence and wider consideration. Further criteria on sustainability and climate change should be developed, led by the Council’s renewed climate change strategy, to assist authors in the preparation of reports;
13. To agree that a Council policy is developed, with input and support from the trade unions, on the usage and deployment of single-use plastics throughout the authority, to minimise and eventually eradicate their use;
14. To agree that consultation and engagement takes place with the East Renfrewshire community to establish what their views and priorities are on climate change, to inform the renewal of the Council’s climate change strategy, using existing channels such as the East Renfrewshire Citizens’ Panel/East Renfrewshire Youth Voice, and through new channels, e.g. the Council’s new website once launched;
15. That the film produced by pupils at the Isobel Mair School and Family Centre on climate change and recycling, should, on the suggestion of a pupil there, be shared via social media links, with other educational establishments in East Renfrewshire;
16. To maximise the potential for achieving further ECO schools status and Green Flag awards across educational establishments in East Renfrewshire, building upon the excellent work already taking place;
17. To investigate the feasibility of reviewing the Council’s recent investment of resources in active travel, to assess the impact of more choices for citizens of cycling and walking, and any associated benefits, such as alternative commuting options, increasing access to the countryside, or more generally improving the quality of life of residents.
18. That consideration be given to what further action can be taken, such as thorough revisions to the Local Development Plan, and related planning guidance, to promote sustainability and raise awareness of the authority’s expectations regarding new housing developments;
19. That a review be undertaken of our approach to public transport to ensure it is sufficiently sustainable, and tailored to residents’ current and future needs;
20. That the opportunity is taken through the re-development plans for Eastwood Leisure Centre complex, to consider the option of introducing a district (i.e. linked) heating system for the public buildings located within Eastwood Park;
21. That the implications should be assessed of plans to replace gas boilers with low carbon heating after 2025, for new homes;

22. To continue the programme of improvements already underway to the Council's housing stock and other public buildings, to improve energy efficiency and reduce carbon emissions through the use of innovative new technologies in relation to lighting, heating, and infrastructure;
23. To continue working with partner organisations and other agencies to ensure the preservation and protection of peatlands in East Renfrewshire, including the exploration of new funding opportunities, to ensure that the huge potential of peat to absorb CO₂ is maintained and increased where possible;
24. To protect the environment, and to help the Council reach its suggested objective of reaching carbon neutrality by 2040, a headline project for the new climate change strategy could be considered e.g. a tree being planted for every resident in East Renfrewshire (approx. 95,000).

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