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Date: 18 January 2019

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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, 24 January 2019 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. Local External Audit Report on Housing Benefit Performance Audit Risk Assessment; and National External Audit Report on Housing Benefit Performance Audit Annual Update 2017/18 – Report by Clerk (copy attached, pages 3 - 34).
5. Accommodation Related Consultancy – Discussion with Director of Environment.
6. Joint East Renfrewshire Culture and Leisure Trust and Council Action Plan – Report by Director of Education (copy attached, pages 35 - 42).
7. Consultancy Expenditure 2013/14 and 2014/15 – Report by Clerk (copy attached, pages 43 - 98).

8. **Internal Audit Plan 2018/19 – Implementation Progress Report – October to December 2018 – Report by Chief Auditor (copy attached, pages 99 - 116).**

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EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

24 January 2019

Report by Clerk

LOCAL EXTERNAL AUDIT REPORT ON HOUSING BENEFIT PERFORMANCE AUDIT RISK ASSESSMENT; AND NATIONAL EXTERNAL AUDIT REPORT ON HOUSING BENEFIT PERFORMANCE AUDIT ANNUAL UPDATE 2017/18

**PURPOSE OF REPORT**

1. To provide information on the local External Audit report on the *Housing Benefit Performance Audit Risk Assessment*, and the national External Audit report on the *Housing Benefit Performance Audit Annual Update 2017/18*.

**RECOMMENDATION**

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

**BACKGROUND**

3. Copies of the following External Audit reports, published in November 2018, have already been circulated to all Audit and Scrutiny Committee Members:-

- Local External Audit report on the *Housing Benefit Performance Audit Risk Assessment*, and
- National External Audit report on the *Housing Benefit Performance Audit Annual Update 2017/18*.

Under the Committee's specialisation arrangements, the Members leading the review of these particular reports are Councillor McLean and Councillor Swift. The Head of Business Change and Revenues has provided comments on these reports, a copy of which is attached. As there was a link between the local and national audit reports, comments have been provided on both in a single report. A copy of the local External Audit report is amongst papers attached to this report.

**RECOMMENDATION**

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

Local Government Access to Information Act 1985

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Background Papers:-

1. Local External Audit report on *Housing Benefit Performance Audit Risk Assessment*; and
2. National External Audit report on *Housing Benefit Performance Audit Annual Update 2017/18*

External Audit Reports – Housing Benefits

Comments for Audit & Scrutiny Committee on 24 January 2019

Prepared by Head of Business Change Services & Revenues

January 2019

## **INTRODUCTION**

1. This paper aims to provide high level comments on the Council's position regarding two External Audit reports on the topic of Housing Benefits. The first is the annual national update by Audit Scotland (*Housing Benefit Performance Audit Annual Update 2017/18*) (circulated previously by the Committee Clerk) and the second is a local report, produced every 2 years (*East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report, November 2018*) (see Annex 1).

## **BACKGROUND**

2. As one of the smallest Housing Benefit services in Scotland, with an annual caseload of around 3,600, we have been planning for the gradual phasing out of Housing Benefit (HB) as a result of the implementation of Universal Credit. There is an eventual national goal to retain only those of pension age and a few complex or specific cases on HB post Universal Credit (UC). National delays in UC implementation have made the planning of resources in recent years a particular challenge.

3. Each year Audit Scotland produces a national update on its Housing Benefit Performance Audit. To produce this overview, Audit Scotland undertakes a Housing Benefit risk assessment in each council every two years. There is a follow-up on the resulting individual council action plans in the interim year.

4. East Renfrewshire Council participated in a Housing Benefit risk assessment in summer 2018, having previously been covered in 2016 – the results were reported to Audit and Scrutiny Committee in November 2016.

5. The purpose of today's paper is to provide the Audit and Scrutiny Committee with comments on this year's national annual report and, to update the Committee on the findings from our own Audit of Housing Benefit in East Renfrewshire Council, carried out in summer 2018 with a report produced by Audit Scotland in November 2018, which is appended as Annex 1. Our resulting action plan is included as Annex 2.

## **COMMENTS**

### Housing Benefit Performance Audit Annual Update 2017/18

6. Audit Scotland's Annual Update report provides a useful broader context for our own local report. In a letter to Chief Executives accompanying the report the Chair of the Accounts Commission noted "the report highlights the roll-out of Universal Credit Full Service continues across Scotland and is having an impact on council benefit services. Councils are significantly restructuring benefit services, and the reducing housing benefit caseload and budget pressures are leading to less full-time benefit service employees".

7. The Annual Update states that reports were issued to 5 councils in 2017/18 (not including East Renfrewshire, which was covered in 2018/19). In all 5 councils visited the Accounts Commission concluded that resources available may “not be sufficient to maintain or improve on previous claims processing performance levels”. For these councils a total of 24 risks to continuous improvement were identified. East Renfrewshire will feature in next year’s 2018/19 report.

8. This is a complex area with lot developments which must be planned for and resourced in parallel with maintaining current service provision. Audit Scotland make reference in their report to the ongoing implications of the national roll-out of Universal Credit (UC); the development of the Scottish Social Security Agency and the introduction of two new tools to improve processing performance and debt recovery – the Verify Earning and Pensions (VEP) service which uses real-time information from HMRC and the Debt Service which allows councils to match Housing Benefit debtors to employment and pension data from HMRC – we make good use of these in East Renfrewshire. All of these issues are addressed in a more specific way in the local report we received in November.

9. In recent years our local focus has been on planning for the shift from HB to UC for the majority of cases below pension-age. For Revenues, this meant restructuring and consolidating benefits services; delivering savings predicated on a forecasted declining HB caseload and developing our staff for the future, including multiskilling to build the resilience of what is a small team. More broadly, across the Council, the focus has been on planning for the wide-ranging impact of UC full service roll-out in East Renfrewshire the latest tranche of which took place in September 2018. Elected members were updated on this in a report to Cabinet in June 2018, with a further update in December.

#### East Renfrewshire Council – Audit of Housing Benefit Risk Assessment Report

10. Over summer 2018, Audit Scotland conducted the above risk assessment of the Housing Benefit (HB) service, with a report published in November 2018 and a resulting action plan submitted to Audit Scotland in December 2018. The risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting and delivering outcomes.

11. The report itself is a detailed analysis of the specific issues and we have not sought to replicate that here in these comments, rather a summary of the current position and key issues is given to assure the Audit and Scrutiny Committee of our ongoing drive to understand and improve performance against a complex background of nationally driven changes to the benefits system and budget and resource constraints.

12. The report notes the significant structural changes made within the Revenues service, to merge functions and multi-skill our teams to deliver across the range of benefits tasks for business resilience and budgetary purposes. A single team is now responsible for HB, Council Tax Reduction (CTR), Scottish Welfare Fund (SWF) applications and discretionary housing payments (DHP).

13. The report acknowledges that “the council has remained proactive and committed in its efforts to improve service delivery” (p5) and notes the work undertaken to improve overpayment recovery processes and investigate claims processing performance. We acknowledge that performance is mixed, however the report states that since the last audit 2 years ago, “the council has been very proactive in its efforts to improve performance levels and has worked internally, and with key partners, to introduce a number of new initiatives and changes to processes and procedures”.

14. It is also noted that the Council makes good use of the national verification and information-sharing frameworks available to support the identification of potential fraud and automate change event notifications (including several DWP systems and Audit Scotland's National Fraud Initiative).

15. Given the relatively small team working in this area, the report acknowledges the resourcing challenges we have had with loss of experienced staff, vacancies, performance issues and sickness absence. Whilst these issues impacted performance, particularly in 2016/17, there was some improvement in 2017/18, particularly in dealing with changes of circumstances and performance remains above the Scottish average in that area. The report notes the effective use of temporary staff to boost processing resource in the light of national delays to UC. There have also been continued improvements into 2018/19 in accuracy rates, HB overpayment recovery and the level of overpayments which were due to council error.

16. The Audit Scotland report concludes that there are 5 areas that the Council should address and a further 3 that need further work from the last assessment. These include:

- speed of processing for new claims and changes of circumstance, which had seen a decline at the time of the audit
- resourcing challenges to ensure service is set up to deliver
- issues of accuracy of dates recorded in the system
- methodologies for sampling to ensure balance and checking accuracy
- further improving debt recovery
- utilisation of Direct Earnings Attachments (DEA) as a means of recovering overpaid HB.

17. With new management in place in the Revenues Service since August 2018, following several key retirements, there has been a period of consolidation and getting to know the services, resources and budgets and building priorities for action through a new Service Business Plan. Whilst planning for the onward reduction in HB caseload due to UC full service, we remain committed to improving overall performance in the benefits service. We have an action plan in place which addresses the points above (see Annex 2) and are taking a targeted approach towards better use of data, particularly around processing and error rates to help us drive improvement. We will use this information to plan resourcing, to target specific team development and to prioritise workload.

18. The issues of accuracy of reporting have been addressed and we have seen a good improvement in performance in the year to date figures for 2018/19. Previous issues with a drop in accuracy rates were primarily a result of a proactive approach to dealing with a performance issue in the service, which targeted the greatest number of checks on areas with the most likely mistakes. Because of this intended bias, the check, although very important in its own right, was not an objective measure of pre-payment accuracy. Whilst negatively impacting the performance indicator for a particular period, it did help service management to resolve a performance issue in the team which was to the longer-term benefit of the service. An improved accuracy checking regime is in place and this will continue to be reviewed as a priority area. Refresher training was provided for employees in July 2018, with further follow-up sessions planned for next year.

19. As previously stated, resourcing has been an issue for us and this area is now under consideration, with some temporary resources in place and outline budget savings deferred. We have had issues of turnover; absence; and bedding in of a new structure and roles. As acknowledged by Audit Scotland "benefit services across the country have been planning for caseload reductions in conjunction with year on year reductions in funding from the DWP and wider pressures on council budgets" – East Renfrewshire is no different. Our focus has been on preparing for UC and a gradual winding down of HB. National delays in roll-out have

made this a challenge especially against a background of already declining resources and budgets. In the meantime, as we await the full impact of the long-forecasted phasing out of HB, our focus is towards better use of data to inform delivery, planning and improvement and we have begun to see some improvement in the most recent months. This will include considering the balance of processing times against targeted intervention work.

20. We will also further develop our approach to debt recovery, following some targeted work in 2017/18, which improved the 2016/17 performance by 14% and we have seen a further 11% improvement in the year to date figures for 2018/19. This has included signing up to the DWP's HB Debt Service project which lets us send a number of dormant HB overpayments per month to the DWP to match with real-time HMRC employment and pension data. A further area will include a review of our Debt Recovery Policy, with specific consideration of use of Direct Earnings Attachments (DEA) and targeted approaches towards aged debt.

## CONCLUSIONS

21. Benefits is a complex and frequently-changing area, with a nationally driven landscape and a range of different agencies involved. National delays in UC implementation have meant maintenance of HB caseloads for far longer than predicted. Against a background of reducing DWP funding and wider pressures on council budgets this has been a challenging time for service delivery and Audit Scotland's annual report highlights that this is the picture across the country. In addition, the DWP have found it difficult to give projections on likely UC caseload with initial projections for the first quarter outstripped within the first month of the recent roll-out in September. This has given us issues in terms of resource planning, particularly in such a small team, and we have had to manage the consequences using the Council's welfare contingency funding.

22. Against this backdrop, we have undertaken a number of initiatives in East Renfrewshire Council to understand and improve benefits processing, which we acknowledge is a mixed picture of performance. Our proactive approach is acknowledged in Audit Scotland's biennial report. We have a firm action plan in place and are committed to continuous improvement and high degrees of accuracy.

Comments from:-

Louise Pringle, Head of Communities, Revenues & Change, January 2019

## BACKGROUND REPORTS

- Welfare Contingency Fund - Citizens Advice Bureau: Helping East Renfrewshire Online (HERO) Project, Cabinet 29 November 2018
- Universal Credit Implementation, Cabinet 21 June 2018
- National External Audit Report – Housing Benefit Performance & Audit Annual Update 2016/17, Audit & Scrutiny Committee, 9 November 2017
- National & Local External Audit Reports – Benefits Performance Audit Annual Update 2015/16 and Audit of Housing Benefit and Associated Risk Assessment Report, Audit & Scrutiny Committee 10 November 2016
- National External Audit Reports – Benefits Performance Audit Annual Update 2014/15 and Review of Activity to Reduce Fraud and Error in Housing Benefit, Audit & Scrutiny Committee 21 January 2016



# East Renfrewshire Council

## Audit of housing benefit Risk assessment report

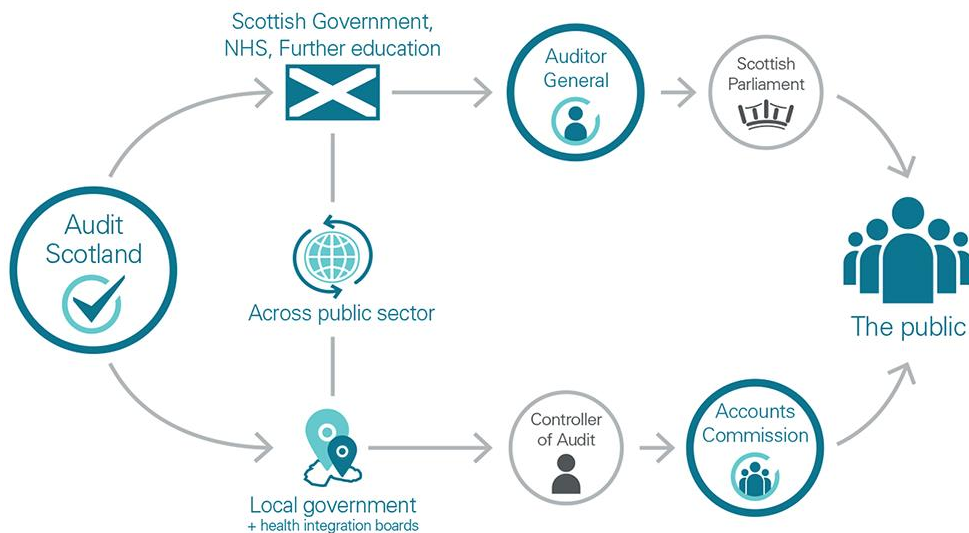


Prepared for East Renfrewshire Council  
November 2018

## 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.

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# Introduction

1. This risk assessment was completed as part of Audit Scotland's housing benefit (HB) risk assessment programme. It does not represent a full audit of East Renfrewshire Council's benefit service.
2. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.
3. Specifically, the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.
4. Information for this risk assessment was gathered from a range of sources including:
  - the self-assessment, supporting evidence, and updated action plan provided by the council
  - Department for Work and Pensions (DWP) indicators, and other performance measures
  - scrutiny of internal and external audit reports
  - discussions with the appointed external auditor and the council's internal auditor
  - discussions with senior officers in the council during our site visit in July 2018.

## Risks identified

5. The key risks identified during our audit are highlighted within each section of the report. An action plan will be agreed with management and progress will be monitored as part of future benefit performance audits.
6. Any weaknesses identified represent those that have come to our attention during the course of normal audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control system appropriate to East Renfrewshire Council.
7. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged

# Executive summary

8. A risk assessment was previously carried out on the council's benefit service in July 2016 when Audit Scotland identified three risks that were outstanding from the previous risk assessment carried out in 2014 and three new risks to continuous improvement. This was reported to the Chief Executive in July 2016 and, in response, the council submitted an action plan in August 2016 to address the risks.
9. Since our last audit there has been some significant changes within the council. In October 2017 the council's benefit service merged with its Scottish Welfare Fund team to form the Benefits and Discretionary Payments Team. This new team is responsible for processing claims for HB, Council Tax Reduction, Scottish Welfare Fund applications, and discretionary housing payments.
10. In making this change the council aims to provide job security for staff, while ensuring that it delivers an efficient, effective and resilient benefits and discretionary payments service to customers at a time when budgets are being reduced and full-service Universal Credit (UC) is being rolled out.
11. During this period of change the council has remained proactive and committed in its efforts to improve service delivery. For example, by:
  - working in partnership with an external consultant in October 2017 to carry out a full review of its accuracy checking and overpayment recovery processes. As a result of this collaboration, a new management-checking framework was developed, and an additional £42k of overpayments was recovered in 2017/18 following a full review of overpayments that were being recovered from ongoing deductions of HB
  - engaging with the DWP's Performance Development Team (PDT) in December 2017 to establish the reasons for the decline in claims processing performance
  - employing temporary and agency staff to provide additional processing resources for the service.
12. In addition, the council introduced an online digital claims facility in February 2017 to allow customers to submit new claims online and, in August 2017, extended the functionality to allow customers to report a change event online.
13. As a relatively small council with a caseload of approximately 3,500 claims, resource management is an important aspect of service delivery. The loss of experienced staff, or high levels of sickness absence can have a significant impact on performance and, despite the council's continued efforts to improve service delivery, resourcing issues have had an adverse effect on claims processing times.

14. These have included significant levels of staff sickness absence and unfilled vacancies. In particular, between 2016/17 and 2017/18, sickness absence increased by 70% from 84 days to 141 days and, in the first three months of 2018/19 the service had lost another 58 days to sickness absence. As a consequence, the time taken to process claims has declined significantly since our last audit. This is discussed in more detail under *Speed of processing* at paragraph 23
15. To prepare for the DWPs roll out of full service UC on 26 September 2018, the council has established a UC Implementation Board chaired by the Head of Business Change & Revenue Services and is well positioned to ensure that it is prepared and ready to assist its customers during the transition to full service UC.
16. Although the council demonstrates awareness of what constitutes an effective, efficient and secure benefit service, there are five new risks arising from this risk assessment, and three risks outstanding from the previous risk assessment. To ensure continuous improvement, the council needs to address these risks. This includes:
  - addressing the reasons why the council's cumulative speed of processing performance for new claims, at an average of 31 days in 2017/18, is significantly above the DWPs most recent published Scottish average of 22 days, at 31 December 2017, and why change events performance has declined from an average of five days in 2017/18, to an average of nine days, at 30 June 2018
  - ensuring that the level of processing resource within the benefit service is sufficient to improve on current performance levels
  - ensuring the accuracy of the recorded time taken to process change events after an internal audit in May 2018 found that, in nine of 15 (60%) claims scrutinised, the actual time taken to process the change was, on average, 13 days more than that recorded on the benefit IT system
  - addressing the reasons for the significant decline in accuracy performance, and considering a more targeted approach to selecting cases for a management check to ensure the best use of limited resources, and to maximise the potential positive outcomes
  - improving the level of performance in respect of all debt recovery, which remains low when compared to other Scottish councils.
  - utilising Direct Earnings Attachments as an alternative means of recovering overpaid HB, to help further improve HB debt recovery performance.

# Business planning and reporting

17. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance is measured, monitored and reported.
18. The *Revenues Service Plan 2017/18* is the key strategic document covering the work of the Benefits and Discretionary Payments team and details the service's focus which is to provide an efficient and effective service for the council, and to maximise income streams. Underpinning this are the service's key activities and performance indicators. Key activities include:
  - continuing to improve online forms so that customers can access the service digitally
  - supporting residents through the changes arising from Welfare Reforms and the rollout of UC
  - developing 'one notification' for council tax and benefit awards.
19. The key indicators for the Benefits and Discretionary Payments team include the:
  - time taken to process claims
  - accuracy of payments
  - time taken to deal with requests for reconsiderations and appeals
  - recovery of HB overpayments.
20. The service plan is updated six monthly by the Operations Manager and progress is reviewed by the Head of Service, Director and the Chief Executive at the mid-year and end-year points. Where key activities or performance are not on target, the Operations Manager is required to provide a detailed explanation.
21. In addition to the high-level review of the service plan, there is regular detailed reporting of HB performance at an operational level. This includes:
  - weekly focus meetings between the Head of Revenues and Business Change, the Revenues and Business Support Manager and the Operations Manager
  - fortnightly meetings between the Operations Manager and the Senior Revenues Officer
  - monthly 1-2-1 meetings between the Senior Revenues Officer and the Team Leader
  - monthly Revenues Management, Senior Management and Departmental Management team meetings
  - bi-monthly 1-2-1 meetings between the Benefits and Discretionary Payments Team Leader and team members.



22. The council also makes good use of an online performance management tool, which is updated six monthly by the Operations Manager and contains all the service's key performance indicators.

# Delivering outcomes

23. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The council has a number of management arrangements in place to support this.

## Speed of processing

24. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficiently trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
25. Exhibit 1 illustrates the council's current and previous performance.

Exhibit 1: Speed of processing performance (average number of days)						
	2014/15	2015/16	2016/17	2017/18	2017/18 Scottish Average (Q3)	2018/19 (Apr-Jun)
<b>New claims</b>	27 days	24 days	32 days	31 days	22 days	31 days
<b>Change events</b>	7 days	4 days	5 days	5 days	9 days	9 days

Source: East Renfrewshire Council & DWP

26. Since our last audit, the council has been very proactive in its efforts to improve performance levels and has worked internally, and with key partners, to introduce a number of new initiatives and changes to processes and procedures. These include:
- introducing a generic approach to claims processing in 2016/17 by training HB staff to process claims from the public and private sector. Since the creation of the Benefits and Discretionary Payments team in October 2017 further cross training has been given to staff to provide more resilience and flexibility to the team and to provide opportunities for improvements in claims processing times
  - utilising external agents and temporary appointments to assist in the processing of new claims and change events. Throughout 2017/18 the service utilised a FTE agency processor, an additional FTE agency processor on an ad-hoc basis, and a FTE temporary processor. These contracts ended on the 31st March 2018. However, the council has secured the services of 2x FTE processors on a temporary contract until 31st March 2019, to help the service transition through the rollout of full service UC in September 2018

- introducing a digital online claims facility in February 2017 for new claims and extending the functionality in August 2017 to allow customers to report change events online. At the time of our audit, further functionality allowed customers to upload evidence in support of a change event, and the council advised that it was trialling the same upload functionality for new claims, with a view to offering customers a fully digital claims process
  - working with the DWPs PDT team in December 2017. The PDT scrutinised 18 new claims and reported no issues with processes or procedures, but concluded that a lack of resource was the main factor for the decline in the council's speed of processing performance
  - implementing the DWPs Verify Earnings and Pensions (VEP) service in 2017 and signing up to the enhanced alerts service which was due to go live in July 2018. The VEP service provides councils with:
    - real-time access to Her Majesty's Revenues and Customs (HMRC) records to verify a customer's earnings/pension details which should help reduce the time taken to establish a customer's income
    - real-time alerts to notify when a customer's income details have changed to ensure that a change can be processed timeously, therefore ensuring payment accuracy and reducing the potential for an overpayment to arise.
27. In addition, the council makes good use of the DWPs Automated Transfer to Local Authority Systems (ATLAS) service to automate approximately 77% of change event notifications received and advised that it was prioritising its workload to process new claims received with all information available, and claims that have been outstanding the longest, with the aim to clearing the current backlog of work.
28. As a relatively small council with a caseload of approximately 3,500 claims, resource management is an important aspect of service delivery. The loss of experienced staff, or high levels of sickness absence can have a significant impact on performance and, despite the council's continued efforts to improve service delivery, resourcing issues have had an adverse effect on claims processing times. These have included significant levels of staff sickness absence and unfilled vacancies. In particular, between 2016/17 and 2017/18, sickness absence increased by 70% from 84 days to 141 days and, in the first three months of 2018/19 the service had lost another 58 days to sickness absence.
29. In 2016/17, new claims processing performance declined significantly from an average of 24 days to an average of 32 days, while the time taken to process change events declined slightly from an average of four days to an average of five days. However, despite a significant increase in sickness absence in 2017/18, new claims performance improved slightly to an average of 31 days, while the time taken to process change events was maintained at an average of five days.

30. In the first quarter of 2018/19, while maintaining the time taken to process new claims at an average of 31 days, the time taken to process change events had declined to an average of nine days. This level of performance placed the council 28th in Scotland for the time taken to process new claims and 19th for the time taken to process change events, when compared to the DWP's 2017/18 quarter three published performance statistics.
31. In addition, following an internal audit of the benefit service in May 2018, the auditor reported that, in nine claims (60%) out of a sample of 15 claims selected at random where a change event had been processed, the date on the benefit IT system, used to determine the time taken to process the change, had been incorrectly recorded.
32. Audit Scotland's analysis of this sample established that, had the council recorded the correct date of the change, the time taken to process each of the nine claims would have been, on average, 13 days more than that recorded and subsequently reported to the DWP. In accepting the findings of the internal auditor, the benefit service has reacted promptly to provide remedial training to staff.
33. However, based on the high level of error found in the internal audit sample, the council cannot take assurance that its reported speed of processing performance in respect of change events is accurate until it carries out further work to establish the extent of the problem.

#### Risks to continuous improvement

1	The council needs to address the results of the findings of the internal audit in May 2018 to provide assurance that its reported performance in respect of the time taken to process change events is accurate.
2	The level of processing resource within the benefit service might not be sufficient to significantly improve on current below target performance levels.

34. Audit Scotland identified one risk to continuous improvement that was originally carried forward from our audits in 2014 and 2016 in that the council's cumulative new claims speed of processing performance, at an average of 30 days in 2014, and an average of 24 days in 2016, remained above the Scottish average at the time of the audits.
35. In view of the council's current level of new claims processing performance, which at an average of 31 days for new claims in 2017/18 remains well above the Scottish average of 22 days, based on the DWPs 2017/18 quarter three published performance statistics, we consider that this risk remains outstanding.

## Accuracy

36. The accurate and secure administration of HB should be a key priority for every council, and to support this, it should have a robust quality assurance framework in place.

37. The council places significant importance on the quality and accuracy of its claims processing activities and historically has delivered a high level of performance in this area. In 2014/15 and 2015/16 the service reported its financial accuracy rate at 99%. However, in 2016/17, accuracy performance declined significantly to 93%.
38. To understand and address the reasons for the decline, in October 2017, the council worked in partnership with an external consultant to carry out a full review of its management checking framework. This review found that the council's focus on targeting many of its checks on new staff and staff that were under-performing was introducing a negative bias which, despite claims being corrected before payment, had resulted in the decline in reported performance.
39. As a result of this review, a new management checking framework was implemented in April 2018 with the aim to ensure that all management checks are selected randomly from the benefit IT system and carried out wherever possible before a payment and notification letter are issued. A new post-payment check of 300 claims per year was also introduced to specifically record the financial accuracy of the live caseload.
40. Management checks are carried out by the Benefits and Discretionary Payments Team Leader and two Lead Officers. This should provide the service with flexibility and resilience to ensure that checks are routinely carried out. On a daily basis the service aims to carry out a pre-payment and pre-notification check on a minimum of 2% of decisions selected randomly from the live HB system.
41. A comprehensive audit check form is used to record the outcomes of these checks and, where an error is identified the officer is advised of the error and asked to correct the claim. When the claim has been amended the checking officer ensures that the appropriate corrective action has been taken before signing off the check on the audit form, which is then retained on the electronic workflow system to ensure a complete audit trail of actions taken.
42. The outcomes from management checks are recorded electronically, summarised and analysed to identify any trends or patterns of error. Where an officer is making recurring errors the Team Manager, or one of the Team Leaders provides guidance and support which could involve assisting in the processing of a similar claim to ensure that the officer is aware of the reasons for the error, and how to correct it. Where there is a pattern of error across the service, the Senior Revenues Officer would provide remedial training as appropriate.
43. In addition to the 2% daily pre-payment checks, new staff are subject to a 100% check of their work which is reduced incrementally until the officer is considered to be competent. There is also a 100% check of all payments in excess of £1500 and, where an error is found, the payment can be recalled before issue to the customer.
44. The service regularly reports accuracy performance to staff and senior management through:
  - bi-monthly 1-2-1 meetings between the Team Leader and team members

- the Revenues Service Plan, which is updated six-monthly and reviewed by the Head of Service, Director and Chief Executive
- the council's online performance management framework, which is available to view by senior management and updated six-monthly by the Operations Manager.

45. Exhibit 2 illustrates the council's current and previous accuracy performance.

<b>Exhibit 2: Financial accuracy performance</b>		
	<b>Internal Target</b>	<b>Achieved</b>
<b>2013/14</b>	98%	99%
<b>2014/15</b>	97%	99%
<b>2015/16</b>	98%	99%
<b>2016/17</b>	98%	93%
<b>2017/18</b>	100%	77%
<b>2018/19 (at 30 Sep 2018)</b>	100%	90%

Source: East Renfrewshire Council

46. Although the council had been proactive in its efforts to address the decline in accuracy in 2016/17, the council advised that accuracy performance declined significantly in 2017/18 as a result of the underperformance of some members of staff.
47. Although the decline in performance is of concern, it highlights the importance of targeted checks over random checks as the service had been focussing its resources on staff that were causing most errors and seeking to resolve this by providing additional support and guidance.
48. If the council decides to fully adopt the random checking approach as detailed in the new management checking framework, we consider that there is an increased likelihood that under-performing staff might avoid checks of their work, and that checks could be carried out on low-risk claims that have been passported from the DWP.
49. Passported claims are where the customer's entitlement to HB is provided by entitlement to a qualifying DWP benefit. As these claims are considered to be less complex, it could be reasonably assumed that the DWP has carried out the necessary checks on their customer's entitlement to the qualifying benefit and therefore more beneficial for the benefit service to carry out management checks on more complex claim types where recurring errors are most found.

50. Audit Scotland identified the following risks to continuous improvement during our previous audit in 2016 in that:
- the council needed to review and recommence its programme of management checks as soon as possible and have robust arrangements in place to ensure that management checks were routinely carried out to minimise the potential for fraud and error to enter the system.
  - there was limited analysis of management check outcomes and therefore the council was missing an opportunity to identify trends and patterns of error that could help identify areas for learning and development of staff and the service.
51. We consider that both these issues have been addressed as the council has recommenced its management checks, carries out detailed analysis of the outcomes, and worked in partnership with an external consultant in October 2017 to carry out a full review of its processes and procedures.

Risks to continuous improvement	
3	The council needs to address the reasons for the decline in accuracy performance.
4	The council should consider a more targeted approach to selecting cases for a management check to ensure the best use of limited resources and to maximise the potential for positive outcomes.

## Interventions

52. To minimise error in the caseload, councils must encourage customers to report change events on time and have a robust intervention programme to identify changes and take appropriate corrective action.
53. To support this, the benefit service notification letters remind customers of the requirement to report any change event. In addition, the council's website provides customers with details of office opening hours, information on how to contact the benefit service by telephone, letter, or e-mail, and an online change event form that is fully automated.
54. The council also actively participates in the DWP's Housing Benefit Matching Service, Audit Scotland's National Fraud Initiative, the DWP's Real Time Information (RTI) and optional RTI data matching services, and more recently the DWP's VEP service. These should all help to identify possible unreported change events that require further investigation.
55. On a daily basis the service makes good use of the benefit IT system diary facility to highlight claims where future changes are expected or known, which could affect the customer's entitlement to benefit, for example, a significant birthday or a change in household details.

56. Exhibit 3 below details the outcomes from the council's normal interventions activity.

<b>Exhibit 3: Interventions performance</b>				
	Number of completed interventions	Number of decreases in HB identified	Number of increases in HB identified	% resulting in a change to benefit
<b>2015/16</b>	480	100	35	28%
<b>2016/17</b>	16	10	1	68%
<b>2017/18</b>	77	40	8	62%
<b>2018/19 (at July 2018)</b>	61	27	8	57%

Source: East Renfrewshire Council

57. Since our last audit there has been a significant reduction in the number of proactive interventions carried out. However, in 2016/17, with limited resources and a decline in claims processing performance, a decision was taken to reduce proactive interventions activity and focus resources on improving claims processing times.
58. Since 2016/17, proactive interventions activity has focussed on an annual review of customers in receipt of a work/private pension. In the most recent exercise carried out in May 2018, 121 review forms were issued, and, at the time of our audit, 61 forms had been returned and fully reviewed.
59. Of these, 57% had resulted in a change to the amount of HB paid, which indicates that the council is effectively targeting cases where the customer has not declared a change in their circumstances. This activity also helps the council to identify overpayments that may otherwise have gone undetected, and to ensure that customers that are entitled to more benefit receive their correct entitlement.
60. While the outcomes from interventions are recorded on the benefit IT system, the system can only record whether there has been an increase, decrease, or no change to benefit. As such, it was not possible for the council to fully analyse the outcomes of interventions in order to inform the scope and focus of future intervention campaigns.
61. Audit Scotland identified one risk to continuous improvement that was carried forward from our audit in 2014 in that:
- the council did not have a formalised interventions strategy and had not recorded or analysed the outcomes from its interventions activity since 2011/12. In order to ensure that resources are being used to best effect, and to help inform future intervention



strategies, the council should fully document its interventions approach, and link intervention outcomes to the value of overpayments/underpayments identified.

62. The council told us that it had engaged with its benefit IT system supplier with a view to improving the level of intervention information that can be recorded on the system, however at the time of our audit it had been unable to progress this satisfactorily due to the supplier's other business priorities and commitments.
63. In view of this, and as the council does not have an intervention strategy, was not fully documenting its approach, and was not linking interventions outcomes to the value of overpayments/underpayments identified, we consider that this risk remains outstanding.

## Overpayments

64. To protect public funds, councils should take appropriate steps to ensure that benefit overpayments are minimised and that, when they do occur, they are correctly classified and rigorously recovered.
65. The *Corporate Debt Policy*, approved by members in June 2016, details the council's approach to the recovery of outstanding debt and has a stated commitment to maximise the collection of debts owed, minimise write offs, and wherever possible assist customers by minimising any additional recovery costs.
66. The policy aims include:
  - developing a council wide approach to debt collection
  - ensuring a professional, timely, and consistent approach to recovery action
  - reducing the levels of debt owed to the council
  - treating customers consistently and fairly and ensuring that their rights are protected.
67. To minimise HB overpayments, the benefit service prioritises change events that could lead to an overpayment, uses benefit IT system reports to predict changes, and reminds customers wherever possible of the need to report any changes. In addition, the council checks the output from the DWPs ATLAS system daily and prioritises claims where an overpayment could arise.
68. This proactive approach has helped minimise the number of local authority (LA) /administrative error overpayments that can arise as a result of processing delays. This is particularly important as a council can lose subsidy where its LA/administrative error rate exceeds 0.48% of all HB payments made. Since 2014/15, the council has been well below this threshold, which is commendable.
69. Where it is not possible to recover an overpayment from ongoing benefit entitlement, the debt is passed to the Corporate Debt Recovery team (CDRT) who issue an invoice to the

customer, followed by a reminder, and a final notice. Where no response is received after the final notice stage, the debt recovery team makes good use of all available recovery options including:

- utilising the DWP's Payment Deduction Programme to automate the recovery of HB overpayments from DWP benefits, where appropriate
- using the DWP's Customer Information System to trace customers who are no longer resident within the local authority area
- working in partnership with other councils to recover an overpayment from ongoing benefit received by the customer in another council area
- utilising Sheriff's Officers for difficult to recover debt.

70. Exhibit 4 illustrates the council's current and previous recovery performance.

<b>Exhibit 4: Overpayment levels and recovery performance</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Total HB overpayments carried forward	£1,189,729	£1,232,391	£1,451,055	£1,550,356
Total overpayments identified in-year	£395,284	£442,902	£398,230	£376,760
Total value of HB debt	£1,585,013	£1,675,293	£1,849,285	£1,927,116
Total value of HB debt recovered	£230,512	£224,238	£228,103	£268,000
% of in-year debt recovered	58%	51%	57%	71%
% of total HB debt recovered	15%	13%	12%	14%

Source: East Renfrewshire Council

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71. Historically, the council's level of debt recovery has been low when compared to other Scottish councils where Audit Scotland regularly sees all debt recovery rates in excess of 20% and in-year recovery rates in excess of 60%.
72. The council recognised this as an area for improvement and, in October 2017, worked in partnership with an external consultant to carry out a full review of its overpayments processes and procedures. The review was concluded in February 2018 and resulted in a number of changes designed to improve recovery rates supported by a set of protocols developed by the council in January 2017 to standardise its approach.
73. The *HB Debt Protocol* underpins the *Corporate Debt Policy* and is a set of 11 protocols setting out the council's approach to recovering HB overpayments. These include:
  - legal compliance - in all respects the council's approach must always be legally compliant
  - assertive transparency - ensuring the debtor is aware that recovering debt helps to fund public services while highlighting to the debtor the potential consequences of defaulting on payments or not engaging with the council
  - optimal rate of recovery - ensuring that the maximum recovery rate is set in all cases, except those that could result in financial hardship for the customer
  - fairness - treating all customers fairly and equitably
  - full asset utilisation - making good use of all available resources and technology to aid in the recovery of debt.
74. As part of the review by the external consultant, the council analysed 380 claims where the overpayment of HB was being recovered from ongoing deductions of benefit. This analysis found that 315 (83%) customers had been repaying their debt at less than the maximum allowed rate of £11.10, with an average weekly repayment rate of £5.75 and, in 254 of the 380 cases (67%), the weekly recovery rate was less than £5.75.
75. The council took immediate action to address this by contacting affected customers and advising that recovery rates would be increased to £11.10 per week. Customers were also advised at this time that due consideration, and advice and assistance would be available if the proposed increase would cause hardship.
76. As a result of this action, the council improved its in-year and all debt recovery performance by recovering an additional £42,000 of overpaid benefit in 2017/18.
77. To help further improve recovery rates, the council has signed up to the recently launched DWP HB Debt Service project. This service allows councils to send up to 1,200 dormant HB overpayments per month to the DWP to match with real time HMRC employment and pension data.

78. At the time of our audit, the council had sent an initial batch of 77 cases for matching and was reviewing the 34 cases that had been returned. Although it is too early to assess how successful this will be, it is another aspect of the recovery process that the council can fully utilise to help deliver further improvements in recovery performance.
79. Audit Scotland identified one risk from our previous audit in 2016, and one risk carried forward from our 2014 audit in that:
- the information in respect of benefit overpayment recovery performance that is provided by the CDRT to senior management does not provide sufficient information for the council to determine the effectiveness of its approach or provide assurance that it is meeting its debt recovery policy aims
  - with the exception of in-year recovery performance for 2014/15, the council's performance in respect of recovering benefit debt is considered well below normal recovery rates.
80. We consider that the first risk has now been addressed as the benefit service receives monthly reports from the CDRT providing a breakdown of payments received and debts outstanding. However, despite an improved recovery performance in 2017/18, the council's level of performance in respect of all debt recovery remains low when compared to other Scottish councils and therefore we consider that this risk remains outstanding.

#### Risk to continuous improvement

5	The council is not utilising Direct Earnings Attachments as a means of recovering overpaid HB and is therefore missing an opportunity to further improve its debt recovery performance.
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# Appendix A

Progress against action plan agreed after previous benefit audit in 2016, as at March 2018	
The council needs to review and recommence its programme of management checks as soon as possible and have robust arrangements in place to ensure that management checks are routinely carried out to minimise the potential for fraud and error to enter the system.	Completed
There is limited analysis of management check outcomes and therefore the council is missing an opportunity to identify trends and patterns of error that could help identify areas for learning and development of staff and the service.	Completed
The information in respect of benefit overpayment recovery performance that is provided by the CDRT to senior management does not provide sufficient information for the council to determine the effectiveness of its approach or provide assurance that it is meeting its debt recovery policy aims.	Completed
With the exception of in-year recovery performance for 2014/15, the council's performance in respect of recovering benefit debt is considered well below normal recovery rates.	Outstanding
The council's cumulative speed of processing performance for new claims and change events remains higher than the Scottish average time taken, at 31 October 2014.	Outstanding
The council does not have a formalised interventions strategy and has not recorded or analysed the outcomes from its interventions activity since 2011/12. In order to ensure that resources are being used to best effect, and to help inform future intervention strategies, the council should fully document its interventions approach, and link intervention outcomes to the value of overpayments/underpayments identified.	Outstanding

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East Renfrewshire CouncilAudit of Housing BenefitAction Plan November 2018

<b>Risk number</b>	<b>Description of risk</b>	<b>Action to be taken</b>	<b>Officer Responsible</b>	<b>Timescale for completion</b>
1	The council needs to address the results of the findings of the internal audit in May 2018 to provide assurance that its reported performance in respect of the time taken to process change events is accurate.	Team members were all provided with DWP's speed of processing (SOP) document and refresher training was provided in July 2018. This is an area closely reviewed during the accuracy checking process. Should any issues arise whilst carrying out the accuracy checks, these will be immediately addressed. Any repeat issues identified will be subject to an improvement plan.  Plans are in place to do a further refresher training session on this in 2019/20	Benefits and Discretionary payments Team leader	Complete. Area subject to ongoing monitoring
2	The level of processing resource within the benefit service might not be sufficient to significantly improve on current below target performance levels.	Resource is being reviewed at present to establish the requirements for the team going forward.	Senior Revenues Manager	September 2019
risk c/f from 2016 audit	In view of the council's current level of new claims processing performance, which at an average of 31 days for new claims in 2017/18 remains well above the Scottish average of 22 days, based on the DWPs 2017/18 quarter three published performance statistics, we consider that this risk remains outstanding	Resource levels are currently being reviewed in the team as are performance levels.	Senior Revenues manager	September 2019

Risk number	Description of risk	Action to be taken	Officer Responsible	Timescale for completion
3	The council needs to address the reasons for the decline in accuracy performance.	The reasons for lower rates of accuracy in 2017/18 have been addressed. We have an improved accuracy checking regime in place, which to some extent is limiting the number of claims processed. Accuracy will continue to be reviewed as a priority area.	Senior Revenues officer	In place
4	The council should consider a more targeted approach to selecting cases for a management check to ensure the best use of limited resources and to maximise the potential for positive outcomes.	A new management checking framework will be developed which will not be based on random sample checking, and will be more targeted.	Senior Revenues officer	May 2019
risk c/f from 2016 audit	The council does not have a formalised interventions strategy. In order to ensure that resources are being used to best effect, and to help inform future intervention strategies, the council should fully document its interventions approach, and link intervention outcomes to the value of overpayments/underpayments identified.	There is ongoing intervention activity carried out using the resource available from optional real time information (RTI) , verifications of earnings and pensions (VEPS). The service acknowledges that the results from intervention activity are not analysed in detail. This area will be investigated further including implications for resourcing.	Operations Manager	December 2019
c/f from 2016 audit	With the exception of in-year recovery performance for 2014/15, the council's performance in respect of recovering benefit debt is considered well below normal recovery rates	A number of improved processes have been implemented in the last year to 18 months and these have improved in year recovery rates. Targeted approaches on the aged debts will now be investigated and implemented	Senior Revenues Officer (NT) & corporate debt team leader	June 2019



Risk number	Description of risk	Action to be taken	Officer Responsible	Timescale for completion
5	The council is not utilising Direct Earnings Attachments as a means of recovering overpaid HB and is therefore missing an opportunity to further improve its debt recovery performance.	This will be taken forward as part of a wider review of our Debt Recovery Policy which will then be taken to Cabinet for approval	Operations Manager	September 2019

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 January 2019Report by Director of EducationJOINT ERCLT AND COUNCIL ACTION PLAN**PURPOSE OF REPORT**

1. To respond to the Audit and Scrutiny Committee's request to submit the revised joint Trust/Council action plan presented to Audit and Scrutiny in November 2018.

**RECOMMENDATION**

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

**BACKGROUND**

3. Audit and Scrutiny Committee considered the joint report in August 2018 in response to a [National External Audit Report: Councils' Use of Arm's-Length Organisations](#). In the report referred to above reference was made to the development and implementation of an action plan in response to an independent finance and business review of the Trust, carried out by Solace in Business on behalf of the Council.

4. The action plan referred to above was presented to Audit and Scrutiny Committee in November 2018 with indication that a revised action plan would be presented to the Trust's Board at its next meeting in December 2018.

**REPORT**

5. The revised action plan, included in Appendix 1, was approved by the Trust's Board in December 2018 and continues to be overseen by the Director of Education, the Chief Finance Officer, and the Trust's Chief Executive.

6. As indicated to Committee in November 2018 regular reports on the implementation of the action plan will be taken on a biannual basis to the Trust's Board, the next of which will be in June 2019.

**RECOMMENDATION**

7. It is recommended that the Committee notes the report.

Mhairi Shaw  
Director of Education

January 2019

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Background papers

1. [Audit and Scrutiny Committee Paper, National External Audit Report Councils' Use Of Arm's-Length Organisations, 16 August 2018](#)
2. [Joint ERCLT and Council Action Plan in Relation to Independent Finance and Business Review of the Trust](#)

**East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust**  
**Joint Action Plan to Address Recommendations of Finance and Business Review**  
**December 2018 Update**

Recommendation		Action	Responsibility	Original Timescale	Revised Timescale	Co-dependencies	Success Criteria	Progress Update	BRAG	Status
1	The Trust Board should meet every second month increasing the number of meetings to six per year.	Proposed timetable of meetings will be presented at the June Board	A. McReavy	June-Sept		ERC Finance (availability of management information)	<ul style="list-style-type: none"> <li>5-6 Board meetings (inc Development day) in place 2019</li> <li>Increased scrutiny</li> </ul>	Additional date added to Board annual calendar which covers an offsite Strategy / Away Day.	Blue	Closed
2	The financial reports provided to trustees should be enhanced	<ul style="list-style-type: none"> <li>Closure of action 7 is required to enable robust management accounts to be produced to include I&amp;E, Balance sheet &amp; Cash flow statement.</li> </ul>	C. Campbell K. Storie	Mid July	End Dec	ERC Finance	<ul style="list-style-type: none"> <li>Management accounts produced in a timely manner (by WD10).</li> <li>Agreed format and content for reporting is operational (agreed at workshop in Feb 2018) for 2018/19 reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Currently Period End summaries available within WD10.</li> <li>Service summaries in new format. Continued work on consolidated reports – with FAR/Board summaries now on shared drive.</li> </ul>	Green  Amber	Open  Open
3	The Trust's Chief Executive should lead and oversee the development and production of an integrated Monthly Performance Report	Balanced Scorecard to be introduced for Q1 report 2018/19	A. McReavy Trust SMT	September 4 Board meeting	March 2019	ERCL / ERC Finance & HR	Balanced Scorecard report agreed by board. Trustees and Council better informed of Trust's performance	Balanced scorecard operational, with feedback from September Board included in latest version. Work will continue to extend and refine the KPIs included together with building robust processes to produce the KPIs.	Green	Open
4	The Trust, working with its ICT Business Partner, should produce an IT development plan	<p>Develop an ICT action plan for the Trust to focus on the following:</p> <ol style="list-style-type: none"> <li>Contract management and future development of core systems</li> <li>Realisation of ERCL Digital Platform</li> <li>Implementation of Open Plus</li> <li>Implementation of iCAM solution</li> </ol> <p>Enabling CPA bid submitted May-Sept 2018</p>	S. Simpson R. Taylor	Outline CPA May 2018  Dev Plan & Full CPA Sept 2018  Full realisation March 2020 (renewal of core systems contracts)	Feb 2019	ERCL / ERC ICT  Capital provision and revenue implications tbc	<p>Funding and resourcing secured to implement plan</p> <p>Improved customer journey</p> <ul style="list-style-type: none"> <li>a seamless link between customer interface (i.e. website) and core business applications</li> <li>barriers to payments and bookings removed</li> <li>reduced costs to customer interactions (channel shift)</li> </ul>	Digital Customer Journey CPA submitted to ERC and is currently progressing through the normal approval process. Clarity to be gained in relation to availability of ICT resources to support. Outcome of ERC funding decision will not be until Feb 2019.	Amber	Open
5	The terms and conditions of the present Service Level Agreements between the Trust and ERC need to be reviewed and reset to ensure that the levels of service and information council services provide to the Trust meet its developing business needs	<p>Gap analyses of key services (Finance/Creditors, HR, Marketing, ICT, PaTS) undertaken and discussed with business partners</p> <p>Revision of Service Level Agreements undertaken</p>	M. Ratter A. McReavy	May-September 2018	End Dec 2018	ERCL & ERC	Revised SLAs agreed and in place by end of 2018	<ul style="list-style-type: none"> <li>Paper to be presented to ERCL Board in relation to insourcing H&amp;S / Marketing SLAs</li> <li>ICT – work to be completed by end of December</li> <li>PaTS – formed part of IA review – planned to have draft by end of year</li> <li>Financial Services – gap analysis performed – updated SLAs still to be finalised</li> <li>Others reviewed Sept / October</li> </ul>	Amber  Amber  Amber  Green	Open  Open  Open  Open

**East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust  
Joint Action Plan to Address Recommendations of Finance and Business Review**

**December 2018 Update**

6	Repair and maintenance policies of facilities the Trust operates need to be reviewed to provide an appropriate quality for a commercial operation.	Bid to establish an annual capital line to fund minor works outwith current repairs and maintenance (décor, minor repairs, moveable assets, fixtures, fittings, improvements to customer environments).  Enabling CPA bid submitted May-Sept 2018	P. Daws A. McReavy	Outline CPA May 2018  Full CPA Sept 2018 (Funding from April 2019 if agreed)	Feb 2019	Capital provision	Funding and Resourcing secured to address issues noted in report / Property Asset Management Plan  <ul style="list-style-type: none"> <li>Improvements to customer environments</li> <li>Reduction in complaints in relation to facilities' condition</li> <li>Realise objectives / address issues highlighted in Property Asset Management Plan</li> </ul>	Property Enhancement Fund submitted as CPA to ERC and is currently progressing through the normal approval process. Outcome of ERC funding decision will not be confirmed until Feb 2019	Amber	Open
7	The Trust's financial management processes and how financial information is configured, presented and disseminated, need to be reshaped.	<p><u>Processes:</u></p> <ul style="list-style-type: none"> <li>Accruals &amp; Prepayments posted into the ledger each period.</li> <li>One sided journals are corrected in each period.</li> <li>Where possible, cause for one sided journals is fixed at source</li> <li>Suspense / Control accounts are reconciled / balanced and cleared where possible for each period.</li> </ul> <p><u>Configuration / Presentation</u></p> <ul style="list-style-type: none"> <li>Format / content agreed at workshop in Feb 2018 for period end service reports is implemented for 18/19 reporting</li> <li>DoF/ERC finance work together to establish standard reporting suite for FAR/Board reporting which would minimise re-work</li> </ul> <p><u>Distribution:</u></p> <ul style="list-style-type: none"> <li>Once revised reporting suite is embedded, enable online through BOXI</li> </ul>	C. Campbell K. Storie	Mid July		Core Systems delivery	<p><u>At the end of each period:</u></p> <ul style="list-style-type: none"> <li>Actuals within GL reflect accruals based accounting. 90-95% of accruals / prepayments posted by ERC.</li> </ul>	<ul style="list-style-type: none"> <li><i>Accruals Accounting</i> – progress has been made with regular accruals posted at each period end. Requirement to extend accruals coverage, including. <ul style="list-style-type: none"> <li>Defined process / list of postings (Jan 19)</li> <li>GRNI Report postings (Jan 19)</li> <li>Transfer current postings (ex income) completed by ERCL to ERC (Jan 18)</li> <li>BOXI reporting development (for income) (Mar 19)</li> </ul> </li> </ul>	Amber	Open
					Jan 2019					
					Jan 2019 Jan 2019					
					Mar 2019					
					March 2020		<ul style="list-style-type: none"> <li>Balance Sheet balances</li> </ul>	<ul style="list-style-type: none"> <li><i>Balance Sheet Balances</i> – core systems implementation required to deliver fully</li> </ul>	Amber	Open
					March 2020		<ul style="list-style-type: none"> <li>Balance sheet control accounts / suspense accounts are cleared where possible with reconciliation of open / aged balances</li> </ul>	<ul style="list-style-type: none"> <li><i>Balance Sheet Control Accounts</i> <ul style="list-style-type: none"> <li>Significant change required to Council processes which will be incorporated into the cores systems process work.</li> <li>In meantime, CC/KAS will produce summary of analysis of types of transactions posted to suspense to provide fuller understanding to project team.</li> </ul> </li> </ul>	Red	Open
					March 2019			<ul style="list-style-type: none"> <li><i>Efficiency</i> - Consolidated reporting / FAR &amp; Board reporting formats on shared drive to reduce amount of rework. Work underway to ensure version control / reconciled across all reports.</li> </ul>	Amber	Open
					Dec 2018		<ul style="list-style-type: none"> <li>Reduction in re-work between DoF/ERC finance</li> </ul>	<ul style="list-style-type: none"> <li><i>Online Reporting Suite</i> <ul style="list-style-type: none"> <li>Define requirements for Payroll analysis reporting on BOXI.</li> <li>Consideration to be given to building rest of reporting on BOXI in conjunction with core systems workstreams.</li> </ul> </li> </ul>	Amber	Open
					Jan 2019		<ul style="list-style-type: none"> <li>Reporting suite is available online Trust has a robust suite of financial reports reflecting a trading operation</li> </ul>			
					March 2019					

**East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust**  
**Joint Action Plan to Address Recommendations of Finance and Business Review**  
**December 2018 Update**

8	Specific financial control and reporting requirements of the Trust need to be addressed by modifying and upgrading the financial accounting systems it uses.	(ERCL) DoF is actively engaged in the core corporate systems project which is looking to replace the existing General Ledger and some of the supporting finance systems.	C. Campbell K. Storie	Sept 2018	March 2020	ERCL / ERC  Core Systems Group	A system is selected that can meet all of the Trust's requirements including full inter-co accounting.	<ul style="list-style-type: none"> <li>Trust requirements submitted to ERC as part of core systems project, specifying mandatory requirement for full inter-co accounting. This formed part of the overall mandatory requirements as part of the procurement process.</li> </ul>	Blue	Closed
8a.	Consider the benefits of an ERP	<ul style="list-style-type: none"> <li>Detailed Trust requirements have been submitted</li> <li>DoF involved in the evaluation of the new system provider</li> <li>DoF has been asked to join core corporate Board which is essentially the steering committee for the project.</li> </ul>					Financial Control processes noted in Action 7 are embedded in the services provided by ERC.	<ul style="list-style-type: none"> <li>Recruitment underway for Trust resource to ensure full engagement in core systems project.</li> </ul>	Green	Open
8b.	The Trust could procure its own separate financial accounting and reporting system.	<ul style="list-style-type: none"> <li>A review of the current Accountancy services has been completed with the paper due for presentation to the Trust Board in June 2018. Recommendation is for discussions to progress with ERC on the best way for the Trust to receive those services. The outcome of these discussions will inform a recommendation for future service provision at the Trust Board in September 2018.</li> </ul>					A recommendation of the future finance service provision and how it will be delivered is presented to the Trust Board and is supported by ERC	<ul style="list-style-type: none"> <li>Board verbal update - recommendation to engage with ERC core systems project to be provided to Board in December. This action will close recommendation 8b and 8c.</li> </ul>	Green	Open
8c.	The Trust could continue to operate on the present basis drawing on the Council's existing financial infrastructure and systems with an improved reporting interface.									
9	Business Plans and financial budgets should be based on a bottom up approach.	Complete Gyms, Swimming and Fitness analysis and revise monthly targets  Establish sales targets (financial & seat) for Theatre	K. Storie A. McReavy	By Sept 2019			Budgets and Business Plans for all services established including monthly budgets for income drivers (e.g lead generation, sales and retention, class / event / show / programme capacity etc).	<ul style="list-style-type: none"> <li>Further work has been progressed on enhancing the budgeting process for 2019/20. Budgets for all income lines, with the exception of Arts/Theatre have been produced based on underlying drivers.</li> </ul>	Green	Open
10	The next iteration of the Trust's business plan requires greater emphasis and focus on market opportunities and on commercial and financial issues	Draft Business Plan 2019-20 to September 5 Board for revision and agreement in December  Cap Ex / CPAs to be reviewed and agreed by FAR  Commercial and ancillary income streams identified	A McReavy / SMT / ERC Finance	Sept 2019	Sept 2019		Reduced deficit in service areas  Clear business development plans in place for commercial services  Business plans supported by 3 yr financial plan	<ul style="list-style-type: none"> <li>3year base plan has been produced, overlaid by income generation / savings initiatives to deliver the required savings. Further work is underway in respect of Arts / Theatre to enhance reporting.</li> <li>CPAs presented to FAR and Board for approval. Initiative presented to Board at Away Day for Approval.</li> <li>Governance in place to monitor progress and delivery of initiatives.</li> <li>Draft 3yr plan will be presented to December Board, with final plan submitted for approval in February.</li> </ul>	Green  Blue  Blue  Green	Open  Closed  Closed  Open

**East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust**  
**Joint Action Plan to Address Recommendations of Finance and Business Review**  
**December 2018 Update**

11	Senior managers need to adopt a more positive approach to the Council in relation to securing investment in venues and facilities.	Improved partnership working on funding (capital and revenue) submissions to ERC supported by FAR/Board.  Guidance on available funding sources provided by Accountancy, including criteria and application process for each  Additional challenge and support provided by ERC partners for submissions.	A McReavy / SMT / ERC Business Partners	From May 2018			Increased success rate of capital and other funding bids.	<ul style="list-style-type: none"> <li>Enhanced ERCL CPA process in place for 2019/20 bids engaging all SMT.</li> <li>A partnership approach to all capital bids made in 2018 has been employed and will be maintained</li> </ul>	Green  Amber	Open  Open
12	The Trust's chief executive and senior management team need to focus on reducing the operating deficit	See 9 above	As above	As above		As above	As above	As per Action 9 above	Green	Open
13	The Council and the Board of Trustees need to review both the Trust's current business model and its level of funding through the Service Fee	See actions below	C. Campbell K. Storie	As below		As below	As below	See below		
13 a.	Fund libraries with a ring fenced Service Fee allocation	<ul style="list-style-type: none"> <li>2018/19 budget for Libraries will be agreed as part of Revised Trust budget to be presented to Trust Board in June 2018.</li> <li>Agreement on calculation of Service Fee mechanism and the ring-fenced element for future years, including application of any savings targets for subsequent years.</li> </ul>	M.McCrossan C. Campbell	May 2018  Aug 2018			Methodology for service fee agreed for future years including approach to ring-fenced budget	<ul style="list-style-type: none"> <li>ERC would not support any ring-fencing of budgets – this would be up to ERCL Board to agree. This would not result in the protection of budgets in the event of a savings target.</li> <li>The current budget to be presented to Board does not have formal ring-fencing in place. This will be discussed as part of the Dec 18 Board.</li> <li>Work has been completed on options for an alternate funding model. At present, the trends are not consistent enough to support any average % uplift etc. 2019/20 budget was produced on existing basis (eg spending pressure submissions etc). This should be reviewed annually.</li> </ul>	Blue  Green  Green	Closed  Open  Open
13 b.	Set the other services clear objectives to grow the income each earn at rates sufficiently greater than they increase expenditure	See 9 above  Operational Management Committee performs cost / benefit analysis on any operational business cases approved.	K. Storie A. McReavy	From May 2018			Operating Margin improves on a sustained basis.	Governance in place across Trust to support decision making and monitoring / control and delivery of business cases. This will form a key part of the delivery of 2019/20 initiatives. Closed as the on-going monitoring of this is included in	Blue	Closed



**East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust**  
**Joint Action Plan to Address Recommendations of Finance and Business Review**  
**December 2018 Update**

								Actions 9 /10.		
13 c.	Contain expenditure in Central Services to a level that will enable the overall operating deficit to be reduced significantly year on year.		K. Storie A. McReavy				See Action 9/ 10	See Action 9/ 10		
14	Increase in the Service Fee the Trust receives from ERC in both 2018/19 and 2019/20 by between £200,000 and £300,000 in 2018/19, and hold it at broadly similar level in 2019/20. Thereafter the Service Fee should be reviewed in the light of the progress the Trust achieves over the next two years.	Budget agreement for 2018/19 in place  ERC agree to fund reserves for 2018/19  Discuss 3 year funding arrangements	M. McCrossan	May 2018	Feb 2019			Confirmation of any additional funding and any savings targets for the Trust will be subject to Council deliberations when approving the overall ERC Budget.	Green	Open

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EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE  
24 January 2019  
Report by Clerk  
CONSULTANCY EXPENDITURE

### **PURPOSE OF REPORT**

1. Further to discussions at the meeting of the committee that took place in November 2018 on work it would like to progress on consultancy expenditure, in the first instance this report provides information requested by the committee during the last Administration on expenditure incurred on consultants during 2013/14 and 2014/15 and related issues.

### **RECOMMENDATION**

2. It is recommended that the committee considers the report and how it wishes to progress further work on consultancy expenditure.

### **BACKGROUND**

3. At the meeting of the committee that took place in November, the Chair referred to concerns he had expressed at the meeting of the Council in October 2018 regarding the extent to which external consultants were being used by the authority. Having heard him suggest it would be useful for the Audit and Scrutiny Committee to investigate this matter further, the committee agreed to progress some work on the extent of departmental expenditure on external consultants and feasibility studies and possibly legal advice; the reasons for doing so; and which consultants had been used.

4. Having noted that during the last Administration the committee had progressed work on expenditure incurred on consultants during 2013/14 and 2014/15 and related issues, it was agreed that, in the first instance, the Clerk would submit a report to this meeting on that work in advance of further discussion taking place on how the committee might wish to progress work now.

### **COMMITTEE'S PREVIOUS WORK**

5 In February 2014 the committee considered a report associated with the publication of a national Audit Scotland report on *Scotland's Public Sector Workforce* ([http://www.auditscotland.gov.uk/uploads/docs/report/2013/nr\\_131128\\_public\\_sector\\_workforce.pdf](http://www.auditscotland.gov.uk/uploads/docs/report/2013/nr_131128_public_sector_workforce.pdf)). The national report had assessed if public bodies were effectively planning and managing workforce changes and focussed on approaches to this used by councils between April 2009 to March 2013. The elected Members who led the review of this particular report at the time, under the committee's specialisation arrangements, were Councillor Wallace and Councillor Grant, the then Chair and Vice Chair respectively.

6. At that time feedback on the local position on changes to staff numbers and costs; the implementation of workforce changes; and planning for such changes for the future was provided by the Deputy Chief Executive (<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=11197&p=0>). The report concluded that the council was well positioned relative to the national report, as it closely reflected trends within it for changes to staff numbers and costs. The local feedback also explained that the principles of good practice specified were supported locally, focusing on both workforce and budget planning to match the authority's needs whilst ensuring that skills and expertise were maintained and developed and that good value for money was provided. It was also reported then that consultation was taking place with staff and trade unions on an ongoing basis and that current workforce planning was continuing to be developed to include a longer-term approach to support skills development and training and succession planning more proactively. It was clarified that the council was also seeking opportunities to think differently about how it delivered services, such as by prioritising and redesigning services and increasing joint working and collaboration.

7. Issues discussed at the committee's meeting in February 2014 and subsequently included concerns held by some Members on the number of experienced officers leaving the Council and the subsequent loss of expertise. More specifically, one of the actions agreed was to seek clarification on whether or not the Council was making greater use of consultants than compared to the period before the time covered by the national report and the related local feedback.

#### **FEEDBACK PROVIDED ON CONSULTANT EXPENDITURE FOR 2013/14 AND 2014/15**

8. Following the meeting referred to above, an approach was made to the Accountancy Service in the first instance seeking feedback on consultancy costs, through which it became clear that there was not an easy answer to the question posed. It was clarified that Finance Business Partners could provide information on what had been coded to the "consultants" line in the ledger, but that services also charged consultancy costs to different codes, such as "payment to other bodies" or "other admin costs". In summary, Finance Business Partners alone could not identify and provide the information requested.

9. Before further work was pursued, the then Chair referred to the coding complications at the committee's meeting in April 2014 and also to the importance of departments knowing what consultant expenditure had been incurred, particularly in the context of the loss of experienced officers. Following related discussion on the potential scale and cost of work required to determine the feedback sought originally covering several years, it was agreed that members of the committee would reflect further on and agree the precise definition of "consultant" they wished to use; that retrospective costs for the financial year 2013/14 only would be requested which was considered reasonable; and that departments also be asked to record consultant expenditure incurred during 2014/15 and provide this in due course with a view to all of the feedback being collated and submitted to the committee at a later stage.

10. Following considerable discussion over an extended period of time, the committee ultimately agreed to request first a simple list of information on:-

*Any paid consultancy or advice commissioned directly by the council from an external individual, company or organisation for a fixed period of time to assist the council progress an issue, including in respect of the provision of legal services*

It was also agreed that it would only be when the feedback on this for the two financial years in question was received, that the committee would decide whether or not it wanted to follow up any specific aspects of this further. In short a two stage approach was therefore taken.

## STAGE 1 - INITIAL FEEDBACK

11. Initially four specific pieces of information were sought from departments as follows:-

- The names and designations of individual advisors or consultants, or the names of the companies or organisations providing the services
- The nature of the services provided
- The periods of time the consultants, advisors, companies or organisations were employed
- The total costs of the services provided

12. Following receipt and collation of all the feedback requested over a period of time, the information provided for 2013/14, itemised by department, was submitted to the committee in August 2015, as was that collated for 2014/15. It was clarified that because the Council was able to claim back VAT on such expenditure, net costs (*excluding* VAT) had been listed.

13. Legal services costs were itemised under feedback for the Chief Executive's Office but, as the information submitted then reflected, the expenditure did not relate solely to that Office. The basis for the allocation of costs to departments was explained in the sections of the feedback that related to legal services.

14. At the August 2015 meeting of the committee, when it considered the feedback provided, during related discussion on the costs incurred which the committee considered significant, reference was made to the level of expenditure on legal consultancy from a range of providers and possible reasons for this. It was acknowledged that this could include needing to secure particular expertise on an issue. Some Members queried if a different arrangement could be made to secure the legal services required through a different contractual arrangement.

15. Discussion also took place on whether or not the work commissioned from various consultants, including for legal services, could or should have been provided in-house. Following consideration it was proposed and agreed that further supplementary feedback was required from departments, including on:-

- why the consultants had been considered required and engaged;
- the extent to which such expenditure was linked to spend to save initiatives; and
- what was considered to have been one-off or, alternatively, recurring expenditure to some degree.

16. At the same meeting comments made by the Head of Accountancy were noted on coding of expenditure, regarding which it was clarified that departments were encouraged to code consultancy expenditure to a single code, for both on-going and one-off expenditure. It was suggested that it would be helpful if the committee could help reinforce this message.

## STAGE 2 - SUPPLEMENTARY INFORMATION

17. As submitted to the Audit and Scrutiny Committee in January 2016, the collated supplementary information requested and provided for 2013/14 and 2014/15, itemised by department, is attached (see Appendices 1 and 2). The initial information provided by

departments, which had been submitted to the committee at a prior stage as reported above, was also included for ease of reference, as it is now. What is therefore attached to this report is the fully collated information gathered during both stages of the committee's previous work.

## LEGAL SERVICES

18. Regarding the feedback on Legal Services, it was clarified that in all cases the legal work referred to was outsourced to firms under a framework contract put in place by the Council, this having been the subject of a full procurement process. It was explained further at the time that none of the successful firms on that list had ex-employees of the Council as major partners and, in any event, the firms choose the particular solicitors to provide services in each case. The Chief Officer (Legal and Procurement) also clarified that most of the work referred to was of a type that is generally done internally, but occasionally required to be done by an external provider due to internal resource pressures linked to issues such as absence, workload and competing demands, particularly in circumstances where there was time pressure to have work completed. It was reported then that the majority of instructions were handed down through Legal Services after discussion between Legal Services and the client department regarding resource availability, taking account of urgency, length of project or specialist nature etc.

19. The Chief Officer (Legal and Procurement) had confirmed at the time that none of the items listed could be said to be *spend to save* related, although he commented that the very nature of much of the legal work involved was to avoid a financial liability arising against the Council. Some of the costs were for one off projects or pieces of work which straddled both years the Committee looked at. It was also clarified that some of the generic planning advice was for issues incidental to these projects obtained from external firms because of their particular knowledge of the matter in hand.

20. Reflecting the interest the committee took in legal costs, the Chief Officer (Legal and Procurement) was asked to, and attended, the meeting of the committee held in March 2016. This was to allow him to comment further on consultancy costs linked to Legal Services, such as whether or not the feedback suggested further internal staff resource was required in the interests of Best Value rather than some work being outsourced. The challenge of addressing needs when the staffing complement of services such as Legal Services reduced and shared services were amongst issues commented on at the time.

21. In response to questions at the meeting in March 2016, the Chief Officer (Legal and Procurement) explained that at that time staff levels within Legal Services had reduced by 27% since 2009, with many of those who had left the Council having had many years of experience. Amongst other things he referred to the need for his service to be responsive; the need for it to adhere to deadlines often outwith the Council's control such as for court and tribunal work; and how workload had increased at least in part due to the loss of expertise of officers in other departments who approached Legal Services for advice and support, and also in part due to the scale of legislation developed at the same time as the number in the Legal team had reduced. He acknowledged the need for some legal work to be outsourced given the nature of it, referred to difficulties of anticipating workload requirements to a degree as some issues that arose could not be foreseen, and cited examples of work required at specific times of the year, such as on placing requests and relate challenges.

22. In March 2016, having also referred to the scale of legal work associated with the Integrated Joint Board, Health and Social Care Partnership and City Deal amongst other things, more generally the Chief Officer (Legal and Procurement) clarified that a shared service model for legal work had been considered, but referred also to demands and

pressures experienced elsewhere as well as locally, potential conflicts of interest, and matters linked to Law Society accreditation. It was clarified at the same time that in recent years two legal trainees had been employed, one of whom had become a permanent staff member but at the same time as an experienced member of his team had retired. It was reported that the Environment Department had also funded a temporary legal post to provide advice they required. The position in March 2016 was that the end of that two year appointment was approaching.

23. It was also clarified in March 2016 that there were challenges linked to addressing loss of knowledge when experienced legal staff left and that resources were the subject of discussions between the Chief Officer (Legal and Procurement) and the Chief Executive. Reference was made to the professionalism of those in Legal Services, and the workload of and efforts made by the section to ensure that the needs of the Council were met. At the time former Councillor Robertson commented more generally that when reports on savings were discussed, reference to the potential need to employ consultants was rarely, if ever, mentioned.

24. During further discussion, Councillor O’Kane referred to challenges linked to the current financial situation, commented that Directors had to and did consider carefully when consultants were required, and that there were times when engaging an external party, such as a QC in the case of Legal Services, was unavoidable.

25. It was commented that some external appointments could be coded in different ways, such as consultancy, under training or as agency staff for example, which could create issues when trying to work on the type of exercise the committee had progressed.

## **CONCLUSIONS DRAWN AT THE TIME**

26. Members of the committee commented that they considered the exercise they had progressed useful and referred to the importance of departments analysing such costs similarly on an ongoing basis. More specifically it was suggested that the Chief Executive be advised of the committee’s view that it was important for departments to conduct such exercises to identify and scrutinise trends and inform discussions and analysis on whether the use of externally engaged staff, including consultants, trainers and agency staff for example, continued to deliver Best Value. The need to encourage departments to code consultancy work to the appropriate code, as commented on by the Head of Accountancy, was also highlighted.

27. As the Committee focussed on an issue of an operational nature, the Committee did not consider the submission of a report to the Cabinet appropriate. Ultimately it agreed that a copy of the feedback collated be passed to the Chief Executive for her review and interest, together with a note of the observations made by the Committee on the value of such analysis by departments on an ongoing basis to ensure Best Value is always secured.

28. It was also agreed that Directors be asked to remind all appropriate employees of the importance of coding consultancy related expenditure appropriately to assist with such analysis which was done through the Action Note issued to departments following the meeting.

## **RECOMMENDATION**

29. It is recommended that the committee considers the report and how it wishes to progress further work on consultancy expenditure.

Local Government Access to Information Act 1985

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Background Papers:-

1. External Audit reports on *Scotland's Public Sector Workforce*
2. Information provided by departments on the use and costs of consultants in accordance with the definition agreed by the committee
3. Reports submitted to the Committee on its previous work on consultants, including the meeting of the Committee held on March 2016



AUDIT AND SCRUTINY COMMITTEEFEEDBACK PROVIDED ON CONSULTANCY EXPENDITURE FOR 2013/14

Feedback was initially requested on:-

*Any paid consultancy or advice commissioned directly by the council from an external individual, company or organisation for a fixed period of time to assist the council progress an issue, including in respect of the provision of legal services.*

The Audit and Scrutiny Committee subsequently sought the following information on each of the items of feedback provided before:-

*Question 1: Why were the consultants considered necessary and therefore engaged?*

*Question 2: Was there any prospect of the work being done in-house and, if not, why?*

*Question 3: Was the work in question done in-house previously?*

*Question 4: Is it considered likely or not that the consultant expenditure on the issue in question will increase in future and, if so, why?*

*Question 5: Was the work undertaken by someone who had previously left the council's employment and, if so, why?*

*Question 6: To what extent, if at all, was the expenditure linked to any spend to save initiative?*

*Question 7: Was the expenditure in question considered to have been one-off or, alternatively, was it recurring expenditure for more on-going/repeat work to some degree?*

The feedback provided is listed below by question.

**CHIEF EXECUTIVE'S OFFICE 2013/14****Accountancy Service**

<b>Name &amp; Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation</b>	<b>Nature of Service Provided</b>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided (Excl VAT)</b>
<b>Sector</b>	<b>Treasury Service</b>	Annual Contract for 2013-14	£10,916
<p>Q1. This is a high risk, specialist area which we do not have the in-house expertise to provide.</p> <p>Q2. This could not be done in-house because this is a specialised area. Only large authorities would provide this service in-house.</p> <p>Q3. Not done in-house previously (to officers' knowledge, outside consultants used for this for at least the past 30 years).</p> <p>Q4. On basis of previous trends, costs only likely to increase by inflation.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This is recurring expenditure.</p>			
<b>Sector</b>	<b>Investment Benchmarking</b>	Annual Contract for 2013-14	£485
<p>Q1. This allows benchmarking with other authorities (it is debatable whether this should be classified as a consultancy cost rather than a benchmarking club).</p> <p>Q2. This would be a time consuming exercise and current workloads prohibit it being done in-house.</p> <p>Q3. Not done in-house previously (the service is a member of several benchmarking clubs).</p> <p>Q4. On basis of previous trends, costs only likely to increase by inflation.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative, but the output shows where other authorities are investing surplus funds which could lead to financial benefits for the council.</p> <p>Q7. This is recurring expenditure.</p>			

<b>KPMG</b>	<b>Fee for VAT Reclaim on Trade Waste (Trade Waste %)</b>	Not Applicable	£2,000
<p>Q1. This is a specialist area in which the council does not have in-house expertise.  Q2. This could not be done in-house as we do not have the expertise.  Q3. Not done in-house previously.  Q4. The expenditure will not rise. This was a one off project.  Q5. Not done by someone who had previously left the council's employment.  Q6. Expenditure not linked to any spend to save initiative, but the council has benefited financially from the outcome of the work completed.  Q7. This was one off expenditure for this particular project.</p>			
		<b>TOTAL</b>	<b>£13,401</b>

### Internal Audit

*Nil Return*

### Miscellaneous Services

<b>Name &amp; Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation</b>	<b>Nature of Service Provided</b>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided (Excl VAT)</b>
<b>West Lothian Council</b>	<b>On Behalf of Improvement Service, to Support Delivery of Benchmarking Programme</b>	Programme Runs for 3 Years From March 2014 – March 2016 (Total Cost Over 3 Years £4,838.40)	£168

The additional departmental feedback was that this is not consultancy; it is a service to collate and promote use of national benchmarking data.

<b>Castlerigg Consulting</b>	<b>ICT Shared Services Project with Renfrewshire and Inverclyde Councils</b> <i>(Prior to Restructuring, IT Services part of Finance Service)</i>	April 2013 - March 2014	£88,375
<p>Q1. In response to a business need to ensure that ICT can deliver to the digital aspirations of the council, consultants were engaged to undertake work on behalf of the 3 councils to identify improvements to the operation of ICT in all 3 and identify opportunities where joint working would be beneficial.</p> <p>Q2. The work had to be independent of the 3 councils, identify the opportunities for improvements and could not be done within existing resources.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. Regarding future expenditure, the work continued into the following year (See 2014/15 feedback).</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Regarding spend to save, the expenditure was linked to a potential saving equivalent to the cost of the consultancy plus improvements in operations.</p> <p>Q7. The work was one off and was expected to build up the skills of the existing ICT teams across the 3 councils. The consultants focused on areas where they could add most value, with the existing ICT teams carrying out the implementation.</p>			
		<b>TOTAL</b>	<b>£88,543</b>

**Legal Services**

The expenditure does not relate solely to the Chief Executive's Office. Expenditure on legal consultancy work (put out to private firms via a framework tender) is taken from client departments' revenue or capital budgets. The information below therefore incorporates legal costs invoiced in 2013/14 for capital and revenue expenditure. On that basis, Legal Services had minimal consultancy expenditure itself. The department to which the expenditure relates is part of the information specified in Column 2 below. Depending on the nature of tasks, the firms were engaged to complete specific tasks rather than for a fixed period. Work relating to the Court of Session requires staff with rights of audience, Counsel or legal firms with Advocates. For comments on Questions 5 and 6, see covering report.

<b>Name &amp; Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation</b>	<b>Nature of Service Provided</b> <i>(Department to Which Attributable)</i>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided</b> <i>(Excl VAT)</i>
<b>Maclay, Murray &amp; Spens</b>	<b>Employment Equal Pay/Tribunal Advice</b> <i>(Corporate and Community Services)</i>	Costs Invoiced for 2013-14	£6,841
<p>Q1. The scale of equal pay settlements and likely duration of the settlement process prompted use of external advisers. They have been involved, on behalf of the council, since 2008 in this capacity.</p> <p>Q2. There is technical capability to do this in-house, but the work is resource intensive to the point of impacting detrimentally on Legal Service's ability to fulfil other requirements of the council regarding legal advice/representation.</p> <p>Q3. Work regarding the equal pay settlement has always been outsourced and has not been handled directly by Legal Services, although the Chief Officer (Legal and Procurement) retains oversight of the firm's work in this regard.</p> <p>Q4. The work is designed to settle/defend the council's position regarding equal pay claims (raised by individuals historically affected by inequalities of pay based on gender), with a view to minimising council's ultimate liability, and is therefore reactive to claims being made. Expenditure will continue until all these claims are resolved, but will be likely to reduce due to diminishing numbers of current claims.</p> <p>Q7. Regarding recurring expenditure, see Q1 and Q4.</p>			

<b>Dundas and Wilson/CMS</b>	<b>Advice on Blacklisting Issues</b> <i>(Chief Executive's Office)</i>	Costs Invoiced for 2013-14	£510
<p>Q1. This was a one-off issue of national significance. External advice was sought due to technicalities of the matter and known expertise of the firm concerned.</p> <p>Q2&amp;3. Technically this could have been researched in-house, but urgency and resource issues prompted the decision to outsource the work.</p> <p>Q4&amp;7. One-off expenditure, so not expected to rise.</p>			
<b>Brodies LLP</b>	<p>(1) <b>Advice Regarding Political Activity and Referendum (£1,150)</b> <i>(Chief Executive's Office)</i></p> <p>(2) <b>Barrhead Strategic Development (£2,000)</b> <i>(Environment)</i></p> <p>(3) <b>Shanks Park Strategy (£770)</b> <i>(Environment)</i></p>	Costs Invoiced for 2013-14	£3,920
<p>(1) <b><u>Advice Regarding Political Activity and Referendum</u></b></p> <p>Q1. External opinion taken from Solicitor advocate (akin to Counsel's opinion) to supplement internal advice on a unique issue arising from the Independence Referendum.</p> <p>Q2&amp;3. The external advice supplemented internal advice (see Q1). The opinion taken was considered appropriate given significance of the issue in a political context.</p> <p>Q4&amp;7. One-off expenditure, so not expected to rise.</p> <p>(2) <b><u>Barrhead Strategic Development</u></b></p> <p>Q1. Barrhead South advice sought relating to consortia membership and collaboration agreement.</p> <p>Q2&amp;3. The work was outsourced due to the particular expertise required and internal resource capability.</p> <p>(3) <b><u>Shanks Park Strategy</u></b></p> <p>Q1. For this one off piece of work, initial consultation undertaken internally, but further work carried out externally taking account of scale of work and internal resource/ pressure of work at the time (carried over into 2014/15).</p> <p>Q2&amp;3. Internal resource / pressure of work at the time was one reason this was done externally.</p> <p>Q4&amp;7. The work and expenditure carried over into 2014/15.</p>			

Anderson Strathern	<p>(1) <b>Consumer Rights Advice re Spanish Law Transaction (£1,313)</b> <i>(Environment)</i></p> <p>(2) <b>Employment and Equalities Training (£240)</b> <i>(Corporate and Community Services)</i></p>	Costs Invoiced for 2013-14	£1,553
<p><b>(1) <u>Consumer Rights Advice re Spanish Law Transaction</u></b></p> <p>Q1. This one off piece of work was on a novel trading standards issue requiring expertise in Spanish Law. Q2&amp;3. The required expertise was not available within the in-house team. Q4&amp;7. One-off expenditure; no further costs attributable in future.</p> <p><b>(2) <u>Employment and Equalities Training</u></b></p> <p>Q1. This was to purchase off-the-shelf training. Q2&amp;3. Whilst a variety of training is provided by the in-house team, both generally and on-demand, this is supplemented by external provision if courses are known to be advantageous/of good quality etc. Q7. There may be further expenditure of this type in future across departments and suppliers.</p>			
Pinsent Masons	<b>Joint Schools Project</b> <i>(Education)</i>	Costs Invoiced for 2013-14	£2,900
<p><b><u>Additional Comments Requested by Committee</u></b></p> <p>Q1. Outsourced due to scale of project and internal workload demands at the time. Q2&amp;3. Regarding in-house work, see comments at Q1. Q4. The £2900 was the last cost attributed to this account as the school was completed.</p>			

Shepherd & Wedderburn	<p>(1) <b>Eastwood Health Centre (£29,660)</b> <i>(Community Health and Care Partnership)</i></p> <p>(2) <b>Barrhead High School (£26,383)</b> <i>(Environment and Education)</i></p> <p>(3) <b>St Ninian's Remediation Contract (£1,304)</b> <i>(Education/Environment)</i></p> <p>(4) <b>Newton Mearns Flood Prevention Group Judicial Review (£41,406)</b> <i>(Environment)</i></p> <p>(5) <b>Barrhead Supermarket (£9,920)</b> <i>(Environment)</i></p> <p>(6) <b>Miscellaneous Property Transactions (£16,086)</b> <i>(Environment/Miscellaneous)</i></p> <p>(7) <b>Barr Judicial Review (£8,930)</b> <i>(Environment)</i></p> <p>(8) <b>Various Planning Advice (£15,217)</b> <i>(Environment)</i></p> <p>(9) <b>Caveats (£240)</b> <i>(Chief Executive's Office)</i></p>	Costs Invoiced for 2013-14	£149,146
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(1) **Eastwood Health Centre**

Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.

Q2. Pressure on in-house team was reason work was out-sourced.

Q3. Work of this nature is generally handled in-house.

Q4&7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.



**(2) Barrhead High School**

- Q1. The matter involved Court of Session litigation and engagement of Counsel so the work required to be outsourced as internal service has no rights of audience in Court of Session.
- Q2&3. Could not be done in-house.
- Q4&7. Litigation now concluded so no further costs.

**(3) St Ninian's Remediation Contract**

- Q1. The work was outsourced to the firm involved in the original preparation of PFI documentation for the school extension who retained intimate knowledge of contract provisions relevant to efficient handling of remediation issues. This was a more efficient use of resources than dealing with matter in-house.
- Q2&3. It was more efficient to outsource the work (see Q1).

**(4) Newton Mearns Flood Prevention Group Judicial Review**

- Q1. The matter involved Court of Session litigation and engagement of Counsel so the work required to be outsourced as internal service has no rights of audience in Court of Session.
- Q2&3. Could not be done in-house.
- Q4&7. Litigation now concluded so no further costs.

**(5) Barrhead Supermarket**

- Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.
- Q2. Pressure on in-house team was reason work was out-sourced.
- Q3. Work of this nature is generally handled in-house.
- Q4&7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.

**(6) Miscellaneous Property Transactions**

- Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.
- Q2. Pressure on in-house team was reason work was out-sourced.
- Q3. Work of this nature is generally handled in-house.
- Q4&7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.

**(7) Barr Judicial Review**

- Q1. The matter involved Court of Session litigation and engagement of Counsel so the work required to be outsourced as internal service has no rights of audience in Court of Session.  
 Q2&3. Could not be done in-house.  
 Q4&7. Litigation now concluded so no further costs.

**(8) Various Planning Advice**

- Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.  
 Q2. Pressure on in-house team was reason work was out-sourced.  
 Q3. Work of this nature is generally handled in-house.  
 Q4&7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.

**(9) Caveats**

- Q1. This is the lodging of Court of Session caveats by Edinburgh agents.  
 Q4&7 This is an annual process.

		<b>TOTAL</b>	<b>£164,870</b>
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## CORPORATE AND COMMUNITY SERVICES DEPARTMENT 2013/14

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>Total People Solutions</b>	<b>Absence Audit (Part of Framework Agreement and Included Follow up Discussion on Report Produced)</b>	14 -17 January 2014	£3,000
<p>Q1. The consultants were considered necessary to take an unbiased look at the council's absence policies and practices on paper and in practice from both management and support service perspectives.</p> <p>Q2. This was completed by a consultant due to lack of resource internally and to ensure the feedback was free from bias.</p> <p>Q3. This was a one off exercise.</p> <p>Q4. There is no plan to repeat this work.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. The expenditure was linked to improving maximising attendance processes and communication to improve absence within the council. Some of the outputs of the audit have been taken forward to improve our position.</p> <p>Q7. This was one off expenditure.</p>			
<b>Catch the Light</b>	<b>Research and Capacity Building Support to Equality Groups</b>	August – December 2013	£3,000
<p>Q1. Consultants were necessary for the project to pilot the application of the relatively new concept of "<i>Appreciating Assets</i>" to community development for equality groups. This required, among others things, drawing on practice elsewhere; an independent mediator and facilitator between equality groups and the council; and expertise in CLD.</p> <p>Q2. Aspects of the work done in-house have included identifying relevant officers, elected Members and community representatives for interviewing and consultation sessions facilitated by the Consultants; ongoing support to equality community groups to explain new concepts; and undertaking follow-up actions, such as completing community development forward plans.</p> <p>Q3. Appreciating Assets is a relatively new concept which required external expertise.</p> <p>Q4. The expenditure was fixed and is not likely to increase in the future.</p> <p>Q5. One of the <i>Catch the Light</i> team left the council's employment at least 8 years ago to help set up Voluntary Action in East Renfrewshire.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure linked to a 3 year fixed cost programme.</p>			

<b>ODS Services</b>	<b>Research and Capacity Building Support to Equality Groups</b>	1 – 31 March 2014	£4,000
<p>Q1. Consultants were necessary for the project to pilot the application of the relatively new concept of “Appreciating Assets” to community development for equality groups. This required, among others, drawing on practice elsewhere, an independent mediator and facilitator between equality groups and the council; and expertise in CLD.</p> <p>Q2. Aspects of the work being done in-house have included identifying relevant officers, elected members and community representatives for interviewing and consultation sessions facilitated by the Consultants; ongoing support to equality community groups to explain new concepts; and undertaking follow-up actions, such as completing community development forward plans.</p> <p>Q3. Appreciating Assets is a relatively new concept which required external expertise.</p> <p>Q4. The expenditure was fixed and is not likely to increase in the future.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure linked to a 3 year fixed cost programme.</p>			
<b>ODS Services</b>	<b>Social Research Project (Survey of 1,000 Local People as Part of Review of Scheme of Establishment for Community Councils)</b>	18 February – 31 March 2014	£15,033
<p>Q1. We wanted independent social research on the view of ordinary people in relation to community councils. ODS had the skills and experience to fulfil the brief.</p> <p>Q2. The work could not be done in-house. The research involved around 1000 door to door interviews to secure accurate feedback and we did not have the staffing and skills to undertake this work.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that this expenditure will increase in future. This was for a specific piece of work.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was considered one off expenditure.</p>			

<b>Solace Enterprises</b>	<b>Review of Operation and Support of Community Planning (Part of Review of Scheme of Establishment for Community Planning)</b>	March 2014 (8 Days Consultancy Plus Expenses)	£6,250
<p><i>See 2014/15 also</i></p> <p>Q1. We wanted to bring in an independent, un-impeachable individual to review the operation of community councils and the support that the council provided.</p> <p>Q2. The point of this exercise was for an experienced, external individual to make an objective assessment and make recommendations (i.e. a critical friend).</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure on this will increase in future. This was for a specific piece of work.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was considered one off expenditure.</p>			
<b>Axiom</b>	<b>Phase 1 of Updating Contact Information for Community Groups (Required as Part of Legislative Duties for Community Learning and Development)</b>	18 – 31 March 2014	£2,007
<p>The feedback was that this was not consultancy work. It was a contracted piece of work designed by council to meet legislative requirements.</p>			

<b>Gorilla Enterprises</b>	<b>Safety Net (£1,000)</b>	2013-14	£1,000
<p><i>This was wrongly coded to Legal Services (under Brodies) previously. Further information has now been provided by Corporate and Community Services.</i></p> <p>Q1. This was a one off short piece of work with a tight deadline.  Q2: The work could not be done in-house because there were no available resources  Q3. This was not done in-house previously. It was a piece of work to help identify inefficiency in processes.  Q4: It is not considered likely that expenditure will increase in future.  Q5. Not done by someone who had previously left the council's employment.  Q6. Expenditure was linked to improving the efficiency of processes.  Q7. This was one off expenditure</p>			
		<b>REVISED TOTAL</b>	<b>£34,290</b>

## EDUCATION DEPARTMENT 2013/14

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>Coyle Education</b>	<b>Specialist Advice and Support for School Timetabling and Curricular Structures</b>	January 2014 – March 2014	£20,111
<p>Q1. The service provides unique expertise our secondary head teachers to compile their individual school timetables based on each school's curricular pathways for meeting their pupils' needs. The development work is seasonal and required over the same intensive timeframe in all schools each year. It demands high level of expertise and knowledge of education in East Renfrewshire.</p> <p>Q2. An officer from the department works closely with this supplier and the schools to build in-house skills and knowledge. However due to the high level of experience and in-depth understanding required and capacity constraints there continues to be key aspects where this external support is required. This service is highly valued by head teachers who recognise its importance in significantly contributing to the outstanding performance levels of schools.</p> <p>Q3. A number of years ago the individual worked in the authority before retiring. His expertise was developed over his many years in this educational field, which latterly was in the council and is recognised nationally.</p> <p>Q4. This is considered a cost effective and efficient method of providing such a quality service for schools.</p> <p>Q5. See Q4 above.</p> <p>Q6. Although not specifically linked to spend to save, this is such and is best value.</p> <p>Q7. This service is required annually for schools and the department has improved in-house experience by working closely and developing tools based on the methodology used. The department will continue to explore options to further improve in-house expertise within the context of remaining available resources.</p>			
<b>Birnam Wood &amp; Dunsinane</b>	<b>Supporting Head Teachers with Self Evaluation and Triangulation</b>	December 2013 (2 ½ days)	£875
<p>Q1. This was one off continuing professional development (CPD) support for head teachers.</p> <p>Q2. It could not be delivered in-house due to a lack of capacity.</p> <p>Q4. It is unlikely that consultant expenditure on this issue will be incurred in future.</p> <p>Q5. This work was undertaken by a recently retired head teacher who, as well as having a good understanding of education in East Renfrewshire, was respected amongst former colleagues to deliver CPD in this area.</p> <p>Q7. This was considered one off expenditure.</p>			

<b>William Clark</b>	<b>Continuous Professional Development for Teachers</b>	20 October 2013	£230
<p>Q1&amp;2. The engagement of this consultant was necessary due to a lack of in-house capacity at that time.  Q5. Not done by someone who had previously left the council's employment.</p>			
<b>Ellen McBride</b>	<b>Training for Newly Qualified Teachers</b>	7 and 9 January 2014	£1,229
<p>Q1&amp;2. The engagement of this consultant was necessary due to a lack of in-house capacity at that time.  Q5. Not done by someone who had previously left the council's employment.</p>			
<b>Hay Management Group</b>	<b>Support for Teachers on Flexible Route to Headship Course</b>	June and August 2013	£1,429
<p>Q1&amp;2. The engagement of this consultant was necessary due to a lack of in-house capacity and expertise at that time.  Q4. A new national model is being developed to support those aspiring to be Head Teachers  Q5. Not done by someone who had previously left the council's employment.</p>			
<b>Hilda De Felice</b>	<b>Training for Newly Qualified Teachers</b>	4 and 6 June 2013; 19 and 21 November 2013; & 25 and 27 February 2014	£2,780
<p>Q1&amp;2. The consultant was necessary due to a lack of in-house capacity and expertise at that time.  Q5. A number of years ago the individual worked in the authority before retiring from post.</p>			



Turner Townsend (via Hub West Scotland)	Eastwood Leisure Centre:- (1) Detailed Property Condition Survey; and (2) Development Proposals	February - March 2014	£29,040
<p>Q1&amp;2. Both pieces of work were procured externally, based on advice from colleagues in Property and Technical Services, due to the specific technical expertise required.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p>			
		<b>TOTAL</b>	<b>£55,694</b>

## COMMUNITY HEALTH AND CARE PARTNERSHIP 2013/14

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
The Validium Group Ltd	Employee Counselling Sessions with Children's Services	18 and 28 March 2013; 22 April 2013; 5 and 20 May 2013; & 24 June 2013	£570
The feedback was that this expenditure predated the appointment of the current Head of Children's Services and Criminal Justice and she is therefore unable to provide additional comment.			
Gillian McIntyre	Personalised Service Plan Work for Learning Disability Pilot.	May to July 2013	£4,388
<u>Additional Comments Requested by Committee</u>  The feedback was that this expenditure predated the appointment of the current Head of Children's Services and Criminal Justice and she is therefore unable to provide additional comment.			
		<b>TOTAL</b>	<b>£4,958</b>

## ENVIRONMENT DEPARTMENT 2013/14

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>Renfrewshire Council</b>	<b>Contribution From ERC Cost Landscape Capacity</b>	24 April 2013	£4,000
<p>Q1. This relates to the Strategic Development Plan Landscape Capacity Assessment for Renewable Energy developments. All 8 Clydeplan authorities paid £4K each rather than doing their own as it was more cost effective. Our own Supplementary Planning Guidance (SPG) on Renewable Energy was based on this work as well.</p> <p>Q2. This could not be done in-house as we don't have any landscape architects to do this work.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future because the SPG is based on this work and has been completed.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			
<b>Envirocentre Ltd</b>	<b>Hydrology Study Maidenhill / Malletsheugh</b>	5 September 2013	£5,920
<p>Q1. Objections were received to the Local Development Plan (LDP) regarding the proposal to release Maidenhill, Newton Mearns as a housing site. Objections were based on flooding/drainage and transport issues. This study looked at the drainage/flooding issues on the site and was required to respond to the objections and establish that the site could be used for development.</p> <p>Q2. This could not be done in-house as we don't have any hydrologists within the council.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			

<b>Transport Planning Ltd</b>	<b>Provision of Transport Consultancy Services</b>	March 2014	£5,000
<p>Q1. Objections were received to the LDP regarding the proposal to release Maidenhill, Newton Mearns as a housing site. Objections were based on flooding/drainage and transport Issues. This was a Strategic Transport Assessment to assess the impacts of development on the road infrastructure at Maidenhill, Newton Mearns.</p> <p>Q2. This could have been done internally, but there were capacity issues in the Roads Service. The assessment was required to inform the LDP and respond to objections and could not wait.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			
<b>Tom Sneddon Architect</b>	<b>Master Plan – Neilston Infill Strategy</b>	Financial Year 2013/14	£5,000
<p><i>In the previous feedback this was recorded as £31,000. Clarification was received that £5,000 was paid by the council with the balance paid by Architecture Design Scotland (ADS). The accounts were adjusted when the £26,000 was received from ADS. The council paid Tom Sneddon Architect when all the money had been received from ADS.</i></p> <p>Q1. The £5K was a council contribution to a £31K Charrettes held for the Neilston Infill Development SPG prepared for the LDP. The contribution meant the council secured £26K from Architecture Design Scotland for the Neilston Charrettes work.</p> <p>Q2. It is possible to do this work in-house, but the funding was to secure external resources to carry out this work with the Neilston community.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			

<b>Turner and Townsend Management Solutions</b>	<b>Economic Development Initiatives</b>	Financial Year 2013/14	£14,700
<p>Q1-3. The work was associated with the development of the council's participation within the City Deal. Work required an element of specialist economic expertise which did not exist in-house. In addition, as City Deal was a new initiative, existing staff were fully engaged in other core work activity. It was not possible therefore for this work to be undertaken in-house.</p> <p>Q4. As an ongoing initiative, further City Deal consultancy might be required in future, in particular around the development of full business cases (which are required before grant can be drawn down).</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. This was not linked to spend to save, but the work (and any future work) was instrumental in securing £44m investment in the area.</p> <p>Q7. Further work might be required in this area, particularly within the context of City Deal.</p>			
<b>Capita Symonds Ltd</b>	<b>Construction Design and Management (CDM) Co-ordinator Role – Whitelees MTB Project</b>	April to July 2014	£5,305
<p>Q1. This was linked to the building of the Mountain Bike Facility at Whitelee Windfarm. The CDM co-ordinator was required as there was no experience of constructing such a facility in-house (work continued into 2014/15).</p> <p>Q2. Regarding work being done in-house, it would not have been appropriate to have an officer on site as a CDM co-ordinator for a 12 week build period. That would have required someone to back fill that officer's post which would have been more costly than the 5K charged.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure (project now complete).</p>			

<b>Peel Land Surveys</b>	<b>Design ' You Are Here' Panels</b>	December 2013	£450
<p>Q1. The work was to carry out a survey to establish the best locations for Whitelee sign panels and the site conditions.</p> <p>Q2. This was specialist work which could not be undertaken in-house.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			
<b>Architrail Ltd</b>	<b>Whitelee Mountain Bike Trail Site Supervision</b>	April to November 2014	£5,732
<p>Q1. This was the building of the Mountain Bike Facility at Whitelee Windfarm. Project Supervision was required as there was no experience of constructing such a facility in-house.</p> <p>Q2. Specialist experience was required so this work could not be done in-house.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure (project now complete).</p>			

Atkins	Sustainable Travel Consultancy Barrhead	2013/14	£5,521
<p>Q1. It was anticipated that the regeneration of Barrhead Town Centre, including simultaneous construction of the new ASDA and the Foundry, would impact on traffic movements in the town at peak times and significantly reduce parking availability. A significant contributory factor to the congestion was council staff movements and parking habits. We engaged transport management experts at relatively short notice to deliver a focused, but time consuming, short-life project.</p> <p>Q2. Regarding in-house work, there was a lack of resource (staff time). There was limited in-house experience delivering innovative and creative methods of reducing single occupancy car travel to/from work that would result in a significant (short-term) reduction on parking demand for a fixed period before returning to normal post construction.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Regarding spend to save, this was a short-life project to address a specific issue</p> <p>Q7. This was one off expenditure</p>			
		<b>REVISED TOTAL</b>	<b>£52,628</b>

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AUDIT AND SCRUTINY COMMITTEEFEEDBACK PROVIDED ON CONSULTANCY EXPENDITURE FOR 2014/15

Feedback was initially requested on:-

*Any paid consultancy or advice commissioned directly by the council from an external individual, company or organisation for a fixed period of time to assist the council progress an issue, including in respect of the provision of legal services.*

The Audit and Scrutiny Committee is now seeking the following information on each of items of feedback provided before:-

1. *Why were the consultants considered necessary and therefore engaged?*
2. *Was there any prospect of the work being done in-house and, if not, why?*
3. *Was the work in question done in-house previously?*
4. *Is it considered likely or not that the consultant expenditure on the issue in question will increase in future and, if so, why?*
5. *Was the work undertaken by someone who had previously left the council's employment and, if so, why?*
6. *To what extent, if at all, was the expenditure linked to any spend to save initiative?*
7. *Was the expenditure in question considered to have been one-off or, alternatively, was it recurring expenditure for more on-going/repeat work to some degree?*

The feedback provided is listed below by question.

**CHIEF EXECUTIVE'S OFFICE 2014/15****Accountancy Service**

<b>Name &amp; Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation</b>	<b>Nature of Service Provided</b>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided (Excl VAT)</b>
<b>Sector/Capita Treasury Solutions</b>	<b>Treasury Service</b>	Annual Contract for 2014-15	£11,000
<p>Q1. This is a high risk, specialist area which we do not have the in-house expertise to provide.</p> <p>Q2. This could not be done in-house because it is a specialised area. Only large authorities would provide this service in-house.</p> <p>Q3. Not done in-house previously (to officers' knowledge, outside consultants used for this for at least the past 30 years).</p> <p>Q4. On basis of previous trends, costs only likely to increase by inflation.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This is recurring expenditure.</p>			
<b>Sector</b>	<b>Investment Benchmarking</b>	Annual Contract for 2014-15	£485
<p>Q1. This allows benchmarking with other authorities (it is debatable whether this should be classified as a consultancy cost rather than a benchmarking club).</p> <p>Q2. This is a time consuming exercise and current workloads prohibit it being done in-house.</p> <p>Q3. Not done in-house previously (the service is a member of several benchmarking clubs).</p> <p>Q4. On the basis of previous trends, costs only likely to increase by inflation.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative, but the output shows where other authorities are investing surplus funds which could lead to financial benefits for the council.</p> <p>Q7. This is recurring expenditure.</p>			

<b>KPMG LLP</b>	<b>Fee re VAT Reclaim HMRC (Trade Waste)</b>	Not Applicable	£1,724
<p>Q1. This is a specialist area in which the council does not have in-house expertise.</p> <p>Q2. This could not be done in-house as we do not have the expertise.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. The expenditure will not rise. This was a one off project.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative, but the council has benefited financially from the outcome of the work completed.</p> <p>Q7. This was one off expenditure for this particular project.</p>			
<b>KPMG LLP</b>	<b>Fee Relating to Non-Business Sport Litigation (VAT case)</b>	Not Applicable	£1,500
<p>Q1. This is a specialist area in which the council does not have in-house expertise.</p> <p>Q2. This could not be done in-house as we do not have the expertise.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. The expenditure will not rise. This was a one off project.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. It was not linked to spend to save work, but it is hopeful that the council will benefit financially from the outcome of the court case that KPMG are managing for us.</p> <p>Q7. This was one off expenditure for this particular project..</p>			
<b>KPMG LLP</b>	<b>Annual Fee for VAT Line Help Services</b>	Not Applicable	£1,000
<p>Q1. This is a specialist area in which the council does not have in-house expertise.</p> <p>Q2. This could not be done in-house as we do not have the expertise.</p> <p>Q3. This was done in-house previously, but the employee left the council under ill health retiral and has not been replaced.</p> <p>Q4. On the basis of previous trends, costs only likely to increase by inflation.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. It is not linked to spend to save, but by buying into this service the council are mitigating the chance of incurring penalties from HMRC.</p> <p>Q7. This is recurring expenditure.</p>			

<b>KPMG LLP</b>	<b>Fee Relating to Education VAT</b>	Not Applicable	£3,000
Q1. This is a specialist area in which the council does not have in-house expertise. Q2. This could not be done in-house as we do not have the expertise. Q3. Not done in-house previously. Q4. This was a one off project. Q5. Not done by someone who had previously left the council's employment. Q6. It is not linked to spend to save, but by buying into this service the council are mitigating the chance of incurring penalties from HMRC. Q7. This was one off expenditure for this particular project.			
		<b>TOTAL</b>	<b>£18,709</b>

### Internal Audit

*Nil Return*

### Miscellaneous Services

<b>Name &amp; Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation</b>	<b>Nature of Service Provided</b>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided (Excl VAT)</b>
<b>West Lothian Council</b>	<b>On Behalf of Improvement Service, to Support Delivery of Benchmarking Programme</b>	Programme Runs for 3 Years From March 2014 – March 2016,  (Total Cost Over 3 Years £4,838.40)	£2,419
The feedback was that this is not consultancy; it is a service to collate and promote use of national benchmarking data.			

<b>Castlerigg Consulting</b>	<b>ICT Shared Service Project with Renfrewshire and Inverclyde Councils</b> <i>(Following Restructuring, IT Services part of Corporate and Community Services)</i>	June 13 – December 2014  <i>(Costs Shown for 2014-15 are net of Contribution from Renfrewshire. (Castlerigg Cost £150,187.50 less £114,725 = £35,462.50))</i>	£35,463
<p>Q1. In response to a business need to ensure that ICT can deliver to the digital aspirations of the council, consultants were engaged to undertake work on behalf of the 3 councils to identify improvements to the operation of ICT in all 3 and identify opportunities where joint working would be beneficial.</p> <p>Q2. The work had to be independent of the 3 councils, identify the opportunities for improvements and could not be done within existing resources.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. The work continued from 2013/14 into 2014/15.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Regarding spend to save, the expenditure was linked to a potential saving equivalent to the cost of the consultancy plus improvements in operations.</p> <p>Q7. The work was one off and was expected to build up the skills of the existing ICT teams across the 3 councils. The consultants focused on areas where they could add most value with the existing ICT teams carrying out the implementation.</p>			
<b>Ernst &amp; Young</b>	<b>Leisure Trust Feasibility</b>	Programme Costs Incurred 2014-15	£114,830
<p>Q1. This is a specialist area in which the council does not have in-house expertise.</p> <p>Q2. This could not be done in-house as we do not have the expertise or capacity.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. This was a one off project.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. It was not officially linked to a spend to save initiative, however one of the main reasons for setting up the trust was to achieve the NDR savings</p> <p>Q7. This was one off expenditure for this particular project.</p>			
		<b>TOTAL</b>	<b>£152,712</b>

**Legal Services**

The expenditure does not relate solely to the Chief Executive's Office. Expenditure on legal consultancy work (put out to private firms via a framework tender) is taken from client departments' revenue or capital budgets. The information below therefore incorporates legal costs invoiced in 2014/15 for capital and revenue expenditure. On that basis, Legal Services had minimal consultancy expenditure themselves. The department to which the expenditure relates is part of the information specified in Column 2 below. Depending on the nature of tasks, the firms specified were engaged to complete specific tasks rather than for a fixed period. Work relating to the Court of Session requires staff with rights of audience, Counsel or legal firms with Advocates. For Questions 5 and 6 see comments in covering report.

<b>Name &amp; Designation of Individual Advisor or Consultant; or Name of Company or Organisation</b>	<b>Nature of Service Provided</b> <i>(Department to Which Attributable)</i>	<b>Period of Time the Consultant, Advisor, Company or Organisation was Employed</b>	<b>Total Cost of Service Provided</b> <i>(Excl VAT)</i>
<b>Anderson Strathern Solicitors</b>	<b>Property Lease Related</b> <i>(Environment)</i>	Costs Invoiced for 2014-15	£546
<p>Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.            Q2. Pressure on in-house team was reason work was out-sourced.            Q3. Work of this nature is generally handled in-house.            Q4&amp;7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.</p>			
<b>Brodies LLP</b>	<p>(1) <b>Community Councils (£6,393)</b> <i>(Corporate and Community Services)</i>            (2) <b>Leisure Trust (£42,583)</b> <i>(Education)</i>            (3) <b>Shanks Park Development Strategy (£8,000)</b> <i>(Environment)</i>            (4) <b>Planning Advice (£1,300)</b> <i>(Environment)</i></p>	Costs Invoiced for 2014-15	£58,276

**(1) Community Council**

- Q1. Outsourced due to scale of work, resource implications and because it was considered prudent to have an external view of issue given external views on council's proposal to revisit scheme.
- Q2. The resource implications and wish for an external view was why this was not done in-house.
- Q4&7. One off project, not expected to be repeated.

**(2) Leisure Trust**

- Q1. This one off piece of work was outsourced due to scale of work and resource implications.
- Q2. Resource implications were a reason this work was out-sourced.
- Q4&7. One off project. Not expected to be repeated.

**(3) Shanks Park Strategy**

- Q1. Initial consultation undertaken internally, but further work carried out externally taking account of scale of work and internal resource/pressure of work at the time (carried over from 2013/14).
- Q2&3. Internal resource / pressure of work at the time was one reason this was done externally.
- Q4&7. The work and expenditure carried over from 2013/14.

**(4) Planning Advice**

- Q1. Advice sought regarding Environmental Impact Assessment issues/cumulative effect for Maidenhill Strategic Development Opportunity site and also the development contribution strategy for both Maidenhill and Barrhead South Strategic Development Opportunity sites.
- Q2&3. Work of this type is generally handled in-house but was outsourced due to pressure of work on the in-house team at particular time.
- Q4&7. Further costs of this sort (i.e. various advice) may arise in the future due to ongoing pressure of work, time demands and internal resource limitations.

Maclay, Murray & Spens	<b>Employment Equal Pay/Tribunal Advice (Corporate and Community Services)</b>	Costs Invoiced for 2014-15	£7,759
<p><i>Comments as for 2013/14</i></p> <p>Q1. The scale of equal pay settlements and likely duration of the settlement process prompted use of external advisers. They have been involved, on behalf of the council, since 2008 in this capacity.</p> <p>Q2. There is technical capability to do this in-house, but the work is resource intensive to the point of impacting detrimentally on Legal Service's ability to fulfil other requirements of the council regarding legal advice/representation.</p> <p>Q3. Work regarding the equal pay settlement has always been outsourced and has not been handled directly by Legal Services, although the Chief Officer (Legal and Procurement) retains oversight of the firm's work in this regard.</p> <p>Q4. The work is designed to settle/defend the council's position regarding equal pay claims (raised by individuals historically affected by inequalities of pay based on gender), with a view to minimising council's ultimate liability, and is therefore reactive to claims being made. Expenditure will continue until all these claims are resolved, but will be likely to reduce due to diminishing numbers of current claims.</p> <p>Q7. Regarding recurring expenditure, see Q1 and Q4.</p>			
Shepherd & Wedderburn	<p>(1) <b>Eastwood Health Centre (£13,109)</b> <i>(Community Health and Care Partnership)</i></p> <p>(2) <b>Barrhead High School (£41,699)</b> <i>(Education/Environment)</i></p> <p>(3) <b>Newton Mearns Flood Prevention Group Judicial Review (£669)</b> <i>(Environment)</i></p> <p>(4) <b>Caveats (£240)</b> <i>(Chief Executive's Office)</i></p> <p>(5) <b>Bell Rock Parent Company Guarantee Transfer (£883)</b> <i>(Education/Environment)</i></p> <p>(6) <b>Various Planning (£3,938)</b> <i>(Environment)</i></p>	Costs Invoiced for 2014-15	£60,538



**(1) Eastwood Health Centre Comments as for 2013/14**

- Q1. This one off piece of work was outsourced due to pressure of work on internal legal service at particular time.  
 Q2. Pressure on in-house team was reason work was out-sourced.  
 Q3. Work of this nature is generally handled in-house.  
 Q4&7. Further costs of this sort may arise due to ongoing pressure of work, time demands and internal resource limitations.

**(2) Barrhead High School Comments as for 2013/14**

- Q1. The matter involved Court of Session litigation and engagement of Counsel so the work required to be outsourced as internal service has no rights of audience in Court of Session.  
 Q2&3. Could not be done in-house.  
 Q4&7. Litigation now concluded so no further costs.

**(3) Newton Mearns Flood Prevention Group Judicial Review Comments as for 2013/14**

- Q1. The matter involved Court of Session litigation and engagement of Counsel so the work required to be outsourced as internal service has no rights of audience in Court of Session.  
 Q2&3. Could not be done in-house.  
 Q4&7. Litigation now concluded so no further costs.

**(4) Caveats Comments as for 2013/14**

- Q1. This is the lodging of Court of Session caveats by Edinburgh agents.  
 Q4&7. This is an annual process.

**(5) Bell Rock Parent Company**

- Q1-3. This related to St Ninians contractual issues (see 2013/14). The work was outsourced to the firm involved in the original preparation of PFI documentation for the school extension who retained intimate knowledge of contract provisions relevant to efficient handling of remediation issues. This was a more efficient use of resources than dealing with matter in-house.  
 Q4&7. Ongoing expenditure dependent on further issues arising connected to PFI documentation and internal capacity at that time.

**(6) Various Planning Advice**

- Q1. This centred on interpretation of the Development Contributions SPG regarding the general principle of taking contributions and thereafter on the implications/legitimacy etc of education contributions. Outsourced due to pressure of work on internal service at particular time.
- Q2. Pressure on in-house team was reason work was out-sourced.
- Q3. Work of this nature is generally handled in-house.
- Q4&7. Further costs of this sort (i.e. various advice) may arise in future due to ongoing pressure of work, time demands and internal resource limitations

		<b>TOTAL</b>	<b>£127,119</b>
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## CORPORATE AND COMMUNITY SERVICES DEPARTMENT 2014/15

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>ODS Services Ltd</b>	<b>Training and Support on Using Improvement Science /Model for Improvement to Deliver SOA Workstreams</b>	April 2014 – March 2015	£22,591
<p>Q1. The council identified that it needed additional capacity to roll-out the Model for Improvement across the CPP. ODS met the requirements of the tender.</p> <p>Q2. The work could not be done in-house. This exercise was a skills transfer as we seek to increase the number of staff who understand and can use the model.</p> <p>Q3. The work was done in-house previously, however the skills are highly sought after and the previously trained staff had moved on.</p> <p>Q4. There may be spend on this issue over the next two financial years. This is dependent on department requirements for support and the skill-base and turnover of staff.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This is on-going work to embed the Model for Improvement into the CPP and council.</p>			
<b>Solace Enterprises</b>	<b>Review of Operation and Support of Community Planning (Part of Review of Scheme of Establishment for Community Planning)</b>	April 2014 – October 2014	£9,588
<p><i>See 2013/14 also</i></p> <p>Q1. We wanted to bring in an independent, un-impeachable individual to review the operation of community councils and the support that the council provided.</p> <p>Q2. The point of this exercise was for an experienced, external individual to make an objective assessment and make recommendations (i.e. a critical friend).</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure on this will increase in future. This was for a specific piece of work.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was considered one off expenditure</p>			

<b>Axiom Market Research &amp; Consultancy</b>	<b>Telephone and Research Services for Mapping of Community Groups (Required for Community Learning and Development Strategy)</b>	April 2014 – September 2014	£4,683
The feedback was that this was not consultancy work. It was a contracted piece of work designed by council to meet legislative requirements.			
<b>ODS Services Ltd</b>	<b>Research: Community Assets and Equality in Relation to Securing 2 Equalities Groups in East Renfrewshire as Part of Council’s Equality Duties (Diversity ER and ERDA)</b>	April 2014 – March 2015	£5,000
<p>Q1. Consultants were necessary for this project to pilot the application of the relatively new concept of “Appreciating Assets” to community development for equality groups. This required, among others, drawing on practice elsewhere, an independent mediator and facilitator between equality groups and the council; and expertise in CLD. This was linked to a 3 year fixed cost work started in 2013-14.</p> <p>Q2. Aspects of the work being done in-house have included identifying relevant officers, elected members and community representatives for interviewing and consultation sessions facilitated by the Consultants; ongoing support to equality community groups to explain new concepts; and undertaking follow-up actions, such as completing unfinished tasks.</p> <p>Q3. Appreciating Assets is a relatively new concept which required external expertise.</p> <p>Q4. The expenditure was fixed and is not likely to increase in the future.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure linked to a 3 year fixed cost programme.</p>			

<b>Castlerigg Consulting Ltd</b>	<b>Consultancy Support for Development of Future Council Change Programme</b>	April 2014 – September 2014	£29,000
<p>Q1. This was considered necessary to engage with CMT and each Director independently to agree a mandate for future transformation and change with clearly defined outcomes and benefits. The engagement of consultants was mainly to obtain an <u>independent</u> assessment of the critical strengths and weaknesses with the council's current and past approaches to change and transformation, including the delivery of financial benefits and to challenge and inspire the council on the 'art of the possible' with regard to future opportunities for transformation and change.</p> <p>Q2. The consultants engaged significantly with the (then) Head of Customer &amp; Business Change Services and Programme Management Office who were integral to the conclusions, however the element of independent, objective challenge was sought and could only be obtained by using external people. The consultants also brought much needed capacity to undertaking the level of engagement that was required right across the council.</p> <p>Q3. Not applicable.</p> <p>Q4. A corporate resources contract is currently out to tender to allow the council the flexibility to draw down additional support for the change programme. This covers the areas of ICT, HR and change. This will help the council to deliver on the pace and scale of change required to modernise the council and meet budget challenges and will augment existing capacity and skills where required.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. This work was not directly linked to a single spend to save initiative, but was critical to delivery of the council's future change programme which contributes essential financial savings.</p> <p>Q7. This was a one off expenditure.</p>			
		<b>TOTAL</b>	<b>£70,862</b>

## EDUCATION DEPARTMENT 2014/15

Name & Designation of Individual Advisor or Consultant; or Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
Coyle Education	(1) Investigating Practicalities of Operating 3 Double Periods for S6 Pupils	December 2014	£5,277
	(2) School Timetabling	January 2015	£6,330
	(3) Completion of Secondary School Timetabling	March 2015	£3,528
<p>Q1. For 3 issues above are all inter-related to school structures and associated timetabling. It concerned the department responding to feedback from teachers to provide more upper school classes with larger continuous blocks of learning and teaching time which necessitated a feasibility study of each schools' timetable. As for the 2013/14 response, the above consultant was approached which provides unique expertise to head teachers of our secondary schools to compile their individual school timetables based on each school's curricular pathways for meeting their pupils' needs. The development works is seasonal and required over the same intensive timeframe in all schools each year. It demands a high level of expertise and knowledge of education in East Renfrewshire.</p> <p>Q2. An officer from the department works closely with this supplier and the schools to build in-house skills and knowledge. However due to the high level of experience and in-depth understanding required and capacity constraints there continues to be key aspects where this external support is required. This service is highly valued by head teachers who recognise its importance in significantly contributing to the outstanding performance levels of schools.</p> <p>Q3. A number of years ago the individual worked in the authority before retiring from post. His expertise was developed over his many years in this educational field which latterly was in the council and is recognised nationally.</p> <p>Q4. This is considered a cost effective and efficient method of providing such a quality service for schools.</p> <p>Q5. A number of years ago the individual worked in the authority before retiring.</p> <p>Q6. Although not specifically linked to spend to save, this is such and is best value.</p> <p>Q7. This service is required annually for schools and the department has improved in-house experience by working closely and developing tools based on the methodology used. The department will continue to explore options to further improve in-house expertise within the context of remaining available resources.</p>			

<b>William Clark</b>	<b>Work Associated with Joint Schools Faith Campus Consultation</b>	November 2014	£2,403
<p>Q1. This related to the pupil consultation element of the statutory education consultation for the new Faith Schools Joint Campus. Such consultation is considered a specialist piece of work requiring both an understanding of the legislation and the workings of the local authority and the ability to engage effectively with pupils across the primary and secondary sector.</p> <p>Q2&amp;3. Guidance strongly advocates use of independent, experienced parties to carry out this exercise. This supplier has the necessary skills, abilities and experience, particularly in the secondary sector, to assist in this task, having previously worked with school managers and pupils.</p> <p>Q4&amp;7. It may be necessary to engage this consultant when undertaking future statutory education consultations to evidence this task is being carried out independently.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p>			
<b>Ellen McBride</b>	<p>(1) <b>Work Associated with Joint Schools Faith Campus Consultation</b></p> <p>(2) <b>NQT Training – Interview Skills</b></p>	November 2014	£2,132
<p>(1) <b><u>Work Associated with Joint Schools Faith Campus Consultation</u></b></p> <p>Q1. This work related to the pupil consultation element of the statutory education consultation for the new Faith Schools Joint Campus. Such consultation is considered a specialist piece of work requiring both an understanding of the legislation and the workings of the local authority and the ability to engage effectively with pupils across the primary and secondary sector.</p> <p>Q2. Guidance strongly advocates use of independent, experienced parties to carry out this exercise. This supplier has the necessary skills, abilities and experience, particularly in the primary sector, to assist in this task, having previously worked with school managers and pupils.</p> <p>Q4&amp;7. It may be necessary to engage this consultant when undertaking future statutory education consultations to evidence this task is being carried out independently.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p>			

<b>(2) <u>NQT Training – Interview Skills</u></b>			
<p>Q1-3. The engagement of this consultant was necessary due to a lack of in-house capacity and expertise at that time.. Lack of in-house capacity was one reason provided for this work being done.</p> <p>Q4&amp;6 Going forward, a new model of in-house delivery is being developed.</p> <p>&amp;7.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p>			
<b>Hilda De Felice</b>	<b>NQT Training – Motivating Yourself</b>	3 & 5 June 2014	£1,200
<p>Q1-3. The engagement of this consultant was necessary due to a lack of in-house capacity at that time. Lack of in-house capacity at that time was reason provided for this work being done..</p> <p>Q5. A number of years ago the individual worked in the authority before retiring from post.</p>			
<b>Stuart Allison</b>	<b>Science Review Questionnaires</b>	January 2015 (3 Days)	£750
<p>Q1. The development of these questionnaires was part of early preparatory work in advance of a wider review of the learning and teaching of science across East Renfrewshire’s schools. This work requires a detailed knowledge and understanding of East Renfrewshire’s recent science improvement programme, the local schools and catchment areas as well as teaching staff. Knowledge of the national perspective and future direction of science in relation to the continuing implementation of Curriculum for Excellence is also essential. The above consultant had the necessary skills, abilities &amp; experience to assist in this task and was available to meet the timescale required.</p> <p>Q2-4. Whilst there was insufficient expertise and capacity in-house to undertake this task at that time, the department is seeking to improve</p> <p>&amp;7 in-house knowledge/expertise in this area.</p> <p>Q5. This individual worked for the authority before retiring from post.</p>			



<b>Bob Tennent</b>	<b>Bespoke Services Related to Teaching Staff Analysis of East Renfrewshire Primary and Secondary Schools. Consultancy on Curriculum Structures to Support Developing the Young Workforce Recommendations.</b>	Various dates - November 2014 - March 2015	£14,080
<p>Q1. There was a need to examine teacher staff usage within primary and secondary schools. This looked at the entitlement of the current model and actual operations within establishments, considered efficiencies and will be used to inform future wider redesign. To undertake this work required detailed knowledge and understanding of East Renfrewshire's management, curriculum and pupil support structures and staffing arrangements, in addition to high analytical skills. At the same time it was necessary to consider the implications of the national Developing the Young Workforce recommendations in terms of the existing curricular structures within our schools.</p> <p>Q2&amp;3. This one-off work required to be completed within a relatively short timeframe and there was no in-house capacity to do so. The above consultant has the necessary skills, abilities &amp; experience to assist in this task and was available to meet the timescale required.</p> <p>Q4&amp;7. Consultant support is unlikely to be incurred in future years for this one off task; however the use of the skills set of the supplier may be used in future should best value be demonstrated to meet the needs of schools.</p> <p>Q5. This individual worked for the authority before retiring from post.</p>			
<b>Daniel McGinty</b>	<b>Flexible Routes to Headship Training</b>	1 day – September 2014	£350
<p>Q1-3. The engagement of this consultant was necessary due to a lack of in-house capacity and expertise at that time.</p> <p>Q4&amp;6. A new national model is being developed to support those aspiring to be Head Teachers.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q7. It is unlikely that consultant expenditure on this issue will be incurred in the future.</p>			

<b>Clearwater Brooks</b>	<b>NQT Training – Facilitating Feedback</b>	29 April and 1 May 2014	£1,300
<p>Q1-3. The engagement of this consultant was necessary due to a lack of in-house capacity and expertise at that time.  Q4,6 It is unlikely that further consultant expenditure on this issue will be incurred going forward as an in-house model of delivery is being &amp;7 developed.  Q5. Not done by someone who had previously left the council's employment.</p>			
<b>Hub West Scotland (Turner &amp; Townsend)</b>	<b>Structural Survey – Eastwood Leisure Centre</b>	May and June 2014	£1,150
<p><i>Comments as for 2013/14. This relates to further costs incurred early in the 2014/15 financial year but related to the original work commissioned in February/March 2014</i></p> <p>Q1-3. This work was procured externally, based on advice from colleagues in Property and Technical Services, due to the specific technical expertise required.  Q5. Not done by someone who had previously left the council's employment.</p>			
		<b>TOTAL</b>	<b>£39,750</b>

## COMMUNITY HEALTH AND CARE PARTNERSHIP 2014/15

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>KPMG LLP</b>	<b>Business Case Review for Bonnyton House Care Home</b>	5-13 February 2015	£4,860
<p>Q1. There was considerable family and staff opposition to the proposal to sell Bonnyton House and related publicity in the local press, questioning the council's decision. We felt it was important that we could show the council's financial analysis about Bonnyton had been reviewed by an independent body.</p> <p>Q2-3. It was important to show that an independent body had reviewed the council's analysis. All the initial financial analysis was carried out by council and HSCP staff.</p> <p>Q4. It is considered likely that expenditure will rise because further detailed analysis will be required.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure is not linked to any spend to save initiative.</p> <p>Q7. Work is limited to the analysis of Bonnyton and that required to achieve council savings. Expenditure will not be recurring, but the costs will increase on a one-off basis.</p>			
<b>Louise Close Ltd</b>	<b>Consultancy Service for Self-Directed Support Care Home Pilot</b>	January /February 2015	£907
<p>Q1. It was proposed to Government that a 'critical friend' relationship with a known party would support the development of the learning as set out in the approved submission to Government.</p> <p>Q2. The work could not be done in-house. Using the skills and approach of this known party was deemed the most appropriate approach to providing the learning and development input to the programme. It was felt essential to have a person with considerable experience of working on change programmes within the sphere of social care.</p> <p>Q3. Not applicable.</p> <p>Q4. The role of the consultant has been scoped and agreed and is not likely to change from the approved budget plan.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure is not linked to any spend to save initiative.</p> <p>Q7. The expenditure is recurring over the term of the funding with Scottish Government Ministers.</p>			
<b>TOTAL</b>			<b>£5,767</b>

## ENVIRONMENT DEPARTMENT 2014/15

Name & Designation of Individual Advisor or Consultant; <u>or</u> Name of Company or Organisation	Nature of Service Provided	Period of Time the Consultant, Advisor, Company or Organisation was Employed	Total Cost of Service Provided (Excl VAT)
<b>Architrail Ltd</b>	<b>Project Supervision Whitelee Mountain Bike Trails Project</b>	April to May 2014	£9,825
<p>Q1. This was the building of the Mountain Bike Facility at Whitelee Windfarm. Project supervision was required as there was no experience of constructing such a facility in-house. This is the continuation of the 2013/14 project.</p> <p>Q2. Specialist experience was required so this work could not be done in-house.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure (project now complete).</p>			
<b>Capita Symonds Ltd.</b>	<b>CDM Co-ordination Role Whitelee Mountain Bike Trails Project</b>	April to May 2014	£1,591
<p>Q1. This was linked to the building of the Mountain Bike Facility at Whitelee Windfarm. The CDM co-ordinator was required as there was no experience of constructing such a facility in-house. This was the continuation of the project from 2013/14.</p> <p>Q2. Regarding the prospect of this work being done in-house, it would not have been appropriate to have an officer on site as a CDM co-ordinator for a 12 week build period. That would have required someone to back fill that officer's post which would have been more costly than that charged. The officer was also acting as the client.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure (project now complete).</p>			

<b>Dougall Baillie Associates</b>	<b>Transport Appraisal &amp; Access Solutions</b>	April to October 2014 * (Education Department Contribution £4,350)	£10,000 *
<p>Q1. This relates to the Waterfoot Road Faith Campus project required for the Maidenhill Development to be effective and promoted through the Local Development Plan (LDP). The Transport Appraisal looked at the impact of the proposal and the access options.</p> <p>Q2. This could have been done internally, but there were capacity issues at that time in the Roads Service. The Roads Service assisted with the brief.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			
<b>City of Play</b>	<b>Play Provision for Barrhead</b>	October 2014	£950
<p>Q1. This was a small piece of work looking at the potential for designs and feasibility for Natural Play proposals for Barrhead South.</p> <p>Q2. This was specialist work that could not be done in-house.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			

<b>Biggar Economics Ltd.</b>	<b>Economic Development Consultation</b>	May to August 2014	£2,000
<p>Q1. Biggar Consultants are economic appraisal specialists and have been appointed on several occasions to assist with, in particular, the business cases for City Deal projects.</p> <p>Q2. There was no in-house expertise for economic impact appraisals.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. The company may bid again for work when new business plans are being developed or revised, as and when required. There is no likely increase in expenditure though.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. There may be future expenditure at the same level as explained above (a maximum of once or twice per year).</p>			
<b>Biggar Economics Ltd.</b>	<b>Consultancy on Social Economics Impact</b>	September to November 2014	£2,400
<p>Q1. Biggar Consultants are economic appraisal specialists, and have been appointed on several occasions to assist with, in particular, the business cases for City Deal projects</p> <p>Q2. There was no in-house expertise for this.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. The company may bid again for work when new business plans are being developed or revised, as and when required. There is no likely increase in expenditure though.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. There may be future expenditure at the same level as explained above (a maximum of once or twice per year).</p>			

<b>WSP UK Ltd.</b>	<b>Transport Appraisal / Assessment – Newford Grove</b>	June 2014 to February 2015	£7,827
<p>Q1. The impact on local traffic numbers, behaviour, management, etc. was required as relevant input into the necessary road safety, parking and other measures required by the design of the proposed new build Family Centre and Nursery at this location.</p> <p>Q2. The relevant expertise was not available using in-house resources and the need to access professional advice with no bias was also considered important.</p> <p>Q3. To the best of knowledge, the work was not done in-house previously.</p> <p>Q4. A refresh of the report to consider the merits of an alternative access to the site was undertaken (it is understood that this was in addition to the above amount but, without ledger information, that cannot be said for certain). No further expenditure is expected at this point but the project has still to receive planning permission.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative. The assessment was carried out in connection with a series of other data-collection activities to inform planned capital expenditure.</p> <p>Q7. This was originally considered one-off expenditure but planning refusal led to the need for more detailed consideration of alternative access which, in turn, led to the refreshing of report. As planning permission has yet to be gained, it is impossible to say at this stage whether further expenditure will be incurred.</p>			
<b>Active Maps Ltd.</b>	<b>East Renfrewshire Cycle Maps</b>	March 2015	£2,725
<p>Q1. This was to produce detailed cycle maps for the council area in relation to active travel.</p> <p>Q2. The level of mapping work required and constraints placed on the council by external funding partners meant that doing this in-house was not feasible.</p> <p>Q3. This has not been done in-house before; it was a bespoke project.</p> <p>Q4. A similar project may be carried out in future, but at this time there are no firm plans to do so and any plans would require external funding.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure, but we would consider using the same supplier if we had a similar project.</p>			

<b>PMR Leisure</b>	<b>Consultancy Services for Balgray Watersports</b>	May to September 2014	£5,108
<p>Q1. This was in relation to a feasibility study to determine if a wakepark was feasible at Balgray Reservoir. PMR Leisure are experts in the wakepark field and advised on governance/operational arrangements on the basis of a social enterprise model.</p> <p>Q2. This was specialist work that could not be done in-house.</p> <p>Q3. This has not been done in-house before.</p> <p>Q4. It is likely that expenditure will increase in future. The wakepark at Balgray Reservoir is an ongoing project and further specialist work will be required.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was initial feasibility. More work will be required.</p>			
<b>Anderson Bell Christie</b>	<b>Master Plan Maidenhill / Malletsheugh</b>	May to October 2014	£26,000
<p>Q1. Anderson Bell Christie were employed to facilitate the Maidenhill Masterplan and discuss and co-ordinate the infrastructure requirements of the different parties and developers.</p> <p>Q2. It was possible for this work to be carried out by internal staff, but there were capacity issues within the Planning Service at that time due to the ongoing LDP process. Anderson Bell Christie also brought external expertise as an architecture practice which was beneficial.</p> <p>Q3. Not done in-house previously.</p> <p>Q4. Is it not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			



<b>WSP UK Ltd.</b>	<b>Traffic Impact Analysis – Barrhead North</b>	September 2014 to February 2015	£5,950
<p>Q1. This relates to the Barrhead North Masterplan for development at Glasgow Road and Shanks promoted through the LDP process. The work was to consider the improvements required to facilitate development and minimise impact on existing network.</p> <p>Q2. It was possible for the work to be carried out by internal staff, but there were capacity issues in Roads at that time. Roads Service assisted with the brief.</p> <p>Q3. Work not done in-house previously.</p> <p>Q4. Not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			
<b>Roderick MacLean Associates Ltd.</b>	<b>Barrhead Retail Capacity Assessment</b>	July to November 2014	£2,470
<p>Q1. This piece of work was carried out to consider the retail capacity within Barrhead and to consider if the Glasgow Road site could accommodate small scale retail development without adversely impacting on Barrhead Town Centre. This informed the Masterplan for Barrhead North promoted through the LDP.</p> <p>Q2. This was specialist work that could not be done in-house.</p> <p>Q3. Work not done in-house previously.</p> <p>Q4. It is not considered likely that the expenditure will increase in future.</p> <p>Q5. Not done by someone who had previously left the council’s employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. This was one off expenditure.</p>			

<b>Anderson Bell Christie</b>	<b>D2D Watersport Centre Design &amp; Cost Feasibility</b>	May 2014 to March 2015	£5,350
<p>Q1. This was a study into the physical and infrastructure requirements in terms of the feasibility of creating a Wakepark Facility at Balgray Reservoir and what the potential costs would be to help design and plan for the development.</p> <p>Q2. This was specialist work that could not be done in-house.</p> <p>Q3. The work was not done in-house previously.</p> <p>Q4. Expenditure could rise in future. The project is still in a development phase.</p> <p>Q5. Not done by someone who had previously left the council's employment.</p> <p>Q6. Expenditure not linked to any spend to save initiative.</p> <p>Q7. There is a possibility of additional expenditure in 2015/16.</p>			
		<b>TOTAL</b>	<b>£82,196</b>

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE24 JANUARY 2019Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 1/10/18 TO 31/12/18**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2018/19.

**BACKGROUND**

2. The work performed by Internal Audit is based on a rolling 5-year strategic plan, which is revised annually to take into account changes in circumstances. This report is provided to allow members to monitor the activities of Internal Audit and to oversee actions taken by management in response to audit recommendations.

**AUDIT PLAN 2018/19 - PROGRESS REPORT 1/10/18 to 31/12/18**

3. A copy of the annual audit plan for 2018/19 is shown in appendix 1. A total of 15 audit reports relating to planned 2018/19 audit work have been issued in the quarter as shown in appendix 2. Management responses for two of the audit reports issued during the quarter have yet to be received as the due date has not yet passed. All audit responses received in the quarter have been deemed satisfactory. Responses are deemed to be satisfactory if all recommendations are accepted for implementation by management and where any recommendation is not accepted, a satisfactory reason is given. Recommendations made which were not accepted by management are detailed in appendix 3. In addition, the quarterly performance indicators for the section are shown in appendix 4.
4. Three requests for assistance or queries were dealt with using contingency time during the quarter. One of these was assistance in verifying the figures submitted within the Climate Change Report for the Environment Department, one is ongoing and relates to a query raised in relation to the tendering process and the third related to missing cash (estimated £183) and an apple tv box.

**RECOMMENDATION**

5. The Committee is asked to
  - (a) note Internal Audit's progress report for the quarter ended 31 December 2018.
  - (b) confirm whether they wish any of the reports issued in the quarter as detailed in appendix 3 to be circulated to audit and scrutiny committee members or submitted to a future meeting for more detailed consideration.

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

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**EAST RENFREWSHIRE COUNCIL**  
**Internal Audit Section**  
**ANNUAL AUDIT PLAN FOR 2018/19 PROGRESS REPORT as at 31 December 2018**

<b>Department</b>	<b>Title</b>	<b>Audit Number</b>	<b>No. of days</b>	<b>Status</b>
Chief Executives	<b>VAT</b>	1	12	Complete
Corporate & Community	Council Tax – reductions and liability	2	24	In progress
	<b>Creditor Payments</b>	3	15	Complete
	<b>Debtors control</b>	4	10	Complete
	Housing Benefit/ Universal Credit	5	30	In progress
	Income Maximisation, money advice, welfare rights	6	30	
	<b>Insurance Arrangements</b>	7	8	Complete
	Members' Expenses	8	12	Complete
	Payroll	9	25	In progress
	Application controls – Payroll/HR	10	18	In progress
	Education	Parentpay	11	18
<b>Schools Cluster 1 – St Lukes</b>		12	32	Complete
Operation of Trust		13	15	
<b>Wraparound care</b>		14	35	Complete
Environment	Project management of capital projects	15	22	
	City Deal	16	15	
	Grant Certification	17	22	In progress
	<b>State Aid</b>	18	10	Complete
	PPP projects	19	15	In progress
	Vehicle Services	20	12	Complete
	Year end Stocktake	21	5	Complete
Housing	Housing Repairs	22	20	
HSCP	HSCP Health Care Centres and area offices – Barrhead Health and Care Centre	23	8	Complete
	<b>HSCP Emergency payments (sect 22 &amp; 12)</b>	24	8	Complete
	HSCP Self Directed Support Charges	25	20	In progress
	<b>Home Care Services</b>	26	22	Complete
	IJB	27	20	
Trust	<b>Community and Leisure Limited</b>	28	20	Complete
Other	NFI	29	5	
Various	<b>Application controls – ICON cash receipting</b>	30	18	Complete
	<b>Contract 1– Community Benefits</b>	31	8	Complete
	Contract 2 – Quick Quotes	31	12	In progress
	Mobile phones	32	15	In progress
	Fraud Contingency	33	70	Ongoing
	General Contingency	34	30	Ongoing
	<b>LG Benchmarking Framework payment of invoices</b>	35	5	Complete
	LG Benchmarking Framework equal opportunities	35	5	Complete
	Follow up	36	50	In progress
	Previous year audits	37	20	Complete
<b>Total</b>			<b>741</b>	

**Note – Audit reports issued in the quarter are shown in bold**

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**INTERNAL AUDIT (as at 31 December 2018)**  
**REPORTS AND MEMOS ISSUED 2018/19**

FILE REF	Audit No.	SUBJECT	Department	DATE AUDIT STARTED	DATE REPORT/ MEMO SENT	DATE REPLY DUE	DATE REPLY REC	COMMENTS	Total	H	M	L	E	Not accepted
MB/1051/EL	21	Year End Stock Take	Environment	17/03/18	01/05/18	N/A	N/A	No Recommendations	-	-	-	-	-	-
MB/1052/NS	28	Trust	Trust	09/04/18	30/04/18	01/06/18	25/06/18	Trust						
MB/1053/NS	23	Barrhead HCC	HSCP	10/04/18	07/06/18	13/07/18	10/07/18	Satisfactory	5	1	1	3	-	-
MB/1054/NS	8	Members' Expenses	Corp & Comm	26/04/18	23/05/18	N/A	N/A	No Recommendations	-	-	-	-	-	-
MB/1055/RM	28	Trust	Trust	30/04/18	30/08/18	05/10/18	9/10/18	Trust						
			Environment		11/10/18	17/11/18	07/11/18	Satisfactory						
MB/1056/FM	1	VAT	Accountancy	03/05/18	2/10/18	9/11/18	12/10/18	Satisfactory	5	-	-	5	-	-
			Corp & Comm				08/11/18	Satisfactory						
			HSCP				14/11/18	Satisfactory						
MB/1057/RM	36	HSCP Follow Up	HSCP	03/05/18	15/08/18	25/09/18	5/10/18	Satisfactory 1 point not accepted	18	-	5	13	-	1
			Corp & Comm				30/08/18	Satisfactory						
MB/1058/NS	36	Corp & Comm Follow Up	Corp & Comm	11/05/18	02/08/18	07/09/18	06/09/18	Satisfactory	12	-	4	8	-	-
			HSCP				3/10/18	Satisfactory						
MB/1059/NS	12	<b>Schools Cluster 1 – St Lukes</b>	Education	18/05/18	12/10/18	23/11/18	23/11/18	Satisfactory	38	-	22	16	-	-
MB/1060/EL	26	<b>Homecare Services</b>	HSCP	01/06/18	11/10/18	23/11/18	05/12/18	Satisfactory	17	1	9	7	-	-
			Corporate & Comm				19/11/18	Satisfactory						
MB/1061/EL	36	Environment Follow Up	Environment	01/06/18	06/07/18	10/08/18	04/09/18	Ext 17/08/18 Reminder 28/08 Satisfactory 1 point not accepted and long implementation dates for two noted.	8	4	1	3	-	1
MB/1062/FM	20	Vehicle Services	Environment	07/06/18	06/09/18	12/10/18	08/10/18	Satisfactory 1 point not accepted	11	-	8	3	-	1
MB/1063/RM	18	<b>State Aid</b>	Environment	11/06/18	1/11/18	7/12/18	26/11/18	Satisfactory	12	-	3	9	-	-
			Corp & Comm				14/11/18	Satisfactory						
MB/1064/MB	17	<b>SPT grant 2016/17</b>	Environment	25/06/18	18/10/18	N/A	N/A	No response required	-	-	-	-	-	-
MB/1065/FM	3	<b>Creditor Payments</b>	Corp & Comm	12/07/18	29/11/18	11/01/19	10/01/19	Satisfactory	5	-	1	4	-	-
			Accountancy				29/11/18	Satisfactory						





## SUMMARY OF REPORTS ISSUED IN QUARTER ENDED 31 DECEMBER 2018

### 1. MB/1056/FM VAT

The objectives of the audit were to ensure that:

- Responsibility for the preparation and authorisation of VAT returns is clearly defined and procedures are in place if the usual responsible officers are absent
- VAT returns are submitted timeously and are complete and accurate
- There is adequate recovery of input VAT and output VAT is properly recorded at source
- Transactions follow a defined path through systems to declaration in the VAT return
- Input VAT is not reclaimed when the Council pays legal fees for other parties
- VAT on lock-up garages is appropriately recorded and declared
- Authenticated receipts are received from contractors for all payments
- All pro-forma payments are supported by an appropriate VAT receipt

Testing showed that there are clearly defined procedures and these are followed in the preparation of the VAT return. All VAT returns in 2017/18 were submitted late but as there was no VAT due to be paid, no surcharges were levied by HMRC.

Customer First staff should ensure that receipts of income are processed correctly, taking account of VAT where applicable. Testing indicated that mistakes are still being made even though this was raised in the previous VAT audit.

Five recommendations were made, all were classified as low risk. All recommendations were accepted by management.

### 2. MB/1059/NS ST LUKES SCHOOL CLUSTER

The objectives of the audit were to ensure that:

- school/toy funds are operated in accordance with education guidance standard circular 23
- petty cash is operated in accordance with council procedures
- purchases are procured in accordance with council procedures
- the Home Economics Account (St Luke's High only) is properly operated
- access to system, virements and budgetary control are operated in accordance with Devolved Schools Management (DSM) procedures
- risk registers are in place and have been updated recently
- school admission checks are carried out in accordance with Council policy

There are eight establishments within this school cluster. Whilst 38 recommendations were made in total, (no high risks, 22 medium risks and 16 low risks) there is some repetition with the same recommendation being made at multiple locations. All recommendations were accepted by management.

Most objectives were being met and records held at the establishments visited were found to be up to date and maintained in an appropriate format to allow samples to be easily traced to the supporting records. Almost all of the recommendations within the report related to the school fund or toy funds.

However, it was noted that there is scope for improvement in the management of funds held at the establishments as four of the eight establishments visited did not have properly constituted school fund committees to oversee the operation of the funds. There was also a general lack of appropriate reconciliations of bank and cash balances. The bank signatories at four of the establishments also required to be updated and in some cases the number of signatories left in the establishment

increases the risk of the account not being able to be accessed.

### 3. MB/1060/EL HOMECARE

The objectives of the audit were to ensure that:

- Adequate records are maintained to allow the proper control of billing
- The correct charges are being applied in relation to the service provided
- All clients who are charged actually receive a service
- All clients who are receiving a service are being charged unless there is a legitimate reason for not charging
- Accounts issued are in respect of consecutive periods
- Information passed to clients on the service to be provided is clear and accurate
- Staff are paid accurately according to the hours they work (including overtime)
- Agency workers are paid only the hours they actually work
- The procedures for using the Call Confirm Live system is documented and access is appropriately controlled
- Data entry to the Call Confirm Live system is validated and accurate and outputs are controlled
- Contracted care providers supply the service required when needed and this is monitored and reviewed
- Charges paid to service providers are monitored
- Process of engaging care providers within the framework is appropriate and controlled
- Capacity monitoring takes place regularly to ensure there are resources to provide the services required.

There are issues regarding clients who are receiving a service who could potentially be charged and have not been however the team are already addressing this and working on a report currently. It is acknowledged however that there are pending legislative changes due to come into force in April 2019 which will impact on charges which can be raised.

The homecare service is generally well organised in terms of the service being provided and that the new Call Confirm Live System is improving management of staff and clients whilst easing the administrative workload, however little action has been taken to address the issues raised in the previous audit report relating to charging for services where appropriate.

No testing was carried out on capacity monitoring as officers were unable to provide evidence of this however the Locality Intensive Services Manager confirmed that the capacity within the service and external market is struggling to have sufficient resource to meet service demands and is under constant review.

Seventeen recommendations were made, of which 1 was classified as high risk, 9 as medium risk and 7 as low risk. All recommendations were accepted by management.

**The high and medium risk recommendations are reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	Priority should be given to ensuring that all homecare clients receiving a non-personal care chargeable service are being charged as appropriate to maximise income due to the Council.	H	Yes	Following review of services which will commence January 2019 only personal care services will be supported by the in-house service therefore no charges will be	Localities Intensive Services Manager	March 2019

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
				applicable to any homecare clients. On this basis it would not be appropriate to undertake any pending assessments.		
4.2.1	Financial re-assessments should be carried out immediately for all service users for whom a charge is raised to confirm the charges raised continue to be accurate.	M	Yes	As all personal care services for adults will be free from April 2019 no further financial assessments will be required for home care clients. In order to ensure consistency and equity across the service from January 2019 no service user will be charged for personal care services.	Localities Intensive Services Manager	January 2019
4.2.2	Financial assessments should be carried out annually for all service users receiving a non-personal care service to ensure that they are being charged in line with council policy. Service users can refuse assessment in which case tariff rates should be removed and the full charge should be raised.	M	Yes	As 4.1.1 above for home care. Any other non-personal care support will be considered as part of the HSCP individual budget contribution.	Client Finance Manager	April 2019
4.2.4	Appropriate paperwork should be filed for each client to evidence correspondence sent and any assessments carried out. Evidence of homecare assessment should be held for all service users.	M	Yes	Please see 4.2.2		
4.2.5	Service users charged the tariff rates should have their charge aligned annually with the uprated tariff rates.	M	Yes	Please see 4.2.2		
4.3.2	The employee who has been overpaid the 15% allowance as notified to HR should have this amended and the correct rate paid for future payments.	M	Yes	The allowance has been corrected.	Kath McCormack	23/11/18
4.4.1	Call up paperwork should be held on file for all clients.	M	Yes		Localities Intensive Services Manager	Completed
4.6.1	The risk assessment for testing using live data should be carried out.	M	Yes	We will carry out the risk assessment	Information Systems Manager	April 2019
4.6.2	Consideration should be given to anonymising data to facilitate testing.	M	Yes	We will work with the system provider to facilitate testing	Information Systems Manager	April 2019
4.9.1	Financial penalties should be applied in accordance with	M	Yes	Any decision regarding suspending or	Intensive	February

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
	the framework agreement or the decision not to impose financial penalties on private providers should be re-considered and formally documented and approved.			not imposing financial penalties in accordance with the framework agreement will be presented to DMT to request formal approval	Services Manager	2019

#### 4. MB/1063/RM STATE AID

The objectives of the audit were to ensure that:

- A communications plan has been developed for the dissemination of State Aid information including a link on the Council's intranet.
- Appropriate reference is being made within Cabinet/Council reports
- An annual State Aid return is submitted to Scottish Government State Aid Unit
- There is Council representation and attendance on the Scottish State Aid Local Authority Network
- Council contract standing orders and financial regulations contain explicit reference to State Aid
- A Council-wide grant aid register has been developed together with a process for addressing State Aid
- Defined departmental roles have been established
- State Aid training has been given to relevant staff
- Department of Business & Innovation State Aid manual is held and requirements are met.

Greater assurance should be obtained that all state aid expenditure is being captured. A more robust reporting process should be established to the State Aid Unit. Items in the audit sample taken from the State Aid return could not always be traced to supporting schedules. Not all control measures which are shown in the Council's strategic risk register are being adhered to and proposed measures have yet to be implemented.

Twelve recommendations were made, no high risks, 3 medium risks and 9 low risks. All recommendations were accepted by management.

**The medium risk recommendations are reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.4.1	All columns should be completed in the State Aid return template where applicable and a more robust reporting process should be established.	M	Yes		Michael McKernan	Next Return – July 19
4.4.2	All entries in the State Aid return should be able to be clearly identified in the supporting schedule and should indicate unit of measurement.	M	Yes		Michael McKernan	Next Return – July 19
4.6.1	The State Aid register should be developed and put in place.	M	Yes	Remit to the State Aid working group. Environment will develop an initial draft register.	Michael McKernan	Ongoing

**5. MB/1064/MB SPT GRANT 2016/17**

Two Strathclyde Passenger Transport (SPT) grants totalling £200k were reviewed and certified as required per the grant conditions. The projects reviewed related to Bus Infrastructure Improvements and Pedestrian and Cycling Improvements. All monies due to the Council from SPT in relation to these grants has been received in full. No recommendations were made.

**6. MB/1065/FM CREDITOR PAYMENTS**

The objectives of the audit were to ensure that:

- Invoices are properly checked and authorised prior to payment.
- Details on the creditors system agrees to the information per the purchase invoice.
- Purchase order forms are completed and authorised for purchases.
- Appropriate monitoring is carried out to highlight duplicate payments.
- BACS reports are received and checked prior to processing payment.
- Adequate records are maintained to show usage of local cheques.

The recommendations made in the previous creditors report MB/1023/RM issued during October 2017 were also followed-up during this audit.

Based on the work carried out, the creditors systems appear to be operating as expected and no significant control failings were identified.

Good progress had been made by the Creditors team in implementing previous recommendations made. The previous audit report contained 41 recommendations and it was confirmed that 37 of these recommendations had been fully implemented and the remaining four are in progress. It is noted that debtors accounts totalling approximately £33,000 raised to recover erroneous/duplicate payments remain outstanding.

Five recommendations were made, no high risks, 1 medium risk and 4 low risks. All recommendations were accepted by management.

**The medium risk recommendation is reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.2	Creditors should not process Request for Payment forms where the requester and the authorised signatory are recorded as being the same person.	M	Yes	The Creditors team will be reminded in a team meeting to ensure the correct checks are carried out prior to processing any Request for Payment.	Lorna Adams	Feb 2019

## 7. MB/1066/RM COMMUNITY BENEFITS

The objectives of the audit were to ensure that:

- There is evidence of consideration by departments of inclusion of community benefit clauses in contracts/quick quotes (QQ) in excess of threshold established by Contract Standing Orders (CSOs)
- Purchasing departments can justify not including community benefits in contracts or quick quotes in excess of the CSOs threshold
- Community benefits fit with ERC's strategic objectives
- Use of the community benefit clauses represents value for money/best value for the Council
- Community benefits are linked to the purpose of the contract
- Reference to the use of community benefits clauses are made clear from the outset of the procurement process and included in contract terms
- Where community benefit clauses are included in contracts, there is adequate monitoring to ensure that the benefit is delivered within the timeframe and in accordance with commitment
- The number of community benefits points allocated to a particular contract are commensurate with the contract and consistent
- Projects selected from points menu are sufficient to meet the points total allocated to the contract
- Where community benefits clauses are being included, a method statement has been provided by bidders as to how the benefits will be achieved.

The procedures and controls around community benefits require to be updated and strengthened and issued to appropriate officers throughout the Council. There is a lack of clarity and awareness as to who is responsible for monitoring compliance on the part of the contractor, partly due to the standard wording included in tender documents. The profile of community benefits should be raised generally. Method statements demonstrating how benefits will be delivered should be obtained from each bidder as part of their submission and better monitoring is required of delivery of the stated benefits from the successful contractor.

Thirteen recommendations were made, no high risks, 1 medium risk and 12 low risks. All recommendations were accepted by management except for two (both of which were classified as low).

**The medium risk recommendation is also reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	Tracker reports should contain further and fuller information demonstrating more clearly how the fulfilling of commitments are being progressed.	Medium	Yes	Existing tracker meetings will be backed up by fuller written reports. ERC has agreed to take part in a pilot of a new Glasgow City Region community benefits tracker system, Cenefits.	Lorna Wallace	Jan 2019

**8. MB/1069/NS TRUST FOLLOW UP**

This was an audit carried out on behalf of the East Renfrewshire Culture and Leisure Trust, therefore details are not provided here.

**9. MB/1070/NS LG BENCHMARKING FRAMEWORK – PAYMENT OF INVOICES**

The objectives of the audit were to ensure that the reported performance indicator which measures the percentage of invoices paid within 30 days was materially correct.

The original figure submitted for audit for 2017/18 of 91.5% was deemed inaccurate and this was subsequently revised to 83.3% which is considered to be materially accurate.

Six recommendations were made, all were classified as low risk. All recommendations made were accepted by management.

**10. MB/1071/NS APPLICATION CONTROLS – ICON CASH RECEIPTING**

The objectives of the audit were to ensure that:

- Each transaction is authorised, complete, accurate, timely and input once only;
- An appropriate level of control is maintained during processing to ensure completeness and accuracy of data;
- Controls ensure accuracy, completeness, confidentiality and timeliness of output reports and interfaces;
- A complete audit trail is maintained which allows an item to be traced from its final resting place, and a final result broken down into its constituent parts;
- Arrangements exist for creating back-up copies of data and programs, storing and retaining them securely and recovering applications in the event of failure.

The ICON system is a managed system that allows the council to accept card payments whilst meeting the requirements and standards of the payment card industry. Income appears to be appropriately accounted for and each of the objectives appear to be satisfactorily met within existing procedures.

Testing carried out during the audit showed that there are appropriate controls in place to limit access to the system and access which is granted is restricted to the areas of the system required to allow employees to carry out their duties. Access to the system is also subject to annual review by the Accountancy section.

Reconciliations of income are carried out across the different services using the system and there was also evidence to show that suspense accounts are regularly reviewed and income posted to the correct destination system.

Only one recommendation was made and this was classified as low risk. This was in relation to restoring back up data to ensure that the data is complete. The recommendation made was accepted by management.

**11. MB/1072/EL EDUCATION FOLLOW UP**

A full copy of this report and the response has been circulated to Audit and Scrutiny Committee Members.

A total of 23 recommendations were made in the reports being followed up. Follow-up checks carried out during the audit showed that good progress has been made in implementing recommendations previously made.

Three recommendations were made, all were classified as low risks. One of the recommendations was not accepted by management and this is shown below. It was in relation to the previous decision taken in 2006 to provide free school transport in excess of the statutory requirements. The response has been deemed acceptable.

It was also previously reported twice that catering at Eastwood and Barrhead offices continued to operate at a loss and whilst management have indicated to Audit that a review has been carried out, evidence of this has not yet been provided. The management response has now indicated that this will be provided to Audit by February 2019.

**The recommendation not accepted by management is reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.2.1	Provision of free school transport in excess of statutory requirement should be brought to the attention of current members for their consideration to revise or ratify the decision.	Low	No	There are no plans to change the policy. The department considers all budget lines when making savings proposals for the consideration of elected members. This matter will be drawn to elected members consideration as appropriate.	Education Leadership Team	N/A

**12. MB/1073/EL WRAPAROUND CARE**

The objectives of the audit were to ensure that:

- The charging policy is clearly defined and approved by cabinet
- Procedures are in place covering the provision of the service
- Pre-5 central records of children attending agree to actual attendance records at each establishment
- Appropriate procedures are followed for sale of available wrap at trial nurseries using parentpay
- Debtors checks are carried out on all new wrap clients
- Consistency in processing wraparound charges is maintained within each nursery
- Appropriate action is taken to address unpaid accounts
- Staff time is recorded and processed in a controlled manner

For private nurseries in partnership with the council the scope was to ensure:

- 3-5 funding is only paid for children who actually attend the partnership nursery
- Appropriate checks are carried out to ensure that children for whom 3-5 funding is paid are eligible for funding
- Sufficient guidance is issued to partnership nurseries to ensure consistency over all partners in claiming and use of funds.

Partnership nurseries are funded by the council for children attending aged between 3 and 5 and have been included in this review in terms of payments made and clarifying checks on nursery registers now carried out by the Early Years Development Officer.

Wraparound charges have changed over the last few years and processes have been tightened continually and generally seem to be operating well. The excel spreadsheet used in all nurseries to calculate monthly costs was checked and found to be used well and accurate in all cases included in the audit review.

Twelve recommendations were made, no high risks, 3 medium risks and 9 low risks. All recommendations were accepted by management.



One of the medium risk recommendations is in relation to reviewing the conditions of employment for wraparound employees as the service is mainly staffed using casual workers who have no contracted hours and are only paid for the hours that they work, with no holiday pay or leave entitlements. Many of these staff have been working as wraparound staff for several years and would perhaps be entitled to some employee rights.

The other two recommendations are in relation to communication and documentation of decisions made by the Pre-5 Resource Group (PRG) who are able to allocate free nursery places to children based on the child's needs. It is important that decisions made by this group are clearly communicated to the officers responsible for raising charges for nursery places to ensure that income due to the council can be accurately controlled.

**The medium risk recommendations are reproduced below with the management response.**

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
5.3.4	Education in consultation with HR and legal should carry out a review of the conditions of employment for wraparound staff to ensure that the council are acting appropriately and not exposing the council to potential future legal action.	M	Yes	HR are currently liaising directly with Pre-5 establishments to identify wraparound staff who may be entitled to redundancy / permanency.	HR	Ongoing
5.4.1	Output from the PRG system or an extract from the PRG minute should be provided to the Business Support Officer at each nursery where free places are being allocated to children.	M	Yes		Business Support Manager – Admin & Support (Mary Hart)	Nov-18
5.4.2	Records should be held and a clear audit trail in place to confirm PRG approval of each child who attends on a free place.	M	Yes	New database created	Business Support Manager – Admin & Support (Mary Hart)	Nov-18

### 13. MB/1075/NS INSURANCE ARRANGEMENTS

The objectives of the audit were to ensure that:

- Insurance cover is adequate to provide reimbursement for all possible losses to the Council
- Insurance is obtained at the lowest possible cost while providing adequate cover and reliability of the insurer
- Insurance cover is promptly adjusted to take account of any changes in circumstances
- Any qualifying losses are claimed promptly
- Successful claims against the Council are kept as low as possible

The objectives of the audit were generally being met and whilst eight recommendations were made, all were classified as low risk. A review of records held by the Insurance and Fraud Officer showed that information is being held between old manual records and information at work with a comprehensive record of all claims maintained via Figtree (Insurance Record System).

It was also noted that the Insurance and Fraud Officer is still receiving invoices directly from the supplier and carries out checks on these prior to passing them to creditors for payment along with a payment request form. This is not in accordance with current procedures and centralisation of invoices.

All recommendations were accepted by management except one which was classified as low.

**14. MB/1077/NS HSCP EMERGENCY PAYMENTS (SECT 12 AND 22)**

Target date not passed yet for management response. This will be provided to audit and scrutiny committee at a later date.

**15. MB/1080/NS DEBTORS CONTROL**

Target date not passed yet for management response. This will be provided to audit and scrutiny committee at a later date.

<b>Risk Ratings for Recommendations</b>	
<b>High</b>	<ul style="list-style-type: none"> <li>• Key controls absent, not being operated as designed or could be improved and could impact on the organisation as a whole.</li> <li>• Corrective action must be taken and should start immediately.</li> </ul>
<b>Medium</b>	<ul style="list-style-type: none"> <li>• There are areas of control weakness which may be individually significant controls but unlikely to affect the organisation as a whole.</li> <li>• Corrective action should be taken within a reasonable timescale.</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>• Area is generally well controlled or minor control improvements needed.</li> <li>• Lower level controls absent, not being operated as designed or could be improved</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>• These recommendations are made for the purposes of improving efficiency, digitalisation or reducing duplication of effort to separately identify them from recommendations which are more compliance based or good practice.</li> </ul>

**EAST RENFREWSHIRE COUNCIL**  
Internal Audit Section

**QUARTERLY PERFORMANCE INDICATORS**

<u>Internal Audit Indicators reported Quarterly</u>	Target (where applicable)	Quarter 3 Actual to 31/12/18	Cumulative to 31/12/18
<b>2. Audit Coverage.</b>			
2.2 Actual direct audit days as a percentage of total days available	75%	70%	75%
2.3 Number of requests for assistance/queries raised by departments outwith planned audit work.	-	3	8
2.4 Percentage of planned contingency time used.  (Days available exclude public holidays, annual leave and sickness absence)	<100%	10%	22%
<b>5. Issue of Reports.</b>			
5.1 Number of audit reports issued per quarter.	-	15	26
5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1)	12 weeks	14.6 weeks	11.9 weeks
5.3 Ave. time taken to issue report (working days). (Note 2)	10 working days	13.9 working days	12.5 working days

**Notes**

1. Average weeks calculated as working days divided by 5.
2. Working days excludes weekends, public holidays, annual leave and sickness absence.

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