

Corporate and Community Services Department

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Date: 18 September 2020

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

AUDIT AND SCRUTINY COMMITTEE

A meeting of the Audit and Scrutiny Committee will be held on **Thursday, 24 September 2020 at 2.00 pm.**

The agenda of business is as listed below.

Please note this is a virtual meeting.

CAROLINE INNES

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DEPUTY CHIEF EXECUTIVE

AGENDA

1. **Report apologies for absence.**
2. **Declarations of interest.**
3. **Chair's Report.**
4. **Managing Absence Annual Report – Report by Deputy Chief Executive (copy attached, pages 3 - 8).**
5. **Summary of Early Retirement/Redundancy Costs to 31 March 2020 – Report by Deputy Chief Executive (copy attached, pages 9 - 12).**
6. **National External Audit Report – Impact of September 2017 Audit on Equal Pay in Scottish Councils – Report by Clerk (copy attached, pages 13 - 20).**

7. **National Fraud Initiative – Report by Head of Communities, Revenues and Change (copy attached, pages 21 - 24).**
8. **Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20 – Report by Chief Executive (copy attached, pages 25 - 30).**
9. **Strategic Risk Register and Risk Management Progress – Biannual Report – Report by Chief Executive (copy attached, pages 31 - 56).**
10. **Local External Audit Report – East Renfrewshire Council Management Report 2019/20 – Report by External Auditor (copy attached, pages 57 - 60).**
11. **National External Audit Report – Self-Directed Support – 2017 Progress Report Impact Report – Report by Clerk (copy attached, pages 61 - 72).**
12. **National External Audit Report – Affordable Housing – The Scottish Government’s Affordable Housing Supply Target – Report by Clerk (copy attached, pages 73 - 80).**
13. **National External Audit Report – Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models – Report by Clerk (copy attached, pages 81 - 86).**

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 September 2020Report by Deputy Chief ExecutiveManaging Absence**PURPOSE OF REPORT**

1. The purpose of this report is to update the Audit and Scrutiny Committee on the Council's sickness absence levels and its approach to managing absence.

RECOMMENDATION

2. The Committee is requested to note the content of the report, the trend in absence ratings and to support the range of approaches being taken to reduce absence levels across the Council.

REPORTAbsence Data 2019/20

3. In 2019/20 the Council's overall annual day's absence per FTE was 10.1 which is the same as in 2018/2019. There has been an increase in Local Government Employee (LGE) absence with days lost per FTE at 12.97 days which is an increase of 0.77 days. Teacher absence has reduced to 5.16 days per FTE which is a reduction of 0.94 days.

4. The top absence reasons for both long and short term in 2019/2020 can be attributed to stress non work related, musculoskeletal, gastrointestinal disorders and influenza.

5. Stress (non work related) continues to be a significant absence reason across the Council and managers have been encouraged to make staff aware of the services available such as the employee counselling service and occupational health where an employee is absent or is showing signs of stress, anxiety or is presented with a personal problem.

Absence Benchmarking

6. The LGBF (Local Government Benchmark Framework) data comparing LGE (Local Government) and teaching absence data from all councils is issued by the Improvement Service annually (Table 1) and we review this with respect to our performance and targets. This data is issued in the latter half of the financial year so the latest data available is for 2018/19. It should be noted that the Improvement Service do not report overall absence data.

7. When reviewing the benchmarking data for 2018/19 the Council is ranked 21st out of 32 councils for LGE absence. The Council's LGE absence was 12.2 days per FTE in 2018/19 with other councils ranging from 8.8 to 15.0 days per FTE for the same period. The

LGBF data demonstrates that LGE Scottish average absence was the highest for 7 years at 11.49 working days lost per FTE in 2018/19.

8. In 2018/2019 the East Renfrewshire teachers' absence SPI moved to 11th position from 3rd with 6.1 days absence per FTE. Other councils range from 4.6 to 9.0 days per FTE during this period. The LGBF data demonstrates that teacher absence has varied over the past 7 years this is due to the nature of long term absence cases in the particular year.

Table 1: Statutory Absence Performance Indicator

	2012/13 Days absence /FTE	2013/14 Days absence /FTE	2014/15 Days absence /FTE	2015/16 Days absence /FTE	2016/17 Days absence /FTE	2017/18 Days absence / FTE	2018/19 Days absence / FTE	2019/20 Days absence/ FTE
LGE	11.3	12.3	13.5	11.8	11.5	10.5	12.2	12.97
LGE Scottish Average	11.3	10.3	10.8	10.7	10.9	11.4	11.49	Data not yet available
LGE National Placing	21 st	29 th	31 st	25 th	20 th	8 th	21 st	Data not yet available
Teachers	5.4	6.1	6.3	5.6	4.1	4.5	6.1	5.16
Teachers Scottish Average	6.9	6.1	6.3	6.2	6.0	6.1	6.2	Data not yet available
Teachers National Placing	5 th	18 th	16 th	7 th	2 nd	3 rd	11 th	Data not yet available
Overall ERC absence	9.5	10.3	11.2	9.8	9.0	8.5	10.1	10.1

9. The CIPD (Chartered Institute of Personnel and Development) annual survey report 2020 on Health and Well-being at Work highlights that on average public sector employees had an absence level of 8.0 days of absence, which is a reduction of 0.4 days per employee from the previous year.

10. The average level of absence in the UK across private, public and non-profit sectors is 5.8 days per employee which is the lowest level recorded by the CIPD in 20 years. It should be noted that this figure is based on the number of employees and not full time equivalents and there is considerable variation seen across and within sectors. The CIPD reports the average absence remains considerably higher in the public sector, as well as in larger organisations across all sectors with circa 5000 staff with 9.2 days absence reported.

11. The CIPD reports that the top 3 reasons for long term absence in order of prominence are mental ill health, musculoskeletal conditions and stress. The CIPD reported that as with previous years public sector organisations are more likely to include stress among their

common causes of long term absence at 70% which is high when compared to private sector organisations at 38%.

12. The CIPD reports that the top 3 reasons for short term absence are minor illness such as flu, stomach upsets, headaches and migraines, followed by musculoskeletal injuries and stress.

13. The report states there is little change in their recommendations regarding the most effective approach to managing absence for long term absence which is a case management approach, occupational health involvement, trigger mechanisms and for short term absence the most effective approaches are trigger mechanisms, return to work interviews and line manager responsibility for managing absence. This is consistent with the Council approach to managing absence.

14. In their 2020 report the CIPD found that a heavy workload is by far the most common cause of work related stress, across all sectors followed by management style and non-work factors such as family and relationships. The public sector and non-profits are more likely to be taking action using a range of methods such as: flexible working options, employee assistance programmes, line manager training, occupational health specialists, use of stress risk assessments and approaches to build personal resilience.

15. Common approaches to mental ill health are phased returns to work/reasonable adjustments, increasing awareness of mental health issues across workforce, employee assistance programme, training managers to support staff with ill health, promotion of flexible working options, personal resilience training, mental health first aid training and greater involvement of occupational health specialists.

16. Research in the report also continues to identify the importance of financial wellbeing for employees and organisations with a quarter of respondents believing that poor financial well-being is a significant cause of employee stress in their organisations rising to a third in organisations with greater than 5000 employees. Employers should consider pay and benefit policies, retirement provision, employee communication and employee support.

17. The Council already adopts many of these approaches, further detail of which is provided later in the report.

18. Additional research was undertaken using the Health in the Workplace – pattern of sickness absence, employer support and employment retention report published in July 2019 by the Department of Work & Pensions (DWP) and Department of Health & Social Care (DHSC). The report focused on long term absence (absence over 4 weeks) and delves into the characteristics of employee absence. Their key findings were similar to the CIPD in terms of reasons for sickness absence with mental health, stress and musculoskeletal reported as the main long term absence reasons.

19. Findings identified that employees in the public sector were 1.5 times more likely to have at least one spell of long term absence in a year compared to the private sector, with employees working in public administration, education and health most likely to have a spell of long term sickness caused by a mental health condition compared to all other industries with the exception of banking. The report found that those employees in labour intensive industries specifically caring were more likely to report a musculoskeletal condition as their main cause of long term absence compared to other industries/roles.

This research will be used to consider our approach to absence management and reporting, in conjunction with the measures mentioned below.

Focus on Absence Improvement

20. The CMT continues to support the focus on absence management and improvement.

It is recognised that a number of factors influence the absence figures. For example, within the Local Government Employee grouping the Council continues to provide a large number of services which include a high level of manual tasks. These areas typically have higher absence rates and, unlike some other councils, these services remain in house and are not carried out by arm's length organisations. The one exception is the East Renfrewshire Culture and Leisure Trust which although is an arm's length organisation, it does not have higher than average absence levels.

21. The Council has a robust approach to the monitoring and review of absence with clarity included in the policy on how an employee will progress through the different absence stages and the transition between maximising attendance and capability policies. All departments continue to closely monitor absence focusing on both short and long term absence with particular focus in the hot spot areas, particularly Facilities Management and Homecare. There are regular meetings with HR and management to discuss all long term and short term absence cases with triggers and use is made of in service days and management meetings to update on absence. The capability policy is used to manage long term absences with 4 dismissals due to capability and 12 ill health retirements in the last year. The process of awarding ill health retirements is managed through our Occupational Health provider and can only be awarded with the approval of an Independent Registered Medical Practitioner.

22. The Council has implemented many of the approaches highlighted in the CIPD survey to promote health and wellbeing at work including employee surveys, flexible working options, work-life balance policies, stress risk assessments and management training. In addition there has been a strong focus to strengthen the capability of managers in promoting employee well-being and attendance ensuring they are trained in absence-handling and that they receive tailored support.

23. The Council provides counselling services to employees either by self or management referral. Counselling covers a range of issues including stress (personal and work-related), critical incident debriefing, debt, gambling, substance misuse, bereavement. The Council continues to promote the employee counselling services. In addition we are also exploring opportunities to promote financial security with employees through financial management.

24. The Council uses Occupational Health service provider, People Asset Management (PAM), who support occupational health referrals, ill health retirement assessments, audio and hand/arm vibration assessments. Each case is assessed on an individual basis to determine all available options with decision making based on full review of all available information.

25. There are a number of training courses available for managers to attend. During Mental Health week we promoted the courses below on the training calendar and e-learning.

- De-stress with Mindfulness
- Personal Resilience Skills
- Scottish Mental Health First Aid
- Spotting and Managing Mental Health Issues
- Maximising Attendance
- Dealing with Stress (E-learning)
- Maximising Attendance (E-learning)

- Mental Health Module (E-learning)
- Life Balance Module (E-learning)
- Relaxation Module (E-learning)
- Resilience Module (E-learning)

The Maximising Attendance course is run by representatives from the HR team who use challenging case examples for managers. They are also able to promote the different health and well-being related courses to managers when supporting specific absence cases.

26. Mental health continues to be an area of focus in the coming year. We will continue to promote the available training to managers and employees and encourage participation. We have increased the provision of courses in this area and continue to encourage managers to promote employees attending training or visiting the e-learning system which may provide information and early intervention to someone who is showing signs of stress or mental health issues.

27. To support managers we have set up a dedicated HR case management team with a dedicated phone number and email address so that managers are able to access coaching and mentoring on how best to tackle absence, especially complex issues. The aim is support managers to gain more experience and confidence in tackling these issues moving forward.

28. Some staff groups are more likely to experience poorer health for example lower paid staff, part-time staff, shift workers and some manual workers. Some staff within these groups have reported difficulty in maintaining healthy lifestyles, some have reported money concerns affecting their health and some experience barriers to accessing health services.

29. Due to COVID staff have had to adapt to different ways of working which we are aware can affect people differently. HR have proactively focused on promoting good mental health by sending weekly email briefings with useful information and links on relevant health and wellbeing topics. This approach has been positively received across the Council.

30. The Council has utilised technology to support our workforce to continue working during the COVID pandemic. There are many positive impacts of technology for the Council and also for employees which were mentioned in the CIPD survey also this year. Positive impacts include enhancing wellbeing through improving efficiency, freeing up time to spend on meaningful tasks and work life balance. However the CIPD also notes the negative impacts such as employees inability to 'switch off' from work and the stress that can result from technology failing. Managers continue to monitor their teams and they are being encouraged to proactively identify any impact on wellbeing.

31. The Council pays all employees at least the Scottish Local Government Living Wage and all employees are auto-enrolled to become members of Strathclyde Pension Scheme on joining the Council and then again every three years if they have chosen to leave the scheme. Financial support is available through the employee counselling service and the Money Advice and Rights Team will also support employees. The Council uses the employee intranet to promote these services.

32. One of the key aims for the organisation in the HR strategy is to support the wellbeing, reward and benefits of employees. Employee benefits offer a way to attract and retain employees, contribute towards improving well-being and enhancing staff engagement. We are currently exploring options to introduce an employee benefit scheme which would include additional financial wellbeing support. This would complement the services we already provide via MART and our employee counselling service. Along with the launch of

the new Council employee benefit scheme there will be an internal communications campaign to promote services to employees and the types of advice and support available.

33. There continues to be a significant amount of change ongoing within the Council and it is recognised that there is the potential for absence levels to continue to be a concern over the next few years due to the level of change and number of planned service reviews. Significant restructures have been ongoing for a number of years within the Council and this has impacted on absence in some instances. During service reviews there is a focus on communicating all the changes to encourage as much employee engagement as possible particularly for those employees who remain with the organisation. It is important that they understand how the new workloads will be configured and what it will mean for them. Some services have also made use of mediation services to support specific team dynamics that are also having an impact on absence.

34. The Council's family friendly policies including temporary home working, due to COVID, and flexible working assist employees and support reduced absence rates. Further reviews will be undertaken on these policies during the coming year.

CONCLUSIONS

35. The Council's overall absence performance had remained unchanged since 2018/2019. LGE absence declined overall but teacher absence has improved when compared with the previous year.

36. The Council's approach to absence management is in line with CIPD researched approaches.

37. The Council continues to have a strong focus on absence improvement and continues to benchmark and implement training and improvement actions. Over the next year there will be a focus on mental health and managers will be encouraged to be as proactive as possible when an employee shows signs of a stress related illness and use the counselling service provided by PAM to provide support to the employee. Managers will also be asked to encourage employees to attend training courses available through the training calendar and/or access the resources on the e-learning system to get information on how to deal with mental health issues and stress.

RECOMMENDATION

38. The Committee is requested to note the content of the report, the trend in absence ratings and to support the range of approaches being taken to reduce absence levels across the Council.

Deputy Chief Executive, September 2020

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PAPERS

CIPD, Health and Wellbeing at Work, March 2020
DWP & DHSC Health in the Workplace, July 2019

EAST RENFRESHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 SEPTEMBER 2020Report by Deputy Chief ExecutiveSUMMARY OF EARLY RETIREMENT/REDUNDANCY COSTS TO
31 MARCH 2020**PURPOSE OF REPORT**

1. The purpose of this report is to provide the Audit and Scrutiny Committee with a summary of early retirement/redundancy costs from 1 April 2019 to 31 March 2020.

RECOMMENDATION

2. The Audit and Scrutiny Committee is requested to note the content of the report covering early retirements/redundancies within the report period and the related projected savings.

BACKGROUND

3. The Council recognises as good practice that on an annual basis elected members should receive summary information on the number, costs and forecast savings on early retirement and redundancy costs where decisions are delegated to officers.

4. The Local Government Pension Scheme (Scotland) Regulations 1998 permit pension scheme administering authorities to charge employing authorities for the costs incurred by early payment of pension benefits to employees who retire early in various circumstances; such sums are known as "strain on the fund" costs.

5. Strathclyde Pension Fund invoices the council as the costs are incurred. This report covers the period from 1 April 2019 to 31 March 2020.

REPORT

6. Redundancies continue to be assessed using a process based on a financial business case. Where the organisation chooses to grant an early retirement or voluntary redundancy the financial business case for the restructure needs to show that the costs can be recovered within acceptable timescales with ongoing tangible savings being achieved thereafter.

7. It should be noted that some redundancies are paid due to legal requirement and there is no business case, this can be due to a number of factors: termination of a temporary contract with no long term funding, termination of temporary contract where the employee had continuous service from another public sector body covered by the RMO (Redundancy Modification Order) or deletion of a post.

8. For statutory purposes leavers are included in the year in which the decision was taken and the non-recurring charges within this report are aligned with the information contained in the 2019-20 statutory accounts.

9. The total charge accounted for the Strain on the Fund cost from Strathclyde Pension Fund for the period April 2019 to March 2020 is £609,926.95.

10. During the period between April 2019 and March 2020 the Council has continued to undertake targeted restructuring and a number of change projects which resulted in a number of voluntary redundancies and early retirements and the end of a number of temporary contracts to support the reductions in budget levels.

11. During this report period there have been 92 instances of early retiral/redundancy and a summary of these is provided at Appendix A. There were 66 instances in Education, 13 in Environment, 13 in Corporate and Community Services, Chief Executive's Office and HSCP.

12. From Appendix A the initial costs of processing the early retirements/redundancies was £1,740,507.18 resulting in net annual savings of £1,507,486.37. From these figures the initial outlay to process the early retirements/redundancies will be recovered in 1.2 years with savings in excess of £1,507K per annum being achieved thereafter.

RECOMMENDATION

13. The Audit and Scrutiny Committee is requested to note the content of the report and the explanations provided for early retirements/redundancies within the report period and the related projected savings.

Deputy Chief Executive
September 2020

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COSTS/SAVINGS OF EARLY RETIRALS/REDUNDANCIES FROM 1/4/19 TO 31/3/20**Redundancy Approvals & Costs Audit Committee 1st April 2019 to 31st March 2020**

Department	Headcount	Full Time Equivalent Total	Pay in Lieu of Notice	Redundancy	Annual Yearly Lump Sum	Strain on Fund	Additional Employers National Insurance	Total One Off Costs	Annual Yearly Pension	Savings
CCS, CEO & HSCP	13	12	£0.00	£363,632.80	£13,184.82	£306,494.93	£0.00	£683,312.55	£4,123.41	£514,182.76
Education	66	18.8	£3,396.45	£130,578.87	£1,752.66	£148,007.87	£552.00	£284,287.85	£0.00	£408,264.58
Environment	13	13.0	£0.00	£604,364.19	£13,118.44	£155,424.15	£0.00	£772,906.78	£4,222.00	£585,039.03
Housing Revenue Account	0	0.0	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Council Total	92	44.2	£3,396.45	£1,098,575.86	£28,055.92	£609,926.95	£552.00	£1,740,507.18	£8,345.41	£1,507,486.37

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 September 2020

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – EQUAL PAY IN COUNCILS IMPACT REPORT

PURPOSE OF REPORT

1. To provide information on the Accounts Commission report *Equal Pay in Councils Impact Report*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the Accounts Commission report [Equal Pay in Councils Impact Report](#), published in June 2020, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor McLean and Councillor Swift. The Head of HR and Corporate Services has provided comments on the report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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Background Papers:-

1. Accounts Commission Report – *Equal Pay in Councils Impact Report*.

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AUDIT AND SCRUTINY COMMITTEE24 SEPTEMBER 2020ACCOUNTS COMMISSION – EQUAL PAY IN COUNCILSReport by Deputy Chief Executive**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Audit and Scrutiny Committee on how the Council is placed against the national picture as outlined in the Accounts Commission report “Equal Pay in Councils Impact Report”.

RECOMMENDATIONS

2. The Audit and Scrutiny Committee is asked to note the contents of the Accounts Commission report and the position as it relates to East Renfrewshire.

BACKGROUND

3. In June 2020 Accounts Commission published “Equal pay in councils Impact report” which summarised the impact made by the Accounts Commission’s performance audit Equal Pay in Councils published on 7 September 2017.

4. The audit examined equal pay in government, focusing on five themes:

- how councils implemented the Single Status Agreement (SSA).
- how much councils had spent settling equal pay claims
- how councils demonstrated that they were dealing effectively with equal pay claims and minimising future risks
- how effective the governance and oversight arrangements of the SSA were
- what lessons could be learned for the future.

5. The audit did not investigate or consider councils’ job evaluation systems, individual employee terms and conditions, individual claims or past litigation.

EQUAL PAY

6. The national SSA between the Scottish Local Government employers and the trade unions was reached on 1 July 1999. Prior to this agreement there was widespread recognition between local authority employers and trade unions that pay inequalities based on gender existed within local government pay schemes. These pay inequalities were particularly evident within the Manual Worker scheme where historically predominantly male occupational groups received bonus payments while predominantly female occupational groups did not. The national SSA provided for the introduction of a fair and non-discriminatory pay and grading structure based on the outcomes of a jointly developed job evaluation scheme to remove any pay inequalities based on gender.

7. The audit found that implementing the SSA was a complex process that required all councils to undertake a large-scale job evaluation process and that the challenges had been underestimated with overall implementation taking twice as long as originally planned. The

report concludes that this was due to the lack of collective national leadership and also as a result of no additional funding being available to implement the new pay and grading structures.

8. The single status agreement consisted of two separate aspects (i) new pay and grading model and (ii) proposals on terms and conditions of service. The SSA brought significant additional costs and some councils and trade unions found themselves balancing the risk of industrial unrest with affordability. In 2007 East Renfrewshire Council was only the third authority in Scotland to have achieved a collective agreement on both the pay and grading scheme and revised terms and conditions with implementation effective from 1 July 2006.

9. All councils received equal pay claims. The audit found that between 2004 and 2016 around 70,000 equal pay claims had been lodged against councils with 27,000 claims outstanding at the time of completion of the audit. The number of claims made against councils varied widely, some of this could be explained by the activity of 'no-win no-fee' lawyers in certain areas.

10. In 2017 the Audit Commission had reported the cost of compensation agreements and settling claims, along with legal fees, amounted to around £750 million. By the end of 2018/19 that figure had increased to £1.314 billion, 90% of the additional increase as a result of the claims settled by Glasgow City Council.

11. Equal pay claims that councils deal with need to be considered on their own merits and the specific circumstances need to be taken into account when determining whether and how to settle on the basis of compensation (not pensionable) or back pay (pensionable). The majority of councils settled on a compensation basis.

SETTLING EQUAL PAY CLAIMS

12. East Renfrewshire began to receive equal Pay Claims from 2005. These claims were from a mixture of Trade Unions and No Fee Lawyers. The claims that were received were categorised into 3 groups:

- 1st wave claims based on historical pay grades which included the payment of bonus to predominately male groups prior to the implementation of Single Status and job evaluated pay scales.
- Residual claims based on the period between implementation of the new grades May 2007 and the date it was backdated to 1 July 2006
- 2nd wave claims. These claims started being raised in 2010 and were based on the 3 year pay protection amount paid to employees who were losing money as a result of the new pay model. This was deemed to have prolonged the inequality.

13. On 16 February 2006 the Cabinet approved a report seeking approximately £3.337m for 1st wave claims to fund compromise agreements for 663 then current employees and 119 qualifying former employees. Delegated authority was given to the Deputy Chief Executive by the council in March 2008 to deal with the current and future Equal Pay claims.

14. The council settled the majority of 1st wave claims in 2006. A provision was made in the Annual Accounts and from 2006 until December 2014 the council negotiated and settled

all remaining 1st wave and residual claims. This settled all 1,238 first wave claims at a total of more than £7.6 million.

15. A decision was taken in agreement with our Legal advisors and the Tribunal to settle all 1st wave claims prior to negotiating on 2nd wave claims. The council reviewed its level of provision to ensure that sufficient funds were available to deal with 460 second wave claims that had been lodged by August 2011. The council settled 429 2nd wave claims at a cost of £477,125. All other claims were dismissed as either not being valid, duplicate claims or not being followed up by the claimant.

16. All employee claims were represented by the Trade Unions or No Fee Lawyers. The settlements proposed were all on a compensation basis. All individuals had to seek and receive independent legal advice on the amount offered and the basis on which the offer was made before signing the agreement.

17. At the time of the data being collected for the previous Accounts Commission report which was published in September 2017 East Renfrewshire had 6 outstanding claims. These claims were resolved in March 2017 and the council has now dealt with all outstanding claims.

18. The Council continues to ensure that our pay system delivers equal pay and we continue to utilise the Scottish Joint Council third edition job evaluation guidance as organisational changes are implemented.

GENDER PAY GAP

19. The Audit Commission report also considered the gender pay gap in the report. Gender pay gap is not the same as unequal pay. Unequal pay is giving women less than men for equal work whereas gender pay gap is the difference between men's and women's average hourly pay within an organisation. Unequal pay can be one of the range of factors underlying the gender pay gap, but it is not the only one. Other factors that can contribute to the gender pay gap can be occupational segregation which is where some roles tend to be undertaken by males rather than females, full-time workers sometimes qualifying for extra payments, women being underrepresented in senior management and leadership roles, women taking on the majority of care duties and inflexible working practices.

20. The gender pay gap figure is expressed as a percentage and where this is positive it indicates that women are paid less than men. In Scotland, the median or mid-point pay gap between all male and female employees (full-time and part-time workers in all sectors of the economy) fell from 16.1% in 2017 to 14.3% in 2019. This is below the UK-wide estimated gap of 17.3% in 2019.

21. All Scottish public bodies have been required to publish information on their gender pay gap every two years as part of the Public Sector Equality Duty (PSED) since 2013. In addition local authorities have reported their performance through the Local Government Benchmarking Framework (LGBF) for the past four years. The LGBF measurements are not directly comparable as this measurement uses an average difference rather than the median used in the PSED data.

22. The report found that rural councils tend to report wider gender pay gaps through the LGBF. In 2017 the Scottish Government commissioned gender pay gap research by Scotland's Rural College which found that the gender pay gap had decreased over the past decade in rural, island and remote parts of the country.

23. The Scottish Government published A Fairer Scotland for Women: Gender Pay Gap Action Plan in March 2019. This set out a list of actions for the public, private and third sector to address the various drivers of the gender pay gap. This includes tackling labour market inequalities faced by women particularly among disabled women, minority ethnic women, women from poorer socio-economic backgrounds and women with caring responsibilities.

24. The report highlighted that as well as ensuring the council is taking all the necessary steps to comply with equalities legislation it was important that Elected Members also received monitoring information, where appropriate, from integration authorities and arm's-length external organisations (ALEOS) that deliver services in their behalf.

25. The gender pay gap in East Renfrewshire Council over the last 3 years has improved 8.8%, 7.5% and 6.3% for 2017/18, 2018/19 and 2019/20 respectively. The council remained in the fourth quartile of the LGBF gender pay gap measure for 2018/19 however the figures have yet to be issued for 2019/20. There are a number of factors which contribute to this including the level of occupational segregation especially in the lower grades and the fact we do not outsource our high volume lower graded workers such as homecare, catering and cleaning roles which are predominantly posts held by females.

26. Occupational movement will be reviewed as part of the Council's gender pay gap analysis to understand if, when compared with the private sector, it is more difficult for staff to achieve job progression due to factors such as reduced management positions or career paths.

27. We are committed to equalities at the Council and this is reflected in our positive rate of high female salary earners with 59.3% of the highest paid 5% employees who are women. Seventy five percent of the council's employees are females and there continues to be a higher proportion of female to male employees in our lower grades.

28. The council supports the reduction of the gender pay gap and steps are being taken which should have a positive impact on future gender pay gap reporting. We will also undertake more analysis of the gender pay gap to review, not just hourly rates of pay, but also include allowances and overtime payments to understand any positive or negative impacts on gender pay gap.

29. The Council has taken a number of steps to combat the effects of occupational segregation. This includes providing flexibility in care and work responsibilities, leave provisions for carers, parental leave and promoting flexible working options for any role in local government. We are also actively job evaluating positions where material changes to job tasks have been identified and providing opportunities to employees to gain job related qualifications which link to employment and grade progression, examples of this are provided below.

30. A large proportion of Homecare roles were regraded in April 2020 in line with the council job evaluation scheme which has resulted in their grades increasing from 3 to 4, and again from grade 4 to 5 based on the achievement of a SVQ2 qualification funded by the HSCP. This increase in grade will subsequently impact salary. In addition consultation of consolidation of the Scottish Local Government Living Wage is ongoing due for implementation March 2021. The proposed model would see a positive impact on the gender pay gap.

31. Steps have also been taken in the Early Years area to create opportunities for people to join the workforce who may not have had the opportunity to gain formal qualifications due to caring responsibilities or financial means. Following guidance from a Scottish

Government linked organisation that works with ethnic minorities we have removed the need for formal qualifications for entry level early years Play Worker posts. Successful candidates without qualifications are supported to achieve a specially-commissioned and funded SVQ qualification on the job with Clyde College, delivered in the community at Barrhead High.

FINANCE AND EFFICIENCY

32. The total costs of settling all equal pay claims in the Council totalled £8.1 million. The provision for this was reviewed and monitored as part of the council's annual budget setting process.

33. Negotiations for consolidation of the Scottish Local Government Living Wage are ongoing and the council is supportive of this process. East Renfrewshire Council pays the Scottish Local Government Living Wage as a non-consolidated supplement, and we have shared a proposal with the trade unions. In addition an independent consultancy undertook a full equality impact assessment of the proposed model covering gender and other protected characteristics to ensure it is fair and equitable. Trade Union consultation is ongoing with the view to consolidate by March 2021.

CONCLUSIONS

34. The Council is well positioned against the national report and has no outstanding equal pay claims.

35. The Council supports the principles of equal pay and continues to maintain all jobs in line with the Scottish Joint Council third edition job evaluation scheme.

36. The Council continues to review the gender pay gap and seeks opportunities to improve by appropriately impact assessing any proposed changes to terms and conditions.

RECOMMENDATIONS

37. The Audit and Scrutiny Committee is asked to note the contents of the Accounts Commission report and the position as it relates to East Renfrewshire.

Caroline Innes
Deputy Chief Executive

Report author: - Sharon Dick, Head of HR and Corporate Services, 0141 577 4079

September 2020

BACKGROUND PAPERS

Accounts Commission Equal Pay in Councils Impact Report, June 2020
Annual Survey of Hours and Earnings, Office for National Statistics (ONS)
The Gender Pay Gap Briefing Paper, House of Commons Library, March 2020

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 September 2020Report by Head of Communities, Revenues & ChangeNATIONAL FRAUD INITIATIVE - UPDATE**PURPOSE OF REPORT**

1. To provide an update on the National Fraud Initiative (NFI) in Scotland and the work carried out by East Renfrewshire Council in 2019/20.

RECOMMENDATION

2. It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2019/20.

BACKGROUND

3. East Renfrewshire Council has an effective approach to the National Fraud Initiative (NFI) and all recommendations in the report have been addressed. A range of relevant services across the organisation participate in this biennial exercise and the outcomes are reported to Audit and Scrutiny Committee routinely, most recently in September 2019. The outcomes of the exercise and our approach towards it are also subject to audit. The National Fraud Initiative 2018/19 report by Audit Scotland was published in July 2020 and Audit Scotland will comment on ERC's approach in their Annual Report, which will be presented separately to Audit and Scrutiny Committee in September 2020.

4. Further work in this area is being highlighted to the Committee through the report on "Managing the risk of Fraud and Corruption – Fraud Response Statement 2019/2020".

REPORT

5. The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. Data matching is an effective and efficient way to identify areas for further investigation by connecting discrepancies between different data sets, which include the Electoral Register, HMRC information on pensions and income, Student Loans, immigration and Department of Work and Pensions (DWP) records.

6. The success of the NFI comes primarily from the public bodies who:

- Investigate the NFI data matches
- Identify and stop fraud and errors
- Recover overpayments
- Hold fraudsters accountable
- Improve their systems

7. East Renfrewshire has a single point of contact for NFI and a well-established internal network of departmental contacts, covering such areas as Housing Benefit; Council Tax Reduction; Council Tax Single Persons Discount; Blue Badges; Housing waiting lists; Civic and Taxi Licensing; Private Supported Care Homes; Payroll and Creditors history. Each area takes responsibility for comparing their own data sets and for subsequent recovery or follow up action as appropriate.

8. As reported in 2019, within the Council 4,422 matches were reported in the 2018/19 NFI exercise with a potential value of fraud or errors of £95,360. After risk assessments, 100% of those indicated as high risks (1,965) and all Single Person Discounts (SPD) (1,006) were investigated. The remaining cases were categorised as medium or low risk and a sample of these cases were also investigated.

9. A data matching exercise of Council Tax SPD records against financial and banking records held by Experian was planned during 2020, however due to resourcing issues and the national "lock-down" this was postponed. The NFI activity will proceed as expected during 2021 with the rescheduled data matching exercise thereafter.

AUDIT SCOTLAND REPORT

10. Audit Scotland published their "National Fraud Initiative 2018/19" paper in July 2020. They recognise that the Covid 19 pandemic has brought significant challenges to the public sector, as bodies seek to deliver in an extremely difficult time, while the risk of fraud and error has increased.

11. From June 2018 to July 2020 outcomes in Scotland of £15.3m have been recorded, with a cumulative outcome since 2006/07 of £143.6m. NFI outcomes across Scotland have reduced by £2.4m in the past 2 years, which Audit Scotland believe could be due to less fraud and error, strong internal controls or less effective detection of fraud or error. They acknowledge that most organisations are strongly committed to counter fraud and NFI, however some could act more promptly.

12. A pilot was undertaken with the Scottish Government and 7 Scottish Councils on Non Domestic Rates, to help identify businesses inappropriately claiming Small Business Bonus Scheme (SBBS) relief. The pilot was a success with Scottish Government currently considering a national roll-out. East Renfrewshire Council were not part of this pilot group,

FRAUD & ERROR SERVICE (FES)

13. Under national welfare reforms, the Department of Work and Pensions (DWP) set up a fraud and error investigation service (FES). The DWP FES team continue to protect the Council's interests and to mitigate our risk against Housing Benefit fraud.

14. Council and FES investigations into HB fraud can result in Housing Benefit Overpayment (HBO), the imposition of an administration penalty (i.e. half of the amount of the overpayment) or the potential for prosecution for HB fraud. Since we last reported in September 2019, there have been 12 new referrals, with 8 confirmed as requiring no further action and the remaining 4 under investigation.

OTHER RELATED INITIATIVES

15. The Benefits Section receives information on an ongoing basis via an electronic interface with HMRC called Verify Earnings and Pensions (VEPS). Through this interface,

the Council is provided with employment and pension information for Housing Benefit (HB) claimants on an ongoing basis. Any new earnings (or new pension income) for those in receipt of HB is reported to our team through the interface, as are changes to earnings or pension levels. The functionality also allows our team to notify HMRC of new HB claims and within 48 hours of the claim being notified, ERC are supplied with the earnings and /or pension levels for the claimant. This facility assists with benefit processing, as there is less reliance on claimants to provide evidence of their income.

16. The Council is also a member of various networks which circulate and share information about potential scams and frauds. This information is shared routinely across services for learning and development purposes.

17. Audit Scotland published 2 further reports earlier this summer, being “The Fraud and Irregularity Update 2019/20” and “Emerging Fraud Risks”. The first report comprised various case studies covering services in councils across Scotland, and the second focused on the increased fraud risk due to Covid 19. Both reports have been shared with NFI contacts throughout East Renfrewshire Council.

NEXT STEPS

18. The NFI exercise for 2018/19 is complete, outcomes recorded and audited with Audit Scotland having compiled their report. The next stage will be to start the 2020/21 exercise during 2021.

FINANCE AND EFFICIENCY

19. While the recovery through the NFI exercise was relatively low for 2018/19 at £23,652, the main benefit from carrying out the exercise is the reduction in ongoing fraud and the deterrent effect gained from regular data matching.

PARTNERSHIP WORKING

20. The follow up work carried out through the NFI exercise has been through partnership working with the following ERC teams; Housing Benefit & Discretionary Payments, Council Tax, Accountancy; Housing; Customer First; HSCP; C&CS Business Support; Payroll and Creditors.

CONCLUSION

21. The Council has a robust and effective approach to NFI, which is complemented by existing fraud prevention measures and confirmed by Audit Scotland in their 2020 report.

RECOMMENDATION

22. It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2019/20.

REPORT AUTHOR

Alison Ballingall, Senior Revenues Manager

For further information please contact Louise Pringle, Head of Communities, Revenues & Change, 0141 577 3136, louise.pringle@eastrenfrewshire.gov.uk

BACKGROUND PAPERS

- National Fraud Initiative – Update, Audit & Scrutiny Committee, 26 September 2019
- Audit Scotland, National Fraud Initiative 2018/19, 9 July 2020, <https://www.audit-scotland.gov.uk/report/the-national-fraud-initiative-in-scotland-201819>
- Audit Scotland, Emerging Fraud Risks, June 2020, <https://www.audit-scotland.gov.uk/report/covid-19-emerging-fraud-risks>
- Audit Scotland, Fraud & Irregularity Update 2019/20, July 2020, <https://www.audit-scotland.gov.uk/report/fraud-and-irregularity-update-201920>

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 September 2020

Report by Chief Executive

MANAGING THE RISK OF FRAUD AND CORRUPTION –
FRAUD RESPONSE STATEMENT 2019/2020

PURPOSE OF REPORT

1. In order to demonstrate compliance with the Code of Corporate Governance, this Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2019/2020 where appropriate.

RECOMMENDATIONS

2. It is recommended that the Audit & Scrutiny Committee note the content of the report and the work being undertaken across the Council in relation to managing the risk of fraud and corruption and the reporting already in place.

BACKGROUND

3. Following a review of the Code of Corporate Governance it was identified that an annual "Fraud Statement" would be prepared to provide an update on work to address fraud, bribery and theft within the Council. This report was due to be considered by the Audit and Scrutiny Committee in June 2020 but was delayed due to the current Covid019 pandemic.

4. The Council is committed to fighting fraud and bribery, whether attempted from inside or outside of the authority, in order to protect public funds. Suppliers, contractors, employees, members and service users are expected to act with integrity and without intention to commit fraud or bribery against the Council.

5. Within the Code of Governance work to address fraud, bribery and theft is undertaken in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code on "managing the risk of fraud and corruption" which sets out the principles that define the governance and operational arrangements necessary for an effective counter fraud response. The Code is applicable to all public services organisations and is comprised of five key principles, which are to:

- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop an appropriate counter fraud and corruption strategy
- provide resources to implement the strategy and
- take action in response to fraud and corruption.

6. A revised Anti-Fraud, Bribery and Theft Strategy written in line with the CIPFA Code above, was approved by the Corporate Management Team on 20th August 2019. The revised strategy aims to promote an attitude of zero tolerance to fraud. No fraud is acceptable, regardless of the value or scale.

7. In line with the CIPFA Code recommendations that a Fraud Statement is considered annually this report provides an overview of measures in place to address Anti-Fraud, Bribery and Theft and an overview of work undertaken during 2019/2020 where appropriate.

MEASURES IN PLACE TO ADDRESS ANTI-FRAUD, BRIBERY AND THEFT

8. The Anti-Fraud, Bribery and Theft Strategy, sets out a range of approaches within the Council to identify and minimise fraud and corruption risks. These include independent reviews of adequacy, efficiency and effectiveness of internal controls by Internal Audit, ensuring all recruitment is undertaken in line with the Recruitment and Selection Policy and that orders and contracts are awarded in accordance with the Council's approved Contract Standing Orders and Financial Regulations.

9. The Council has put in place a range of policies and procedures to support the Strategy to ensure that appropriate action is taken to prevent, detect and investigate fraud. A range of data and intelligence analysis will be undertaken to detect fraud (or attempted fraud) at the earliest opportunity and appropriate sanctions (including disciplinary, regulatory and criminal) will be taken. East Renfrewshire Council will investigate fraud referrals and seek appropriate redress where possible.

10. During 2019/2020 in addition to the Anti-Fraud, Bribery and Theft Strategy the "Guidance on Gifts and Hospitality" was updated to reflect the experience that a "gift" may include money, vouchers, a prize, gift (such as a hamper/alcohol/flowers/chocolates) or a bequest and to record this on the Gift Register if appropriate. Employees are regularly reminded about this and the last update was issued by the Chief Executive on 2nd December 2019 to remind everyone of how to accept, or if appropriate, decline, gifts and offers of hospitality.

11. It should be noted that the Fraud, Bribery and Theft Investigation Procedure, approved by Corporate Management Team in 2018, also forms part of this set of policies and procedures.

12. Following interest from a number of colleagues across the Council, the Chief Accountant provided comprehensive training and awareness raising sessions on how to prevent and identify money laundering.

13. It is important that East Renfrewshire Council has a trained, security focused workforce who are capable of identifying suspicious communications and requests, and more importantly how to react to these, is vital in creating an holistic approach to detecting potential fraud including, but not limited to: Online fraud; User account fraud; Phishing and ransomware; False invoicing; False IT Service support calls and/or emails

14. Both online and tutor led Information and Cyber Security Training provides employees with this focus for both their work and personal life. This work also stresses to employees that they are the Council's strongest defence against such threats and malicious actors who may be attempting to gain access to Council information, computing systems and networks. Employees are trained to always be suspicious and question, not just react, when something is unusual or not expected.

15. The Procurement Team are included in a working group with Scotland Excel looking at information that could be requested during tender stage and thereafter responses shared with Police Scotland. This working group has been established due to a recognition that fraud of all kinds, including procurement fraud, increased during the recession, that opportunist suppliers have emerged during Covid-19 and that cyber-fraud is on the rise with the new opportunities made possible by the Internet. There is also growing concern that organised crime is engaging in procurement fraud and appropriate steps have been taken to minimise the risk of this within East Renfrewshire Council.

16. Specific controls are in place across all processes, in particular “higher risk” (for example payment or cash involved) to ensure risk of loss through fraud is minimised. This includes processes to prevent fraudsters seeking to elicit funds from council through misleading/false information.

17. There is a “segregation of responsibilities” including checks upon System User access are all in place. This approach protects both employees and mitigates the risk of Internal or External Fraud being perpetrated against the Council.

18. Communications and sharing of information is vital in sharing information in relation to potential frauds. Local Authorities, on behalf of the Government, manage the process and payment of Business Grants. Potential scams have been identified with the Council sharing this information. Joint local authority intelligence sharing via the local authority network regarding a fraudulent text, issued in relation to “Crisis Grants” enabled the Council to issue social media messages and warning to residents to prevent fraud.

19. The Revenue Teams work closely with the Department of Work and Pensions (DWP) Fraud & Error Services (FES) in relation to potential Housing Benefit fraud. The team also receive “alerts” through the National Anti-Fraud Network (NAFN).

20. Despite the challenge of Covid-19 and physical access to buildings, checks have continued to be performed to minimise the risk of unauthorised access to data.

REPORTING AND POTENTIAL FRAUD 2019/2020

21. The Audit and Scrutiny Committee provides a scrutiny role in relation to the application of the Anti-Fraud, Bribery and Theft Strategy. The investigation of suspected fraud or bribery is normally carried out by the Internal Audit team.

22. As part of the Intern Audit Progress report considered every 3 months by the Audit and Scrutiny Committee the Chief Internal Auditor provides an update on the requests for assistance which are always dealt with using Internal Audit “contingency”. In 2019/20 a total of five potential fraudulent incidents were reported as outlined below –

- Quarter 1 (April to June) 2019 – one potential fraud, and whilst there was no financial loss to the Council and the money involved was relatively low, the matter was reported to Police Scotland.
- Quarter 2 (July – September) 2019 - two incidents related to theft of council assets from council premises, both were reported to Police Scotland
- Quarter 3 (October – December) 2019 – two incidents relating to potential fraud – one an anonymous allegation which potentially could have been fraudulent and the other involved a cash discrepancy of £20.00

- Quarter 4 (January – March) 2020 – no report of work in relation to fraud or financial loss

23. East Renfrewshire Council has an effective approach to the National Fraud Initiative (NFI). The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. Data matching is an effective and efficient way to identify areas for further investigation by connecting discrepancies between different data sets, which include the Electoral Register, HMRC information on pensions and income, Student Loans, immigration and Department of Work and Pensions (DWP) records.

24. East Renfrewshire has a single point of contact for NFI and a well-established internal network of departmental contacts. A comprehensive report outlining the National Fraud Initiative – update 2019/20 will be considered by the Audit and Scrutiny Committee on 24th September 2020.

25. During the Covid-19 pandemic the UK Government responded with measures to mitigate the economic and social impact including “business grants” which are administered by the Economic Development Team within the Environment Department. Sadly, there is always the potential that fraudsters will try to take advantage of these emergency measures. The fraud threat posed during emergency situations is higher than at other times, and all public bodies were attuned to the risks facing their organisations and the public sector.

26. The Economic Development, Creditors and Internal Audit Teams worked together to take the appropriate steps to reduce the threat of widespread fraud in relation to the Business Grants by integrating appropriate controls into the application and appraisal process, payments process and carrying out post-event assurance work to check for fraud and to ensure funding is used for its intended purpose. This included collecting data on who was applying, who was paid, ensuring applicants knew how their data would be used and their legal obligations for grant funding and having robust “claw back” agreements in place to be able to recover funds that were paid out incorrectly or used inappropriately. A sample of high risk grant awards for fraud has been undertaken and where relevant the Team will invoke the claw back agreement and pursue recovery. To date (August 2020) a total of 990 applications have been received of which 826 grants have been awarded. The Economic Development Team are currently working closely with Police Scotland on those suspected fraudulent applications. No payments have been made in relation to these applications.

27. In the event of any potential fraud or concern being identified, appropriate escalation is in place through local management, East Renfrewshire Council senior management, Internal Audit and Police Scotland involvement where appropriate.

FINANCE AND EFFICIENCY

28. There are no financial implications of this report although it is hoped that by strengthening the approach to anti-fraud, theft and bribery and streamlining the associated documents will minimise the risk to the Council of any financial or reputational risk.

CONSULTATION

29. A range of colleagues from across the Council including the Head of Accountancy, Chief Auditor, Chief Legal Officer, Chief Procurement Manager, Senior Revenues Manager, Senior Compliance Assistant, Environmental Health, Trading Standards and Business Development Team Leader have also been consulted as appropriate.

CONCLUSION

30. This Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2019/2020. This report provides the evidence to demonstrate full compliance with the Code of Corporate Governance.

RECOMMENDATIONS

31. It is recommended that the Audit & Scrutiny Committee note the content of the report and the work being undertaken across the Council in relation to managing the risk of fraud and corruption.

Lorraine McMillian Chief Executive
September 2020

Report author:

Gill Darbyshire, Chief Executive's Business Manager
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KEY WORDS

The Fraud Response Statement 2019/2020 outlines the work being undertaken across the Council in relation to managing the risk of fraud and corruption.

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 September 2020Report by Chief ExecutiveREVIEW OF THE STRATEGIC RISK REGISTER
AND RISK MANAGEMENT PROGRESS**PURPOSE OF REPORT**

1. This report provides the latest biannual update of the Council's Strategic Risk Register and a summary of risk management progress. The previous update of the Strategic Risk Register was considered by the Audit and Scrutiny Committee on 12th March 2020.

RECOMMENDATIONS

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

BACKGROUND

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

4. The previous update of the Council's Strategic Risk Register was considered by the Audit and Scrutiny Committee on 12th March 2020.

5. Several risks have been amended to include additional control measures and the risks have been rescored for significance. A thorough review of all risks on the register has been undertaken by the CMT. There are now 33 risks of which 15 are evaluated as high and 18 as medium. Where a risk has been evaluated as "low" it will be removed from the Strategic Risk Register and monitored within Departmental or Operational registers if appropriate.

6. Given the current Covid-19 pandemic the Strategic Risk Register is reviewed and updated frequently as appropriate to reflect the current "live" situation and therefore liable to change. The Strategic Risk Register in Appendix 1 to this report is therefore reported below as dated (9th September 2020).

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

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

REPORT

9. The following risks remain as **high risks**:
- Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020. *(Risk 1.1)*
 - Increase in the number of children and adults with additional support requirements leading to a rise in demand on services. *(Risks 2.2)*
 - Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of impact of new residential developments – in particular the Local Development Plan. *(Risk 2.3)*
 - Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet the demands of the S21 notice. *(Risk 4.4)*
 - Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. *(Risk 5.1)*
 - Risk of failure of a key care provider, including care home, care at home and other care provider due to financial instability or significant care concerns. *(Risk 5.2)*
 - Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. Impact on service users and carers. Reputational risk to HSCP and Council. Risk of enforcement action should we fail to meet the Care Inspectorate requirements. *(Risk 5.3)*
 - Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls). *(Risk 6.7)*
 - Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services. *(Risk 6.9)*
 - Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades. *(Risk 6.10)*
 - Failure to implement a new Finance/HR/Payroll System within planned timescales leading to the anticipated benefits and savings not being delivered for the Council. *(Risk 6.14)*
 - A Brexit with no further agreement between the UK and EU leads to significant disruption to Council operations and the services we provide, including front line and support services. *(Risk 6.16)*
 - The UK significantly diverges from existing EU legal and regulatory provisions, leading to significant disruption to Council operations and services provided. *(Risk 6.17)*

- The Re-emergence, escalation or further waves of Covid-19; or the emergence of a new Pandemic Disease – with impact on staff availability, supply chain, increased demands on service; with resultant impact on financial and service planning. Potential for : Panic buying, limiting our ability to purchase.; Government advice / measures leading to isolation / closure of buildings or communities; Significant increase in burials, cremations & associated registrations; need to provide continued support to vulnerable communities as a result of poverty and access challenges (*Risk 6.18*)

10. The following risks **were added to** the register:

- Ongoing threat of COVID-19 impacts on the Council's ability to provide education to children and young people, either through significant rates of absence or school/class closures in schools across the authority. Ongoing impact of school closures on attainment of young people. Ongoing threat of COVID-19 impacts on the Council's ability to provide early learning and childcare through our nurseries and early years centres and our work with funded providers. (*Risk 1.4 – medium*)
- Changes in SQA certification processes in 2019/20 and 2020/21 detrimentally impacts upon exam results of young people in the 2020/21 exam diet with a subsequent negative impact on the Council's reputation. (*Risk 2.6 – medium*)
- Failure to implement a new Council Tax/Benefits ICT system within planned timescales, leading to the anticipated benefits and savings not being delivered for the Council & significantly increased project costs (*Risk 6.19 – high*)

11. Risk 2.5 “Potential successful judicial review into lawfulness of charging for instrumental music leads to additional budget pressures due to loss of income as well as increased service demand” was **removed** from the Strategic Risk Register and will be monitored though the Education Department Risk Register.

12. The following risks retained the same score as before but the risk descriptions were amended to **reflect the current position or provide further clarity** (additions in bold, removed text with line through and revised risk included below for clarity).

- Failure to deliver 1,140 hours of free early learning and childcare (ELC) **by beyond** August 2020: Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.
 - Failure to deliver 1,140 hours of free early learning and childcare (ELC) **beyond** August 2020: Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability. (*Risk 1.1*)
- New Scottish Government Funding Follows the child guidance in relation to parents accessing Early Learning and Childcare (ELC) in their choice of provider will have a significant financial impact on budget. **Use of ELC funding for wider COVID related expenditure across Education throughout 2020/21 as required by the Scottish Government**
 - New Scottish Government Funding Follows the child guidance in relation to parents accessing Early Learning and Childcare (ELC) in their choice of provider will have a significant financial impact on budget. **Use of ELC funding for wider COVID related expenditure across Education throughout 2020/21 as required by the Scottish Government.** (*Risk 1.3*)

- Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. **Capacity to meet the demands of the S21 notice and the possibly increased demand of access to records and potential claims against the Council as Inquiry work progresses** (*Risk 4.4*)
 - Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet the demands of the S21 notice and the possibly increased demand of access to records and potential claims against the Council as Inquiry work progresses (*Risk 4.4*)

- The Re-emergence, escalation or further waves of Covid-19 (or **any other** emerging Pandemic Disease) ~~with impact on staff availability, supply chain, increased demands on service, with resultant impact on financial and service planning~~ **result in an increased requirement for testing among employees and residents; as well as the potential for controls and restrictions to be implemented within East Renfrewshire. This will impact on employee availability, supply chain, demands on services, financial and service planning.** There is significant potential for: Panic buying, limiting our ability to purchase; Government advice / measures leading to restrictions on Council and community activity – e.g. isolation, closure of buildings / communities, lockdown, etc. Significant increase in burials, cremations and associated registrations. **Adaptions of services and Council properties to respond to changed demand dynamics in offering support to vulnerable communities. Consideration of suitable premises to support testing, treatment & vaccinations (where applicable).**
 - The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in an increased requirement for testing among employees and residents; as well as the potential for controls and restrictions to be implemented within East Renfrewshire.

This will impact on employee availability, supply chain, demands on services, financial and service planning. There is significant potential for:

- Panic buying, limiting our ability to purchase;
- Government advice / measures leading to restrictions on Council and community activity – e.g. isolation, closure of buildings / communities, lockdown, etc.
- Significant increase in burials, cremations and associated registrations.
- Adaptions of services and Council properties to respond to changed demand dynamics in offering support to vulnerable communities.
- Consideration of suitable premises to support testing, treatment & vaccinations (where applicable). (*Risk 6.18*)

RISK TOLERANCE

13. Map of strategic risks in East Renfrewshire Council

Likelihood	4			2.2; 4.4; 5.2; 6.9; 6.10	5.1; 6.16; 6.17; 6.18; 6.19
	3			1.3; 1.4; 3.2; 6.1; 6.4; 6.8; 6.12	1.1; 2.3; 5.3; 6.7; 6.14
	2			3.3; 6.3	2.4; 2.6; 3.1; 3.5; 3.7; 4.1; 4.2; 6.6; 6.15
	1				
		1	2	3	4
Impact					

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

Count of risk	Category			
	Low GREEN	Medium YELLOW	High RED	Total
1. All children in East Renfrewshire experience a stable and secure childhood and succeed	-	2	1	3
2. East Renfrewshire residents are healthy and active and have the skills for learning, life and work	-	2	2	4
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	-	5	-	5
4. East Renfrewshire residents are safe and live in supportive communities	-	2	1	3
5. Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives	-	-	3	3
Our Strategic Outcomes: Customer, Efficiency and People	-	7	8	15
Total strategic risks	-	18	15	33

RISK PROGRESS

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

FINANCE AND EFFICIENCY

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

CONSULTATION

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

CONCLUSION

17. As part of the review of the register, 3 new risk was added, 1 risk was removed and 4 risk descriptions were amended to reflect the current position. There are now 33 risks on the register of which 15 are classified as "high" risk.

18. The risks captured in the Strategic Risk Register continue to be monitored and evaluated by the Corporate Management Team on a regular basis. Given the current Covid-19 pandemic the Strategic Risk Register is under constant review and liable to change. The Appendix to this report therefore contains the most up to date position at the time of this report (9th September 2020).

19. The Strategic Risk Register is reported every 6 months to the Audit and Scrutiny Committee and annually to the Cabinet.

RECOMMENDATIONS

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

Lorraine McMillan, Chief Executive

September 2020

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Appendix 1 East Renfrewshire Council Strategic Risk Register_V9.1_09.09.2020

KEY WORDS

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

Strategic Risk Register												
East Renfrewshire Council												
East Renfrewshire Council's Vision: "A modern, ambitious council, creating a fairer future with all"												
Completed by: Corporate Management Team (CMT) & Heads of Service				Date reviewed		09/09/2020						
				Version		9.1						
Outcome 1: All children in East Renfrewshire experience a stable and secure childhood and succeed												
Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (31/08/2020)	1.1	Failure to deliver 1,140 hours of free early learning and childcare (ELC) beyond August 2020: Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.	Following resubmission of financial projections by Local Authorities (LAs) in March 2018, multi year revenue and capital funding announced by (SG)/COSLA (reflecting national population projections). Scottish Government (SG) commitment made to review annually. Report to Education Committee in June 2018 highlighted funding gap due to higher local population projections and detailed options/ impact if additional funding not forthcoming. Recommendation accepted that officers and elected members continue to lobby SG/COSLA.	3	4	12	Maintain tight control of revenue spend, including scrutiny of requests to recruit to ensure all recruitment is on a needs (ratio) basis and that staffing levels in ELC settings are operating at maximum efficiency.	17/08/2021	2	4	8	Director of Education
			Ongoing lobbying of SG/COSLA pending annual review of funding allocations. Current funding covers period to 2021/22 and discussions have commenced at national level about funding thereafter. Continue to monitor provision and regularly review delivery models based on affordability, preferences of parents and taking account of any changes in policy/ legislation making bids as appropriate for funding.				Continue to consult with parents and families on Early Learning and Childcare and adherence to the principles.	Ongoing				
			The 8 year capital plan reflects infrastructure requirements. Major new builds at construction stage and currently progressing according to revised programme given impact of COVID-19 pandemic.				Programme monitoring and reporting of infrastructure through to CAMG.	Ongoing				
			Continue to support the development and engagement of funded providers, including childminders, to increase ELC places.									
			Implement Early Learning and Childcare Strategy including continuing to work with all providers to ensure quality early learning and childcare.									

C (24/08/2020)	1.3	<p>New Scottish Government Funding Follows the child guidance in relation to parents accessing Early Learning and Childcare (ELC) in their choice of provider will have a significant financial impact on budget.</p> <p>Use of ELC funding for wider COVID related expenditure across Education throughout 2020/21 as required by the Scottish Government</p>	High quality, flexible accessible childcare available within East Renfrewshire Local Authority settings.	3	3	9	Promote the quality and affordability aspects of all ELC settings with parents and carers.	30/08/2021	1	3	3	Director of Education
			Rigorous scrutiny process to determine partnership status for ERC Funded Providers.				Revised ELC admissions policy reflecting the enhanced 1140 provision and the allocation of places.	17/08/2021				
			As new facilities become operational, flexibility and choice is available for parents.				Implement the WP Cross Boundary Protocol within current financial and space capacity.	17/08/2021				
N (25/8/2020)	1.4	<p>Ongoing threat of COVID-19 impacts on the Council's ability to provide education to children and young people, either through significant rates of absence or school/class closures in schools across the authority.</p> <p>Ongoing impact of school closures on attainment of young people.</p> <p>Ongoing threat of COVID-19 impacts on the Council's ability to provide early learning and childcare through our nurseries and early years centres and our work with funded providers.</p>	Local Delivery Phasing Plan and individual school recovery plans in place to ensure continuing provision of education in the event of a localised or widespread lockdown/closure.	3	3	9	Ongoing review of local recovery plans and individual school contingency plans to support implementation of blended learning approaches.	ongoing	3	2	6	Director of Education
			Test & Protect measures in place across all establishments.				Ongoing support from Educational Psychological Services to support wellbeing amongst pupils.					
			Ongoing communication with parents and families as part of the Council's approach.				Additional resources from the Scottish Government to begin to address learning loss, in addition to guidance to Head Teachers from the department.					
			Robust adherence to health and safety measures across all settings to reduce transmission rates.				Ongoing support from Educational Psychological Services to support wellbeing amongst pupils.					
							Roll out of additional IT devices to support out of school learning.					
							Use of additional SG resources to tackle learning loss amongst children and young people					

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

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk Score	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (12/08/2020)	2.2	Increase in the number of children and adults with additional support requirements leading to a rise in demand on services.	Appointed Advanced Practitioner to improve practice across adult and children services in preparing young people with additional support needs for adulthood	4	3	12	HSCP/Education to meet to look at strengthening transition arrangements	31/10/2020	4	2	8	Chief Officer HSCP
			Inclusive Support redesign completed and implemented (April 2019)				Council continues to contribute to funding to demographic cost pressures	Ongoing				
			Analysis of demographic changes. Increased financial forecasting.									
			Children's Services redesign implemented.									
			Education Resource Group to manage specialist resources and admission to specialist provision									
			Phase 1 Fit for the Future Redesign implemented									
			Ongoing monitoring of applications and admissions to Isobel Mair School									
			The Resource Allocation Group (RAG) has strengthened its membership to include an educational psychologist and occupational therapist.									
C (31/08/2020)	2.3	Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of inward migration including the impact of new residential developments- in particular the Local Development Plan.	Regular review of places and demand; and implementation of admission arrangements policy.	3	4	12	Council's Capital Investment Strategy and the associated future 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.	Annual update (next due 28/02/2021)	2	4	8	Director of Education
			Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015.				As appropriate education statutory consultation to be undertaken in advance and within required timeframes.	In line with relevant timescales				
			On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements. This will also take cognisance of inward migration to existing housing along with ongoing residential development under the adopted LDP1 and any windfall sites as reflected in the Housing Land Supply register.				Contribution to Proposed LDP2 and associated documentation for the Examination/ Reporter stage	Submitted August 2020				
			Revised Pupil Product Ratios (PPRs) for ELC, primary, secondary and ASN (Additional Support Needs) reflecting current build costs published summer 2019.				Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.	In line with relevant timescales				
			Council approved in June 2019 that the Proposed LDP2 go out to consultation in Autumn 2019 adopting a strategy of consolidation and regeneration with no further new housing sites released.									

S (30/08/19)	2.4	Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee.	Current capital plan reflects major new replacement for Eastwood Leisure Centre and provision for repair and maintenance of Culture & Leisure facilities to improve the customer environment. In addition the capital plan includes the intent to renew sports and library facilities for the village of Neilston as part of campus approach to replace outdated local educational provision.	2	4	8	Capital Plan reviewed annually and updated to reflect operational requirements of facilities operated by the Trust. This will be ongoing.	Annual update (next due 28/02/2021)	2	3	6	Director of Education/Head of Accountancy
			Quarterly meetings take place between the Trust and Property and Technical Services to monitor performance.				Progress new facilities planned for Eastwood Park and Neilston Leisure Centres in line with timescales set out in the Capital Plan.	In line with timescales set out in Capital Plan				
			Business Continuity Plans in place for services.				ERCL to take advantage of any opportunities offered by development of LDP3 taking account of due process such as planning and consultation in partnership with East Renfrewshire Council and in line with relevant timescales.	In line with relevant timescales				
			SLA in place between ERC & ERCL.									
			Responded to the Main Issues Report and contributed to the new LDP (2) highlighting any impact in terms of the culture and leisure estate.									
		Additional capital maintenance budget agreed for Trust properties in February 2019.										
N (25/8/2020)	2.6	Changes in SQA certification processes in 2019/20 and 2020/21 detrimentally impacts upon exam results of young people in the 2020/21 exam diet with a subsequent negative impact on the Council's reputation	East Renfrewshire Council contributes to consultation with SQA on assessment arrangements and timing of SQA exams in 2020/21	2	4	8	ERC contributes through ADES networks to working with the SG and SQA on updated assessment arrangements for future exam diets.	Subject to timescale of SG/SQA review	2	3	6	Director of Education

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

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
S (14/04/19)	3.1	Glasgow and City Region City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits resulting in a gap in funding provided by UK and Scottish Government.	<p>Collaborative agreement in place between the Clyde Valley partners committing to project delivery and additional GVA.</p> <p>Rigorous check of all business cases by Programme Management Office (PMO) prior to expenditure approval and project implementation.</p> <p>Assurance Framework in place, which will be subject of a Cabinet Report in April 2019.</p> <p>All business cases developed in accordance with green book guidance</p> <p>Existing and new employees trained in PRINCE2 to ensure effective project management</p> <p>Regular meeting of the City Deal Governance Group within the Environment Department, led by the Director of Environment to monitor progress and issues relating to City Deal projects</p>	2	4	8	Monitor City Deal projects through use of Microsoft Project.	Currently ongoing with monthly review	2	3	6	Director of Environment
S (30/08/19)	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan and City Deal GVA.	<p>Major capital projects have been reviewed for inflationary impact in preparing the 2020/21 to 2029/30 Capital Plan. Reassessment of capital plan to ensure budget can be met.</p> <p>Prudent budgeting and ongoing monitoring of reserves</p> <p>Building Cost Information Service (BCIS) is updated annually and the mid construction point is used to inflate projects, and notified to the Finance service.</p> <p>Close monitoring of capital expenditure/income against budget throughout year</p>	3	3	9	Monitor potential effects of Brexit on construction costs and labour availability.	Currently ongoing with monthly review	3	2	6	Director of Environment

C (13/08/2020)	3.3	Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties.	<p>State Aid reference is made within appropriate Cabinet/Council reports, where relevant.</p> <p>An annual State Aid return is submitted to the Scottish Government's State Aid Unit in June of each year.</p> <p>A member of the Environment Department attends 2 meetings per year at the Scottish State Aid Local Authority Network, to keep up to date with any changes to State Aid compliance.</p> <p>The Scottish Government's State Aid Unit recently delivered a training session to employees from Environment, Legal Services, Finance and Procurement. A recent email was sent to all Heads of Service asking if new employees required training. Further training can be requested from the Scottish Government State Aid Unit. Training is carried out every two years, the last event being October 2018.</p> <p>There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. Further information including examples of what constitutes State Aid is provided in the relevant links.</p> <p>There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. Further information including examples of what constitutes State Aid is provided in the relevant links on the intranet.</p> <p>A Council-wide grant aid register and process for addressing State Aid with clear governance/guidelines has been established (February 2020).</p>	2	3	6			2	3	6	Director of Environment
C (14/01/2020)	3.5	There is a risk of an internal structural collapse at Braidbar Quarry which could result in the ground surface opening up possibly leading to fatalities if restrictions on access are not maintained. Several residential properties are blighted by this site.	<p>Full fencing of the site completed November 2019. Warning signs erected around the perimeter.</p> <p>Regular inspections undertaken and repair regime maintained and documented.</p> <p>No mitigation factors are presently in place for an internal structural collapse other than protection of the public through restricted access.</p>	2	4	8	<p>Repair of fence when breached.</p> <p>Digitalise process.</p> <p>Remediation of the affected land is the only measure which will completely remove this risk. Achieving this however would be a multi-million pound exercise and would require significant collaboration with land remediation specialists.</p>	<p>Ongoing</p> <p>30/11/2020</p> <p>Long term project</p>	2	2	4	Director of Environment
S (14/04/19)	3.7	Impact of severe weather (caused by climate change) disrupting the functioning of the Council and its ability to deliver services.	<p>Business Impact Assessments and Business Continuity Plans consider implications of sudden and severe weather events.</p> <p>The Council participates in Climate Ready Clyde (CRC) project to evidence the impacts of climate change on the area and its assets and develop a climate change risk and opportunity assessment, adaptation strategy and action plan.</p> <p>Continue to construct and maintain all buildings and infrastructure to the best possible standard to reduce likelihood of structural failure.</p> <p>Participate in Clyde And Loch Lomond Flood Risk Management Group (CALL)</p>	2	4	8	<p>Develop a Climate Change Strategy</p> <p>Adaptation Strategy being developed at Glasgow City Region level</p> <p>Implement the Climate Change and Sustainability Strategy</p>	<p>[to be determined]</p> <p>30/11/2020</p> <p>[to be determined]</p>	2	3	6	Director of Environment

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

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score			Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (12/08/20)	4.1	Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements- MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.	The operation of Child Protection, Adult Protection committees and MAPPA meetings to deal with the strategic and practice issues.	2	4	8	Develop new schedule for performance reporting for adult services.	31/11/2020	1	4	4	Chief Officer HSCP
			Service Manager Adult Support and Protection (ASP) has responsibility for chairing Case Conferences and leading on self evaluation and audit activity.				Review Quality assurance framework for ASP activity annually.	31/10/2020				
			Risk assessment integral part of the assessment process				Engagement with social workers not yet vetted to NPPV status. Increase in vetting coverage for criminal justice has improved but focus engagement consulting with non-vetted Social Workers for NPP	31/12/2020				
			Interim Adult Protection Committee (APC) Chair in place.				Introduce rolling review of PVGs on 3 yearly basis. Consistent with Care Inspectorate regulations	31/03/2021				
			New Service Manager ASP commenced in post May 2020.				Strengthen reporting arrangements around SSSC registrations	31/03/2021				
			Council officer and managers forums established									
			Rolling programme of All front line managers provided with refresher training concerning statutory Partnership working is at an advanced stage with Police Scotland, NHS, Scottish Prison Service and other statutory partners.									
			Quarterly external audit of MAPPA cases in place									
			Multi Agency Risk Assessment Conference (MARAC) fully operational (05.03.19)									
			"Safe Together" model implemented.									
			Job descriptions for statutory criminal justice social work posts in East Renfrewshire have been amended and candidates are required to be eligible to achieve NPPV (Non Police Personal Vetting) level 2 vetting status.									
			PVG (Protecting Vulnerable Groups) scheme in place									
			Increased communication and intelligence sharing with other statutory bodies implemented during Covid-19									
New Head of Recovery and Intensive Services taken on role of professional lead for social work practice within adult services.												
Data report and outcome report for children's services completed (COPP - May 2020)												

C (02/09/2020)	4.2	<p>The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust+C23ation.</p>	<p>Local authorities have a duty under the Counter Terrorism and Security Act (2015) to have “ due regard to the need to prevent people from being drawn into terrorism”. The Council participates in multi-agency 'Prevent' and 'CONTEST' working groups, alongside other local authorities, Police Scotland and the Scottish Government, and has designated the Head of Digital and Community Safety as the Single Point of Contact (SPOC) for Prevent.</p> <p>The Council CRMT and the Civil Contingencies Service (CCS) ensure that appropriate business continuity and civil contingencies procedures are developed and maintained, to co-ordinate an effective response in the event of an incident impacting people, infrastructure or services.</p> <p>Where an individual has been identified as being at risk of being drawn into terrorism, there are well-established procedures for multi-agency case conferences (chaired by the Head of Adult Support and Protection) using the Prevent Professional Concern referral process, with appropriate information sharing between the Council and Police to deliver targeted intervention activities.</p> <p>The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust staff of the Prevent duty and identifying signs and risk factors of potential radicalisation.</p>	2	4	8	Continuing to liaise, as appropriate, with key partners to ensure that appropriate interventions are made for any individuals identified as being at higher risk of being drawn into terrorism.	Ongoing	1	4	4	Director of Corporate & Community Services
C (12/08/2020)	4.4	<p>Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care.</p> <p>Capacity to meet the demands of the S21 notice and the possibly increased demand of access to records and potential claims against the Council as Inquiry work progresses</p>	<p>Adult Protection Committee and Child Protection Committee have been sighted on these issues.</p> <p>Clear process for managing historical cases and protocol in place with Legal Services.</p> <p>Work completed to date on S21 notice as far as possible (likely to be further requests from enquiry team)</p> <p>Identified leads in HSCP working alongside legal services to manage the progress of any allegations/claims made</p> <p>Senior Information and Improvement Officer (within Chief Executive's Business Unit) collaborating with historical archivists.</p>	4	3	12	Debriefing session to take place for children's managers to identify key learning from this work and any implications for future staff briefings/ training etc.	30/09/2020	4	3	12	Chief Officer HSCP

Outcome 5: Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
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C (12/08/2020)	5.1	Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity.	Scottish Government -providing additional resources for Health and Social Care with emphasis on managing demographic pressures.	4	4	16	Further rollout of Talking Points as part of Community Led Support programme diverting people to community resources and building own assets.	Ongoing	4	2	8	Chief Officer HSCP
			Outcome Delivery Plan (ODP) and HSCP strategic plans build on foundation of CHCP and wider council prevention and early intervention strategy for older people.				Continue Council funding for demographic cost pressures	Ongoing				
			Agile working for HSCP employees improves efficiency.				Conclude redesign work focusing on rehabilitation and frailty pathways	31/03/2021				
			Annual budget setting takes account of demographic projections.				Unscheduled Care Action Group to take forward agreed unscheduled care commissioning programme of activity - Financial Framework to be agreed.	Ongoing				
			Rollout of Talking Points, as part of Community Led Support Programme diverting people to community resources and building their own assets commenced in May 2019.									
			Partnership with various professional agencies and community/public to support hospital admission avoidance and safe hospital discharge for older people.									
C (12/08/2020)	5.2	Risk of failure of a key care provider, including care home, care at home and other care providers due to financial instability or significant care concerns. Consequences could include: - disruption to service delivery - requirement to implement contingency plans - impact on individuals and families with potential disruption to care arrangements	Work with the Care Inspectorate to ensure robust action plans for improvement are in place.	4	3	12	Implement learning from independent review of recent provider failure.	31/10/2020	3	3	9	Chief Officer HSCP
			Work with Scottish Government, Scotland Excel and CoSLA on care home market									
			Consideration of balance of market share across external market providers				Work with providers at risk to agree phased and managed approach to closure if required.	Ongoing				
			Independent learning review concluded - Action plan developed following recommendations and plan to disseminate learning agreed									
			Company Credit Health Checks undertaken.									

C (12/08/20)	5.3	<p>Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. Impact on service users and carers. Reputational risk to HSCP and Council. Risk of enforcement action should we fail to meet the Care Inspectorate requirements.</p>	Ongoing transfer of some packages to external providers to ensure capacity	3	4	12	Increase level of quality assurance.	01/09/2020	2	3	6	Chief Officer HSCP
			Increased resource to support robust absence management.				Roll out medication management training to remaining staff	31/11/2020				
			Recruitment campaign complete - additional care at home staff recruited.				Arrangements for singular base for Care at Home to be agreed (and allow for resolution of longstanding telecommunication issues for the service)	31/10/2020				
			Medication policy in place									
			Medication management training embedded in rolling training programme									
			Oversight Board chaired by Chief Executive established.				Re-mobilise the service redesign activity	31/10/2020				
			Improvement Task Force overseeing phase 2 of improvement activity re-established									
			Regular updates being provided to CI									
			Performance management of reviewing activity in place through weekly reporting									
			Co-location during Covid-19 to Care at Home Hub has had Positive impact on relationships and performance									
			Embedded full time Pharmacy resource within the service (Jul-20)									
			New permanent Registered Manager appointed and in post.									

Our Strategic Outcomes: Customer, Efficiency and People

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Date for completion of Proposed Risk Measure	Assessment of Residual Risk [proposed]			Risk Owner
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				[L]	[I]	[L x I]			[L]	[I]	[L x I]	
C (16/03/20)	6.1	Reduced central government funding leading to failure to support the current level of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down council reserves on future years' budgets.	Budget strategy group	3	3	9	Achievement of annual targets and outcomes outlined in Modern Ambitious Programme.	Annually (31/08/20)	2	3	6	Head of Accountancy
			Corporate ownership									
			Treasury management strategy									
			"Ongoing monitoring of Council reserves"									
			3 Year budget arrangements									
			Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes.									
			Close monitoring of expenditure/income against budget throughout year.									
			Prioritisation of Modern Ambitious Programme and continual review of projects to ensure effective progress and business cases.									
			Budget aligns with conditions set out in Scottish Government settlement letter									
			Updated settlement figures received from Scottish Government.									
Long term budget and scenario planning. Outline Financial Plan, reserves and Council Tax level reviewed annually by Council.												
C (23/06/2020)	6.3	Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.	Leadership Competencies (which are linked to PRD) and the Leaders of the Future Development Programme.	2	3	6	Implement the actions from the Workforce Planning Action Plan.	31/03/2022	2	2	4	Director of Corporate & Community Services
			Head of Service lead in each department on workforce planning with an active corporate workforce planning group.									
			Use of organisational and financial business case when considering redundancies/ early retirements.									
			Workforce planning strategy approved with improved recruitment and selection procedures.									
			Succession planning toolkit available for managers.									
			Actively support COSLA working groups to benchmark best practices in workforce planning.									
			Modern Ambitious Programme (MAP) ongoing with core programmes on Digital and Core Systems supported by Strategic programme reporting from MAP Phase 1 complete									
			Workforce plan updated detailing department actions and demonstrating alignment with financial plan.									
			Develop Strategic programme reporting Phase 2 - investment									
			Review MAP programme & projects to ensure that 2020/21 focus of work is in line with budget guidance re: essential-only spend									

<p>C (23/06/2020)</p>	<p>6.4</p>	<p>The drive to deliver our ambitious change programme has an adverse impact on our employees as they strive to balance a relentless pace and scale of change with day to day responsibilities, leading to slower delivery of benefits and/or lower performance as services go through change.</p>	<p>Modern Ambitious Programme with core workstreams on Organisational Development, Digital, Data and Modernising in place since 2015. Core Systems Programme live since 2017. Each department has its own change programme and governing board to oversee progress, capacity, performance and delivery of benefits. Programmes also in place for Digital and Core Systems.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Enhance the role of service design and user design in change projects to ensure that the outcome best meets customer needs planned for Spring 2020 but delayed due to Covid-19.</p>	<p>30/11/2020</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Director of Corporate & Community Services</p>
			<p>Use of Modernisation Fund to ensure projects are adequately resourced, including use of additional employees on temporary contracts.</p>									
			<p>Skills development in support of change includes accredited Project Management Courses, agile courses, management training, training to assist with service redesign and new courses on user research, Service Design, following the Scottish Approach to Service Design</p>									
			<p>Capital Bids required to demonstrate alignment to 5 capabilities and key outcomes.</p>									
			<p>Consideration of flexible external assistance and skills when change projects require.</p>									
			<p>Greater use of "agile" project methodology to chunk projects into smaller, more manageable iterations, with lower risk.</p>									
			<p>Review of Council's values with the OD Board, to support delivery of change.</p>									
			<p>Use of resource planning tools and project prioritisation model to determine impact of new and ongoing projects especially for key corporate resources (e.g. ICT, HR, PMO, Accountancy) with CMT oversight through MAP Board</p>									
			<p>Development of Programme management reporting in line with recommendations from Best Value Audit.</p>									

C (23/06/2020)	6.6	<p>Failure to effectively manage the Council's information assets may lead to a risk of inadequate data handling, not adequately preventing loss of data and unlawful sharing of data may result in non compliance with legislation in particular Data Protection Act 2018 (GDPR) , Freedom of Information Scotland Act(2002) and Records Management Public Services Act 2011</p> <p>Failure to incorporate information governance elements through a privacy by design approach into procurement, project management, process and technologies</p> <p>Inability to recognise the value of our information assets may result in lost opportunities to use data to inform decision making, transform services, support increased performance, enhance customer service and promote transparency and information quality assurance</p>	Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed.	2	4	8	Consider review or resubmission of Records Management Plan	31/12/2020	1	3	3	Chief Executive
			Review of current contracts and sharing agreements completed.				Implement and embed a clear, defined and communicated information Governance Strategy (IGS) across the Council that supports a pragmatic and risk based approach to ensuring the confidentiality, integrity and availability of information assets whilst focusing on citizen and employee safety, business transparency, and legislative compliance.	30/03/2021				Director of Corporate & Community Services
			New procedures in relation to Subject Access Requests (SAR) introduced.				Data Protection Impact Assessment (DPIA) Framework is currently being reviewed and new guidance and templates to be published and supported by training.	31/12/2020				Director of Corporate & Community Services
			Records Management Plan updated in line with Audit review and through ongoing revision.				Assessment of requirements for storage of hard-copy records to be considered	31/12/2020				Chief Executive
			Retention schedule under ongoing review and revision.				Review of breach reporting.	31/12/2020				Director of Corporate & Community Services
			Data Protection Officer started April 2019.									

C (02/09/2020)	6.7	<p>Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls).</p>	Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience.	4	3	12	Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery. Target updated to reflect COVID impact to timeline.	31/03/2021	2	2	4	Director of Corporate & Community Services
			Ensure that the Council reviews Business Continuity Plans at least annually.				Plan and perform regular audited disaster recovery tests and rehearsals. Target updated to reflect COVID impact to timeline.	31/03/2021				
			Ensure that equipment is regularly maintained and replaced as required.				Identify costs and capabilities to implement generator backup options and secure further capability for the Barrhead Data Centre to improve power and service resilience. Seek agreement and approval for resources and appropriate options. Target updated to reflect COVID impact to timeline.	31/12/2020				
			Ensure supplier(s) contracts support recovery activities.									
			Undertake independent review of core infrastructure design and architecture to gain validation and assurance of both security and operational capability.				Review and implement fixes for issues identified with basic network service resilience following incidents of summer 2019. Target updated to reflect COVID impact to timeline.	31/11/2020				
			Improve monitoring and alerting of hardware and environmental systems to provide a proactive response.									
			Cyber insurance taken out in 2018 to provide an element of cover in the event of such an outage.									
			Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity.									
			Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.									
			ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.									
			The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.									
			Security standards are reviewed and revised using a risk management approach.									
			The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.									
Ensure the security architecture follows layered approach as defined by best practice.												
Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.												
Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.												

			<p>Delivered additional capability for granular and specific data restores through the recently installed enterprise backup solution which enables fast and reliable backups and enables a resilient replication schedule which stores the councils data locally before replicating all backed up data to our secondary DC site.</p> <p>Review infrastructure architecture to provide assurance of levels of resilience.</p>									
C (23/06/2020)	6.8	<p>Failure to pay invoices within a specified timeframe (Local Government Benchmarking Framework indicator) or failure to pay invoices correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; and possibly, in the extreme, legal action.</p>	<p>Centralisation of invoice delivery to Creditors implemented January 2017.</p> <p>Good progress on delivery against Internal Audit recommendations.</p> <p>Regular governance meetings of Purchase to Pay process, chaired by the Senior Management. Daily tasking/production line meetings held with Creditors team.</p> <p>Monthly performance figures produced for Corporate Management Team.</p> <p>New Induction pack including procedures developed January 2020</p> <p>Regular sessions with departmental representatives to address progress. Progress reports to Audit and Scrutiny Committee in January and August 2017 and March 2018.</p> <p>Compliance Officer recruited to focus on procedures, training, audit sampling and financial compliance.</p> <p>Use of AP Forensics system to identify potential duplicate payments prior to each payment run.</p> <p>All invoices over £20k subject to a double-check by senior employees prior to payment. Accountants included in this check. Checklist developed with Internal Audit.</p> <p>Percentage sample of all payments under £20k checked prior to each payment.</p> <p>Use of finance networks to share information on potential frauds.</p> <p>Continue to implement all audit actions timeously.</p> <p>Continue to focus on financial compliance and control with development of regular management reporting on accuracy, processing rates and performance.</p> <p>Participate in Core Systems Programme to replace the Council's finance system in 2019.</p>	3	3	9	<p>Establish Purchase to Pay Steering Group" of senior officers to ensure focus on continuous improvement, development & links to Core Systems</p>	31/10/2020	2	3	6	Director of Corporate & Community Services

C (16/03/20)	6.9	Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services.	<p>Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements.</p> <p>Corporate Management Team consider possible implications of Brexit for services and take action as appropriate.</p> <p>The price of goods / services is reviewed by appropriate officers within Departments, with concerns raised at an early stage against significant increases. Business Continuity planning considers alternative suppliers to ensure key service continuity.</p>	4	3	12	Continue to monitor national position during 2020. Revise future budget plans if required, taking account of financial scenarios outlined in Financial Plans to Council in February 2020.	29/02/2021	4	3	12	Head of Accountancy
S (05/04/19)	6.10	Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades.	Supplement currently paid on Grade 1,2 and 3. COSLA paper has been prepared to share with Elected Members on the impact of living wage	4	3	12	Consolidation of the Scottish Local Government Living Wage was agreed as part of the implementation of the 2018-21 pay award.	31/03/2021	4	2	8	Director of Corporate & Community Services Director of Education Chief Officer HSCP
C (02/09/2020)	6.12	Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.	<p>ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.</p> <p>The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.</p> <p>Security standards are reviewed and revised using a risk management approach.</p> <p>The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.</p> <p>Ensure the security architecture follows layered approach as defined by best practice.</p> <p>Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.</p> <p>Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.</p> <p>Delivered additional capability for granular and specific data restores through the recently installed enterprise backup solution which enables fast and reliable backups and enables a resilient replication schedule which stores the councils data locally before replicating all backed up data to our secondary DC site.</p> <p>Undertake regular rehearsal of Cyber Incident Response process across ICT. First event planned and calendar being developed.</p>	3	3	9	Enforce and report on mandatory information security training ensuring that managers are provided with reports of non-compliance. Package being developed	31/12/2020	3	2	6	Director of Corporate & Community Services

			Implement additional protection technology to provide proactive threat detection. Use of a partner Security Operations Centre to deliver round the clock detection of malicious activity. Contract now awarded, implementation over coming months.										
C (02/09/2020)	6.14	Failure to implement a new Finance/HR/Payroll System within planned timescales leading to the anticipated benefits and savings not being delivered for the Council.	Strong and robust Core Systems Programme and associated Project governance and risk and issues registers backed by appropriate level of resources.	3	4	12	Detailed testing of all workstreams including technology and unique services	31/03/2021	2	4	8	Chief Executive	
			At least monthly meetings of the Core Systems Programme Board where Programme level risks and issues are discussed.				Comprehensive training of employees in the new system to support implementation.	31/03/2021					
			Core Systems Programme Team using lessons learned from other public sector organisations who have implemented an integrated core corporate system.				Review staffing, structure and temporary funding for Core Systems team. Current team contracts end March 2021. This will need to be extended to December 2021 or March 2022 to ensure appropriate skills are retained.	31/03/2021					
			Regular engagement with a wide range of stakeholders across the Programme and Projects.										
			Working closely with ICT, the Core Systems Team use enterprise architecture to ensure that the potential impact of each Project release is co-ordinated and accounted for.										
			Identification and recruitment of employees with key skills and expertise to form the appropriate Programme Team and associated Project Teams in place.										
			Business readiness reviews in place prior to "go live" for all workstreams and Departments.										
			Phase 1 Finance system successfully implemented August 2019										
C (29/06/20)	6.15	Failure to ensure adequate insurance cover is in place (which cover includes Cyber, Employer, Engineering, Motor, Property, Public Liability & Travel) which could result in the Council incurring financial loss and reputational damage.	At time of renewal, Insurance Policies are reviewed to ensure the type and level of cover is adequate for the Council. This in conjunction with relevant departments.	2	4	8	Increased level of engagement with ERC Insurers on the Insurance arrangements in place, with guidance where appropriate also being shared with Internal Departments.	31/03/2021	2	3	6	Director of Corporate and Community Services	
			When reviewing content of the Strategic Risk Register, departments are now advised to consider potential insurance implications of risks and take advice.										
			Quarterly meeting held with Insurance Providers to review Insurance arrangements (split between Renewals and Broker). This includes pricing and cover.										
			Quarterly communication issued to department contacts to remind any changes which may impact upon Insurance Cover arrangements must be notified to Revenues.										
			Revenues Operations Manager and Insurance Officer review of both claims experience and wider environment which may impact upon level and type of cover										
			A review of the current insurance premium payment process has been undertaken and any opportunities for enhancement implemented.										
			A review the Strategic Risk Register to ensure that adequate consideration has been given to insurance implications of existing risks has been undertaken.										

C (27/08/2020)	6.16	A Brexit with no further agreement between the UK and EU leads to significant disruption to Council operations and the services we provide, including front line and support services.	Arrangements are in place for current EU nationals to apply for settled status, allowing them to continue to work in the UK after EU withdrawal.	4	4	16	Additional activity to increase awareness of EU Settlement Scheme. Work to target community groups & review language needs of available materis to commence following the publication of quarterly Home Office stats on 27 August 2020.	30/06/2021	4	2	8	Director of Corporate & Community Services
			Cross Departmental Working Group establish to ensure co-ordinated approach to all aspects of Brexit work.				Brexit Working Group and Brexit Co-ordinator reconvened in July (following suspension of formal meetings during Covid Response / Recovery in March 2020) to regularly review the situation ensuring risk register and actions undertaken are appropriate.	31/01/2021				
			Crisis Resilience Management Team (CRMT) liaising with National Organisations as appropriate and leading work to minimise potential disruption and ensure a smooth exit in all scenarios.				Refresh and implement agreed call, meeting and reporting cycles and responsibilities through EU-Exit date until agreed date post EU-Exit date.	30/12/2020				
			Service specific mitigation in place where identified as appropriate.									
		Brexit Co-ordinator in post to lead Brexit activity across the Council including chairing the Brexit Working Group.										
S (16/01/2020)	6.17	The UK significantly diverges from existing EU legal and regulatory provisions, leading to significant disruption to Council operations and services provided.	Environmental Health collective engagement with other Local Authorities, COSLA and the Scottish Government - to ensure that Export Health Certificates and associated concerns are considered and addressed.	4	4	16	Monitoring of negotiations, identifying any significant known changes to enable relevant departments to consider training and updating of procedures where required.	31/11/2020	4	3	12	Director of Corporate & Community Services
			Specific services maintain up to date policies and procedures; reflective of their duties and obligations.									
			Officers are appropriately trained to carry out their duties.									

C (09/09/2020)	6.18	<p>The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in an increased requirement for testing among employees and residents; as well as the potential for controls and restrictions to be implemented within East Renfrewshire.</p> <p>This will impact on employee availability, supply chain, demands on services, financial and service planning. There is significant potential for:</p> <ul style="list-style-type: none"> - Panic buying, limiting our ability to purchase; - Government advice / measures leading to restrictions on Council and community activity – e.g. isolation, closure of buildings / communities, lockdown, etc. - Significant increase in burials, cremations & associated registrations. - Adaptions of services and Council properties to respond to changed demand dynamics in offering support to vulnerable communities. - Consideration of suitable premises to support testing, treatment & vaccinations (where applicable). 	<p>Council Resilience Management Team oversight of Business Continuity & contingency planning and would lead on the tactical response to any pandemic.</p>	4	4	16	Monitor up to date Government guidance	ongoing	4	3	12	Chief Executive
			Bespoke Council Resilience Management Team Sub Groups have been established during the response for Covid-19 and can be utilised for further waves / pandemics. Groups have been in place for: PPE, Critical Functions, Recovery, Additional Deaths, Humanitarian Support.				Continued monitoring of needs for dedicated working & of membership of any sub groups	Ongoing through pandemic response & recovery				
			Up to date Mass Fatalities Guidance completed				Regular updating of documentation based on lessons learned & organisational changes	Ongoing				
			Up to date Pandemic Guidelines for the Council & for the HSCP completed				Ensure consistent staff messaging	ongoing				
			Established links to NHS Public Health & Multi Agency Working				Sharing of key Health / Government advice to the public	ongoing				
			Established links to Regional Resilience Partnerships				Regular updating of risk assessments	ongoing				
			Regularly updated Guidance of managers and communications with employees				Capturing of any lessons learned in debriefing	31/03/2021				
			Implementation of Local Delivery Phasing Plan to ensure continued provision of education through a blended learning approach.				Continue to lobby Scottish and UK Governments for funding/fiscal flexibility to address the additional financial pressures relating to COVID-19	ongoing				
			Support additional deaths facility as part of Greater Glasgow & Clyde Health Board (GG&CHB) initiative				Regular annual updates of Business Continuity Planning, supported by reviewing of formats and training / exercising	31/03/2021				
							Ongoing review of LDPP and individual school contingency plans as part of wider education recovery approach.	Ongoing				
N (21/07/2020) C (25/08/2020)	6.19	<p>Failure to implement a new Council Tax/Benefits ICT system within planned timescales, leading to the anticipated benefits and savings not being delivered for the Council & significantly increased project costs</p>	Strong and robust project governance and risk and issues registers backed by appropriate level of resources.	4	4	16	Continual review of project plan seeking scope for parallel phases due to tightness of timescales as a result of COVID-19 and ICT challenges.	30/09/2020	3	3	9	Director of Corporate & Community Services
			At least monthly meetings of the departmental change board risks and issues are discussed.				Funding bid being developed for additional project resource to mitigate risks of compliance and financial control arising from lack of accountancy skills on the project.	30/09/2020				
			Project team using lessons learned from other public sector organisations who have implemented similar systems.				Working closely with ICT & system suppliers to resolve issues of remote access difficulties which are at risk of compromising training and implementation timelines	30/09/2020				
			Working closely with ICT to manage and resolve issues									
			Identification and recruitment of employees with key skills and expertise to form the Project Teams.				ICT to develop a supplementary test environment to build further resilience in system back-up arrangements	30/09/2020				
			Business readiness reviews in place prior to "go live" for all workstreams									

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M McCrossan
Head of Accountancy (Chief Financial Officer)
East Renfrewshire Council
Eastwood Park
Rouken Glen Road
Glasgow
G46 6UG

16 September 2020

Dear Margaret

East Renfrewshire Council - Review of internal controls in financial systems 2019/20

1. Audit Scotland's Code of Audit Practice requires us to assess the systems of internal control put in place by management. In carrying out this work, we seek to gain assurance that East Renfrewshire Council:

- has systems for recording and processing transactions which provide a sound basis for the preparation of financial statements and the effective management of its assets and interests
- has systems of internal control which provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption
- complies with established policies, procedures, laws and regulation.

2. Our interim audit work was interrupted by the outbreak of Covid-19 and the consequent suppression measures put in place by the UK and Scottish governments. This resulted in delays in completing our audit testing and wider dimension work. We have elected to provide the shorter version of our interim reporting options, a management letter, concluding on the work completed to date.

Overall conclusion

3. On the basis of audit work undertaken, we concluded that appropriate and effective internal controls were in place for those key financial systems reviewed by us.

System coverage

4. The following table summarises the key systems that we have tested in our interim audit for financial year 2019/20.

Payroll	√
General Ledger	√
Trade Payables	√
Trade Receivables	√
Cash and Banking	√
Treasury Management	√
Council Tax	√

Carefirst

√

Housing Rents√

Key findings

- 5.** Our audit testing did not identify any significant control weaknesses. We did identify some less significant issues which have been noted in Appendix 1. These have been discussed with management so that appropriate actions could be taken.
- 6.** Due to current Covid-19 situation and staff working at home, we have been unable to complete our full controls testing on the payroll system. This will require additional testing to be completed during our year-end work. We will report back any issues with this work in our Annual Audit Report.
- 7.** We placed reliance on internal audit work on accounts payable, accounts receivable, housing rents and on the balance transfers from the old finance ledger as part of the general ledger review. We re-performed some tests to gain assurances on the adequacy of the work. We found internal audit work to be well documented and supported by appropriate evidence. Therefore, we were able to place reliance on their findings and thereby avoid unnecessary duplication of effort.

Risk identification

- 8.** The issues identified in preparing this management letter are only those which have come to our attention during the course of our normal work and are not necessarily, therefore, all the risk areas that may exist. It remains the responsibility of management to determine the extent of the internal control system appropriate to East Renfrewshire Council. We would stress, however, that an effective system of internal control is an essential part of the efficient management of any organisation.

Acknowledgement

- 9.** The contents of this letter have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit from the East Renfrewshire Council is gratefully acknowledged.

Yours sincerely



John Cornett

Audit Director

Appendix 1

Key findings and action plan 2019/20

Payroll reconciliations

Following the introduction of the new finance ledger in September 2019, the reconciliation of the payroll system to the ledger has been undertaken by Internal Audit through the use of the IDEA audit software. There is no formal output from this review with an email being provided by the Chief Internal Auditor confirming that the review has been completed and noting any differences.

We are able to take assurance from this review, however a formal reconciliation process should be developed to ensure a proper audit trail and to provide evidence of differences being actioned.

Interim reconciliation arrangements will continue until the new payroll/HR system goes live later this year. The reconciliation process will then be reviewed and ongoing arrangements confirmed once the new system and structures are fully implemented.

Head of HR
January 2021

System reconciliation

Due to the introduction of the new finance ledger, the monthly reconciliation of Carefirst invoices to the ledger is currently being completed by the Core Systems team. However, the reconciliation methodology is still being developed and does not record who performed the reconciliation, when it was performed or if it was reviewed/approved.

We are able to take assurance from the reconciliation process, however a formal reconciliation style and procedure for review should be developed to ensure a clear and consistent audit trail.

The reconciliation process for Carefinance and the new ledger system is quite cumbersome given the system constraints. HSCP finance continue to work with Core Systems colleagues to develop, streamline and hand over the process to HSCP. This is currently a work in progress and the associated procedures are being reviewed and revised as this develops.

IJB CFO/ Head of Accountancy
December 2020

System Access

It is good practice to review access to systems on a regular basis. We were unable to confirm if such a review of access had been undertaken in relation to the Cash & Banking system and the Carefirst system within the last year. Additionally, we found an instance within the general ledger where staff access had not been amended following new roles and that access to processing journal entries was provided to staff other than the accountancy team.

There is an increased risk of fraud occurring due to staff having

The annual review of cash & banking system users was delayed due to the impact of the COVID pandemic. This will now be carried out in the coming months, however updates relating to staffing changes have been applied as required on an ad hoc basis.

The Carefirst User review scheduled for the end of March was delayed due to the impact of COVID-19. The system access is updated on an ad-hoc basis as specific changes are notified. The scheduled review will be undertaken as we move through response and recovery.

Head of Accountancy
November 2020

IJB CFO
December 2020

inappropriate access to key financial systems.

Managers will be reminded to update permissions as team roles change in future.

Head of Accountancy
October 2020

Whilst no non accountancy related staff have processed journal entries on the new Integra system, action has now been taken to restrict this permission only to accountancy related staff in future.

Head of Accountancy
September 2020

Main Ledger: Feeder reconciliations

A significant amount of the data in the finance ledger is derived from the system feeders. While reconciliations between the ledger and the feeder systems are undertaken, we found evidence that reconciliations are not always evidenced as having been reviewed by senior managers and the relevant finance business partner.

There is a risk that the finance ledger does not accurately reflect the full financial data from the feeders and the financial statements are mis-stated.

Appropriate staff will again be reminded to evidence review of reconciliations, however this has been rendered more difficult in recent months due to the impact of the COVID-19 pandemic and the move to remote working.

Head of Accountancy
October 2020

Payroll Overpayments

We reported in 2018 and 2019 on the level of payroll overpayments that had occurred due to line managers not completing the appropriate paperwork and submitting to payroll. During 2019/20, payroll overpayments of £67k were noted due to submission of late forms (2018/19 £45k) this relates to 142 cases (148 cases 2018/19).

A risk remains that due to late submission of forms, the council suffers a loss.

HR has already introduced measures to address this including a formal electronic leavers form and a monthly email reminder sent to managers reminding them of the deadlines for the submission of leaver/contract change information. The process is under review as we move to the new system and further measures proposed include monthly reports to Directors of the level of late notifications in their area and weekly contact with line managers to confirm that new starters have joined on their agreed start date.

Head of HR
January 2021

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 September 2020

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT - SELF-DIRECTED SUPPORT
2017 PROGRESS REPORT - IMPACT REPORT

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Self-Directed Support 2017 Progress Report - Impact Report*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the report [Self Directed Support 2017 Progress Report - Impact Report](#), which was published by Audit Scotland in December 2019, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, following Provost Fletcher's resignation from the Committee and prior to Councillor Convery's appointment to it, Councillor Miller and Councillor Gilbert have led the review of this particular report. As agreed in August, Councillor Convery will lead, in liaison with Councillor Gilbert, on HSCP related issues moving forward.

4. The Chief Officer, Health and Social Care Partnership has provided comments on the Audit Scotland report as prepared in a report for submission to the East Renfrewshire Integration Joint Board Performance and Audit Committee. A copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)
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Background Papers:-

1. Audit Scotland Report – *Self-Directed Support 2017 Progress Report - Impact Report*.

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Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	23 September 2020
Agenda Item	8
Title	Self-Directed Support: 2017 Progress Report Impact Report published by Audit Scotland in December 2019
Summary	
<p>To advise Performance and Audit Committee of the key themes within the 2019 Audit Scotland Impact Report following the original Self-Directed Support Progress report published by Audit Scotland in 2017.</p> <p>To update Performance and Audit Committee of East Renfrewshire HSCPs current SDS implementation position and of our planned self-evaluation activity check which will inform our future programme of development.</p>	
Presented by	Lee McLaughlin, Head of Recovery and Intensive Services
Action Required	
<p>The Performance and Audit Committee are asked to:-</p> <ul style="list-style-type: none"> ▪ Note the content of the report and current progress locally in term of SDS implementation. ▪ Agree to receive an update on future SDS development activity following local self-evaluation activity. 	

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EAST RENFREWSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP

PERFORMANCE AND AUDIT COMMITTEE

23 September 2020

Report by Chief Officer

Self-Directed Support: 2017 Progress Report
Impact Report published by Audit Scotland in December 2019

PURPOSE OF REPORT

1. To advise Performance and Audit Committee of the key themes within the 2019 Audit Scotland Impact Report following the original Self-Directed Support Progress report published by Audit Scotland in 2017.
2. To update Performance and Audit Committee of East Renfrewshire Health and Social Care Partnership's current SDS implementation position and of our planned self-evaluation activity which will inform our future programme of development.

RECOMMENDATION

3. The Performance and Audit Committee is asked to:-
 - Note the content of the report and current progress locally in term of SDS implementation.
 - Agree to receive an update on future SDS development activity following local self-evaluation.

BACKGROUND

4. The Social Care (Self-Directed Support) (Scotland) Act 2014 is a key piece of legislation and was enacted as part of the ten year National Self-Directed Support Strategy. The purpose of this legislation was to drive transformation in terms of shifting the balance of power from services to individuals who use them and to provide greater choice, control and creativity to individuals and families in terms of meeting their agreed personal outcomes.
5. There have been a number of national audits/inspections to scrutinise the performance of Health and Social Care Partnerships across Scotland to measure impact and implementation progress as detailed below:
 - Audit Scotland (Self-Directed Support) Audit and Progress report 2017
 - Scottish Government Round Table Discussion 2017
 - Care Inspectorate (Thematic Review of Self-Directed Support) 2019
6. In 2019 Audit Scotland published an impact report as a follow up to their 2017 Audit Activity in relation to progress of implementation.

REPORT

7. The key messages and recommendations of the 2017 Audit Scotland Report were as follows:
 - There are many examples of positive progress in implementing SDS but there is no evidence that authorities have yet made the transformation to fully implement the SDS strategy.
 - Social work staff are positive about the principles of SDS but require strong leadership, permission and encouragement to use their professional judgement to be bold and innovative.
 - Authorities are experiencing significant pressures from increasing demand and limited budgets for social care services. Within this context, changes to the types of services available have been slow and authorities commissioning plans do not set out clearly how they will re-allocate budgets in repose to people's choices.
 - There are tensions for service providers in terms of managing the tensions of offering flexible services and retaining staff.
 - SDS Implementation stalled during the integration of health and social care services due to changing organisational structures and other priorities taking precedent.

8. The Care Inspectorate Thematic Inspection of SDS in 2019 noted similar themes and key recommendations were echoed across both. Audit Scotland and the Care Inspectorate both highlighted concerns about inconsistency across the 32 Health and Social Care Partnerships.

9. Specifically, the Care Inspectorate noted the following in their findings:
 - Most of the supported people and staff we met were very positive about self-directed support and the principles and values of personalisation. In practice however, more needed to be done to inform, empower and enable people to fully participate.
 - In situations where SDS was effectively implemented, supported people found it transformational and experienced positive personal outcomes. However, effective SDS was not accessible to all.
 - Discussions and decisions about options, choice and control were not routinely documented in case records.
 - Partnerships were not consistently collecting, aggregating, analysing or reporting on personal outcomes. This was making it difficult to evaluate progress in SDS and to drive improvement.

East Renfrewshire HSCP – Local Action Implementation

10. East Renfrewshire HSCP has made good progress in terms of local action implementation. Detail of the recommended actions, plans in 2017 and update as of September 2020 is given in in appendix 1.

11. To support our implementation we have developed a person centred pathway to reflect the values, principles and legal duties to inform our practice around self-directed support. Our seven steps to SDS can be found at appendix 2.

12. In addition in support of the national recommendations we have developed stronger data to inform our implementation progress across the four SDS options by service user group.
13. There has been growth in the number of children and their families using Option 1 to meet their agreed outcomes although we recognise the potential to develop implementation further across mental health, addiction services and with carers. A full breakdown of numbers and spend is detailed below:

Service Area	Option 1		Option 2		Option 3		Option 4		Total	
	People	Costs	People	Costs	People	Costs	People	Costs	People	Costs
Addictions	0	-	0	-	47	140,647	0	-	47	140,647
C&F's	81	354,784	0	-	20	489,398	4	93,793	105	937,975
Carers	1	2,163	0	-	0	-	0	-	1	2,163
LD	54	893,711	4	38,541	176	9,457,111	35	1,354,293	269	11,743,656
MH	2	37,320	8	57,657	179	1,226,323	5	47,047	194	1,368,347
OP	68	908,762	80	890,315	109	1,262,483	19	516,759	276	3,578,319
PD	55	970,465	11	145,404	31	975,602	8	389,002	105	2,480,473
Total	261	3,167,204	103	1,131,917	562	13,551,564	71	2,400,895	997	20,251,580

14. Further work required in terms of analysing data in measuring impact aligned to personal outcomes as at present our reporting does not capture this data on an aggregated basis. This is a challenge to all HSCP's across Scotland.
15. As part of our recovery plan, East Renfrewshire HSCP in partnership with SDS Forum, East Renfrewshire Carers Centre and The Advocacy Project have planned some audit and reflection activity to consider the flexible use of SDS during the pandemic (as highlighted as an issue by National Coalition of Carers and to sense check our progress in terms of overall SDS Implementation. We plan to facilitate this via questionnaire, people led focus groups and staff led focus groups.

CONCLUSIONS

16. Progress has been made locally on the implementation of many of the actions recommended by the Audit Scotland Self-Directed Support Progress Report in 2017. However further work is required to embed the changes, further refine and analyse data and most importantly review and reflect on the use of SDS during the pandemic in order to inform future development activity.

RECOMMENDATIONS

17. The Performance and Audit Committee is asked to:-
- Note the content of the report and current progress locally in term of SDS implementation.
 - Agree to receive an update on future SDS development activity following local self-evaluation activity.

REPORT AUTHOR AND PERSON TO CONTACT

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0141 451 0751

September 2020

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

Audit Scotland Self-Directed Support 2017 Progress Report - Impact Report (Dec 2019)

https://www.audit-scotland.gov.uk/uploads/docs/report/2019/ir_191217_self_directed_support.pdf

Audit Scotland Self-Directed Support 2017 Progress Report (Aug 2017)

https://www.audit-scotland.gov.uk/uploads/docs/report/2017/nr_170824_self_directed_support.pdf

PAC PAPER 29.11.2017: Audit Scotland SDS Progress Report

Recommended Action	Position 2017	Update 2020
Directing your own support		
– work in partnership with service users, carers and providers to design more flexibility and choice into support options.	Processes are being redesigned based on feedback and will be tested with users, carers and providers.	Our Individual Budget Process and information materials were developed in partnership with the SDS Forum
– review their processes for supporting children to transition into adult services	Work is ongoing to map out likely demand and resource allocation to support transition.	A new advanced practitioner has recently been appointed to support the review and redesign of local transition pathways
Assessing needs and planning support		
– provide staff with further training and help on identifying and planning for outcomes	We have undertaken training based on Good Conversations and will continue to develop outcome focussed planning and training.	Training on Outcomes was carried out in 2019 as part of the implementation of the new Individual Budget Approach
– work with service users and carers to review their assessment and support planning processes to make them simpler and more transparent	The assessment process has been streamlined in line with the Good Conversation model. All processes, procedures and documentation are being revised to support more transparent individual budgets and outcome focussed planning.	The Individual Budget Calculator was developed to make the calculation of personal budgets more simple and transparent.
– establish clear guidance for staff on discussing the balance between innovation, choice and risks with service users and carers and implementing local policies in practice	Guidance, procedures and illustrated examples will support training as part of the individual budget revised process.	Practice guidance on Self Directed Support was developed in 2019. The guidance includes information about along with detailed guidance for each of the 7 steps on the SDS journey
– support staff in applying professional judgement when developing innovative solutions to meet individual needs flexibly	We will further develop practice guidance as part of our testing.	A Resource Enablement Group was established in December 2019 to discuss assessments, provide some peer support offer critical challenge.
– ensure they are providing information on sources of support to those who are accessing SDS	We will review all our information and staff guidance within our testing.	A series of leaflets and information on SDS options was developed as part of the rollout of Individual Budgets,
– work with service users, carers and providers to review the information and help they offer to people during assessments	We will review all our information within our testing.	The information above was developed in consultation with the SDS forum and other partners

Recommended Action	Position 2017	Update 2020
Commissioning		
<ul style="list-style-type: none"> – develop longer-term commissioning plans that set out clearly how more choice and flexibility will be achieved for local service users and how decisions will be made to re-allocate money from one type of service to another 	<p>The IJB has re-established its strategic planning group to develop a longer term strategic commissioning and market facilitation plan for the HSCP.</p>	<p>A Strategic Commissioning Plan has been developed. The review of the Strategic Plan for 2021- 2013 offers the opportunity to further consider the reallocation or resources.</p>
<ul style="list-style-type: none"> – work with service users, carers and provider organisations to develop more flexible outcome-focused contractual arrangements 	<p>The HSCP has built on the public social partnership work to develop more flexible approaches. There is provision within the current care and support framework for outcome focused contract arrangements. These need to be further developed over the cycle of the contract.</p>	<p>A series of market shaping events and locality based events took place during 2018 and 2019. This work has been impacted in 2020 by covid but is recommencing as part of the recovery planning</p>
<ul style="list-style-type: none"> – continue to work with communities to develop alternative services and activities that meet local needs 	<p>Community led support and day opportunities redesign work has involved working with communities on alternative activities and support arrangements. This will be further developed as part of the development of the strategic commissioning plan.</p>	<p>A range of community activities and supports were developed in 2018 and 2019. Communities have played as significant part in responding to Covid developing and coordinating a range of supports for vulnerable and shielding residents.</p>
Implementing the national SDS strategy		
<ul style="list-style-type: none"> – develop targeted information and training on SDS for healthcare professionals who have a direct or indirect influence on people’s health and social care support 	<p>HSCP health staff have been included in the ‘good conversations’ training along with social care staff, other partners and services.</p>	<p>Training in 2019 was directed at social work staff. Work was carried out with partner organisations and good conversations are the foundation of the Talking Points approach in East Renfrewshire.</p>
<ul style="list-style-type: none"> – monitor and report the extent to which people’s personal outcomes are being met and use this information to help plan for future processes and services 	<p>HSCP reports on talking points personal outcomes. Alternate IJB meeting commence with a presentation on the difference services/test of change are making for people’s personal outcomes.</p>	<p>Reporting on personal outcomes has continued as part of regular performance monitoring and the Annual Performance Report.</p>

Seven steps to SDS in East Renfrewshire

Identifying an indicative budget

- Outcome Focussed Assessment completed
- Formal support is identified through personal outcome plan
- Complete Individual budget questionnaire
- Finance support officer scores and identifies the indicative budget amount

Support Planning

- What is important to the person
- What are their specific, intended outcomes
- How will they be supported
- How will they use their individual budget
- How will their support be managed
- How will they stay in control
- Action plan
- The plan must also highlight assessed risks and detail how these may be enabled

Agreeing the plan

- Social workers have the responsibility of agreeing that individual support plans will enable people to achieve their outcomes. If it is assessed that the support arrangement detailed in the plan will enable the person to do this, the plan will be agreed. (Where there is an intention to spend an individual budget illegally or to use it in such a way that would bring the HSCP into disrepute, the support plan will not be agreed)

Organising the money

- There are three main ways that individual budgets can be used;
 - As a Direct Payment
 - As an Individual Service Fund where a support provider manages the budget on someone's behalf
 - As a Virtual Budget where the HSCP administers the budget
- People are not restricted to choosing one option and can elect to have a combination of the above

Organising the support

- Self directed support is very flexible; individual budgets do not have to be spent on services but can also be spent on anything that will enable people to achieve their agreed outcomes. People have the option of spending some of their money on a service or a personal assistant and some on other less traditional items or services - so long as their social worker has agreed that what they plan to spend the money on will enable them to achieve their agreed outcomes

Living your life

- Self directed support enables people to arrange flexible support arrangements; if the way that someone has arranged their support is not working, their arrangements can change as they work out what works best for them

Seeing how it's working

- Social workers help people evaluate how effective their support has been in helping them achieve their outcomes through individual meetings and formal reviews. At the point of review, the focus will not be on the service received but to what extent support arrangements have enabled the person to meet their outcomes

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 September 2020

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – AFFORDABLE HOUSING – THE SCOTTISH
GOVERNMENT’S AFFORDABLE HOUSING SUPPLY TARGET

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Affordable Housing – The Scottish Government’s Affordable Housing Supply Target*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the Audit Scotland report [*Affordable Housing - The Scottish Government's Affordable Housing Supply Target*](#) published in April 2020, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee’s specialisation arrangements, the Members leading the review of this particular report are Councillor Miller and Councillor Grant. The Head of Environment (Strategic Services) has provided comments on the Audit Scotland report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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

Background Papers:-

1. Audit Scotland Report – *Affordable Housing – The Scottish Government’s Affordable Housing Supply Target*.

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EAST RENFREWSHIRE COUNCILAUDIT COMMITTEE24 September 2020Head of Environment (Strategic Services)Affordable Housing - The Scottish Government's affordable housing supply target – Audit
Scotland April 2020**PURPOSE OF REPORT**

1. The purpose of this report is to:
 - summarize in brief the findings of Audit Scotland's report;
 - report on progress towards Scottish Government's affordable housing supply target and assess what impact it has had;
 - compare council's performance in relation to the national picture contained within the report; and
 - consider what more the Scottish Government and councils need to do to support the continued increase in affordable housing for those in need.

RECOMMENDATIONS

2. The Committee should:-
 - a) note the challenges associated with the delivery of Affordable Housing locally;
 - b) note that delivery of the existing programme will depend on Scottish Government's recovery plan going forward into 2021 along with that of developers upon whom we are reliant for project delivery; and
 - c) request a further report from Housing Services outlining the challenges involved in delivering social housing in ERC.

BACKGROUND

3. The Scottish Government's affordable housing supply target is one of several objectives under the Scottish Government's More Homes approach which aims to increase the supply of new homes across Scotland.

4. The Scottish Government has set a target to deliver 50,000 affordable homes between 2016/17 and 2020/21, which are funded through its Affordable Housing Supply Programme (AHSP) including the following:

- 35,000 homes for social rent provided by council and Registered Social Landlords (RSLs);
- homes for mid-market rent (MMR) mainly provided by RSLs; and
- homes for affordable home ownership.

5. Most of the affordable housing delivered will be new build but the AHSP also supports the purchase of existing properties.

6. The AHSP supports the delivery of affordable housing through several funding streams to councils, RSLs, other providers of housing and the public.

7. Councils have important strategic roles. They are responsible for developing plans for local programmes for their own areas. These plans are delivered by the councils, their RSL partners and, in some cases, through agreements with private house builders.

REPORT

8. The aims of the audit are to report on progress towards the Scottish Government's affordable housing target and assess what impact it has had and to consider what more the Scottish Government and councils need to do to support the continued increase in affordable housing for those in need. Appendix 1 sets out a summary of the recommendations.

The affordable housing target

9. With specific regards to the affordable housing target, the report acknowledges that the Scottish Government has an ambitious target for affordable housing and plans to invest around £3.5 billion to meet its target. The target is a response to evidence of the need for affordable housing, although defining affordable housing is complicated and there is a lack of evidence to show assessment of local needs has influenced the Scottish Government target.

10. East Renfrewshire Council has determined its targets and tenure from housing need and demand analysis and this is reflected in the Local Housing Strategy and the SHIP. East Renfrewshire Council has very specific demands and specific demographics which make development challenging.

11. The two distinct areas of the Council have different requirements in terms of the need for affordable housing and the ability to provide it. There are also pressures across the board to support an ageing population and homes which are adaptable over a household's lifetime.

12. Audit Scotland identified good national progress towards meeting the target. The Scottish Government is closely monitoring the target and reports that it is on track to be achieved. However, serious risks remain including the impact of COVID on the construction industry and the shortage of affordable developable sites.

Delivery and impact of the affordable housing target

13. When assessing the delivery and impact over the first three years of the programme, the report noted that the Scottish Government has invested around £1.9 billion to meet its target. In addition, there has been significant investment from councils and RSLs. Councils are generally working well with their partners to plan and deliver new affordable housing in their areas.

14. East Renfrewshire Council has a small pool of RSLs operating in the local area, some with limited stock and who are operating nationally. The heaviest reliance for delivery of affordable housing at this time falls between the Council and our largest local RSL Barrhead Housing Association. Work is ongoing with HSCP to develop our understanding of individual needs and for these requirements to be reflected as effectively as possible in the types of affordable housing built. ERC

15. The report identified across all councils, new affordable housing, including housing to meet the particular housing needs of older people and those with disabilities, is being delivered. The delivery of affordable housing varies according to local needs, circumstances and priorities.

16. By the end of 2021, East Renfrewshire Council will have delivered homes specifically for older people and those with disabilities whilst its entire new build programme meets the Housing for Varying Needs standard. The Housing for Varying Needs provisions are the standards that apply to housing in Scotland intended to accommodate particular and changing household needs.

17. The report also found that whilst the investment is meeting some housing needs, and there is some evidence of positive benefits to tenants, local communities and the economy, although the Scottish Government's, and councils', monitoring and reporting of wider impact is limited.

18. In East Renfrewshire, feedback is sought from all new tenants in new council housing. However assessing the impact from the new affordable housing delivered in East Renfrewshire is a key improvement action to ensure future provision meets the changing needs of current and future residents.

FINANCE AND EFFICIENCY

19. Audit Scotland have stated that the lack of certainty on Scottish Government funding plans post 2020 poses a risk to achieving the target, however, over the first three years of the programme the SG has invested around £1.9 billion to meet its target. In addition there has been significant investment from RSLs and councils.

20. To support the affordable housing programme, and there is an ongoing planned investment of £40m in nearly 630 new affordable homes. This includes homes to rent from the council and housing associations.

21. The investment in affordable housing within East Renfrewshire also ensures efficient use of developer contributions and 2nd Council tax discounts.

CONSULTATION

22. During the preparation of their report Audit Scotland reviewed documents; analysed data; carried out fieldwork in four study councils; interviewed SG representatives and other stakeholders; and met with tenant representatives.

23. In preparation for the annual SHIP, East Renfrewshire Council will consult with local and national RSL's and East Renfrewshire HSCP to ensure the delivery of affordable housing meets local needs.

PARTNERSHIP WORKING

24. No community planning partners have been consulted regarding this paper.

IMPLICATIONS OF THE PROPOSALS

25. There are no staffing, legal, IT state aid or equalities implications from this report.

26. The lack of certainty on Scottish Government funding plans post 2020 poses a risk to achieving the target and meeting future housing needs. In addition the challenges posed by the cost implications of COVID on the construction industry and cost of land in the areas of highest need pose a significant risk to the delivery of affordable housing in East Renfrewshire.

CONCLUSIONS

27. The Audit Scotland report identified significant barriers to the ongoing delivery of affordable housing remain. These include access to suitable land to develop with the necessary infrastructure, and higher development costs. Within East Renfrewshire these risks are particularly relevant and challenging. The Scottish Government, councils and their partners are working to address these barriers, but challenges remain.

28. Furthermore the report states that The Scottish Government has provided only limited information about the funding arrangements immediately post 2021. This uncertainty is affecting the council and their partner's ability to plan future developments and meet the ongoing need for affordable housing.

29. The report also acknowledged that The Scottish Government is in the process of developing its Housing to 2040 vision. In developing this vision, there are opportunities to learn lessons from the existing programme, particularly in terms of clearly setting out the intended outcomes from the investment and the contribution that the programme can make to other policy commitments, such as poverty and climate change.

30. East Renfrewshire Council's Strategic Housing Investment Plan (SHIP) is currently under review and will be submitted to Cabinet before the end of 2020. This will provide an accurate update on the delivery of affordable housing and the impact of COVID 19.

RECOMMENDATIONS

31. The Committee should

- a) note the challenges associated with the delivery of Affordable Housing locally;
- b) note that delivery of the existing programme will depend on Scottish Government's recovery plan going forward into 2021 along with that of developers upon whom we are reliant for project delivery; and
- c) request a further report from Housing Services outlining the challenges involved in delivering social housing in ERC.

Head of Environment (Strategic Services)

BACKGROUND PAPERS

Affordable Housing - The Scottish Government's affordable housing supply target by Audit Scotland April 2020

East Renfrewshire Council's Strategic Housing Investment Plan (SHIP)

The Scottish Government and councils should:

- evaluate the impact of their current programme on housing needs and the economic impact of the investment in affordable housing; and
- work in partnership with RSLs to implement performance measures to demonstrate the value for money of new-build homes, and work to demonstrate the social value of investment.

Councils should:

- ensure consistent and early engagement with, and involvement of, tenants and the wider community in developing affordable housing plans to ensure they help to improve local outcomes;
- ensure that their arrangements with health and social care partnerships maximize their input into the planning for, and investment in, affordable housing to meet health and social care priorities;
- improve reporting on the delivery of affordable housing to demonstrate how housing needs have been met and how it is contributing to wider improved outcomes, including those listed in the national performance framework.

When planning for post-2021 investment, The Scottish Government should work councils and RSLs to:

- clearly set out a long-term vision and funding arrangements beyond the parliamentary term;
- clearly set out the outcomes it expects to achieve by its investment and how it will contribute to other policy objectives such as human rights and equalities; reducing homelessness, poverty and child poverty; improving health and wellbeing and responding to the climate emergency; as well as contributing to the national performance framework outcomes;
- assess the contribution of funding streams for affordable housing on outcomes and review the grant funding distribution arrangements and grant subsidy benchmarks to ensure that they are fit for purpose and are aligned to meet the outcomes of investment;
- improve its reporting on the affordable housing supply investment program to ensure information is as comprehensive as possible and includes the location of homes delivered in each council area;
- ensure that the data for understanding housing need at a national and local level is as robust as possible and use this data to more effectively inform future spending plans to make sure that the right homes are built in the right places; and
- consider the appropriate balance between investing in new homes and improvements to existing homes, whilst ensuring that rent levels for existing tenants remain affordable.

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 September 2020

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – PRIVATELY FINANCED INFRASTRUCTURE
INVESTMENT: THE NON-PROFIT DISTRIBUTING (NPD) AND HUB MODELS

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the Audit Scotland report [Privately Financed Infrastructure Investment: The Non-Profit Distributing NPD and Hub Models](#), published in January 2020, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor Miller and Councillor Grant. The Director of Environment has provided comments on the Audit Scotland report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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

Background Papers:-

1. Audit Scotland Report – *Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models*.

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 September 2020Report by Director of EnvironmentNATIONAL EXTERNAL AUDIT REPORT – PRIVATELY FINANCED INFRASTRUCTURE
INVESTMENT: THE NON-PROFIT DISTRIBUTING (NPD) AND HUB MODELS**PURPOSE OF REPORT**

1. This report provides comments to the Audit and Scrutiny Committee in response to the Audit Scotland report *Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models*.

RECOMMENDATION

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

BACKGROUND

3. Audit Scotland's report on *Privately Financed Infrastructure Investment: The Non-Profit Distributing NPD and Hub Models* was published in January 2020. A report was due to be submitted to the Audit and Scrutiny Committee earlier this year, but its submission had to be delayed to allow other priorities, principally linked to addressing issues relating to the Covid-19 emergency, to be addressed.

4. The report contains 5 key messages as follows:-

- Since 2005, Non-Profit Distributing (NPD) and hub private financing have supported £3.3 billion of additional investment in public assets. Another £5.7 billion of investment is also being supported under earlier Private Finance Initiative (PFI) contracts. Private finance costs more than traditional forms of financing, affecting future budgets for many years. The Scottish Government has accepted these costs to enable additional investment to take place. However it is not clear enough how decisions have been taken about which projects will use private finance, or how well this is achieving the best balance of cost and benefits in practice.
- The structure of NPD removes the ability of the companies involved to obtain dividends. Nevertheless, companies can generate returns by selling their rights to future contract payments. The Scottish Government does not monitor the extent to which this is happening, making it more difficult to know how effective its policy of profit capping has been in limiting overall private sector returns.

- The hub model has enabled private finance to be obtained for smaller community-based projects, but some aspects of competition are limited. Hub structures and governance are complex, and councils and other public bodies have mixed views about how well hubs are supporting their aims.
- Changes to the interpretation of national accounting rules mean the Scottish Government has now stopped using the NPD and hub forms of private financing for new projects. To contribute to meeting its National Infrastructure Mission commitment to raise annual infrastructure investment by £1.6 billion by 2025/26, the Scottish Government is developing a Mutual Investment Model (MIM) of private financing. This contains many features of both the NPD and PFI models.
- Councils have used NPD and hub private financing to improve local infrastructure. This has enabled projects to proceed that would not otherwise have been affordable. However by focusing on affordability, it is not clear how public sector organisations have assessed the value for money of using private finance, or whether the implications of entering into these contracts have been fully considered. A new schools funding model has the potential to continue Scottish Government investment in the school building programme, without a private finance cost premium. It remains to be fully developed and tested in practice.

5. The report clarifies that the Scottish Government is developing its approach to using private finance under the MIM, the replacement for NPD and hub forms of private financing. It makes a number of recommendations aimed at assisting the Scottish Government, the Scottish Futures Trust and the wider public sector, including Councils, as new funding models are introduced.

6. Comments on the recommendations pertaining to councils are provided in Appendix 1.

RECOMMENDATION

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

BACKGROUND PAPERS

Audit Scotland Report: *Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models.*

Report Author: Andy Cahill, Director of Environment

Audit Scotland Recommendations	Comments
<p>Councils, and other public sector organisations, should:-</p> <ul style="list-style-type: none"> • Systematically assess the implications of participating in the financing and contract approaches led by the Scottish Government, before going ahead with individual projects (Paragraphs 30–32) • Clearly report current commitments under privately financed contracts, and the ongoing commitments related to these, as part of their annual budget setting (Paragraph 32) • Review all projects and services procured through the hubs to assess the costs, savings and benefits against other procurement options (Page 29). 	<p>The Council has entered into only one NPD/hub project so far which was Barrhead High School. Given the competing demands on our capital programme for replacement of existing poor condition schools, new schools to serve the growing population and other essential infrastructure, it would have been impossible to fund a new Barrhead High School using conventional capital funding in a reasonable timescale. Such a delay would have resulted in increased maintenance & running costs for the existing school and eventually a much higher capital build cost due to rising cost inflation which outstrips Council capital funding increases.</p> <p>The NPD/hub funding offer was carefully considered together with both capital and revenue funding availability and local benefits. Given the lack of suitable Council owned sites in the area, there was no feasible option other than the existing site, so this was not a factor in the funding decision. The NPD/hub approach also gave us the opportunity to use our capital funding more flexibly to improve facilities at Crookfur Primary School, assisting with both primary and future Early Learning Centre demands, and to provide enhanced sports facilities for Barrhead High School and the local community.</p> <p>The Council's budget setting process takes account annually of all privately financed project commitments and recognises that there is less flexibility in these lines. As such, these committed areas are disregarded when budget savings options are being considered.</p> <p>The Barrhead HS NPD/hub scheme (as mentioned in point 1 above) allowed the school to be replaced much more quickly than would otherwise have been possible and the funding flexibility allowed the Council's capital funding to be used to upgrade Crookfur PS/nursery facilities and improve the sports facilities adjacent to Barrhead HS at the same time. In addition to the enhanced facilities for local residents, hubWestScotland has also tracked the employment benefits of the project. The hub approach does provide opportunities for joint working and sharing best practice with the private sector and other Councils/public bodies, but can be more complex than normal procurement. In this case the Barrhead scheme was particularly complex due to changes in international accounting rules during the course of the project, but this should not be such a problem for any future schemes.</p>

Audit Scotland Recommendations	Comments
<p>The Scottish Government and councils should:-</p> <ul style="list-style-type: none">• Continue to work together to develop arrangements for the new schools investment funding model, ensuring opportunities and risks are fully understood and properly managed (paragraph 93).	<p>More recently, the Scottish Government has consulted with Scottish Local Authority Education, Property and Finance representatives in designing its latest schools funding model which is to be used for our Neilston campus. This is ongoing.</p>