

Corporate and Community Services Department

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Date: 18 June 2021

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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 June 2021 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. **Unaudited Annual Accounts 2020/21 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 3 - 134).**
5. **Code of Corporate Governance 2021/22 – Report by Deputy Chief Executive (copy attached, pages 135 - 170).**
6. **Internal Audit Plan 2020/21 - Implementation Progress – January to March 2021 - Report by Chief Auditor (copy attached, pages 171 - 184).**

7. **Internal Audit Strategic Plan 2021/22 – 2025/26 – Report by Chief Auditor (copy attached, pages 185 - 196).**
8. **National External Audit Report - Improving Outcomes for Young People Through School Education – Report by Clerk (copy attached, pages 197 - 220).**
9. **National External Audit Report - Digital Progress in Local Government - Report by Clerk (copy attached, pages 221 - 274).**
10. **National External Audit Report - Self-Directed Support (SDS) - 2017 Progress Report - Impact Report - Future SDS Development Activity – Report by Clerk (copy attached, pages 275 - 282).**

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 June 2021

Report by Head of Accountancy (Chief Financial Officer)

UNAUDITED ANNUAL ACCOUNTS FOR 2020/21

PURPOSE OF REPORT

1. The Annual Accounts for 2020/21 have been submitted for audit to Audit Scotland and a copy is now attached for consideration by the Audit and Scrutiny Committee.

RECOMMENDATION

2. The Committee is invited to: -
- Note the content of the Annual Accounts for 2020/21.

BACKGROUND

3. The Annual Accounts for 2020/21 have been submitted for audit to Audit Scotland and in line with the Local Authority Accounts (Scotland) Regulations 2014 they are attached as Appendix 1 for consideration by the Audit and Scrutiny Committee. The audited accounts will be submitted to the Audit and Scrutiny Committee later in the year, prior to final Council approval.

REPORT

4. The financial position of the Council continues to be satisfactory. In particular, the Accounts show that: -
- All General Fund departments' outturn spend was within budget, with Directors taking early action to avoid non-essential spend during 2020/21, as it was uncertain whether sufficient government grants would be provided to cover Covid pressures. As full Covid grant funding was confirmed towards year end this effective control of in-year expenditure allowed us to contribute £1,964k to the non-earmarked general fund reserve and the budgeted £3,500k draw on reserves was not required. This represents an improvement of £5,464k.
 - The Council's Non-Earmarked General Fund reserve has increased by £1,964k resulting in a balance of £11,607k as at 31 March 2021 (4.5% of the annual budgeted net revenue expenditure). This is slightly above the Council's most prudent target level of 4%, however this will help to address the financial challenges facing the Council during 2021/22 and beyond.

- Significant Covid funding awarded to the Council in the course of 2020/21 was expected to cover some of the Covid pressures in the current year. As such, £12,815k of Covid grants are to be carried forward to 2021/22 under the earmarked heading of Unspent Covid Grants. The accounts therefore reflect an unusually high level of reserves.
- Capital Expenditure of £35,084k was invested.
- There has been an operating deficit of £95k on the Housing Revenue Account, this decreasing the accumulated surplus balance to carry forward to £2,221k.

RECOMMENDATION

5. The Committee is invited to: -
- Note the content of the Annual Accounts for 2020/21.

REPORT AUTHOR

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Chief Accountant - Barbara Clark Tel 0141 577 3068
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BACKGROUND PAPERS

This report refers to the Council's Annual Accounts for 2020/21.

EAST RENFREWSHIRE COUNCIL UNAUDITED ANNUAL ACCOUNTS 2020/21



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Management Commentary

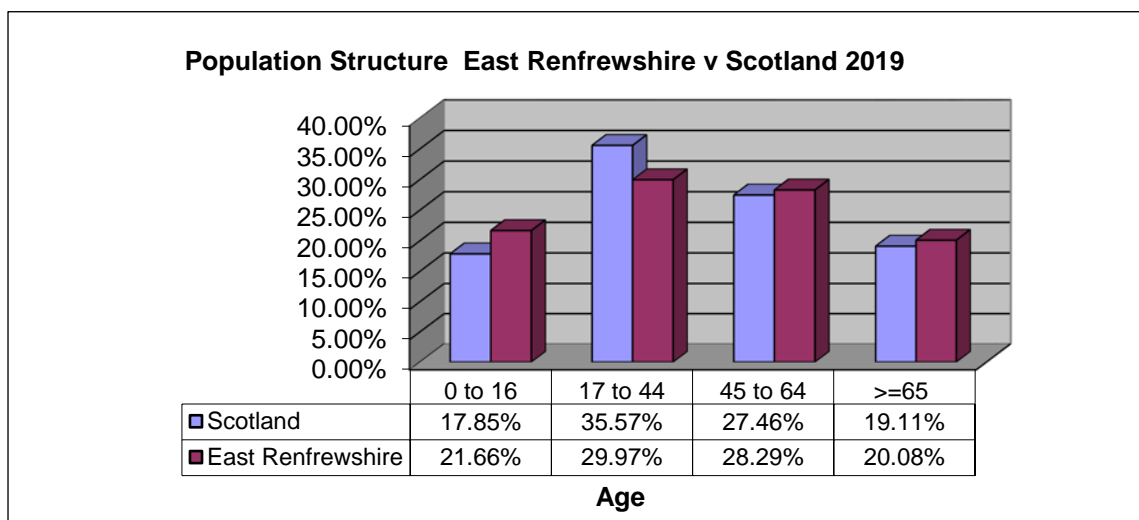
1. Introduction

This statement outlines key messages on the objectives and strategy of the Council and its financial performance during 2020/21 and also indicates issues and risks which may impact upon the finances of the Council in the future.

East Renfrewshire and the local authority

East Renfrewshire is situated to the south of Glasgow. It covers an area of 67 sq miles (174 sq km). The north of the area comprises the urban areas of Giffnock, Newton Mearns, Clarkston, Thornliebank and Barrhead. Each of these settlements has a distinctive character. In the extensive hinterland to the south, lie the villages of Uplawmoor, Neilston, Waterfoot and Eaglesham. Approximately 16% of the area is urban and 84% is rural.

The population of East Renfrewshire at 30th June 2019 was 95,530*. This is our highest ever population, with an increase from 2018 of 0.38% and is 7.04% higher than the population 10 years ago. The 2018 Population Projections show that East Renfrewshire's population will steadily increase, but at a lower rate than the previous projection. The table below compares the current population of Scotland and East Renfrewshire, and shows that East Renfrewshire has a higher proportion of the population under the age of 16, compared to that of Scotland, as well as a higher proportion of those aged 45 to 64, and 65 and overs.



*Source 2019 Mid-Year Population Estimates, National Records of Scotland (2020 figures were not available at time of going to print)

The council provides a wide range of vital services to the public such as schools, social care, highways and footpaths, parks, refuse collection and housing. There are eighteen councillors, across five multi-member wards, representing the interests of the community. The administration is made up of a coalition comprising of 5 SNP, 4 Labour and 1 Independent. The management of East Renfrewshire is led by the Chief Executive, Lorraine McMillan.

Annual Accounts

The Accounts for East Renfrewshire Council are set out on the following pages in the form of statements which, as certified by the Chief Financial Officer in the Statement of Responsibilities, present a true and fair view of the financial transactions of the Council operating as a going concern



Management Commentary (cont'd)

during the year to 31st March 2021. The Accounts are subject to statutory audit and incorporate the information required by the Code of Practice on Local Authority Accounting in the United Kingdom.

The financial statements show the Council's main sources of funding and provide an account of expenditure on service activities. A summary of the Council's Financial Performance is provided later in this Commentary.

The accounts identify two major categories of expenditure, Revenue and Capital. Revenue spending covers the day to day operational expenditure for each service while capital spending covers expenditure on the acquisition, construction and improvement of assets needed to provide services where the benefits will be derived over a number of years.

1. Objectives and Strategy of the Council

East Renfrewshire Council's vision is to be a modern, ambitious council creating a *fairer future with all*. Following an in-depth analysis of need in our communities we have identified 5 ambitious outcomes that we are delivering on with our partners as set out in our Community Plan incorporating Fairer East Ren.

Our Outcomes are:-

<p>Early Years and Vulnerable Young People</p>	<p>All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed</p>	
<p>Learning, Life and Work</p>	<p>East Renfrewshire residents are healthy and active and have the skills for learning, life and work.</p>	
<p>Environment and Economy</p>	<p>East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents.</p>	
<p>Safer, Supported Communities</p>	<p>East Renfrewshire residents are safe and live in supportive communities.</p>	
<p>Older People and People with Long-term Conditions</p>	<p>Older people and people with long-term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.</p>	



Management Commentary (cont'd)

In order to deliver these outcomes well, we have also identified 5 capabilities that we need to excel at as a Council. These are the focus of our improvement work to maintain our position as one of the best councils in Scotland. They are:

FIVE CAPABILITIES

PREVENTION



We will ...

Choose to prevent problems from occurring in our communities, rather than trying to fix what has already gone wrong.

We will ...

Instinctively take a preventative approach in our daily work, placing children, early years and the reablement of our elderly at the heart of how we plan services.

EMPOWERING COMMUNITIES



We will ...

Place a high value on listening to local people and asking for their views. We will work hand in hand to plan and deliver the services that truly make lives better.

We will ...

Listen, understand and respect, empowering our communities to do more for themselves.

DATA



We will ...

Seek and share meaningful information to plan our services and measure if we are getting it right. We will not collect numbers for the sake of it.

We will ...

Use data to plan, we will evidence what works, and we will benchmark what we do with those who might be doing it better.

MODERNISATION



We will ...

Continually look for ways to modernise and improve how we do things. We will make it easier for local people to access our services.

We will ...

Put a stop to bureaucracy and inefficient processes. We will focus on what is best for local people and not what is easiest for us.

DIGITAL



We will ...

Choose to be digital by default wherever possible. We will examine and digitise our processes to make it easy for people to access our services online.

We will ...

Encourage local people to use our website and social media to speak to us, and each other, 24/7, 365 days a year.

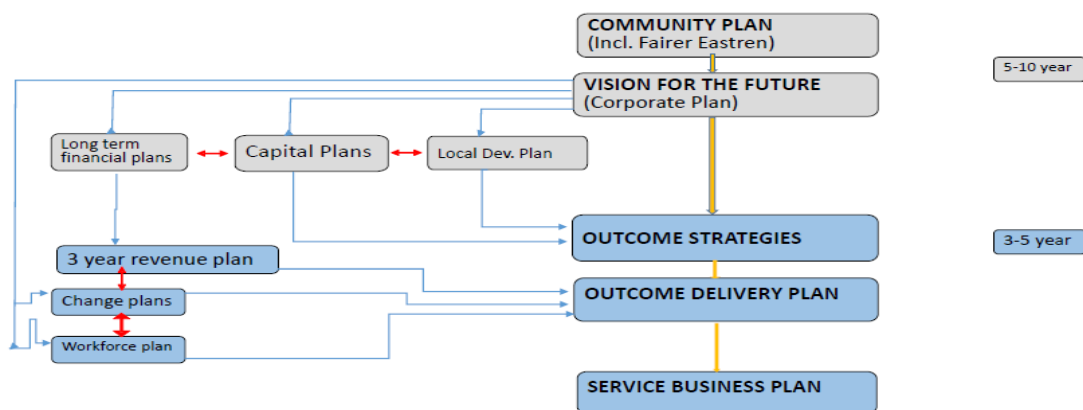


Management Commentary (cont'd)

Strategic Planning and Performance Outcomes

The Council has well established strategic planning and performance management arrangements which are embedded into the work of all employees linking our vision, strategic plans and outcomes through to services' business plans and employees' roles. Employees are working towards achieving our vision to be 'A modern ambitious Council creating a fairer future with all', with the ultimate aim to make people's lives better.

We have an integrated approach to strategic and operational planning. The diagram below illustrates how our medium and long term strategies and operational plans are integrated.



The Community Plan (incorporating Fairer East Ren, East Renfrewshire's Local Outcome Improvement Plan) sets out the strategic outcomes and priorities for the Community Planning Partnership. For the Partnership and the Council there are joint strategic outcomes spanning individuals' life stages:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People & People with Long-term Conditions

Fairer East Ren is the part of the Community Plan which is focused on tackling inequalities and closing the gap between communities.

We have updated our long term strategy for the council, [Vision for the Future \(VFTF\) 2020-2030](https://www.eastrenfrewshire.gov.uk/media/1177/Council-Item-08-27-February-2020/pdf/Council_Item_08_-_27_February_2020.pdf?m=637273828100600000), this reflects the long term ambitions for East Renfrewshire. Council considered the update in February 2020 and agreed to support the ongoing conversations with residents on themes including connecting communities, tackling loneliness and effective transport and active travel, to shape our future strategic direction. This will now be taken forward as part of the Council's 'renewal' journey post-Covid from 2021 onwards.

Our [Outcome Delivery Plan 2020-2023](https://www.eastrenfrewshire.gov.uk/media/4264/Outcome-delivery-plan-2020-to-2023/pdf/ODP_2020-23_Final.pdf?m=637399248101700000), sets out how the Council will work towards achieving these outcomes as well as a set of organisational outcomes focusing on our customers, employees and our levels of efficiency. The usual timescales for updating the ODP were



Management Commentary (cont'd)

impacted last year as the Council focused on the delivery of essential services. The plan was updated to reflect post pandemic recovery and approved at Council in October 2020.

Our performance

The Council's strategic performance management arrangements were pared back in 2020, however six monthly performance review meetings involving the Chief Executive, each Director and service managers took place in October 2020 and elected members scrutinised strategic end year performance for 2019/20 at the Council meeting on 24 June 2020. See link to report [here \(https://www.eastrenfrewshire.gov.uk/media/1641/Full-Council-Meeting-item-13/pdf/Council_Item_13_-_24_June_2020.pdf?m=637390020556400000\)](https://www.eastrenfrewshire.gov.uk/media/1641/Full-Council-Meeting-item-13/pdf/Council_Item_13_-_24_June_2020.pdf?m=637390020556400000). Targets were not set for 2020/21 for the majority of our strategic indicators, given the impact of the pandemic outbreak on services delivery. Despite the challenges of 2020 performance data was gathered throughout the year and is now being used to set baselines to inform targeting setting for 2021/22 onwards as the Council moves to focusing on renewal. Progress on achieving our outcomes in 2020/21 is summarised below and will be considered at the Council meeting on 30 June 2021.

Strategic Outcome 1 - All children in East Renfrewshire experience a stable and secure childhood and succeed.

We continued to progress with plans to deliver 1140 hours of early learning and childcare (ELC) for all eligible 2, 3 and 4 year old children from August 2020 albeit in a more limited way given the impact of COVID-19 on plans; in particular the completion of required new ELC facilities. As restrictions eased, construction work progressed in 2020/21 with investment of circa £27 million (of which £12.27 million is funded by the Scottish Government), with the main phase of our early years' expansion completed by March 2021. This resulted in children and staff moving into their new facilities in the last quarter of 2020/21 at a new build extended Glenwood Family Centre; two new build larger replacements for Busby and Eaglesham primary school nursery classes; a new build family centre on the site of Crookfur pavilion; and a new extension at Cross Arthurlie Primary School to establish a nursery class. Works were also completed at Overlee park to establish a new family centre which will open in August 2021. Over summer 2021 the remaining 1140 hours building works will be completed with improvements to kitchen and dining provision at Hazeldene Family Centre. We consulted with families in late 2020 on the implementation of 1140 hours. This confirmed that our models of delivery are appropriate and responsive to family needs.

During the Covid-19 outbreak HSCP adapted our services and continued to support the most vulnerable families and individuals in East Renfrewshire, particularly those where there are public/child protection issues or an identified risk of harm. We continue to shift the balance of care and have one of the highest proportions of children being looked after in the community in Scotland. During the pandemic we have continued to ensure our care experienced young people have a voice through our Champions Board with ongoing participation and engagement. To support the needs of our young people during the pandemic period, we worked in partnership with Education and other stakeholders to establish the Healthier Minds Service aligned to school communities.

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

We have maintained our position as the top performing education council as measured by national qualifications. For educational attainment, the Council maintained very high levels of performance across the wide range of measures whilst making further improvements at 5+ SCQF levels 5 and 6. The examination attainment of our most deprived children as measured by the average total tariff score continued to compare very favourably with other local authority and national averages. Some



Management Commentary (cont'd)

attainment measures were not collected or reported in 2019/20 including Curriculum for Excellence levels at Primary 1, 4 and 7.

The number of school learners undertaking and successfully completing a wide range of vocational qualifications with our further and higher education partners remained high in 2019/20 with 561 young people enrolled in a broad range of courses. Recruitment of Foundation Apprenticeships (FAs) continued to increase with 121 young people involved in both one year shorter duration FAs and two year FAs in 2019/20.

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

The pandemic and restrictions impacted certain areas and priorities changed, Business Gateway and the Council's employability services moved to a period of dedicated support to businesses who required advice, direction and support, not to grow, but to survive. During 2020/21 over 1,500 individual businesses were supported and £19.481m of Covid-19 Grants distributed. Ongoing Capital investment in our roads has resulted in a continued improvement in our road condition indicators. The assessment of roads and footways resurfacing requests are an integral part of prioritising our maintenance programme and our Capital Improvement Programme continues with the additional investment of £3m per year from 2019/20-2023/24 in our road network. Our programme of replacing our street lighting lanterns with LEDs continues with 70.8% now LED helping to reduce our energy consumption. Our Council target of building 200 new council houses (cumulative target over 5 years by 2022) remained on track with a further 36 houses built or acquired in 2019/20, final data for 2020/21 will be verified later in May.

Recycling rates remain top in Scotland (67.79%), we met our street cleanliness target and satisfaction levels with our parks and open spaces remained high as we sought to undertake a larger number of smaller remedial projects to support the safety and aesthetic presentation of our parks following the completion of larger scale projects in the last few years.

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

East Renfrewshire remains one of the safest places to live in mainland Scotland. We continued to reduce the number of recurring incidences of anti-social behaviour, (7% recurrences within the target set of 10%). Community wardens have played a key role in our isolation and support services by providing welfare support calls to the most vulnerable.

Through the Connecting Scotland Programme over 2,000 devices have been issued to households across East Renfrewshire to empower people digitally, with additional digital support being provided for people in receipt of devices. Although impacted by Covid-19 and associated restrictions in 2020 our street work with young people was extended to cover all communities rather than narrowly targeted areas of East Renfrewshire and there was 4,700 interactions with young people across the local area.

We continue to support people completing Community Payback Orders, with 92% of people reporting that they have been helped to address their offending behaviour. We have further improved and are ahead of our target for improving the personal outcomes of women who have been victims of domestic abuse with 84% overall reporting an improvement in outcomes. Our recovery planning is prioritising the reestablishment and strengthening of our approaches to public protection.



Management Commentary (cont'd)

Strategic 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

Despite the challenges of the pandemic, our services continue to support older people and people with long-term conditions to live independently and well. 99% of local residents aged 65+ live in housing rather than a care home or hospital and 91% of respondents reported that their needs were met in terms of living where/as they wanted to live. During the pandemic we have focused our services on supporting those at greatest risk in both community and residential settings. This saw additional staff support through redeployment and recruitment for care at home and our care home. There has been increased collaborative working with the third/community sector and additional support given to partner provider organisations, particularly our care home providers. During the year we have successfully delivered the flu and Covid-19 vaccination programmes to housebound residents and our care home populations. We continue to develop our support to unpaid carers in collaboration with our local Carers Centre and have continued to see a high proportion of carers reporting that their needs are being met (91%).

Public Performance Reporting

We present a range of in year reports on service specific and financial information to elected members and the public. Throughout the year, elected members, managers and employees use performance information to evaluate, scrutinise results and take action to drive and inform areas for further improvement across services.

To access further information on how the Council is performing, including trend data, planned activities, targets, and benchmarking information visit:-

www.eastrenfrewshire.gov.uk/performance

Workforce Planning

The key workforce priorities to support the Council's delivery of services are to have:

- Empowered, resilient and engaged employees at all levels of the organisation;
- A diverse, skilled workforce;
- A flexible workforce that embraces change, innovation, and digitisation and delivers customer focussed services.

The Council's Workforce Plan is aligned with our budget planning. A single year budget has been set for 2021/22 and it is hoped to return to a multi-year process from 2022/23 onwards. Planning over a longer period allows for better prediction of potential changes to workforce shape and size and allows time to plan appropriately for these changes to the workforce.

The last year has been unique and the workforce had to quickly adapt to supporting a number of activities during the pandemic including isolation support, humanitarian support for vulnerable/shielding residents, business grants, lateral flow testing in schools and staffing for additional cleaning, Mass Vaccination Centres and Asymptomatic Testing Centres. There has been additional funding from the Scottish Government to fund these activities.

During peaks of the pandemic Covid-19 absences did impact services however this was actively managed and the Council continued to deliver essential services throughout following Scottish



Management Commentary (cont'd)

Government guidance with only those in the workplace who were well and who are unable to work from home.

The financial plan now set out for 2021/22 indicates that the Council’s budget would reduce by £8.5m. After applying £3.5m of reserves, savings of £3m are needed across Council services and it is estimated that there will be a reduction of up to 32 FTE from the current Council structure. There is a further £2 million saving to be taken by the IJB (Integrated Joint Board) and Leisure Trust and decisions will be agreed through their governance routes if there is any impact on workforce. We have continued to manage reductions through natural turnover and voluntary early retirement and redundancies and a commitment has been made that this approach will continue for 2021/22.

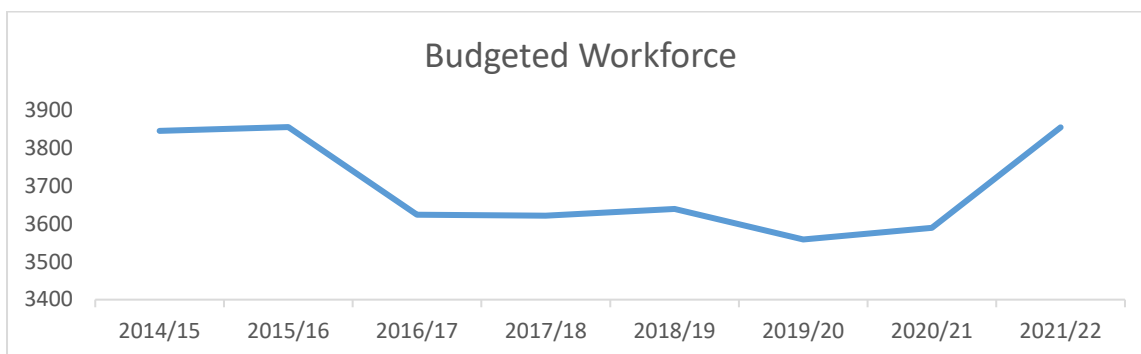
Although easing of Covid-19 restrictions has started it is not yet known how long it will take until full phasing back to the workplace will be undertaken, however, the council will continue to follow national guidance. All services are reviewing recovery plans ensuring strict adherence to all measures in place such as social distancing and face coverings.

The council has a number of transformational change programmes ongoing and although there has been some impact over the last year we continue to ensure that we will have the appropriate number of Local Government Employees and Teachers with the correct qualifications, registration and skills in the correct roles. As we move into recovery mode we continue to review our structures, operating models to introduce and establish more cross-functional and collaborative working to improve resilience.

The Workforce Plan is currently being updated for 2021-2024 to reflect the workforce requirements to support recovery and renewal within the council and to ensure that development and retraining opportunities continue to be supported during this difficult time.

Due to the Council’s programme of efficiency reviews 6 employees took the option of voluntary redundancy or other packages in 2020/21. This resulted in an in year cost of £0.16m.

The chart below shows how the Council’s budgeted workforce has changed in recent years:-



*The decrease in staff between 2015/16 and 2016/17 is due to the transfer of staff to East Renfrewshire Culture & Leisure Trust which commenced on 2 July 2015 and the increase in the current year reflects the rolling out of the Early Learning and Childcare 1140 hours initiative.

Consultation and Communication with Workforce

East Renfrewshire Council has in place employee governance arrangements to ensure its employees are well informed, involved in decisions, appropriately trained, treated fairly and consistently and provided with a safe environment. The Council engages with employees via surveys and focus



Management Commentary (cont'd)

groups to seek views in addition to regular consultations with staff and trade unions. Throughout the Covid-19 pandemic there has been increased employee communications to promote the importance of health and well-being and to promote available support.

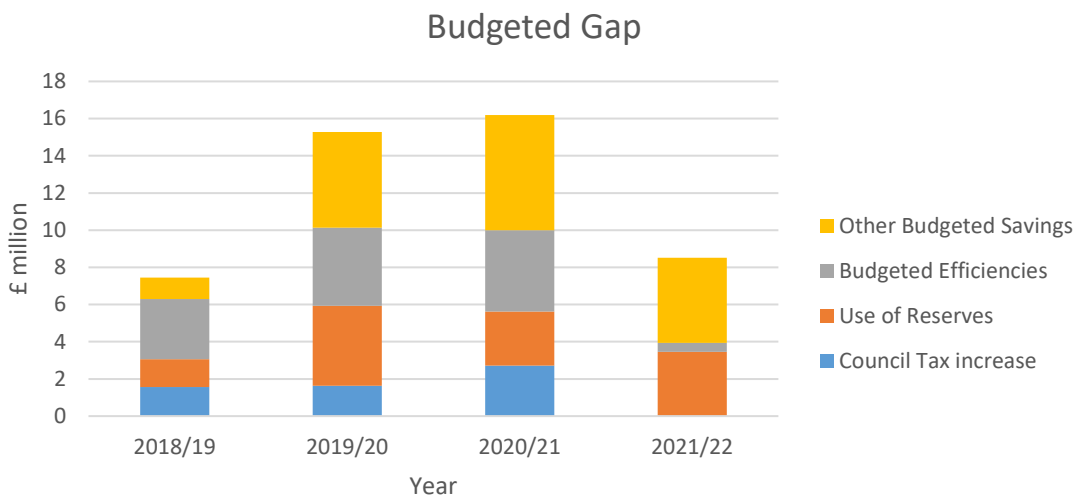
Weekly meetings have been held with the Trade Unions as a forum to quickly escalate any concerns and ensure swift resolution. The Corporate Communications Unit posts updates on the Council's internal website along with the Chief Executive's blog on a regular basis.

2. Financial Planning, Monitoring and Performance in 2020/21

Budget Process

Following our successful previous multi-year budget approach, the Council undertook extensive community engagement, during autumn 2017, on setting its budget for future financial years. Reflecting on that engagement, a budget for 2018/19 and indicative budgets for 2019/20 and 2020/21 were approved by Council in March 2018 and the indicative budgets were updated and approved in February 2019 and February 2020. In view of COVID-19 delaying the confirmation of Council settlement figures for 2021/22, as a result of the deferral of the UK and Scottish budgets until 3 and 9 March 2021 respectively, a new three year budget and associated savings proposals could not be compiled and the Council agreed to produce only a single year budget for 2021/2022. We hope that three year budget setting and public consultations will resume from 2022/2023.

The Council has had to make significant budget savings for a number of years in order to ensure that it complies with its statutory requirement to set a balanced budget whilst meeting the needs of residents. A total of £29.33 budget savings has been approved for the most recent 4 year period. In addition, both Council Tax increases and the use of reserves have been used to balance the budget gap over this period.



Capital plans have also been agreed for the General Fund and Housing, covering the period 2021/22 to 2030/31.

Budget Monitoring

The Council closely monitors expenditure and income against revenue and capital budget plans throughout the year. Standard reports showing revenue expenditure and income to date against



Management Commentary (cont'd)

budgets are provided to managers every four weeks with individually tailored reports and online information also available as required. Elected members normally consider revenue monitoring reports and detailed variance information at Cabinet five times per year with all reports providing

year-end forecasts. However due to the Covid-19 lockdown, an additional initial Monitoring report was considered by the Cabinet reflecting the position as at period one. Financial and physical progress on each capital project is also reported to Cabinet four times per year. Copies of these reports are available on the Council's website: www.eastrenfrewshire.gov.uk

Links to the final 2020/21 reports can be found below:

General Fund Capital Programme 2020/21, approved by Cabinet on 4 March 2021
https://www.eastrenfrewshire.gov.uk/media/4622/Cabinet-item-6-4-March-2021/pdf/Cabinet_item_6_-_4_March_2021.pdf?m=637492570425770000

Estimated Revenue Budget Monitoring Out-turn 2020/21, approved by Cabinet on 1 April 2021
https://www.eastrenfrewshire.gov.uk/media/4811/Cabinet-item-04-01-April-2021/pdf/Cabinet_item_04_-_01_April_2021.pdf?m=637516599957870000

Revenue Budget Performance

General Fund Revenue Balance

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statement, which can be found on page 46 and has been prepared using International Financial Reporting Standards. To show the net position of the Council, it is necessary to adjust the Comprehensive Income and Expenditure Statement for statutory items that require to be taken into account in determining the position on the General Fund and Housing Revenue Account for the year. These are summarised in the Movement in Reserves Statement on page 47.

An Expenditure and Funding Analysis reconciles adjustments between the Council's financial performance under the funding position and the deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis can be found in Note 2 and the Expenditure and Income Analysed by Service in Note 5.

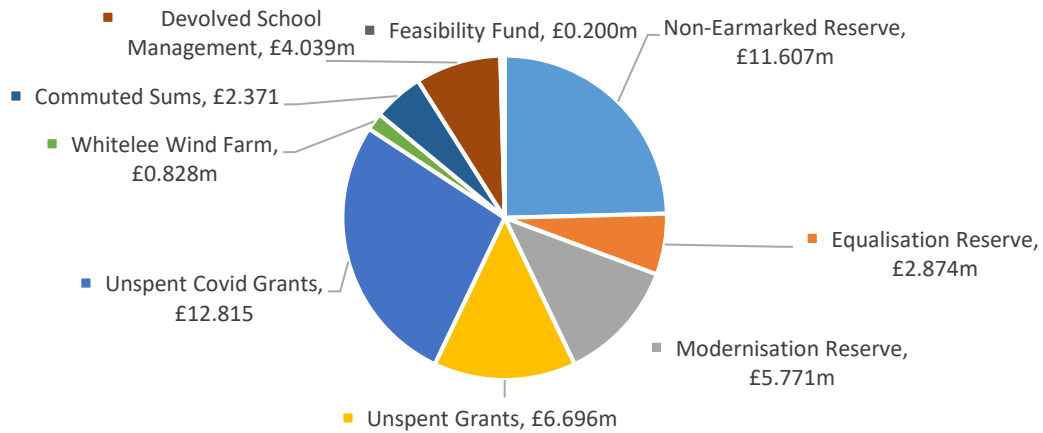
The General Fund Balance at the end of the year is £47.201m. The opening balance of £31.461m has been increased by an overall surplus of £15.74m. The General Fund is split over a number of earmarked funds which are adjusted annually to take account of the following factors:-

- (i) To ensure that the General Reserve is adequate to provide against unforeseen expenditure, which may arise. The Council's aim where possible is for the unallocated general fund balance to be equivalent to 4% of annual budgeted net revenue expenditure. The actual balance for 2020/21 was 4.5% (2019/20 3.8%)
- (ii) To earmark funding to equalise future PFI/PPP payments.
- (iii) To earmark funding to enable the upfront investment required to drive forward the Council's Modern Ambitious (Change) Programme.
- (iv) To earmark funding from unspent grants (including those unspent grants received to cover Covid-19 pressures in 2021/22), Whitelee Windfarm, Commuted Sums and Devolved School Management.
- (v) To earmark funds for feasibility studies to be carried out on potential capital projects.

The pie chart below shows the total amounts held within these funds, further information can be found in Note 11



Management Commentary (cont'd)



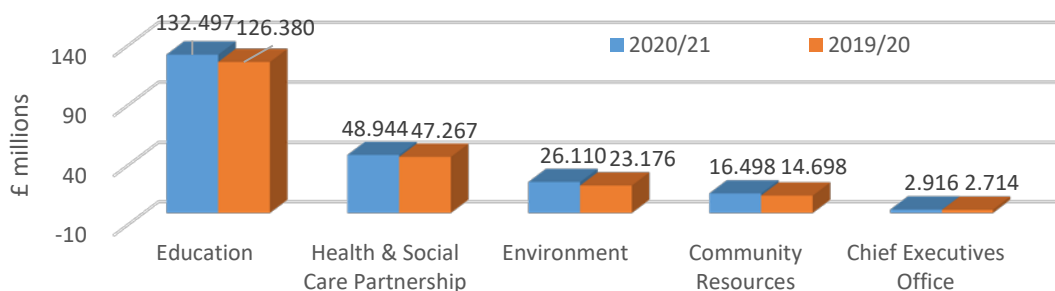
Budget Performance

The overall surplus of £15.740m can be analysed as follows:

	Actual £'000	Approved Budget £'000	Over/(Under) Spend £'000
Net Cost of Services	249,018	255,290	(6,272)
Contribution to /(from) Earmarked Reserves	(13,776)	-	(13,776)
Capital Financing Costs	8,720	8,863	(143)
To be met by Govt. grants and local taxation	243,962	264,153	(20,191)
Aggregate External Finance	(205,271)	(205,271)	-
Council Tax	(54,431)	(55,382)	951
Total Funding	(259,702)	(260,653)	951
(SURPLUS)/ DEFICIT FOR THE YEAR	(15,740)	3,500	(19,240)

The surplus of £15,740k above is primarily due to an increase in Unspent Grants and also reflects an underspend against budget of £19,240k as Council services ceased all non-essential spend during the year. When this is considered with the Housing Revenue Account deficit of £95k (see Movement in Reserves Statement) it equates to the total of £15,645k, as stated in the Expenditure and Funding Analysis (Note 2). The graph below shows the net expenditure across Directorates, also as shown in Note 2.

Net Expenditure across Directorates





Management Commentary (cont'd)

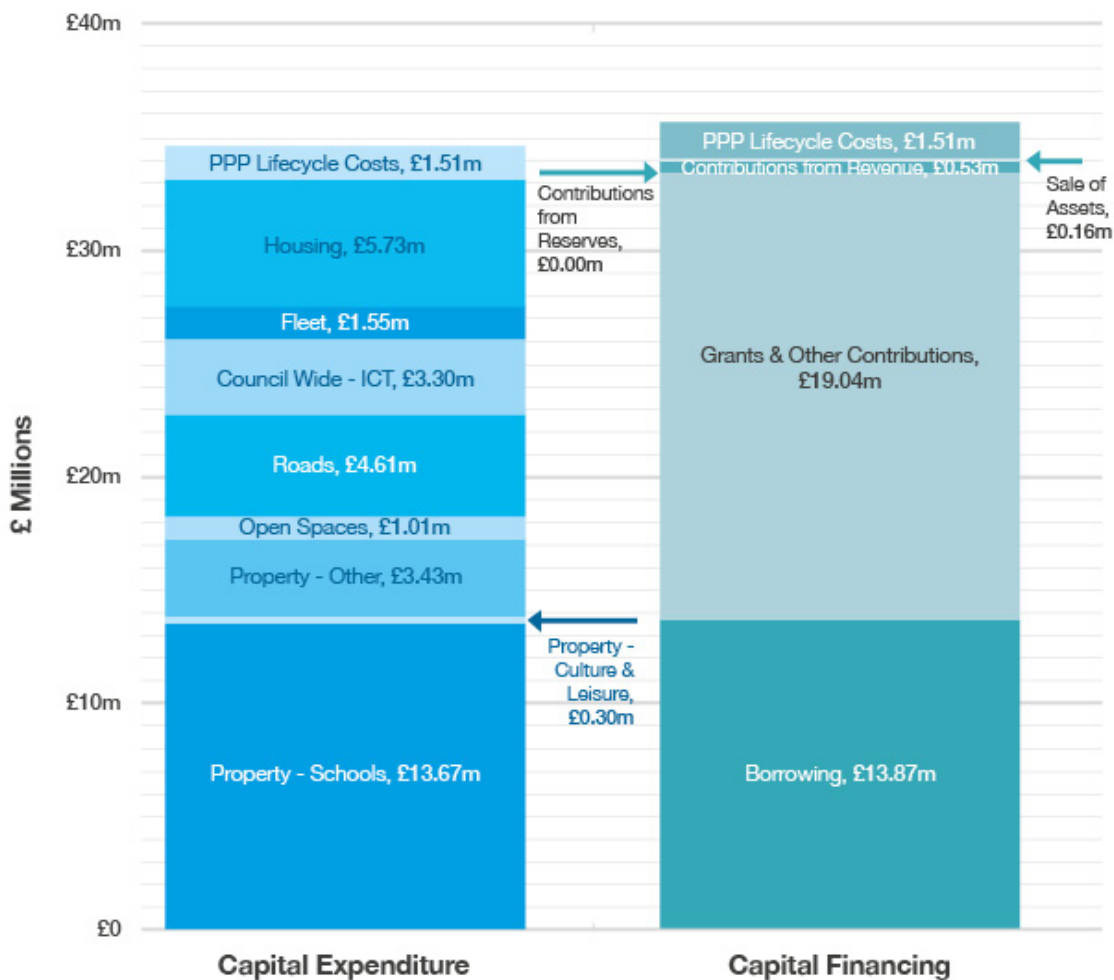
Housing Revenue

The Housing Revenue Account Comprehensive Income and Expenditure Statement and the Statement of the Movement on the Housing Revenue Account balance are shown on pages 107 and 109. These accounts deal with transactions in respect of managing the Council’s housing stock, which cannot be subsidised by the Council. The opening balance of £2,316k has been decreased by an operational deficit of £95k to give a year-end balance of £2,221k.

Capital Budget Performance

The Covid lockdown interrupted progress on the Council’s capital schemes in 2020/21, however the final Council budget (per the Budget Monitoring reports approved on 4 March 2020) for capital investment in both the General Fund and the Housing Revenue Account was £39.20m, with 86% of this being delivered. It should be noted that as these capital programmes are part of a longer term plan, it is expected that there will be movement in spend across the years and that projects not delivered in year will be completed in forthcoming financial years. The diagram below identifies the key areas of spend in 2020/21 and how these were funded. Further details are provided in Notes 15 to 18.

Capital Expenditure and Funding





Management Commentary (cont'd)

Balance Sheet

The Balance Sheet summarises the Council's assets and liabilities as at 31 March 2021 and explanatory notes are provided. The net worth of the Council has reduced by £15,881k from £475,755k as at 31 March 2020 to £459,874k as at 31 March 2021. The major movements are set out below:

	31 March 2021 £000	31 March 2020 £000	Movement £000	Main Reason
Long Term Assets	732,321	729,041	3,280	This increase is mainly due to major capital investment and asset revaluations of certain categories of assets (see Notes 15 to 18)
Current Assets	96,238	88,559	7,679	Cash equivalents and short term investments have increased due to both capital and revenue cash flows
Current Liabilities	(50,180)	(49,870)	(310)	Due mainly to the movement in short term creditors (see Note 23)
Long Term liabilities	(318,505)	(291,975)	(26,530)	Pension liability has increased due to higher inflation rates and a reduction in the corporate bond yield (see Note 39), this has been offset by a decrease in overall Long Term borrowing.
Usable Reserves (excluding those related to covid-19)	(45,549)	(44,222)	(1,327)	This reflects an increase in unspent grants during the year (See Note 11 for details) and excludes covid-19 related reserves
Usable Reserves – COVID 19 only	(14,735)	-	(14,735)	This reflects both the unspent covid-19 grants which forms part of the General Fund Reserve and the Capital Grants & Receipts unapplied account, both of which can be used to cover any unfunded covid-19 pressures in 2021/22
Unusable Reserves	(399,590)	(431,533)	31,943	Reflecting the increase in the Pension Reserve (see Note 25)

Pension Liability

The common position for employers participating in the Strathclyde Pension Fund is that the IAS19 calculation, based on a snapshot valuation as at 31 March 2021, discloses a deficit, as a result of prevailing investment market conditions at that date. The liability relates to benefits earned by existing or previous employees up to 31 March 2021. These benefits are expressed in current value terms rather than the cash amount that will actually be paid out. This is to allow for the 'time value of money', whereby the value of cash received now is regarded as higher than cash received in, for example, ten years' time, since the money received now could be invested and would earn interest or returns during the ten years. The pension liability represents the best estimate of the current value of pension benefits that will have to be funded by East Renfrewshire Council. The pension liability can fluctuate significantly year on year and the table below shows the Council's pension liability over the last three years:-

	2020/21 £000	2019/20 £000	2018/19 £000
Pension Liability	(119,443)	(87,594)	(134,841)

The main changes this year can be attributed to an increase in the market derived Consumer Price Index (CPI) inflation rate and a reduction in the corporate bond yield over the period which led to an overall loss of around £153m offset by a higher investment return achieved by the fund over the



Management Commentary (cont'd)

accounting period i.e. 25.1% compared to an expected accounting return of 2.3%, which led to an overall gain of around £121m on the balance sheet.

The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and future income to meet future pension liabilities.

Further detail on pension estimates are included in Note 39

Treasury Management

The Council's net borrowing decreased by £4.191m during the year. This reflects the funding of the capital programme and the repayment of borrowing and lease finance as shown in the Balance Sheet as follows:-

	31 March 2021 £000	31 March 2020 £000	Movement £000
Long Term Investments	255	262	(7)
Short term Investments	7,999	34,248	(26,249)
Cash & Cash Equivalents	61,119	36,139	24,980
Short Term Borrowing	(383)	(561)	178
Short Term Finance Lease	(5,083)	(4,864)	(219)
Long Term Borrowing	(113,843)	(114,226)	383
Long term Finance Lease	(78,712)	(83,837)	5,125

The Council's borrowing strategy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities. Further details are provided at Note 41. The Council regulates its capital spending limits within a prudential framework recommended by CIPFA and endorsed by the Scottish Government. Each year, the Council approves its capital financing requirement (CFR) for the forthcoming year, as part of the Treasury Management Strategy. The CFR is a prudent assessment of the external borrowings for capital investment purposes that are affordable and sustainable over the longer-term. The Council's external debt (including Finance leases) at the year-end was £197.237million (excluding effective interest), made available to the Council from various sources, the most significant of which was from the Public Works Loans Board. This compares with the CFR of £203.455 million (see Note 33) and demonstrates that external borrowing has only been undertaken for capital investment purposes which is reflective of the Council's Treasury Management Strategy to make use of internal funds and to minimise the exposure to investment risk. The Council's Treasury Management Strategy Report for 2020/21 can be found:

[Treasury Management Strategy Report 20/21](https://www.eastrenfrewshire.gov.uk/media/1110/Audit-and-Scrutiny-Committee-Item-03-20-February-2020/pdf/Audit_Scrutiny_Committee_Item_03_-_20_February_2020.pdf?m=63734563772860000)

https://www.eastrenfrewshire.gov.uk/media/1110/Audit-and-Scrutiny-Committee-Item-03-20-February-2020/pdf/Audit_Scrutiny_Committee_Item_03_-_20_February_2020.pdf?m=63734563772860000

Provision and Write-offs

The Council has provided £0.346 million in the Balance Sheet for eventualities which may have an impact on the financial position of the Council and the reasons for the provisions made are outlined in Note 24.

There was a write-off against bad debt provision during the year of irrecoverable debt due to the Council of £949.08k for Council Tax, £47.42k for Non-Domestic Rates and £333.21k of other debts which were approved by Cabinet.



Management Commentary (cont'd)

Key Financial Ratios

The following table provides information regarding the financial performance of the Council in 2020/21 and the affordability of its ongoing commitments:-

Financial Indicator	Commentary	2020/21 Actual	2019/20 Actual
Reserves			
Uncommitted General Fund Reserve as a proportion of Annual budgeted Net Expenditure	Reflects the level of funding available to manage financial risk/unplanned expenditure. The Council's Reserves Policy is to aim where possible for 4% of the current year's budgeted net expenditure. The level of this reserve is slightly higher than that planned as non-essential service spending was curtailed during 2020/21. More information is provided in the <i>General Fund Revenue Balances</i> section above.	4.5%	4.0%
Movement in the Uncommitted General Fund Balance	Reflects the extent to which the Council is using its Uncommitted General Fund Reserve.	20.4%	(8.6%)
Total useable Reserves as a percentage of Council Annual Budgeted Net Expenditure	This indicator reflects all useable reserves including those earmarked e.g. Unspent covid-19 grants and those relating to Capital receipts unapplied to cover unfunded covid-19 pressures in 2021/22, as a percentage of the Council's net budgeted expenditure. Details of the usable reserves can be found in note 11	23.3%	18.3%
Council Tax			
In-Year collection rate	Reflects the Council's effectiveness in collecting Council Tax debt and financial management. The Council continues to achieve high collection levels despite the impact of covid-19 and the current economic climate and its effect on the local economy.	96.42%	97.47%
Ratio of Council Tax income to Overall Level of Funding	Reflects the Council's capacity to vary expenditure by raising Council Tax income, the only principal source of finance within Local Authority control. East Renfrewshire Council increased Council Tax bills by 4.84% in 2020/21.	21.0%	22.1%
Financial Management			
Actual Outturn as a percentage of Budgeted Expenditure	How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of the budget monitoring as reported throughout the year. More details are provided in the <i>Revenue Budget Performance</i> section above.	97.4%	99.2%
Actual contribution (to)/from Unallocated General Fund Balance as a percentage of Budget.		(0.8%)	0.4%
Treasury Management			
Financing Charges on the Council Tax	The amount the Council has paid, including principal, interest and expenses to meet the cost of capital investment and the interest rate applied.	£8.720m	£10.245m
Financing Charges on the Housing Rents		£4.244m	£3.729m
Average Loans Fund Interest Rate		3.67%	3.74%



Management Commentary (cont'd)

Ratio of Financing Costs to Net Revenue Stream – General Fund	Demonstrates how much of the General Fund Revenue budget is committed to support borrowing. The Council's cost of borrowing is affordable and fits with the Council's medium to long term financial strategy.	7.60%	9.00%	
Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account	Demonstrates how much of the Housing Revenue budget is committed to support borrowing	33.1%	29.70%	
Debt/Long-term Borrowing		2020/21 Estimate	2020/21 Actual	2019/20 Actual
Capital Financing Requirement (CFR) for the current year	External debt levels are less than the CFR. This demonstrates that borrowing is for capital investment purposes only.	£235.072m	£203.455m	£203.052m
External Debt Levels for the current year		£223.187m	£197.237m	£202.693m

Review

The Council's affairs have again been managed within its operational budget (see budget performance table above). All General Fund departments' outturn spend was within budget, with Directors taking early action to avoid non-essential spend during 2020/21, particularly on staff vacancies and supplies, as it was uncertain whether additional government funding would be provided to cover all covid pressures. As full grant funding for 2020/21 covid pressures was eventually confirmed towards year end this effective control of in-year expenditure allowed us to contribute £1,964k to the non-earmarked general fund reserve and the budgeted £3,500k draw on this reserve was not required. This will give the Council more flexibility to address the significant financial difficulties and uncertainties in coming years.

The additional COVID cost pressures encountered during the year were covered by Government COVID grant funding. £14.43m of these pressures impacted directly on Council funded services in terms of additional costs including staff and PPE to address the pandemic and of lost income from leisure facilities which were closed during lockdown. In addition £12.82m covid grants were carried forward to address pressures in the current year, mainly due to the large proportion of funding received in March 2021 and this can be evidenced by the higher than usual level of reserves held at 31 March 2021.

In addition to the COVID grant funding for additional pressures faced by the Council during the year, the Council also administered the distribution of £20.24m of COVID support grants to the local businesses and residents.

During the year major investment in Education continued resulting with the opening of five new build nurseries to increase the level of early years care to 1,140 hours, helping families with the cost of childcare. Whilst the Scottish Government had to extend its deadline for offering this increase due to covid-19, East Renfrewshire was still able to offer families the improved provision by the original target date of August 2020. As part of this programme a new changing facility at Crookfur Pavilion was also completed.

In addition work by the Health and Social Care Partnership to create an integrated centre for excellence for older people in East Renfrewshire was completed at Bonnyton House.

Through the City Deal, work continued on a major £44m regeneration programme across the Council as part of our ten year capital investment plan and as part of these works the new Balgraystone Road was opened in October 2020.



Management Commentary (cont'd)

In addition, the Council invested a further £4.494 of capital resources in improving our roads and street lighting.

3. Financial Outcomes and Key Risks

The Council maintains a Strategic Risk Register, reviewed weekly by the Corporate Management Team and reported twice yearly to the Audit and Scrutiny Committee. The report presented on 18 March 2021 can be found here: [Strategic Risk Register](https://www.eastrenfrewshire.gov.uk/media/4767/Audit-and-Scrutiny-Committee-Item-04-18-March-2021/pdf/Audit_and_Scrutiny_Committee_Item_04_-_18_March_2021.pdf?m=637510686490970000)
https://www.eastrenfrewshire.gov.uk/media/4767/Audit-and-Scrutiny-Committee-Item-04-18-March-2021/pdf/Audit_and_Scrutiny_Committee_Item_04_-_18_March_2021.pdf?m=637510686490970000

The Council monitors risks closely, seeking to mitigate them so as to deliver its strategic aims. Risk registers are also maintained at departmental level and for major projects. In common with all other organisations, we are affected by the current challenging conditions. The key risks for the Council are listed in the table below. Demographic pressures and financial constraints continue to present risks to the Council's operations and from March 2020 the impact of the Covid-19 pandemic has also been flagged as a major risk for many Council services. The levels of risks relating to the introduction of 1140 hours of early years' learning and childcare, the implementation of the new Council Tax system and the economic impact of Brexit have, however been reduced from high to medium.

KEY RISKS AND UNCERTAINTIES	
Risk	Mitigating Actions
Demographic pressures , particularly in relation to school pupils, people with Additional Support Needs and the elderly, cannot be accommodated within the Council's available financial and property resources.	The Council updates its demographic forecasts annually and these are used to inform both revenue and capital plans. Services are reviewed and redesigned with a view to increasing efficiency, and joint working across departments (e.g. Education, HSCP, Housing, Property and Planning) ensures focus on the most strategic issues.
Financial constraints restrict the Council's ability to provide the required range and quality of services, due to settlements not providing full funding for inflation and new burdens while increasing ring-fencing of grants and limiting local flexibility. Forecasts of grant for the coming years indicate continuing reductions. Pressures relating to Covid-19 may exacerbate the position in future years as funding is not yet fully confirmed	Medium to long term financial plans, a multi-year budget approach and close budget monitoring all assist in mitigating this risk. Financial Planning 2021-2027 https://www.eastrenfrewshire.gov.uk/media/4634/Council-item-7-25-February-2021/pdf/Council_item_7_-_25_February_2021.pdf?m=637493314526170000 A focus on efficiencies, service reviews, the Council's ambitious transformation programme and lobbying of Government are also used to reduce the threat.
Brexit may still have a significant impact on a wide range of regulations affecting Councils. The initial impact was not severe but details of the longer impacts are not yet clear. There remains potential for disruption in many areas including certain areas of the workforce, essential supplies, inflation and importing/exporting businesses.	The Council's Crisis Resilience Management Team was stood up to initiate the Council's preparations and liaise with national organisations. A Brexit Co-ordinator has been appointed and a Brexit Working Group & risk register established. National developments are being monitored, appropriate local communications issued and service specific training and mitigation put in place.



Management Commentary (cont'd)

<p>COVID-19 is a major risk across the Council with potential problems relating to staff availability, supply chain, service demands, financial pressures and building closures as well as significant impacts on public health, vulnerable residents and the local and national economy, although the situation is now improving due to the vaccination rollout. These impacts are expected to affect both the Council's service provision and finances for at least the next year and will also impact on the Council's annual accounts for 2020/21, especially in relation to the need for separate accounting for COVID related expenditure & grants. Further details of the Council's response can be found on page 24 of this document.</p>	<p>The Crisis Resilience Management Team and CMT continued to meet several times each week, with most buildings closed and staff working from home where possible. The Council's emergency powers in place from 23 March 2020 came to an end during the summer of 2020 and virtual committee and Council meetings resumed. Updated business continuity plans remain in place, as do enhanced communications and joint working locally and nationally. Risk registers have been established for both the response and recovery phases of the crisis and additional costs and Government funding are being closely monitored. The Council is taking the anticipated longer term impact of the pandemic into account in framing its medium to long term financial plans</p>
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The Council's financial and outcome delivery plans are being updated to take account of the above risks and revised budgets, savings proposals and service plans will be agreed as the Council is approaching these difficulties as a part of a longer term financial strategy. This is set out in the Financial Planning paper approved by the Council on 25 February 2021 as part of the annual budget: [Financial Planning 2021-2027 https://www.eastrenfrewshire.gov.uk/media/4634/Council-item-7-25-February-2021/pdf/Council_item_7_-_25_February_2021.pdf?m=637493314526170000](https://www.eastrenfrewshire.gov.uk/media/4634/Council-item-7-25-February-2021/pdf/Council_item_7_-_25_February_2021.pdf?m=637493314526170000)

This strategy is characterised through factors including making spending decisions based on an assessment of medium to long-term needs and consequences and seeking to avoid taking a short-term outlook in its policy making, service planning and budget setting decisions; the agreement of multi-year budgets wherever possible; applying savings early and as soon as measures are identified; and ensuring that the Council priorities and the budget process remain aligned. The Council has also actively reviewed its reserves and factored some utilisation of these into its plans to address future financial difficulties in addition to considering the use of available fiscal flexibilities.

In completing the Annual Accounts the Council has made certain judgements about complex transactions and those involving uncertainty about future events. The Balance Sheet also contains estimates that are based on assumptions made about the Council regarding the future or that are otherwise uncertain. Where these judgements or estimates could potentially impact materially on the Annual Accounts they are listed in notes 6 and 7, however professional findings have been taken into account in order to mitigate any potential impact.

Risk Appetite

The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.

Our approach is to minimise exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that appetite for risk varies according to the activity undertaken, that acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.



Management Commentary (cont'd)

The following diagram illustrates the Council’s risk tolerance levels across different areas of activity:

	Unacceptable to take risks					Higher willingness to take risks				
	1	2	3	4	5	6	7	8	9	10
Reputation	■	■	■							
Compliance	■	■	■							
Financial	■	■	■							
People and culture		■	■	■	■	■	■			
Operational services		■	■	■	■	■	■			
Major change activities				■	■	■	■	■	■	
Environmental and social responsibility			■	■	■	■	■	■		

The Annual Governance Statement, included in this Annual Report document, details the arrangements the Council has put in place for the proper governance of the Council’s affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvement actions to the governance framework identified from the Council’s ongoing review of these arrangements.

4. Supplementary Information

Private Finance Initiative/Public Private Partnership & Similar Contracts

The Council has two Private Finance Initiative contracts. The first, signed on 20 April 2000, is for the provision of school facilities for 25 years ending July 2026 and the second, signed on 30 April 2003, is for the construction and maintenance of the Glasgow Southern Orbital Road and the M77 extension for the 30 years ending April 2035. On 10 December 2004 the Council also signed a Public Private Partnership contract for the provision of further new and extended school facilities for the 25 years ending July 2031. On 21 March 2016 the Council signed a 25 year contract, ending August 2042, for the construction and maintenance of a replacement Barrhead High School delivered under the Scotland’s Schools for the Future programme non-profit distributing (NPD) model. More recently, in January 2020 the Council entered into a 25 year contract for waste recycling which utilises residual waste to obtain thermal gain. Details of all 5 projects are provided in Note 35 to the core financial statements. As we approach the end of the first PFI schools contract period we are making preparations for the transition of these services back to Council operations.

Group Accounts

The Council is represented on the Boards of the following companies that are limited by guarantee, have no share capital and have prepared their accounts on a going concern basis. It participates in these companies by means of Board membership and the provision of funding. The Council has not paid any consideration for its interests and thus there is no goodwill involved.

The inclusion of these entities in the Council’s Group Accounts is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. Due to the inclusion of the Common Good, trust fund balances and the liabilities and assets carried by the entities, listed below, the Group



Management Commentary (cont'd)

Balance Sheet increases the Council's net worth by £22.016m. Details of these interests are listed within the notes to the Group Accounts.

Strathclyde Partnership for Transport
Strathclyde Concessionary Travel Scheme
Renfrewshire Valuation Joint Board
East Renfrewshire Culture & Leisure Trust
East Renfrewshire Integration Joint Board

Events During 2020/21

Core Systems

As part of its Modern Ambitious Programme (MAP) the Council planned to replace its core financial, payroll and human resources systems. A multi-disciplinary team including stakeholders from all services was established in summer 2018 to deliver this project. The Council's new financial ledger system was successfully implemented in November 2019 and subsequent phases are now being delivered to offer increased functionality and efficiencies. The Council's new Human Resources (HR) and payroll system was also scheduled to go live at the end of March 2020, but the Covid-19 pandemic prevented this from happening as social distancing and lockdown measures impacted on the availability of consultants and staff. The new HR/payroll system was successfully launched in December 2020. Progress on all MAP projects is regularly reported to the Council's Corporate Management Team and will help the Council deliver its efficiency savings and transformation objectives. An update on the Core Systems programme was also considered by Cabinet in December 2020.

Significant Trading Operations

The Local Government Scotland Act 2003 sets out the requirements for statutory trading accounts to be maintained for "significant" trading operations only. The Council after adopting the CIPFA/LASAAC criteria concluded that there are no services that can be classified as a significant trading operation.

Loans Fund Repayments

In agreement with legislation allowing Council's to vary loans fund repayments for advances based on prudent principles, the Council, in agreement with our External Auditors, has reviewed the loans fund and incorporated planned changes to the repayments schedule ensuring that each year's repayment amount is reasonably commensurate with the period and pattern of benefits.

Covid-19 Response

During the year the Council incurred £14.43m of covid-19 related expenditure (excluding grants provided as an agent for the Scottish Government), which was fully funded through Government Grants. Where this funding could be identified to a department then this was allocated accordingly, however where the funding was not ring-fenced it was included within the *Taxation and non-specific grant income* line in the Comprehensive Income and Expenditure Statement.

The Council also acted as agent for the Scottish Government in making various support payments to local businesses & residents and these costs along with the funding received are not reflected in the Consolidated Income & Expenditure Statement. In this respect the Council provided payments totalling £20.24m which were covered fully by Government funding.

In addition, although not required in 2020/21, as part of the fiscal flexibilities granted to Councils, £1.92m of capital receipts have been earmarked within the Capital Grants & Receipts Unapplied



Management Commentary (cont'd)

Reserve to address potentially unfunded Covid-19 pressures in 2021/22. Should this not be required, any balance in the Reserve as at 31 March 2022 will be transferred to the Capital Reserve.

Events after the Balance Sheet Date

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration. There are no significant post balance sheet events to report.

COVID-19

Covid-19 was first confirmed in Scotland on 1 March 2020 and was declared as a global pandemic on 20 March 2020. The Corporate Management Team initiated daily meetings from 17 March and stood up the Crisis Resilience Management Team (CRMT) to oversee a tactical response. A Council meeting on 23 March set up an emergency committee of the three party leaders and agreed delegated powers for Directors. The country entered lockdown on the same day.

On the 28th May the Scottish Government introduced a 4 phase recovery programme and the Council moved from lockdown to phase 1 which meant that the work of the Council developed into a mix of response to the virus and the recovery of services in line with the Scottish Government guidance. This resulted in the emergency committee standing down and the Council reverting to a full complement of Council meetings which were held remotely. However as the number of Covid-19 cases in East Renfrewshire increased the Council moved down to phase 3 of the recovery programme.

On 2 November a new protection level system was introduced by the Scottish Government. There were 5 levels in the new system ranging from the level with least restrictions (level 0) to that with the most stringent restrictions (level 4). Initially the Council was placed in level 3 however as the pandemic continued to take hold the Council was moved to level 4, along with a number of other areas in Scotland's central belt.

The roll out of the covid-19 vaccines began in December 2020 which together with the restrictions in place resulted in the reduction of reported cases and relaxation to the restrictions began in March 2021. However numbers are continually monitored as new strains of the virus emerge.

The Council worked very hard to maintain key services for those residents most in need, and had to prioritise the services we provide and deliver others in a completely new way e.g. teaching of children was substantially online. Many of our staff still needed to be out in our communities serving the public. Our care at home, road gritting and refuse collection are just a few of the services that continued. In addition to supporting the most vulnerable, the Council with the help of staff volunteers, set up some new initiatives.

New Initiatives

The Council and the Health & Social Care Partnership (HSCP) worked with and supported Voluntary Action East Renfrewshire (VAER) to establish a Community Hub connecting vulnerable and isolated households to a range of community supports (e.g. shopping service; welfare calls; prescription deliveries; and digital support) many of which are delivered by volunteers.

The Council was also asked by the Government to establish support arrangements for vulnerable local people including a 'shielding' service to support those with the most high risk medical conditions who were advised by the Chief Medical Officer to stay at home for at least 12 weeks in letters sent from 24 March 2020.

We established a local helpline, email address, web content and social media encouraging 'shielding' residents to get in touch with the Council. We also proactively made phone calls to each 'shielding'



Management Commentary (cont'd)

resident to discuss what support they had available from family and friends and assess any residual needs, including food, prescriptions and other support including befriending and digital support.

Councils were also asked to handle their area's calls from a national helpline targeted at other vulnerable people affected by the implications of Covid-19 – these were defined as 'Group 2' (e.g. over 70s; pregnant people; those with other specified conditions).

Support arrangements and call-handling remained in place throughout 2020/21 for both shielded residents, although government advice to them has continued to develop, and anyone in need of support across East Renfrewshire. Councils were also asked to provide isolation support for anyone who had tested positive for COVID-19, to encourage people to stay at home – this has included daily proactive outbound calls to those whose details have been passed to the Council by Public Health Scotland. This service is due to stay in place at least until the end of June 2021.

Temporary food provision for the most vulnerable in our community was also established using our allocation from the Scottish Government's Food Fund, which also funds the Free School Meals, and food donated from FareShare. Our residents also benefited from donations to the Barrhead foodbank.

The Council has also been responsible for various funding streams associated with financial hardship and support for isolation, with significant further funding available in 2021/22 which is currently being planned. A range of hardship payments to vulnerable families has also been implemented including a winter payment in December 2020, spring payment in April 2021, and further payments of various types required in summer and winter 2021.

Impact on Services

On 20 March the Scottish Government announced that all schools and nurseries would be closed and the Council closed most other public buildings on 27 March. To support key workers and our most vulnerable children and young people, hub schools were set up across the Council. Working with *out of school* care providers and East Renfrewshire Culture and Leisure Trust, hub provision was also provided during school holidays. Pupils receiving free school meals before the lockdown continued to be supported. Closure of educational establishments impacted on income from areas such as school meals, wraparound care, instrumental music lessons and the sale of spare capacity on school transport (privilege passes). All school trips scheduled throughout 2020/21 were affected and the issue of parental refunds was addressed at an early stage by the approval of robust procedures in June 2020.

Throughout the year there have been extended periods of closure for schools and nurseries due to the impacts of the Covid-19 pandemic. Throughout the periods of closure, geographical hubs were established to support the childcare of key workers and children from more vulnerable households.

In planning for the reopening of schools/nurseries, implications of ongoing social distancing requirements including, for example, additional cleaning throughout the school day and new arrangements for school meal provision emerged. This has impacted on the delivery of approved savings as well as leading to significant new cost pressures.

As well as Scottish Government support to address the additional cost pressures associated with the safe re-opening of educational establishments funding was also provided to support our most vulnerable children and young people through the provision of free school meals during school holiday periods and a Winter and Spring Hardship payment for eligible pupils.

In addition funding to support Education recovery and Digital Inclusion has been provided which is being utilised to employ additional temporary staff as well as the provision of digital devices to support remote learning where required..



Management Commentary (cont'd)

East Renfrewshire Council has also administered the Transitional Support Fund for Childcare providers.

The pandemic significantly affected how health and social care was provided to the most vulnerable in our community. The HSCP put in place its initial planning including a Local Resilience Management Team on 11 March 2020 and took early decisions to prioritise services, by adapting the Health and Care Centres that remained open, and by working with our partner organisations to ensure that appropriate levels of care and support were in place in our community. Throughout the pandemic our focus has remained on continuing to provide essential care and support to those identified as most vulnerable or in the greatest need, with arrangements put in place for ongoing contact (by telephone, online or periodic visits) for those requiring lower levels of support. During the crisis period, the HSCP enhanced its collaborative working arrangements with partner providers, the third sector and community groups to ensure effective support continued in the community. Support to care homes was increased through daily contact with managers to discuss the issues they faced, gather information on the impact of Covid-19, and support joint working across care homes. Care homes were given priority access to medication and provided with additional care home liaison nursing, occupational therapy and social work review support. The HSCP provided support with testing, dealing with outbreaks, and extra support for complex clinical where required.

New services were also set up including a Personal Protective Equipment (PPE) Distribution Hub and a Community Assessment Centre. A mobilisation plan was produced which detailed local responses to the pandemic within East Renfrewshire and also took account of the impact across NHS Greater Glasgow and Clyde. As we moved through the initial emergency phase of the pandemic, services developed (and continue to review) their own recovery and resilience plans setting out key milestones.

A significant role for the HSCP during the pandemic has been the local delivery of the flu and Covid-19 vaccination programmes. Over an eight week period between September and November 2020 over 900 flu vaccinations were given to housebound residents, an increase of 100% on the same period in 2019. Through our Community Nursing teams we have been delivering Covid-19 vaccines for older housebound and care home populations.

The impact of this pandemic will have longer term implications for the way the HSCP delivers some of its services and work has started to scope this through our recovery planning process and the development of our interim Strategic Plan for 2021-22. In the coming year we will develop a full Strategic Plan where we will review our strategic needs assessment in light of the pandemic and develop our strategic priorities taking into account the lessons learned and changing needs and expectations of local residents.

East Renfrewshire Culture & Leisure Trust closed its venues and services to the public from 18th March 2020 in line with government restrictions. Throughout closure, the Trust has continued to support ERC in the provision of facilities and services including operating the Humanitarian Food Hub and providing holiday camp activities for vulnerable children and children of Key Workers. The 2 main sports venues are also currently being operated as mass vaccination centres, while the Trust is also staffing the Asymptomatic Testing Centre, and delivering an activity programme for vulnerable young people in partnership with Social Work. Out with collaboration work with ERC, during its period of closure, the Trust has accessed the Coronavirus Job Retention Scheme for the majority of its staff.

Additionally, the Housing Revenue Account has been affected by Covid-19. Key factors being an increase in rent arrears and a reduction in capital income earned. The final effects of the former are dependent on the extent to which our tenants are impacted by external factors, e.g. the provision of additional Scottish Welfare Funding, and are still to be determined. In addition, the possibilities of additional Scottish Government funding are being sought, however currently reserves are sufficiently strong which provides an element of comfort for the HRA.



Management Commentary (cont'd)

Furthermore, the Council's Capital Programme was severely impacted by the pandemic both in terms of costs and timescales. In response to the operating conditions the Council found itself in, a report was made to Corporate Management Team (CMT) outlining the priority projects to be continued and the projects which could be deferred into future years. Additionally, social distancing impacted upon productivity and some supply constraints also caused delays and only new CPA's (Capital Programme Appraisals) of significant importance were considered for the new financial year. Looking forward it is anticipated that ventilation works in schools will dominate the year's work in 2021/22. The Council will continue to monitor the effects of covid-19 on the capital programme and report the impact of any additional costs on future plans.

Support provided to businesses

To help support local businesses the Scottish Government provided additional funding, managed by local Councils. This included the relaxation of Non Domestic Rate payments for retail, hospitality and leisure properties for a period of one year and the provision of grants to small businesses and to those that have recently registered as being self-employed. During the year the Council distributed £19.481m of such grants to local businesses.

The Council continues to show commitment to supporting local suppliers and partner providers by following the Governments procurement guidance (Scottish Procurement Policy Note 4 & 5. Construction Policy Note 3 & 4) and in the context of supporting supply chain resilience during the pandemic and helping to boost economic recovery. In addition to this and for existing contracts supplier engagement was undertaken to understand the specific pressures faced and to identify potential solutions on a case-by-case basis. For new procurements stakeholder engagement was undertaken to understand if the requirement is essential, and that the marketplace is able to submit a response which is sustainable over the life of the contract.

In line with national agreements, payments were made e.g. to Early Learning and Childcare partner providers and Strathclyde Partnership for Transport during the closure period.

Risks

In order to monitor the risks associated with the pandemic, the Corporate Management Team has included COVID-19 risks in the Corporate Risk Register which it reviews weekly. The greatest threats identified include impact on educational attendance and attainment, disruption to leisure services and income streams, and difficulty in providing routine services due to staff absence or reassignment to pandemic response work.

In addition, throughout the lockdown and local protection levels, measures were put in place for as many employees as possible to work from home, and with Safe Systems of Working put in place for all others. Manager and employee guidance was issued and updated on an ongoing basis to support these new ways of working ensuring all changes to guidance were reflected. During this time regular calls with the Trade Unions have been held to ensure ongoing engagement.

The issues in terms of workforce availability and confidence were crucial. The Human Resources Case Management team worked with members of the Environment Business Intelligence team to create an Absence Dashboard which allowed managers to access information on who in their team was affected due to the illness, was self-isolating and had underlying health conditions. Managers updated this data on a daily basis to allow assessments of the workforce to be made, to understand the implications for delivering essential services and also to maintain contact and support for those unable to attend work. Collation of absence information at a national level helped to inform discussions between senior leaders in the Society of Local Authority Chief Executives (SOLACE), the Convention of Scottish Local Authorities (COSLA) and the Scottish Government regarding the impact



Management Commentary (cont'd)

of Covid-19 on service provision, and the key staffing issues that require some form of national consideration.

The absence rate as a result of Covid-19 including employees reporting sick, isolating, absent with caring responsibilities and non-essential employees at home unable to work from home averaged just below 10% of the total workforce in March 2020 and a year later in March 2021 this had reduced to just under 2%. During the year staff absence as a result of Covid-19 was monitored very closely to ensure continuation of critical frontline services during these difficult times.

During this period the Council along with the HSCP appointed Wellbeing Champions to ensure that communications on how to manage different ways of working and how to look after your physical and mental health were shared widely with both managers and employees. Messages were promoted proactively across the council advising employees of the many different supporting mechanisms accessible to them

In addition, work has continued proactively across the Council to understand PPE stock usage ensuring adequate contingency and preparedness for immediate response whilst working closely with our suppliers and key partners such as Scottish Government, Scotland Excel, SOLACE Scotland, NHS, National Support Services (NSS) and COSLA.

Funding

Government funding to assist Councils in responding to the outbreak has been announced throughout the last year and this was sufficient to cover the additional revenue costs incurred during 2020/21 as a result of the pandemic. There is, however, a risk that pressures facing Councils in 2021/22 and beyond may not be fully funded by Government grants. These pressures include additional costs incurred, reductions in income generated and planned savings no longer achievable as a direct consequence of the pandemic and of the longer term operational and economic recovery process. Whilst Councils have been given additional fiscal flexibility powers to cover any such financial shortfalls, these will result in increases in loans fund repayments in future years. The position is being closely monitored and budget plans for 2021/22 and beyond have been reviewed accordingly, together with the Council's policy for the utilisation of reserves. As national core funding announcements were delayed and the multi-year grant settlements anticipated from the Scottish and UK Governments from 2021/22 onwards were not confirmed this year, the Council reviewed its planned approach of setting a detailed 3 year budget and instead set a single year budget for 2021/22. It is hoped that multi-year settlements will resume from 2022/23 and that the Council will revert to 3 year budget setting at that point. Nevertheless, the Council continues to take a long term view of its finances, setting its Outcome Delivery Plans for a 3 year period, considering its 6 year forward revenue planning position and publishing its capital plans for at least the next 10 years.

Valuation of Council Assets

The pandemic will inevitably impact on the valuation of assets reported in these accounts. Less weight to previous market evidence for comparison purposes can be given to inform opinions on values as an unprecedented set of circumstances exist on which to base judgement. Emerging market activity however suggests its influence on council property may not be as significant as initially feared. Until a significant body of post March 2020 comparative evidence emerges, uncertainty remains as to the longer term market consequences of the pandemic and associated government economic measures. In this regard the Property Plant & Equipment revaluations (shown in detail in Note 15) do not reflect the consequences of the prevailing Covid-19 pandemic and its influence on the property market. The



Management Commentary (cont'd)

Council will keep these valuations under frequent review over coming months in accordance with guidance from the Royal Institute of Chartered Surveyors.

Restoring the Council

The Council has established a Recovery Group to lead on the short and medium term plans for restoring Council services whilst maintaining social distancing and protecting the most vulnerable residents and staff. The Corporate Management Team are developing medium to long term renewal plans to allow the Council to return to a “new normal” as the position evolves.

The outlook for future service provision will be impacted over a prolonged period, as the vaccine is rolled out. Social distancing must be maintained and the range of Council services only gradually restored as Safe Systems of Working are identified and implemented. Building capacity will be significantly reduced and restrictions will be imposed on how many staff or pupils can access offices or schools at once. Staff able to work from home have been doing so for the last year so as to prioritise buildings for critical services and this has been operating successfully thanks to increased reliance on ICT equipment and digital capability. The CMT, CRMT and Recovery & Renewal Groups have taken this experience into consideration and are factoring this into plans for a new way of working in future which is less reliant on all staff attending at offices each day. Additional demands on the Council in supporting our most vulnerable residents during the pandemic will also continue into the future until all impacts of the pandemic have been resolved for local residents and businesses. This will mean ongoing pressure on both staff and financial resources

5. Where to Find More information

In this Document - Requirements governing the format and content of Local Authorities' annual accounts are contained in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). An explanation of the financial statements which follow and their purpose is shown at the top of each relevant page. A glossary of terms at the end of this document provides an explanation of the main terms used.

On Our Website - Further information on the Accounts can be obtained on the Council's website <https://www.eastrenfrewshire.gov.uk/how-we-spend-money> or from Accountancy Services, Council HQ, Eastwood Park, Rouken Glen Rd, Giffnock G46 6UG. All links referred to in the accounts are not subject to External Audit Scrutiny.

Acknowledgement

I wish to record my thanks to staff in all departments for their co-operation in producing the Annual Accounts in accordance with the prescribed timescale. In particular the efforts of my own Accountancy Services staff in compiling these accounts in such challenging circumstances are gratefully acknowledged.

Margaret McCrossan CPFA
Head of Accountancy
(Chief Financial Officer)

Councillor Tony Buchanan
Leader of the Council

Lorraine McMillan
Chief Executive



Statement of Responsibilities

PURPOSE: This statement sets out the Council's responsibilities and those of the Chief Financial Officer

The Council's Responsibilities:

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Council has responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this Council, that officer is the Head of Accountancy (Chief Financial Officer)
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003)
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts will be approved for signature by the Council on 27 October 2021

Signed on behalf of East Renfrewshire Council
Councillor Tony Buchanan
Leader of the Council

The Head of Accountancy (Chief Financial Officer) Responsibilities

The Head of Accountancy (Chief Financial Officer) is responsible for the preparation of the Council's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing Annual Accounts, the Head of Accountancy (Chief Financial Officer) has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Accounting Code (in so far as it is compatible with legislation)

The Head of Accountancy (Chief Financial Officer) has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;

I certify that the financial statements give a true and fair view of the financial position of East Renfrewshire Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2021.

Margaret McCrossan, CPFA,
Head of Accountancy (Chief Financial Officer)



Annual Governance Statement 2020/21

East Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. We ensure that public money is safeguarded and properly accounted for and that our resources are used economically, efficiently and effectively.

In discharging this accountability, our elected members and senior officers are responsible for putting in place proper arrangements for the governance of our business and the stewardship of our resources and assets. As part of this responsibility we review and adopt a Code of Corporate Governance annually.

The Code is built around these seven principles:

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

An update on progressing the actions from the previous version of the Code of Corporate Governance has been undertaken. An update on this is available on the Council website or via this [link \(https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance\)](https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance). For further information, contact the Strategic Services Team, Eastwood Headquarters, Rouken Glen Road, Giffnock, Glasgow G46 6UG (Telephone 0141 577 3162/3075).

The Council has also established various subsidiaries and associates to deliver services more effectively. While these organisations are required to implement their own organisational governance and management arrangements and structures, they also form part of the overall governance environment of the Council group.

Compliance

This statement outlines East Renfrewshire Council's level of compliance with the Code of Practice on Local Authority Accounting in the UK based on International Financial Reporting Standards which details the requirements for an Annual Governance Statement.

The Council also complies with the management standards as specified in CIPFA's Financial Management Code.

We have put in place the appropriate management and reporting arrangements to ensure our approach to corporate governance continues to be adequate and effective in practice.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which we control our processes and engage with our residents and communities. It enables us to monitor the progress we have made towards achieving our strategic outcomes and to consider whether those outcomes have led to the delivery of appropriate, cost-effective services.



Annual Governance Statement 2020/21 (cont'd)

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness. Our system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving our outcomes, policies, aims and objectives; to evaluating the likelihood of those risks being realised and the impact should they be realised; and to managing them efficiently, effectively and economically.

Our system of internal financial control is based on a well-established framework of regular management and performance information, financial regulations, administrative procedures, management supervision, and a system of delegation and accountability. Regular reviews of information and systems within this framework are undertaken by our managers.

The system includes –

- A clear strategic direction set out in our Vision for the Future, supported by a set of values and five organisational capabilities.
- Sound financial management arrangements which comply with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- Clear roles and responsibilities for the Corporate Management Team (CMT) and elected members with well-defined delegation arrangements.
- A statutory section 95 officer and a Chief Financial Officer for East Renfrewshire Health and Social Care Partnership (HSCP) Integration Joint Board.
- An Audit and Scrutiny Committee which provides a robust and effective level of scrutiny and challenge.
- High standards of budgeting, monitoring and reporting.
- Regular reviews of periodic and annual financial reports which indicate both financial performance and actual expenditure against forecasts
- Clearly defined capital expenditure guidelines.
- Matching of asset base to Council objectives in terms of suitability and sustainability and supported by appropriate asset management plans overseen by the Corporate Asset Management Group.
- Well embedded and systematic approach to risk management.
- Well-developed corporate performance management arrangements with regular reports to the Corporate Management Team and Council. Performance management reports are also published on the Council's website.
- Procedures in place to help members and employees comply with relevant codes of conduct and policies
- The provision of extensive training and development opportunities for all elected members and employees

A governance framework has been in place at East Renfrewshire Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.

Impact of Covid-19

The Council's ability to deliver on our objectives continues to be impacted by the Covid-19 pandemic.

In line with Covid restrictions and to protect key officers, Committees and key meetings continue to take place remotely; enabling key decisions to be made.

The Council continues to take measures to ensure that our Critical Services can continue to function to an acceptable level while balancing the need to protect our officers and comply with applicable Covid restrictions. The Council has prioritised critical services and activities, in particular those which:



Annual Governance Statement 2020/21 (cont'd)

- Support the Mass Vaccination and Testing programmes
- Are life & limb critical
- Support a life & limb protection
- Support NHS activity
- Protect the most vulnerable community members

Additionally, Covid-19 has continued to bring new work streams to the Council. Officers carrying out regulatory functions support enforcement activity in relation to business closures and their compliance with social distancing under The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020. Additionally, with Carmichael Hall and The Foundry supporting the Covid-19 vaccination programme; Council and East Renfrewshire Culture & Leisure Trust staff have been involved since February 2021. Finally, the Council has supported community asymptomatic testing from Cowan Pavilion – again with Council and Culture & Leisure Trust staff supporting the delivery of this.

The requirements of supporting vulnerable community members and those carrying out self-isolation has witnessed significant levels of engagement and support offered to thousands across East Renfrewshire. Our Education establishments have flexed to the challenge of supporting key workers and vulnerable children across the area, and provide online learning for other pupils during enhanced Covid restrictions. All services have faced challenges and pressures, arising from staff self-isolating, social distancing or working from home.

In meeting the challenges of Covid-19 there has been substantial levels of internal volunteering, with our officers utilising their skills to support the community.

Undoubtedly the restoration of services will present challenges to the Council. Many of our buildings have been closed and staff displaced. We will be governed to an extent by the UK and Scottish Government's positions and support. Services will be restored when it is safe to do so, and with due consideration to any ongoing Covid response work to support vulnerable community members. We recognise that recovery and restoration will not be a quick process, and will continually consider our short, medium and longer term objectives; this will allow us to recognise the disruption and consequences arising from the pandemic, while actively considering solutions to the challenges they present.

We will use the learning from the response and recovery / restoration from Covid to assess the way we work and deliver services in the future.

Review of effectiveness

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by external auditors and other scrutiny agencies, regulators and inspectorates.

Internal Audit is our independent appraisal function established for the review of the internal control system as a service to the organisation. The service objectively examines, evaluates and reports on the adequacy of our internal control as a contribution to the proper, economic, efficient and effective use of the Council's resources.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The service undertakes an annual programme of work approved by the Audit and Scrutiny Committee based on a five year strategic plan. The strategic plan is based on a formal risk based audit needs assessment which is revised on an ongoing basis to reflect evolving risks and changes



Annual Governance Statement 2020/21 (cont'd)

within the Council. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

All our elected members and officers are committed to the concept of sound governance and the effective delivery of services. The Audit and Scrutiny Committee perform an effective scrutiny and challenge role in relation to the application of the Code of Corporate Governance and regularly monitor the performance of the Council's Internal Audit service and strategic risk management arrangements.

The results of reviewing the effectiveness of the governance framework are reported to the Audit and Scrutiny Committee and a plan to address any weaknesses and ensure continuous improvement of systems is in place.

The results of Internal Audit's progress against the annual plan for 2020/21 will be reported to the Audit and Scrutiny Committee in due course.

During 2020/21 the internal audit service operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards. The internal audit arrangements comply with the governance requirements of the CIPFA statement: 'The Role of the Head of Internal Audit in Public Organisations (2019)'.

Report on improvement activities from the 2020/21 plan

The improvement activities noted in the previous Annual Governance Statement were progressed as follows:

- Vision for the Future will now be developed in tandem with conversations on the theme of 'renewal' post-COVID and the document itself will iterate over time as the context shifts over the next months.
- The new payroll and HR system went live in November 2020 with first pay processed in December. Parallel runs were undertaken to ensure that payroll payments were replicated in the new system before and after go-live with checks on basic pay and allowances. Internal and external audits of the new system are now underway. The new system has an audit module which when set-up will allow appropriate oversight of transactions within the system.
- Implementation of new Council Tax and Benefits ICT system in December 2020, one of the first projects to utilise new service design and user engagement techniques. A new Council Tax and Benefits customer portal, accessed through mygov.scot will go live later in 2021.
- New digital transformation strategy 2021-24 themes developed including a focus on customer experience; business systems and processes and optimising workforce productivity through Officer 365 capabilities.
- New programme reporting approach to Capital Project monitoring established for implementation April 2021.
- Equality & Human Rights outcomes and progress report prepared, with community engagement, for reporting to Cabinet in April 2021.
- The Council's planned Community Choices participatory budgeting events, where local communities have the chance to vote on schemes/groups/projects in their local area, has not been progressed due to the impact of the pandemic.



Annual Governance Statement 2020/21 (cont'd)

- The data programme is making good progress in information governance, data protection and information security, which are critical legal responsibilities and also an essential foundation for building future Office 365 potential. This year has demonstrated the potential of data in terms of dashboarding, mapping and reporting of the impact of the pandemic locally and helping to proactively meet the needs of vulnerable residents such as those shielding. This year has seen completion of a contracts register which will give managers a single view of all contracts including timeline, spend, value, and procurement route.
- Developing a new Climate Change Strategy. Ahead of COP 26 being hosted in Glasgow in November 2021, the Council sought views through a Citizens' Panel in January 2021. Climate Change Strategy and Action Plan under development. Target consultation and publication by end 21/22.
- The new Customer Experience and Council website has been progressed, with the new website launched in July 2020 and the transfer to the new Customer Experience Management progressing well.

Other key achievements during 2020/21

- Reconfiguration of a number of services to a digital first or digital only approach, including digital learning for school pupils. Increased demand for online services and a significant increase in employees working from home.
- Significant volume of work undertaken to build processes to facilitate business grant and financial hardship payments as a result of the pandemic.
- Project prioritisation exercise undertaken for the Modern, Ambitious Programme (MAP)
- Restructure to bring together the Accounts Payable (formerly known as Creditors) and Accounts Receivable (formerly known as Debtors) teams.

Key actions planned relating to governance for 2021/22

- Risk Management Strategy will be reviewed and updated to ensure that it continues to meet the needs of the Council.
- Marketing campaign to raise awareness about the new complaints handling procedure and processes. Delivery of training programme to support efficient complaints handling via the new customer experience management system (GOSS).
- Work with Voluntary Action, and based on research with local communities, to agree spend priorities for Humanitarian pandemic response funding in 2021/22.
- Implement new Equality & Fairness Impact Assessment process and creation of a central repository of all completed Impact Assessments on council webpage
- Review and update workforce plan
- Roll out the replacement Information Asset Register (IAR) application, with a focus on: identifying IAR users across departments; reviewing and building on Third Party sharing guidance
- Development of the Climate Change Strategy and Action Plan



Annual Governance Statement 2020/21 (cont'd)

Statement on the Role of the Chief Financial Officer in Local Government

Under the Code we are required to state whether we comply with the CIPFA statement on the role of the Chief Financial Officer in Local Government and, if not, to explain how our governance arrangements deliver the same impact. The full statement is:-

The Chief Financial Officer in a public service organisation:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Council's financial strategy; and
- Must lead the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.

The Council considers that it is fully compliant with the above statement.

Assurance

We consider that the governance and internal control environment operating during 2020/21 provided reasonable and objective assurance that any risks impacting on the achievement of our strategic outcomes were identified, and appropriate actions were taken.

Looking ahead well-established systems remain in place to review our governance and internal control environment. We will continue to review our corporate governance arrangements and closely monitor progress on the key improvement actions to support our ultimate aim: making people's lives better in East Renfrewshire.

Cllr Tony Buchanan
Leader of the Council

L. McMillan
Chief Executive
On behalf of East Renfrewshire Council



Remuneration Report

Remuneration Report

This statement provides information on the remuneration and pension benefits for the senior officers and members of East Renfrewshire Council.

The Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI No. 2011/64) amend the Local Authority Accounts (Scotland) Regulations 1985 (SI No. 1985/267) and require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

All information disclosed in sections 3 to 7 in this Remuneration Report will be audited by the Council's appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

1. Remuneration Policy for the Leader of the Council, Provost and Senior Councillors.

The remuneration of councillors is regulated by the Local Governance (Scotland) 2004 (Remuneration) Regulations 2007 (SSI No 2007/183). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of remuneration for councillors the Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC is an advisory Non-Departmental Public Body set up in 2005 to advise Scottish Ministers on the remuneration, allowances and expenses incurred by the Council's councillors.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. From 1 April 2020 the maximum annual salary for the Leader of East Renfrewshire Council was £29,760. The Regulations permit the council to remunerate one Provost and set out the salary that should be paid.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is 75 per cent of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £180,783. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits.

In 2020/21 East Renfrewshire Council had 8 Senior Councillors, which is one less than the maximum number permitted within the regulations, and the annual remuneration paid to these councillors totalled £178,560. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme.

The scheme which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was approved by the Scottish Government on 13 February 2020.



Remuneration Report (cont'd)

2. Remuneration Policy for Senior Employees

The annual pay awards are determined at a national level within the framework of the Scottish Joint Council (SJC) for Local Government Employees and within the framework of the Scottish Negotiating Committee for Teachers (SNCT) for teachers and associated professionals. The SJC has representatives from Local Authorities (COSLA representing Employers side) and Trade Unions (Employee side represented by GMB, Unison and Unite). The SNCT is a tripartite body comprising members from Local Authorities (COSLA representing Employers side), Trade Unions (Employee side represented by EIS, NASUWT, SSTA and VOICE) and Scottish Government.

Any changes proposed to local terms and conditions that would affect remuneration require to be taken to East Renfrewshire Cabinet for approval. The membership of Cabinet is all Elected Members on the administration

3. Remuneration of Senior Employees

The Council has interpreted Senior Employees as including the Chief Executive, those staff reporting directly to the Chief Executive and any individual receiving more than £150k in year (excluding pension costs). In addition, the guidance states that the Chief Executive of any subsidiary body should also be included, and in this regard the Chief Executive of East Renfrewshire Culture & Leisure Trust, whose salary is set by the Trust's Board, has been included. The remuneration paid to senior employees, including additional payments for election work, is set out in the following table. Generally senior employees are reimbursed for election work within the relevant financial year, however, payments made to the Chief Executive are phased as indicated below:-

2019/20	European Parliamentary Elections, 23 May 2019 (75%) UK Parliamentary Elections, 12 December 2019 (75%)
2020/21	European Parliamentary Elections, 23 May 2019 (25%)

**Remuneration Report (cont'd)**

		Salary, Fees and Allowances	Election work	Compensation for loss of office	Taxable Expenses and Allowances	Total
		£	£	£	£	£
Lorraine McMillan (Chief Executive)	2020/21 2019/20	123,255 119,679	825 5,003	- -	- -	124,080 124,682
Mhairi Shaw (Director of Education retired 31.10.20)	2020/21 2019/20	65,785 109,321	- -	- -	- 4	65,785 109,325
Mark Ratter (Director of Education commenced 01.11.20)	2020/21	46,795	-	-	-	46,795
Julie Murray (Chief Officer of East Renfrewshire Integration Joint Board)	2020/21 2019/20	114,269 110,954*	- -	- -	- -	114,269 110,954
Kate Rocks (Chief Social Work Officer)	2020/21 2019/20	91,492 88,997*	- -	- -	- -	91,492 88,997
Andrew Cahill (Director of Environment)	2020/21 2019/20	112,581 109,315	- -	- -	- -	112,581 109,315
Margaret McCrossan (Head of Accountancy/ Chief Financial Officer)	2020/21 2019/20	100,385 97,473	- 230	- -	- -	100,385 97,703
Caroline Innes (Deputy Chief Executive)	2020/21 2019/20	112,581 109,315	- 355	- -	- -	112,581 109,670
Gerry Mahon (Chief Officer – Legal and Procurement)	2020/21 2019/20	79,479 77,166	- 355	- -	- -	79,479 77,521
Michelle Blair (Chief Auditor)	2020/21 2019/20	56,875 55,225	- 405	- -	- -	56,875 55,630
Anthony McReavy (Chief Executive Culture & Leisure Trust)	2020/21 2019/20	87,291 84,759	- -	- -	- 10	87,291 84,769

* This salary is funded jointly with NHS Greater Glasgow and Clyde



Remuneration Report (cont'd)

4. Remuneration of Senior Councillors

Name (A)	Position Held (B)	Notes	Salary - Payments made by Council			Re-imbursement of Members Expenses							Total Salary Expenses 2020/21 (E + M) (N) £	Total Salary Expenses 2019/20 (O) £	
			Gross Allowance (C) £	Less Recharge to External Bodies (D) £	Net Allowances Paid (E) £	Car & Van Expenses - Reimbursed (F) £	Other Travel Expenses - Reimbursed (G) £	Other Travel Expenses Paid Directly (H) £	Subsistence & Meals Expenses Reimbursed (I) £	Training & Conference Expenses Reimbursed (J) £	Training & Conference Expenses Paid Directly (K) £	Telephone & ICT Expenses Paid Directly (L) £			Total Expenses (F to L) (M) £
Buchanan	Leader of the Council		29,760	0	29,760							139	139	29,899	29,933
Convery	Chair of Licensing Committee		22,320	0	22,320							64	64	22,384	21,906
Cunningham	Deputy Provost		22,320	0	22,320							249	249	22,569	22,020
Devlin	Convener for Housing & Maintenance Services		22,320	0	22,320							767	767	23,087	22,189
Fletcher	Provost	2	22,320	0	22,320			3,058				237	3,295	25,615	25,048
Ireland	Chair of Planning Applications/Local Review Body		22,320	0	22,320							64	64	22,384	21,914
Lafferty	Convener for Environment		22,320	0	22,320							230	230	22,550	22,055
Merrick	Convener for Community Services and Community Safety		22,320	0	22,320							45	45	22,365	21,949
Miller	Chair of Audit Committee		22,320	0	22,320							80	80	22,400	21,925
O'Kane	Convener for Education and Equalities	1	22,320	0	22,320							60	60	22,380	22,523
Sub total	Senior Councillors		230,640	0	230,640			3,058				1,935	4,993	235,633	231,462
	All other Councillors		142,832	0	142,832							190	1,544	1,734	144,566
	Total		373,472	0	373,472			3,058				190	3,479	6,727	380,199

Notes: The undernoted receive remuneration as representatives of the Council on outside bodies.

1. Cllr O'Kane receives payment directly from Association for Public Service Excellence (APSE) in his position as the Chair of the Transport and Mechanical Services Group. For further details refer to www.apse.org.uk
2. East Renfrewshire Council leases a car for civic duties. The total cost of the car is £3,058.



Remuneration Report (cont'd)

5. Pension Entitlement

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. The councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

For local government employees a final salary pension scheme operated until 31 March 2015. This means that pension benefits were based on the final year's pay and the number of years that person has been a member of the scheme. However, from April 2015 the pension salary will be calculated on a career average salary and the accrued rate will be based on 1/49th of this calculation and years of pensionable service.

There is no automatic entitlement to a lump sum. Scheme members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. Prior to 1 April 2015, the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The scheme's normal retirement age for both councillors and employees is their state retirement age.

From 1 April 2009 a six tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and scheme members' contribution rates for 2020/21 and 2019/20 are as follows:-

Actual Pensionable pay	Contribution rate 2020/21	Actual Pensionable pay	Contribution rate 2019/20
On pensionable pay up to and including £28,309	7.2%	On pensionable pay up to and including £27,697	7.2%
On pensionable pay £28,310 to £38,108	8.7%	On pensionable pay £27,698 to £37,284	8.7%
On pensionable pay £38,109 to £45,186	9.7%	On pensionable pay £37,285 to £44,209	9.7%
On pensionable pay £45,187 to £59,884	10.4%	On pensionable pay £44,210 to £58,590	10.4%
On pensionable pay £59,885 to £81,659	11.5%	On pensionable pay £58,591 to £79,895	11.5%
On pensionable pay above £81,660	11.9%	On pensionable pay above £79,896	11.9%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

The pension entitlements of Senior Employees for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council to each Senior Employee's pension during the year.

**Remuneration Report (cont'd)**

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment, including any service with a Council subsidiary body.

Name and Post Title	In Year Pension contribution		2020/21 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2020	
	2020/21	2019/20	Pension	Lump Sum	Pension	Lump Sum
	£	£	£	£	£	£
Lorraine McMillan (Chief Executive)	23,788	23,098	29,131	4,825	3,134	141
Mhairi Shaw (Director of Education, retired 31.10.20)	12,697	21,099	64,610	121,322	2,557	2,091
Mark Ratter (Director of Education, commenced 01.11.20)	9,031	-	39,821	-	39,821	-
Julie Murray (Chief Officer of East Renfrewshire Integration Joint Board)	22,054	21,414	45,593	60,259	3,447	1,755
Kate Rocks (Chief Social Work Officer)	17,659	17,176	33,585	39,704	2,679	1,156
Andrew Cahill (Director of Environment)	21,728	21,099	61,280	108,450	3,873	3,159
Margaret McCrossan (Head of Accountancy / Chief Financial Officer)	19,374	18,812	57,235	104,840	3,530	3,053
Caroline Innes (Deputy Chief Executive)	21,728	21,099	58,284	99,461	3,797	2,897
Gerry Mahon (Chief Officer – Legal and Procurement)	15,339	14,893	32,823	45,499	2,433	1,329
Michelle Blair (Chief Auditor)	10,977	10,659	23,559	32,793	1,742	955
Anthony McReavy (Chief Executive of East Renfrewshire Culture & Leisure Trust)	16,847	16,358	9,629	-	1,913	-

**Remuneration Report (cont'd)****Senior Councillors**

The pension entitlements for Senior Councillors for the year to 31 March 2021 are shown in the table below, together with the contributions made by the Council to each Senior Councillor's pension during the year.

Name and Post Title	In Year Pension contribution		2020/21 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2020	
	2020/21 £	2019/20 £	Pension £	Lump Sum £	Pension £	Lump Sum £
Cllr Buchanan – Leader of the Council	5,744	5,620	6,191	1,600	737	46
Cllr Convery – Chair of Licensing Committee	4,308	4,215	1,773	-	478	-
Cllr Cunningham – Deputy Provost	-	-	-	-	-	-
Cllr Devlin – Convener for Housing & Maintenance	4,308	4,215	1,717	-	477	-
Cllr Fletcher – Provost	4,308	4,215	7,106	2,334	448	(31)
Cllr Ireland – Chair of Planning Applications / Local Review Body	4,308	4,215	1,773	-	478	-
Cllr Lafferty – Convener for Environment	4,308	4,215	5,547	1,648	519	15
Cllr Merrick – Convener for Community Services and Community Safety	4,308	4,215	1,773	-	478	-
Cllr Miller – Chair of Audit Committee	4,308	4,215	5,094	1,471	537	27
Cllr O'Kane – Convener for Education & Equalities	4,308	4,215	3,466	-	500	-

All senior members shown in the above table, with the exception of Cllr Cunningham, are members of the Local Government Pension Scheme.



Remuneration Report (cont'd)

6. Remuneration of Employees

The Council's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions and including redundancy payments) were paid the following amounts:

Remuneration band	2020/21				2019/20			
	Teachers	Number of employees Left during year	Employees	Total	Teachers	Number of employees Left during year	Employees	Total
£50,000 - £54,999	108	2	19	129	100	-	24	124
£55,000 - £59,999	67	1	11	79	65	4	20	89
£60,000 - £64,999	26	1	7	34	31	5	8	44
£65,000 - £69,999	24	-	2	26	14	1	1	16
£70,000 - £74,999	3	2	2	7	3	-	2	5
£75,000 - £79,999	3	-	2	5	4	1	2	7
£80,000 - £84,999	1	-	8	9	1	1	9	11
£85,000 - £89,999	1	-	1	2	1	2	2	5
£90,000 - £94,999	-	-	2	2	1	1	-	2
£95,000 - £99,999	2	-	-	2	2	2	1	5
£100,000 - £104,999	-	-	2	2	-	1	-	1
£105,000 - £109,999	-	-	1	1	-	1	3	4
£110,000 - £114,999	-	-	1	1	-	-	1	1
£115,000 - £119,999	-	-	-	-	-	-	1	1
£120,000 - £124,999	-	-	-	-	-	1	-	1

7. Exit Packages

The Code requires disclosure of all exit packages agreed, in rising bands. The table below shows all exit packages that were accrued in the year, of which all were voluntary. Exit package values include redundancy, compensatory lump sum, pension strain and notional capitalised compensatory added years costs (CAY). The notional capitalised compensatory added years costs are based on an assessment of the present value of all future payments to the retiree until death. Notional capitalised compensatory added years and pension strain costs relating to teachers are based on Scottish Public Pensions Agency calculations.

(a) Exit packages Bands	(b) Number of Leavers		(c) Cash Value		(d) Notional CAY Value		(e) Total cost of exit packages in each band	
	2020/21	2019/20	£ 2020/21	£ 2019/20	£ 2020/21	£ 2019/20	2020/21	2019/20
£0-£20,000	2	65	3,191	99,875	-	-	3,191	99,875
£20,001- £40,000	3	8	69,443	181,670	32,103	79,497	101,546	261,167
£40,001- £60,000	1	8	55,441	378,370	-	17,471	55,441	395,841
£60,001- £80,000	-	9	-	595,633	-	31,105	-	626,738
£80,001- £100,000	-	1	-	47,579	-	46,469	-	94,048
£100,001- £150,000	-	2	-	189,786	-	59,271	-	249,057
>£150,001	-	2	-	257,353	-	80,830	-	338,183
Total Cost in CIES	6	95	128,075	1,750,266	32,103	314,643	160,178	2,064,909

**Remuneration Report (cont'd)****8. Trade Union**

Below is a list of the information that local councils are required to publish on facility time usage and spend by trade union representatives.

Relevant union Officials	
Number of employees who were relevant union officials from 1 April 2020 to 31 March 2021	Full-time equivalent employee number
2	2
Percentage of time spent on facility time	
Percentage of time	Number of Employees
0%	
1-50%	
51%-99%	
100%	2
Percentage of paybill spent on facility time	
Total Cost of Facility Time	£80,191.13
Total Wage Bill	£133,852,663.08
Percentage of Wage Bill spent on facility time	0.059%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100.000%

Councillor Tony Buchanan
Leader of the Council

Lorraine McMillan
Chief Executive



Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation (or rents). The individual segments reflect the reporting structure of the Council. Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Year Ended 31 March 2020			Year Ended 31 March 2021			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
148,848	(13,367)	135,481	Education	171,487	(15,315)	156,172
118,069	(67,380)	50,689	HSCP – Provision of Services	134,047	(81,534)	52,513
37,612	(11,522)	26,090	Environment	37,037	(6,956)	30,081
20,958	(14,530)	6,428	Corporate & Community – Community Resources	21,112	(14,566)	6,546
419	(164)	255	Chief Executive's Office	429	(352)	77
4,723	(3,557)	1,166	Other Expenditure & Income	5,688	(2,597)	3,091
3,471	(210)	3,261	Support Services – Chief Executive's Office	3,463	(268)	3,195
14,840	(2,165)	12,675	Support Services – Corp & Comm.	14,971	(928)	14,043
3,212	(854)	2,358	Support Services – Environment	3,122	(919)	2,203
352,152	(113,749)	238,403	Cost of general fund services	391,356	(123,435)	267,921
18,285	(12,562)	5,723	HRA	15,793	(12,803)	2,990
370,437	(126,311)	244,126	Cost of Services	407,149	(136,238)	270,911
		(1,041)	Other operating expenditure (Note 12)			(1,892)
		13,258	Financing and investment income and expenditure (Note 13)			12,223
		<u>(254,578)</u>	Taxation and non-specific grant income (Note 14)			<u>(278,741)</u>
		1,765	(Surplus) or Deficit on Provision of Services			2,501
		(16,472)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 25)			(8,112)
		80	Impairment losses on non-current assets charged to the Revaluation Reserve (Note 25)			788
		-	Surplus or deficit on revaluation of available for sale financial assets			-
		<u>(59,748)</u>	Actuarial (gains)/losses on pension assets/liabilities (Note 25)			<u>20,704</u>
		(76,140)	Other Comprehensive (Income) and Expenditure			13,380
		(74,375)	Total Comprehensive (Income) and Expenditure			15,881



Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2020 £000		Notes	31 March 2021 £000
728,256	Property, Plant & Equipment	15	731,660
234	Heritage Assets	16	234
289	Intangible Assets	17	172
262	Investments	19	255
729,041	Long Term Assets		732,321
986	Assets Held for Sale	18	-
481	Short Term Intangible Assets		481
497	Inventories		1,049
16,208	Short Term Debtors	20	25,590
34,248	Short Term Investments		7,999
36,139	Cash and Cash Equivalents	22	61,119
88,559	Current Assets		96,238
(561)	Short Term Borrowing		(383)
(4,864)	Finance Leases including PFI/PPP	19	(5,083)
(44,236)	Short Term Creditors	23	(44,532)
(209)	Provisions – short term	24	(182)
(49,870)	Current Liabilities		(50,180)
(157)	Provisions – long term	24	(164)
(114,226)	Long Term Borrowing	19	(113,843)
(93)	Long Term Creditors	23	(93)
(83,837)	PFI/PPP Finance Lease	19	(78,712)
(87,594)	Defined Benefit Pension Liability	39	(119,443)
(6,068)	Capital Grant Receipts in Advance	31	(6,250)
(291,975)	Long Term Liabilities		(318,505)
475,755	Net Assets		459,874
(44,222)	Usable Reserves	11	(60,284)
(431,533)	Unusable Reserves	25	(399,590)
(475,755)	Total Reserves		(459,874)

Margaret McCrossan CPFA
Head of Accountancy (Chief Financial Officer)
The unaudited accounts were issued on 15th June 2021



Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

2019/20		2020/21
£000		£000
1,765	Net (surplus) or deficit on the provision of services	2,501
(9,599)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 26)	(26,040)
-	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(7,834)	Net cash flows from Operating Activities	(23,539)
21,678	Investing Activities (Note 27)	19,363
(19,843)	Financing Activities (Note 28)	(20,804)
(5,999)	Net (increase) or decrease in cash and cash equivalents	(24,980)
(30,140)	Cash and cash equivalents at the beginning of the reporting period	(36,139)
(36,139)	Cash and cash equivalents at the end of the reporting period (Note 22)	(61,119)



Notes to the Accounts

1. ACCOUNTING POLICIES

General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985 and the Local Government in Scotland Act 2003, section 12 of which requires the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts have been prepared on the basis that the Council is a going concern.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts.



Notes to the Accounts (cont'd)

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to loans fund principal charges. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (loans fund principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries and paid annual leave, and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. In this respect East Renfrewshire have treated Strain on the Pension Fund payments as termination benefits.

Post- Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Scottish Teachers' Superannuation Scheme, administered by the Scottish Government.
- The Local Government Pension Scheme, administered by Glasgow City Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.



Notes to the Accounts (cont'd)

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.0% (based on the indicative rate of return on high quality corporate bonds).
- The assets of Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price
 - unquoted securities - professional estimate
 - unitised securities - current bid price
 - property - market value

The change in the net pension liability is analysed into the following components:

- Service cost comprising:

Current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributable Costs

Gains/losses on settlements - the decrease in liabilities as a result of the Council entering into a transaction that eliminates all further legal or constructive obligation relating to the event, notwithstanding the financial guarantee (see Note 39) - credited to the Surplus on the Provision of Services in the Comprehensive Income & Expenditure Statement as part of Non Distributable Costs.

Net interest on the net defined benefit liability, i.e. net interest expenses for the council. The change during the period is the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

The return on plan assets - excluding amounts included in net interest on the net defined benefit liability – charged to the Pension Reserve as Other Comprehensive Income and Expenditure

Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- Contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund settlement of liabilities; not accounted for as an expense.



Notes to the Accounts (cont'd)

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Common Good & Trusts

The Council administers a Common Good Fund. As part of the management agreements where land and buildings are confirmed as belonging to the Common Good, and where the Council is incurring costs or receiving income relating to those assets as the managing agent, then the Common Good pays a nominal annual £1 fee to the Council (if asked) in return for the management of the assets. The Council remains responsible for all costs and any income relating to the assets and is entitled to the use of the assets. The fund's assets do not represent assets available to the Council and as such are not included on the Council's balance sheet and the associated capital accounting entries are reflected in the Common Good Fund. The Common Good Fund shares the same accounting policies for valuation and depreciation with the Council. For assets held within the council's balance sheet that are subsequently identified as common good, the following principles will be followed :

1. With respect to properties determined to be wholly common good (both land and buildings thereon) then these will be transferred to the common good fund.
2. For assets where common good land only forms part of the site, i.e. where the common good land is effectively inseparable from the larger council subjects, then the common good land element will be shown at nil value.
3. For those council buildings occupying wholly common good land that is included within the common good fund. The building element, unless itself common good, will be retained as part of the council's assets

In addition, the Council also administers a number of trusts which it is the sole trustee for.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:-

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted

Events taking place after the date of authorisation for issue are not reflected in the Statements.



Notes to the Accounts (cont'd)

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are all therefore classified as amortised cost. In previous years these assets, although still recorded as amortised costs, were classed as loans and receivables.

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the financial assets held by the council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

Where material, the Council recognises expected credit losses on its financial assets held at amortised cost with the exception of deposits with Central Government and other Local Authorities. Only lifetime losses are recognised for trade receivables (debtors) held by the council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses.

Fair Value Measurement

Where the Council values its financial assets or liabilities at fair value it uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Notes to the Accounts (cont'd)

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured are categorised within the fair value hierarchy, as follows:-

Level 1 - quoted prices (unadjusted) in active markets for identified assets or liabilities that the Council can access at the measurement date

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. For example, PWLB loans, fixed or variable rate deposits (less than one year)

Level 3 - unobservable inputs for the asset or liability, e.g. PFI leases.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants which fund capital expenditure of the Council) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants & Receipts Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants & Receipts Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure or the General Fund, where the grant or contribution funds third party capital projects or covers covid pressures in 2020/21 and 2021/22 not met by government grants.

Business Improvement Districts

The Council is the billing authority for the Clarkston Business Improvement District, Giffnock Business Improvement District and Barrhead Business Improvement District. These are managed by an umbrella group led by the East Renfrewshire Chamber of Commerce and local businesses, who aim to promote and improve the respective areas for businesses and residents alike through publicised projects and events.

Heritage Assets

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.



Notes to the Accounts (cont'd)

Statues

Six statues created by 19th century Eaglesham sculptor William Gemmel are housed in the former weaver's workshop. The workshop and contents were bequeathed to the Council and are reported in the Balance Sheet at market value, as at May 2017, provided by the international auctioneers and valuers, Bonhams.

Civic Regalia

The chains of office used by the Provost and his partner are collectively known as Civic Regalia and are symbols of the Council of the Civic Office which the Provost holds.

There are 5 chains held in total at the Council's Headquarters. They are reported in the Balance Sheet at insurance valuation which is based on market value as at May 2017.

Number Plate

The Council owns a private registration plate (HS 0) which is on the car which the Council uses for civic duties. The number plate is reported on the Balance Sheet at market value, as at March 2017, provided by Registration Transfers, the largest dealer in number plates in Britain.

There are no depreciation charges on the heritage assets as it is considered that they will have indeterminate lives and high residual value.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of any intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures requiring it to prepare group accounts. In the Council's



Notes to the Accounts (cont'd)

own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned under either the FIFO or weighted average costing formulas.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to the asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:



Notes to the Accounts (cont'd)

- Infrastructure, community assets and assets under construction - depreciated historical cost
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Assets included in the Balance Sheet at current value are revalued on a five year rolling basis, in accordance with the guidelines provided within the Royal Institute of Chartered Surveyors Valuation Standards Manual. In addition, any material changes in the value of individual assets that arise between periodic valuations are immediately reflected in the Balance Sheet.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation is charged on a straight-line basis over the useful life of the assets (as advised by a suitably qualified officer). No depreciation is charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.



Notes to the Accounts (cont'd)

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Private Finance Initiative (PFI) and Similar Contracts

East Renfrewshire Council operates 5 PFI/PPP and similar projects. Please see Note 35 for details.

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to these contractors. As the Council is deemed to control the services that are provided under these schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of the Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost - an average interest charge of 7.16% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent - increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs - proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Provisions, Contingent Liabilities and Contingent Assets Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are



Notes to the Accounts (cont'd)

measured as the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.



Notes to the Accounts (cont'd)

2. EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax (and Rent) payers how the funding available to the Council (i.e. Government Grants, Rents, Council Tax and Business Rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund and HRA Balances	2019/20 Adjustments Between Funding & Accounting Basis (See Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	2020/21 Adjustments Between Funding & Accounting Basis (See Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
126,380	9,101	135,481	Education	132,497	23,675	156,172
47,267	3,422	50,689	HSCP - Provision of Services	48,944	3,569	52,513
21,300	4,790	26,090	Environment	24,325	5,756	30,081
5,657	771	6,428	Corporate & Community – Community Resources	6,059	487	6,546
(23)	278	255	Chief Executive's Office	77	-	77
11,671	(10,505)	1,166	Other Expenditure & Income	8,525	(5,434)	3,091
2,737	524	3,261	Support Services – Chief Executive's Office	2,839	356	3,195
9,041	3,634	12,675	Support Services – Corp & Comm.	10,439	3,604	14,043
1,876	482	2,358	Support Services – Environment	1,785	418	2,203
225,906	12,497	238,403	Net Cost of General Fund Services	235,490	32,431	267,921
(302)	6,025	5,723	HRA	262	2,728	2,990
225,604	18,522	244,126	Cost of Services	235,752	35,159	270,911
(821)	(220)	(1,041)	Other operating expenditure	(810)	(1,082)	(1,892)
9,039	4,219	13,258	Financing and investment income and expenditure	9,115	3,108	12,223
(236,278)	(18,300)	(254,578)	Taxation and non-specific grant income	(259,702)	(19,039)	(278,741)
(2,456)	4,221	1,765	(Surplus) / Deficit on Provision of Services	(15,645)	18,146	2,501
(31,321)			Opening General Fund and HRA Balance	(33,777)		
(2,456)			(Surplus) / Deficit on General Fund and HRA Balance in Year	(15,645)		
(33,777)			Closing General Fund and HRA Balance*	(49,422)		

*For a split of this balance between the General Fund and the HRA please see the Movement in Reserves Statement

**Notes to the Accounts (cont'd)****3. NOTE TO THE EXPENDITURE & FUNDING ANALYSIS**

This note provides an analysis between the General Fund (surplus)/deficit and the Comprehensive Income and Expenditure Statement (surplus)/deficit on the Provision of Services. Explanations of the adjustments shown are provided after the table below.

2020/21	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	23,162	2,964	(2,451)	23,675
HSCP – Provision of Services	1,194	2,162	213	3,569
Environment	5,194	1,490	(928)	5,756
Corporate & Community – Community Resources	-	517	(30)	487
Chief Executive's Office	-	-	-	-
Other Expenditure & Income	-	24	(5,458)	(5,434)
Support Services – Chief Executive's Office	-	341	15	356
Support Services – Corp & Comm.	2,713	854	37	3,604
Support Services – Environment	228	176	14	418
Net Cost of General Fund Services	32,491	8,528	(8,588)	32,431
HRA	6,618	398	(4,288)	2,728
Cost of Services	39,109	8,926	(12,876)	35,159
Other Operating Expenditure	(1,082)	-	-	(1,082)
Financing & Investment Income & Expenditure	-	2,219	889	3,108
Taxation & Non-Specific Grant Income	(19,039)	-	-	(19,039)
(Surplus)/Deficit on Provision of Services	18,988	11,145	(11,987)	18,146

2019/20	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	9,845	4,015	(4,759)	9,101
HSCP – Provision of Services	489	2,974	(41)	3,422
Environment	3,737	2,098	(1,045)	4,790
Corporate & Community – Community Resources	(12)	742	41	771
Chief Executive's Office	-	-	278	278
Other Expenditure & Income	-	(3,303)	(7,202)	(10,505)
Support Services – Chief Executive's Office	-	486	38	524
Support Services – Corp & Comm.	2,424	1,255	(45)	3,634
Support Services – Environment	227	252	3	482
Net Cost of General Fund Services	16,710	8,519	(12,732)	12,497
HRA	9,290	591	(3,856)	6,025
Cost of Services	26,000	9,110	(16,588)	18,522
Other Operating Expenditure	(220)	-	-	(220)
Financing & Investment Income & Expenditure	-	3,391	828	4,219
Taxation & Non-Specific Grant Income	(18,300)	-	-	(18,300)
(Surplus)/Deficit on Provision of Services	7,480	12,501	(15,760)	4,221



Notes to the Accounts (cont'd)

Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net charge for the Pensions Adjustments

Net charge for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Consolidated Income and Expenditure Statement.

Other Differences

This column records other adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute in the service lines, and for:-

- For **Financing and investment income and expenditure** the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts along with other loans fund adjustments.

4. ACCOUNTANCY STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The code requires the disclosure of information relating to the impact of an accounting change that is required by a new standard that has been issued but not yet adopted. This applies to the following new or amended standards within the 2021/22 code:-

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

Overall, these amended standards are not expected to impact the Council's Annual Accounts.



Notes to the Accounts (cont'd)

5. EXPENDITURE AND INCOME ANALYSED BY SERVICE

The Council's expenditure and income, segmented in line with the Council's Directorate and reporting structure, is analysed as follows:

2020/21

Expenditure/Income	Education	HSCP	Environment	Corporate & Community – Community Resources	Chief Executive's Office	Other Expenditure & Income	Support Services	Housing Revenue Account	Costs not included in a service	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure										
Employee expenses	114,397	26,659	16,500	5,553	24	24	14,780	4,263	2,219	184,419
Other services expenses	33,928	48,663	15,343	15,559	405	5,664	3,835	6,134	-	129,531
Depreciation, amortisation, impairment	23,162	1,194	5,194	-	-	-	2,941	6,618	-	39,109
Interest payments	-	-	-	-	-	-	-	-	10,692	10,692
Gain on the disposal of assets	-	-	-	-	-	-	-	-	(1,082)	(1,082)
Total expenditure	171,487	76,516	37,037	21,112	429	5,688	21,556	17,015	11,829	362,669
Income										
Fees, charges and other service income	(4,905)	(15,567)	(5,467)	(1,259)	(352)	(2,597)	(2,115)	(14,025)	(810)	(47,097)
Interest and investment income	-	-	-	-	-	-	-	-	(688)	(688)
Income from council tax Government grants and contributions (Note 31)	-	-	-	-	-	-	-	-	(54,431)	(54,431)
Total income	(15,315)	(24,003)	(6,956)	(14,566)	(352)	(2,597)	(2,115)	(14,025)	(280,239)	(360,168)
(Surplus)/Deficit on the Provision of Services	156,172	52,513	30,081	6,546	77	3,091	19,441	2,990	(268,410)	2,501

2019/20

Expenditure/Income	Education	HSCP	Environment	Corporate & Community – Community Resources	Chief Executive's Office	Other Expenditure & Income	Support Services	Housing Revenue Account	Costs not included in a service	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure										
Employee expenses	105,388	24,596	16,636	5,523	23	(3,303)	15,734	4,225	3,391	172,213
Other services expenses	33,615	43,419	17,239	15,447	396	8,026	3,138	4,770	-	126,050
Depreciation, amortisation, impairment	9,845	489	3,737	(12)	-	-	2,651	9,290	-	26,000
Interest payments	-	-	-	-	-	-	-	-	10,351	10,351
Gain on the disposal of assets	-	-	-	-	-	-	-	-	(220)	(220)
Total expenditure	148,848	68,504	37,612	20,958	419	4,723	21,523	18,285	13,522	334,394
Income										
Fees, charges and other service income	(7,189)	(17,016)	(10,079)	(1,035)	(164)	(3,557)	(3,204)	(12,562)	(821)	(55,627)
Interest and investment income	-	-	-	-	-	-	-	-	(484)	(484)
Income from council tax Government grants and contributions (Note 31)	(6,178)	(799)	(1,443)	(13,495)	-	-	(25)	-	(52,170)	(52,170)
Total income	(13,367)	(17,815)	(11,522)	(14,530)	(164)	(3,557)	(3,229)	(12,562)	(255,883)	(332,629)
(Surplus)/Deficit on the Provision of Services	135,481	50,689	26,090	6,428	255	1,166	18,294	5,723	(242,361)	1,765

6. CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:



Notes to the Accounts (cont'd)

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and a reduced level of service provision. The Council produce medium and long term financial plans and operate a multi-year budget approach to help manage the uncertainty. Additional techniques used by the Council include their annual efficiency targets, service reviews, a transformation programme and actively lobbying of Government.
- The Council has entered into 5 Private Financial Initiatives/Public Private Partnership and similar contracts for the provision of educational buildings, the construction of a new road and waste recycling plant. The Council has considered the tests under IFRIC 12 and concluded that these are service concession arrangements. With the exception of the waste recycling plant, where the Council has an 11% share of the contract, the Council is deemed to control the services provided under these contracts, applies the accounting policies as stated in note 1 and recognises their net book value in note 15. This arrangement includes the Roads PFI contract where East Renfrewshire Council acts as a lead authority despite only recognising 26.67% of the contract value in the accounts. Further information, including a breakdown of the individual contracts, can be obtained from note 35.
- The Covid-19 pandemic has raised a level of uncertainty on the valuation of assets reported in these accounts. Less weight to previous market evidence for comparison purposes can be given to inform opinions on values as an unprecedented set of circumstances exist on which to base judgement. In this regard the Property Plant & Equipment revaluations (shown in detail in Note 15) do not reflect the full impact of the prevailing COVID-19 pandemic and its influence on the property market and wider economy. The Council's professional valuers who are registered with the Royal Institute of Chartered Surveyors will keep these valuations under frequent review over coming months in accordance with guidance from their Institute.

7. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results differ Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A table setting out the potential sensitivity of change in assumptions on the pension liability is detailed in note 39. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £75.05m, a 0.5% increase in the salary increase rate will result in an increase in liabilities of £9.48m and a 0.5% increase in the pension increase rate will result in an increase in liabilities of £63.81m. During 2020/21, the Council actuaries advised that the net pension liability had increased by £31.85m following an updating of assumptions.

**Notes to the Accounts (cont'd)**

Property Values	<p>The calculation of the value of certain non-current assets is dependent on their assumed level of occupancy and rental income achievable.</p> <p>In addition, Covid-19 has increased the uncertainty on the valuation of assets, as the market evidence is not currently available. However the Council's Valuer has continued to exercise professional judgement in preparing the asset valuations and the values can continue to be relied upon.</p>	<p>The All-Risk yield applied reflects the relative security of the buildings anticipated income stream and any void periods. Any movement in this will have an impact on the valuation.</p> <p>A 10% decrease in the income stream would result in a reduction in the value of land & buildings within non-current assets. In view of the decreased income stream, the range of uncertainty as built into the All-Risk yield would also be impacted.</p> <p>The valuation report has indicated the range of uncertainty attached to the valuation of different types of assets including office, retail, industrial and ground leases within the investment portfolio ranges from 9% to 16%. Reflecting these movements on the basis of a 0.5% to 1% increase in the All-Risk yield, subject to asset category, would impact the land & buildings valuations within the non-current assets by £1m.</p>
Arrears	<p>At 31 March 2021, the Council had a sundry debtors balance of £7.24M, Council Tax Debtors of £12.44m and Non Domestic Rate Debtors of £3.30m. A review of significant balances suggested that an impairment of doubtful debts of 17.38% / £1.3m was appropriate for sundry debtors and provisions of 90.7% / £11.28m and 90.6% / £2.99m were made for Council Tax and Non Domestic Rates respectively. However, in the current economic climate it is not certain that such an allowance would be sufficient.</p>	<p>If collection rates were to deteriorate, an increase in bad debt of 10% would require an additional £0.13m to be set aside for sundry debt as an allowance and £1.13m and £0.3m for Council Tax and Non Domestic Rate debtors respectively</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

8. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – MATERIAL ITEMS OF INCOME AND EXPENSE

The following items of income and expenditure are material and are shown net in the Comprehensive Income and Expenditure Account.

Disposal of property, plant and equipment	£000
Net Book Value of Assets	997
Sale Proceeds	(2,079)
(Profit)/loss on disposal	(1,082)

9. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for audit by the Head of Accountancy (Chief Financial Officer) on 15 June 2021. Events taking place after this date are not reflected in the financial



Notes to the Accounts (cont'd)

statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

10. MOVEMENT IN RESERVES STATEMENT – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Council, in the year in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. Movements can be traced through Note 25.

2020/21	General Fund Balance £000	Housing Revenue Account £000	Capital Reserve £000	Capital Grants & Receipts Unapplied £000	Repairs and Renewals Fund £000	Insurance Fund £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:							
Charges for depreciation and impairment of non-current assets	(32,370)	(6,618)					38,988
Amortisation of intangible assets (Note 17)	(121)						121
Capital grants and contributions applied (Note 33)	17,157	1,882					(19,039)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement (Note 8)	(997)		159				838
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	10,512	2,938					(13,450)
Capital expenditure charged against the General Fund and HRA balances	1,933	100					(2,033)
Voluntary provision for repayment of debt (Note 25)	108						(108)
Adjustments primarily involving the Capital Reserve:							
Use of the Capital Reserve to finance new capital expenditure (Note 33)							
Adjustments primarily involving the Capital Grants & Receipts Unapplied Account:							
Use of Capital receipts initially transferred to grants & receipts unapplied to fund Covid-19 pressures							
Adjustments primarily involving the Financial Instruments Adjustment Account:							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements (Note 25)	11						(11)
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 25)	(10,648)	(497)					11,145
Adjustment primarily involving the Statutory Accumulating Compensated Absences Account:							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 25)	(2,068)	(44)					2,112
Total Adjustments (see MIRS)	(16,483)	(2,239)	159	-	-	-	18,563

**Notes to the Accounts (cont'd)**

2019/20	General Fund Balance £000	Housing Revenue Account £000	Capital Reserve £000	Capital Grants & Receipts & Unapplied £000	Repairs and Renewals Fund £000	Insurance Fund £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:							
Charges for depreciation and impairment of non-current assets	(16,577)	(9,290)					25,867
Amortisation of intangible assets (Note 17)	(133)						133
Capital grants and contributions applied (Note 33)	16,875	1,425					(18,300)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement (Note 8)	(32)	-	252				(220)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	12,020	2,567					(14,587)
Capital expenditure charged against the General Fund and HRA balances	2,231	-					(2,231)
Voluntary provision for repayment of debt (Note 25)	108						(108)
Adjustments primarily involving the Capital Reserve:							
Use of the Capital Reserve to finance new capital expenditure (Note 33)			1,200				(1,200)
Adjustments primarily involving the Financial Instruments Adjustment Account:							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements (Note 25)	10						(10)
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 25)	(11,748)	(753)					12,501
Adjustment primarily involving the Statutory Accumulating Compensated Absences Account:							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 25)	(453)	(2)					455
Total Adjustments (see MIRS)	2,301	(6,053)	1,452		-	-	2,300

**Notes to the Accounts (cont'd)****11. MOVEMENT IN RESERVES STATEMENT – TRANSFER TO/FROM EARMARKED RESERVES**

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2020/21.

	Balance at 31 March 2019 £000	Transfers Out 2019/20 £000	Transfers In 2019/20 £000	Balance at 31 March 2020 £000	Transfers Out 2020/21 £000	Transfers In 2020/21 £000	Balance at 31 March 2021 £000
Non-earmarked Reserve	(10,554)	2,300	(1,389)	(9,643)	16,234	(18,198)	(11,607)
Equalisation Reserve	(2,799)	-	(36)	(2,835)	-	(39)	(2,874)
Modernisation Fund	(7,660)	652	(42)	(7,050)	1,311	(32)	(5,771)
Unspent Grants	(2,003)	2,003	(5,246)	(5,246)	5,246	(6,696)	(6,696)
Unspent Covid-19 Grants	-	-	-	-	-	(12,815)	(12,815)
Whitelee Wind Farm	(692)	239	(294)	(747)	212	(293)	(828)
Commuted Sums	(2,493)	1,342	(1,009)	(2,160)	2,160	(2,371)	(2,371)
Devolved School Management	(3,202)	1,763	(2,141)	(3,580)	1,195	(1,654)	(4,039)
Feasibility Fund	(200)	-	-	(200)	-	-	(200)
General Fund Total	(29,603)	8,299	(10,157)	(31,461)	26,358	(42,098)	(47,201)
HRA	(1,718)	-	(598)	(2,316)	95	-	(2,221)
Capital Reserve	(3,835)	1,200	(21)	(2,656)	-	(12)	(2,668)
Capital Grants & Receipts unapplied account	-	-	-	-	-	(1,920)	(1,920)
Repairs and Renewal Fund	(6,581)	1,791	(1,039)	(5,829)	2,011	(487)	(4,305)
Insurance Fund	(1,950)	-	(10)	(1,960)	-	(9)	(1,969)
Total	(43,687)	11,290	(11,825)	(44,222)	28,464	(44,526)	(60,284)

12. COMPREHENSIVE INCOME & EXPENDITURE STATEMENT – OTHER OPERATING EXPENDITURE

	2020/21 £000	2019/20 £000
(Gain)/Loss on disposal of Fixed Asset (See Note 8)	(1,082)	(220)
Rental Income – operating lease over property, plant and equipment	(810)	(821)
	(1,892)	(1,041)

**Notes to the Accounts (cont'd)****13. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

	2020/21 £000	2019/20 £000
Interest payable and similar charges	10,691	10,349
Pension interest costs and expected return on pension assets	2,219	3,391
Interest receivable and similar income	(688)	(484)
Expected credit loss	1	2
Total	12,223	13,258

14. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – TAXATION AND NON SPECIFIC GRANT INCOMES

	2020/21 £000	2019/20 £000
Council Tax income	(54,431)	(52,170)
Non domestic rates	(9,961)	(15,377)
Non ring-fenced government grants	(195,310)	(168,731)
Capital grants and contributions	(19,039)	(18,300)
Total	(278,741)	(254,578)

**Notes to the Accounts (cont'd)****15. PROPERTY, PLANT AND EQUIPMENT****Movements on Balances****Movements in 2020/21**

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	PFI Assets Included in Property, Plant and Equipment £000	Total Property, Plant and Equipment £000
Cost or Valuation									
At 1 April 2020	188,669	358,077	46,546	45,038	3,460	2,772	18,844	151,277	814,683
Additions	3,388	4,598	5,244	5,212	125	-	14,948	1,554	35,069
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,999	3,324	-	-	-	-	-	-	7,323
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	235	(14,527)	-	-	-	-	-	-	(14,292)
Derecognition – disposals	-	-	(747)	-	-	-	-	-	(747)
Derecognition – other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Assets transferred to/from assets under construction	648	22,732	-	-	-	-	(23,380)	-	-
Assets transferred to/from Surplus Assets	-	-	-	-	-	-	-	-	-
Depreciation written back on revaluation	(5,919)	(2,017)	-	-	-	-	-	-	(7,936)
At 31 March 2021	191,020	372,187	51,043	50,250	3,585	2,772	10,412	152,831	834,100
Accumulated Depreciation and Impairment									
At 1 April 2020	(10,941)	(12,311)	(35,286)	(12,689)	-	-	-	(15,200)	(86,427)
Depreciation charge	(6,688)	(7,600)	(5,473)	(1,141)	-	(2)	-	(3,792)	(24,696)
Depreciation written out on revaluation and disposal	5,919	2,017	747	-	-	-	-	-	8,683
Derecognition	-	-	-	-	-	-	-	-	-
At 31 March 2021	(11,710)	(17,894)	(40,012)	(13,830)	-	(2)	-	(18,992)	(102,440)
Net Book Value At 31 March 2021	179,310	354,293	11,031	36,420	3,585	2,770	10,412	133,839	731,660
At 31 March 2020	177,728	345,766	11,260	32,349	3,460	2,772	18,844	136,077	728,256

**Notes to the Accounts (cont'd)****Comparative Movements in 2019/20**

Cost or Valuation	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	PFI Assets Included in Property, Plant and Equipment £000	Total Property, Plant and Equipment £000
At 1 April 2019	174,859	332,869	40,462	40,120	3,322	2,507	15,810	147,251	757,200
Additions	7,269	6,984	7,224	4,918	138	-	20,246	4,026	50,805
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	11,329	4,925	-	-	-	138	-	-	16,392
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(2,256)	37	-	-	-	129	-	-	(2,090)
Derecognition – disposals	-	-	(1,140)	-	-	-	-	-	(1,140)
Derecognition – other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Assets transferred to/from assets under construction	3,427	13,785	-	-	-	-	(17,212)	-	-
Assets transferred to/from Surplus Assets	-	-	-	-	-	-	-	-	-
Depreciation written back on revaluation	(5,959)	(523)	-	-	-	(2)	-	-	(6,484)
At 31 March 2020	188,669	358,077	46,546	45,038	3,460	2,772	18,844	151,277	814,683
Accumulated Depreciation and Impairment									
At 1 April 2019	(10,064)	(5,853)	(31,334)	(11,219)	-	(52)	-	(11,772)	(70,294)
Depreciation charge	(6,835)	(6,981)	(5,092)	(1,470)	-	(2)	-	(3,428)	(23,808)
Depreciation written out on revaluation and disposal	5,958	523	1,140	-	-	2	-	-	7,623
Derecognition	-	-	-	-	-	52	-	-	52
At 31 March 2020	(10,941)	(12,311)	(35,286)	(12,689)	-	-	-	(15,200)	(86,427)
Net Book Value At 31 March 2020	177,728	345,766	11,260	32,349	3,460	2,772	18,844	136,077	728,256
At 31 March 2019	164,795	327,016	9,128	28,901	3,322	2,455	15,810	135,479	686,906



Notes to the Accounts (cont'd)

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings – 30 - 40 years
- Other Land and Buildings - 10 - 50 years
- Vehicles, Plant, Furniture & Equipment - 4 - 20 years.
- Infrastructure - 40 years
- Community Assets – 0 - 20 years

Capital Commitments

At 31 March 2021, the Council was progressing a number of projects for the construction or enhancement of Property, Plant and Equipment in 2021/22 and future years. The major commitments include the following projects which have been stated at full project cost:-

	£000
St Ninian's HS Accommodation	2,492
Mearns Castle HS Sports Facility	1,726
Core System Upgrade	3,750
Telecare Service	1,150
House Building Programme	54,030

Revaluations

The Council carries out a five year revaluation programme ensuring that all Property, Plant and Equipment required to be measured at fair value is revalued on a regular basis. In the current year, the following assets have been revalued Housing, miscellaneous subjects including school houses, lock up garages, offices, bothies, community assets, common good. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the fair values are:-

- the amount which an asset could be exchanged for, between knowledgeable, willing parties, in an arm's length transaction
- the amount that would be paid for the asset in its existing use.
- the amount as determined at an assumed valuation date.

**Notes to the Accounts (cont'd)****16. HERITAGE ASSETS****Reconciliation of the carrying value of Heritage Assets held by the Council**

	Statues £000	Civic Regalia £000	Total Tangible Assets £000	Number Plates £000	Total Intangible Assets £000	Total Heritage Assets £000
Cost or valuation At 1 April 2020	94	65	159	75	75	234
Revaluations						
At 31 March 2021	94	65	159	75	75	234
	Statues £000	Civic Regalia £000	Total Tangible Assets £000	Number Plates £000	Total Intangible Assets £000	Total Heritage Assets £000
Cost or valuation At 1 April 2019	94	65	159	75	75	234
Revaluations	-	-	-	-	-	-
At 31 March 2020	94	65	159	75	75	234

Further details on Heritage Assets can be found in Note 42.

**Notes to the Accounts (cont'd)****17. INTANGIBLE ASSETS**

The Council accounts for its software licences as intangible assets, to the extent that they are not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All licences are given a finite useful life of less than 5 years, based on assessments of the period that they are expected to be of use to the Council.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £121k charged to revenue in 2020/21 was charged to the IT Administration cost centre.

The movement on Intangible Asset balances during the year is as follows:

	2020/21 Software Licences £000	2019/20 Software Licences £000
Balance at start of year:		
• Gross carrying amounts	1,642	1,606
• Accumulated amortisation	(1,353)	(1,220)
Net carrying amount at start of year	289	386
Additions:		
• Internal development	-	-
• Purchases	4	36
• Acquired through business combinations	-	-
Amortisation for the period	(121)	(133)
Other changes	-	-
Derecognition		
• Gross Book Value	-	-
• Accumulated amortisation	-	-
Net carrying amount at end of year	172	289
Comprising:		
• Gross carrying amounts	1,646	1,642
• Accumulated amortisation	(1,474)	(1,353)
Balance at end of year:	172	289



Notes to the Accounts (cont'd)

18. ASSETS HELD FOR SALE

	Current Assets 2020/21 £000	Current Assets 2019/20 £000
Balance outstanding at start of year	986	1,034
Assets newly classified as held for sale:		
• Property, Plant and Equipment	-	-
• Other assets/liabilities in disposal groups	-	-
Additions	11	3
Revaluation losses	-	-
Revaluation gains	-	-
Impairment Gains	-	31
Impairment losses	-	-
Assets declassified as held for sale:		
• Property, Plant and Equipment	-	-
• Other assets/liabilities in disposal groups	-	-
Assets sold	(997)	(31)
Derecognition	-	(51)
Transfers from non-current to current	-	-
Balance outstanding at year-end:	-	986

**Notes to the Accounts (cont'd)****19. FINANCIAL INSTRUMENTS**

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet and reflect the impact of IFRS 9.

	Long-term		Current	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Investments				
Loans and receivables	255	262	71,679	73,559
Total investments	255	262	71,679	73,559
Borrowings				
Financial liabilities at amortised cost (including Bank overdraft and long term creditors)	(113,936)	(114,319)	(2,962)	(3,751)
Total Borrowings	(113,936)	(114,319)	(2,962)	(3,751)
Other Long Term Liabilities				
PFI and finance lease liabilities	(78,712)	(83,837)	(5,083)	(4,864)
Total other long term liabilities	(78,712)	(83,837)	(5,083)	(4,864)

The income and expenses recognised in the Comprehensive Income and Expenditure statement in relation to financial instruments are as follows:-

	2020/21 Surplus or Deficit on the Provision of Services £000	2019/20 Surplus or Deficit on the Provision of Services £000
Net gains/losses on:		
• Financial assets or financial liabilities measured at amortised cost	-	-
Interest revenue:		
• Financial assets or financial liabilities measured at amortised cost	4,067	3,814
Fee income:		
• Financial assets or financial liabilities that are not at fair value through profit or loss	-	-
Fee expense:		
• Financial assets or financial liabilities that are not at fair value through profit or loss	229	206
Total net(gain) / losses	4,296	4,020



Notes to the Accounts (cont'd)

Fair Values of Assets and Liabilities

Financial liabilities and financial assets including long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2*), using the following assumptions:

- For loans from the PWLB payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value) has been assessed;
- For non-PWLB loans payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

Market to Model Valuation for Financial Instruments – As at 31 March the Council held £71,934k financial assets and £116,898k financial liabilities for which Level 2 valuations will apply. All the financial assets are held with Money Market Funds and Notice Accounts. The financial liabilities are held with PWLB and Market lenders. All of these investments and borrowings were not quoted on an active market and a Level 1* valuation is not available. To provide a fair value which provides a comparison to the carrying amount, a financial model valuation provided by Link Asset Services has been used. This valuation applies the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses New Borrowing Rates to discount the future cash flows.

The fair values calculated are as follows:

	31 March 2021		31 March 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	116,898	154,198	118,070	143,696

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2021) arising from a commitment to pay interest to lenders above current market rates.

Link Asset Services have also provided fair value calculations based on premature repayment. This shows the following comparable figures:-

	31 March 2021		31 March 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	116,898	189,744	118,070	224,129

**Notes to the Accounts (cont'd)**

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates. As a result of its PWLB commitments for fixed rate loans a comparison of the terms of these loans with the new borrowing rates available from the PWLB has been used to calculate the fair value. As part of the Financial Liabilities shown in the two tables above is a PWLB carrying amount of £99.03m, the fair value using New Borrowing Rates would be £128.41m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge. The exit price for the PWLB loans including the additional charges would be £159.01m.

The redemption charge is a supplementary measure of the fair value of the Public Works Loan Board (PWLB) loans of £99.03m. It measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB redemption interest rates. The difference between the carrying amount and the fair value measures the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

	31 March 2021		31 March 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Deposits: short-term	63,680	63,711	39,311	39,393
Investments: short-term	7,999	8,005	34,248	34,322
Investments: long-term	255	255	262	262
	71,934	71,971	73,821	73,977

The fair value of the assets is similar to the carrying amount because the Council's portfolio of loans includes all variable rate loans where the interest rates receivable are similar to the rates available for similar loans at the Balance Sheet date.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

* Definitions of Levels 1 - 3 can be found within the Accountancy Policies - Note 1

20. DEBTORS

	31 March 2021	31 March 2020
	£000	£000
Trade receivables	7,235	2,276
Receivables from related parties	4,615	8,544
Prepayments	1,252	2,244
Other accounts	12,488	3,144
Total	25,590	16,208

**Notes to the Accounts (cont'd)****21. DEBTORS FOR LOCAL TAXATION**

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	31 March 2021	31 March 2020
	£000	£000
Less than one year	3,702	2,366
Between one to two years	1,956	1,485
Between two and five years	3,465	3,063
More than five years	6,612	6,829
Total	15,735	13,743

Bad debt provision is provided for 2% of the amount levied in the current year and 100% of prior year debt.

22. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2021	31 March 2020
	£000	£000
Cash held by the Council	18	18
Bank current accounts	(2,579)	(3,190)
Short-term deposits	63,680	39,311
Total	61,119	36,139

23. CREDITORS

	31 March 2021		31 March 2020	
	Short-term	Long-term	Short-term	Long-term
	£000		£000	
Trade payables	(3,717)	-	(4,772)	-
Payables to related parties	(18,045)	-	(8,999)	-
Other accounts	(22,770)	(93)	(30,465)	(93)
TOTAL	(44,532)	(93)	(44,236)	(93)

**Notes to the Accounts (cont'd)****24. PROVISIONS**

	Teachers Maternity Pay £000	Short- term provisions £000	SRC Operations £000	Insurance Excess £000	Long-term provisions £000
Balance at 31 March 2020	(209)	(209)	(24)	(133)	(157)
Additional provisions made in 2020/21	(182)	(182)	(3)	(12)	(15)
Amounts used in 2020/21	208	208	8	-	8
Unused amounts reversed in 2020/21	1	1	-	-	-
Balance at 31 March 2021	(182)	(182)	(19)	(145)	(164)

The Council has one short term provision to cover holidays accrued whilst teachers are on maternity.

Two long term provisions have been made in the accounts totalling £164k. These are made up firstly of £19k, a provision in respect of the former Strathclyde Regional Council's operations. Cost sharing arrangements are in place with the other eleven authorities which made up the former Strathclyde Region. East Renfrewshire Council's share of liabilities which will materialise in the future is 4.83%. Secondly, there is a provision of £145k to cover insurance excess for outstanding claims made against the Council.

25. BALANCE SHEET – UNUSABLE RESERVES

	31 March 2021	31 March 2020
	£000	£000
Revaluation Reserve	(169,653)	(167,123)
Capital Adjustment Account	(358,957)	(359,588)
Financial Instruments Adjustment Account	1,108	1,227
Pensions Reserve	119,443	87,594
Statutory Accumulating Compensated Absences Account	8,469	6,357
Total Unusable Reserves	(399,590)	(431,533)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

**Notes to the Accounts (cont'd)**

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	31 March 2021	31 March 2020
	£000	£000
Balance at 1 April	(167,123)	(155,245)
Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services:		
Upward revaluation of assets	(8,112)	(16,472)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	788	80
Amount written off to the Capital Adjustment Account:		
Difference between fair value depreciation and historical cost depreciation	4,794	4,514
Accumulated gains on assets sold or scrapped		-
Balance at 31 March	(169,653)	(167,123)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

	2020/21	2019/20
	£000	£000
Balance at 1 April	(359,588)	(344,536)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Account		
• Charges for depreciation and impairment of non-current assets	38,988	25,867
• Revaluation losses on Property, Plant and Equipment	-	-
• PPP/PFI lifecycle costs	(1,505)	(1,042)
• Amortisation of intangible assets	121	133
• Revenue expenditure funded from capital under statute	-	-
• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	997	-
	(320,987)	(319,578)

**Notes to the Accounts (cont'd)**

Adjusting amounts written out of the Revaluation Reserve	(4,794)	(4,514)
Net written out amount of the cost of non-current assets consumed in the year	(325,781)	(324,092)
Capital financing applied in the year:		
• Use of the Capital Receipts to finance new capital expenditure	(159)	(220)
• Grants applied to Capital Investment	(19,039)	(18,300)
• PPP/PFI Finance lease repayments	(4,891)	(4,751)
• Loan repayments for the financing of capital investment charged against the General Fund and HRA balances	(8,559)	(9,836)
• Capital Funded from Current Revenue/capital reserve	(528)	(2,389)
Balance at 31 March	(358,957)	(359,588)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. East Renfrewshire Council uses the Account in the main, to manage premiums paid on the early redemption of loans. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period was restricted originally to 20 years. As a result, the balance on the Account at 31 March 2021 will be charged to the General Fund over the next 3 years. It is also a balancing account to allow for differences in statutory requirements and proper accounting practices for borrowing and investments.

	2020/21 £000	2019/20 £000
Balance at 1 April	1,227	1,345
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with Statutory requirements	(108)	(108)
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(11)	(10)
Balance at 31 March	1,108	1,227

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

**Notes to the Accounts (cont'd)**

	2020/21 £000	2019/20 £000
Balance at 1 April	87,594	134,841
Actuarial (gains) or losses on pension assets and liabilities	20,704	(59,748)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	23,276	24,461
Employer's pension contributions and direct payments to pensioners payable in the year	(12,131)	(11,960)
Balance at 31 March	119,443	87,594

Short term Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2020/21 £000	2019/20 £000
Balance at 1 April	6,357	5,902
Settlement or cancellation of accrual made at the end of the preceding year	(6,357)	(5,902)
Amounts accrued at the end of the current year	8,469	6,357
Balance at 31 March	8,469	6,357

26. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

	2020/21 £000	2019/20 £000
Interest received	(515)	(62)
Interest paid	4,794	4,249
Interest element of finance lease rental and PPP/PFI payment	6,016	6,209

**Notes to the Accounts (cont'd)**

The (surplus) or deficit on the provision of services has been adjusted for the following non-cash movements:

	2020/21 £000	2019/20 £000
Depreciation and impairment	(38,988)	(25,867)
Amortisation of intangible assets	(121)	(133)
(Increase)/decrease in creditors	(766)	6,440
Increase/(decrease) in debtors	6,108	3,783
Increase/(decrease) in inventories	552	41
Movement in pension liability	(11,145)	(12,501)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(838)	220
Other non-cash items charged to the net surplus or deficit on the provision of services	19,158	18,418
	(26,040)	(9,599)

27. CASH FLOW STATEMENT – INVESTING ACTIVITIES

	2020/21 £000	2019/20 £000
Purchase of property, plant and equipment and intangible assets	35,039	48,604
Purchase of short-term and long-term investments	114,300	110,439
Proceeds from the sale of property, plant and equipment and intangible assets	(1,082)	(220)
Proceeds from short-term and long-term investments	(114,300)	(110,439)
Other receipts from investing activities	(14,594)	(26,706)
Net cash flows from investing activities	19,363	21,678

**Notes to the Accounts (cont'd)****28. CASH FLOW STATEMENT – FINANCING ACTIVITIES**

	2020/21 £000	2019/20 £000
Financing activities as at 1 April	(168,978)	(146,164)
Cash payments for the reduction of the outstanding Liability relative to a finance lease and on Balance Sheet PFI Contract	4,891	4,751
Repayments of short and long-term borrowing	(25,695)	(24,594)
Other payments for financing activities	-	2,971
Financing activities as at 31 March	(189,782)	(168,978)

29. AGENCY SERVICES

The Council bills and collects domestic water and sewerage charges on behalf of Scottish Water with its Council Tax.

During 2020/21 the Council collected and paid over £17.9m (2019/20 £17.8m) and received £0.259m (2019/20 £0.259m) for providing the service.

30. EXTERNAL AUDIT COSTS

	2020/21 £000	2019/20 £000
Agreed Audit Scotland audit fee for the year	238	232
Other Audit Services provided	-	-

31. GRANT INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	2020/21 £000	2019/20 £000
Credited to Taxation and Non Specific Grant Income		
Revenue Support Grant (including Covid Funding of £18,234k)	195,310	168,731
Non Domestic Rates	9,961	15,377
Capital Grants and Contributions	19,039	18,300
Total	224,310	202,408

**Notes to the Accounts (cont'd)****Credited to Services**

Housing Benefit Subsidy	12,820	13,302
Housing Benefit Administration Grant	159	159
Pupil Equity Fund	1,197	1,344
Unitary Charge – Barrhead High School	1,832	1,832
Education 1140 expansion	4,856	1,985
Criminal Justice Grant	698	609
Private Sector Housing Grant	134	252
Education Maintenance Allowance	425	418
Strathclyde Passenger Transport	630	376
Miscellaneous Revenue Grants	1,890	1,663

Covid Grants: where the Council acted as Principal

Education Recovery	1,163
Free School Meals	391
Food Fund	207
Mobilisation Fund	7,240

Total	257,952	224,348
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Covid Grants: where the Council acted as Agent

Business Support Grants	19,481
Winter & Spring Hardship Payments	342
Transitional Support Scheme	223
Temporary Restriction Funds	126
Self-Isolation	66

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver if they are not used as specified. The balances at the year-end are as follows:

Capital Grants Receipts in Advance	2020/21	2019/20
	£000	£000
Developer's Contributions/ Commuted Sums	4,208	3,821
Environmental Improvement Grant	997	1,106
Town Centre Grant	720	848
Energy Grant	323	239
Miscellaneous	2	54
	6,250	6,068

32. RELATED PARTIES

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the Council



Notes to the Accounts (cont'd)

might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Scottish Government

The Scottish Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties. Grants received from government departments are set out in note 31.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2020/21 is shown on page 40. The code of conduct for members requires them to complete a Declaration of Interest which is updated annually and held on a central register which is held by the Corporate and Community Department at Council Headquarters. A member is required to declare an interest where he/she feels that there may be a perception that their decision making may be influenced in any way by a personal interest or by representing an associated body. When this situation arises, and where appropriate, the relevant members do not take part in any discussion or decision in relation to that interest.

Officers

A similar register exists to enable officials to declare an interest when there could be a perception that a decision taken could be influenced by an activity undertaken on a personal basis or by representing an associated body. Again, when this situation arises the relevant officer does not take part in any discussion or decision relating to that interest. This register is held by the Corporate and Community Department at the Council Headquarters. Remuneration paid to senior employees is shown on page 39.

Entities Controlled or Significantly Influenced by the Council

East Renfrewshire Culture and Leisure Trust and East Renfrewshire Integration Joint Board are deemed to be related parties of the Council, mainly through the Council's ability to exert influence over the entity through its representation on the respective Boards. The relevant transactions and balances with the bodies are:-

	During 2020/21		As at 31 March 2021	
	Charges to £m	Charges from £m	Due from £m	Due to £m
East Renfrewshire Culture & Leisure Trust	(0.209)	5.826	(0.154)	0.487
East Renfrewshire Integration Joint Board	(57.531)	57.531	-	5.355

33. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

**Notes to the Accounts (cont'd)**

2020/21	Housing £000	General Fund £000	Total £000
<i>Opening Capital Financing Requirement as at 31 March 2020</i>	34,172	168,880	203,052
<i>Capital investment</i>			
Property, Plant and Equipment	5,731	29,349	35,080
Intangible Assets	-	4	4
Revenue Expenditure Funded from Capital under Statute			
<i>Sources of finance</i>			
Capital Reserve	-	-	-
Capital receipts	-	(159)	(159)
Government grants and other contributions	(1,882)	(17,157)	(19,039)
<i>Sums set aside from revenue</i>			
Direct revenue contributions	-	(528)	(528)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(6,396)	(6,396)
Loans Fund Principal	(2,938)	(5,621)	(8,559)
Closing Capital Financing Requirement as at 31 March 2021	35,083	168,372	203,455
Explanation of Movements in Year			
Increase in underlying need to borrow	911	(508)	403
Assets acquired under lease and lease type arrangements	-	-	-
Increase/(decrease) in Capital Financing Requirement	911	(508)	403
2019/20	Housing £000	General Fund £000	Total £000
<i>Opening Capital Financing Requirement as at 31 March 2019</i>	28,683	160,095	188,778
<i>Capital investment</i>			
Property, Plant and Equipment	9,485	41,323	50,808
Intangible Assets	-	36	36
Revenue Expenditure Funded from Capital under Statute			
<i>Sources of finance</i>			
Capital Reserve	-	(1,200)	(1,200)
Capital receipts	(4)	(248)	(252)
Government grants and other contributions	(1,425)	(16,875)	(18,300)
<i>Sums set aside from revenue</i>			
Direct revenue contributions	-	(1,189)	(1,189)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(5,793)	(5,793)
Loans Fund Principal	(2,567)	(7,269)	(9,836)
Closing Capital Financing Requirement as at 31 March 2020	34,172	168,880	203,052
Explanation of Movements in Year			
Increase in underlying need to borrow	5,489	5,831	11,320
Assets acquired under lease and lease type arrangements	-	2,954	2,954
Increase/(decrease) in Capital Financing Requirement	5,489	8,785	14,274

**Notes to the Accounts (cont'd)****34. LEASES****COUNCIL AS A LESSEE****Operating Leases**

The Council has operating leases within land, property, vehicles and equipment, incorporating a mix of lease lives.

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March 2021	31 March 2020
	£000	£000
Not later than one year	389	453
Later than one year and not later than five years	1,286	1,335
Later than five years	1,614	1,874
	3,289	3,662

The expenditure charged to the HSCP, Corporate and Community and Environmental lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	31 March 2021	31 March 2020
	£000	£000
Minimum Lease payments	455	454
Contingent Rents	-	-
	455	454

COUNCIL AS A LESSOR**Operating Leases**

The Council leases out land and property under operating leases for the following purposes:

- for the provision of community services
- for economic development purposes to provide suitable affordable accommodation for local businesses

The future minimum lease payments receivable under non-cancellable operating leases in the aggregate and for each of the following periods:-

**Notes to the Accounts (cont'd)**

	31 March 2021	31 March 2020
	£000	£000
Not later than one year	231	169
Later than one year and not later than five years	545	447
Later than five years	15,740	16,605
	16,516	17,221

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2020/21 there were no contingent rents received by the Council (2019/20 contingent rents of £6,189 were received by the Council).

35. PRIVATE FINANCE INITIATIVES AND SIMILAR CONTRACTS**(I) Schools PFI Contract**

The Council signed a contract on 20 April 2000 with East Ren Schools Services Ltd to procure the provision of services for the Council under the government's Private Finance Initiative.

The services are the provision of a new Mearns Primary School and an extension to St Ninian's High School. The contract is for a period of 25 years commencing August 2001 and the assets will revert to the Council at the end of the contract period. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment Balance in Note 15.

Movement in Value of Assets	£000
Valuation at 1 April 2020	22,456
Additions/Revaluations	182
Depreciation in Year	(612)
NET BOOK VALUE AT 31 MARCH 2021	22,026

The annual Unitary Charge is a fixed sum of £2.17m. This is offset by a Direct Support Payment from the Scottish Government of £1.25m leaving a net cost to the Council of £0.92m.

The total value of payments over the remainder of the contract before inflation will be £11.47m and the total value of income from the Scottish Government will be £6.67m resulting in a net outstanding undischarged obligation before inflation of £4.80m.

The Gross Unitary Charge is subject to inflation increases less than Retail Price Index but the gearing effect of the Scottish Government contribution carrying no increases results in the net burden increasing by more than the Retail Price Index.

**Notes to the Accounts (cont'd)**

	Estimated Cash Value of Payments Due to be Made				Total £000
	Liability	Contingent Rent	Interest	Service Charges	
	£000	£000	£000	£000	
Within 1 year	1,097	806	494	1,222	3,619
Within 2 to 5 years	4,521	2,998	986	6,916	15,421
Within 6 to 10 years	-	467	-	1,017	1,484
ESTIMATED TOTAL	5,618	4,271	1,480	9,155	20,524

(II) Roads PFI Contract

The Council finalised a PFI agreement in conjunction with South Lanarkshire Council and the Scottish Executive to construct the Glasgow Southern Orbital Road and the M77 extension. Some 26.67% of the asset relates to East Renfrewshire Council.

The contract was signed on 30 April 2003 with Connect to construct and thereafter maintain the new roads for a period of 30 years commencing April 2005. At the end of the contract period the roads will revert to the respective authorities. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

Movement in Value of ERC Assets	£000
Valuation at 1 April 2020	28,013
Additions/Revaluations	520
Depreciation in Year	(778)
NET BOOK VALUE AT 31 MARCH 2021	27,755

Payment for the project is made through an Annual Unitary Charge which is made up of a Fixed Availability Element and an Expected Usage Element geared to forecast traffic flow.

Direct support payments from the Scottish Government result in an annual net cost to the Council of £100,000.

The outstanding undischarged net obligation is currently £1.4m

	Estimated Cash Value of Payments Due to be Made				Total £000
	Liability	Contingent Rent	Interest	Service Charges	
	£000	£000	£000	£000	
Within 1 year	1,192	404	1,231	745	3,572
Within 2 to 5 years	4,523	1,722	4,271	4,124	14,640
Within 6 to 10 years	7,691	2,862	3,690	4,897	19,140
Within 11 to 15 years	8,388	2,918	1,093	3,944	16,343
ESTIMATED TOTAL	21,794	7,906	10,285	13,710	53,695

**Notes to the Accounts (cont'd)****(III) Schools PPP Project**

On 10 December 2004 the Council signed a further schools PPP contract for the provision of a new Williamwood High School, a new Primary School/Community Inclusive Education Campus for Carlibar and extensions to Mearns Castle High School and Woodfarm High School. The extensions were handed over to the Council in December 2005 and the new schools were handed over on target in July 2006.

The contract for services at the new schools is for 25 years commencing in July 2006. Services at the extensions commenced in December 2005 but will have the same end date as for the new schools. At the end of the contract period the assets will revert to the Council. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

Movement in Value of Assets	£000
Valuation at 1 April 2020	59,543
Additions/Revaluations	838
Depreciation in Year	(1,632)
NET BOOK VALUE AT 31 MARCH 2021	58,749

The Annual Unitary Charge is a fixed sum of £6.86m and this is offset by a Direct Support Payment from the Scottish Government of £3.95m leaving a net cost to the Council of £2.91m.

The total value of payments over the remainder of the contract before inflation will be £70.32m and the total value of income from the Scottish Government will be £35.51m leaving a net outstanding undischarged obligation of £34.81m.

The Gross Unitary Charge is subject to inflation increases less than the Retail Price Index but the gearing effect of the Scottish Government contribution carrying no increases results in the net burden increasing by more than the Retail Price Index.

	Estimated Cash Value of Payments Due to be Made				Total £000
	Liability £000	Contingent Rent £000	Interest £000	Service Charges £000	
	Within 1 year	2,101	1,699	2,424	
Within 2 to 5 years	10,281	8,111	7,948	14,578	40,918
Within 6 to 10 years	18,622	13,721	4,947	18,635	55,925
Within 11 to 15 years	2,312	1,622	85	1,913	5,932
ESTIMATED TOTAL	33,316	25,153	15,404	38,635	112,508

(IV) Barrhead High School - Scotland's Schools for the Future NPD Project

On 21 March 2016 the Council signed a contract for the construction and maintenance of a replacement Barrhead High School to be delivered under the Scotland's Schools

**Notes to the Accounts (cont'd)**

for the Future programme non-profit distributing (NPD) model. The new facility was handed over to the Council in August 2017.

The contract is for 25 years from August 2017 and the asset will revert to the Council at the end of the contract period. Movements in the value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

Movement in Value of Assets	£000
Valuation at 1 April 2020	23,093
Additions/Revaluations	28
Depreciation in Year	(625)
NET BOOK VALUE AT 31 MARCH 2021	22,496

The capital element of the Annual Service Payment will be fully covered by Scottish Government Revenue Funding Support payments.

The Annual Service Payment is a fixed sum of £2.105m and this is offset by Direct Support Payment from the Scottish Government of £1.832m leaving a net cost to the Council of £0.273m.

The total value of payments over the remainder of the contract before inflation will be £44.947m and the total value of income from the Scottish Government will be £39.664m leaving a net outstanding undischarged obligation of £5.283m

The Annual Service Payment is subject to inflation increases less than the Retail Price index but the Scottish Government contribution is fixed and will not increase over the lifetime of the project. This will result in an increasing net annual burden for the Council.

	Estimated Cash Value of Payments Due to be Made				Total £000
	Liability	Contingent Rent	Interest	Service Charges	
	£000	£000	£000	£000	
Within 1 year	616	27	1,333	211	2,187
Within 2 to 5 years	2,330	83	4,934	1,531	8,878
Within 6 to 10 years	3,304	44	5,270	2,794	11,412
Within 11 to 15 years	4,727	153	3,994	2,930	11,804
Within 16 to 20 years	6,930	439	2,120	2,760	12,249
Within 20 to 25 years	2,325	158	147	769	3,399
ESTIMATED TOTAL	20,232	904	17,798	10,995	49,929

(V) Clyde Valley Waste Recycling Plant

In January 2020 the Council entered into a 25 year contract for waste recycling which utilises residual waste to obtain thermal gain. North Lanarkshire is the lead authority, with an additional four councils taking part in the project through an Inter Authority Agreement. Movements in the value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

**Notes to the Accounts (cont'd)**

Movement in Value of Assets	£000
Valuation at 1 April 2020	2,972
Additions/Revaluations	(14)
Depreciation in Year	(145)
NET BOOK VALUE AT 31 MARCH 2021	2,813

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the provider fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the contracts as at 31 March 2021 including an adjustment for inflation and excluding any estimation of availability and performance deductions are as follows:

Estimated Cash Value of Payments Due to be Made

	Operating Costs £000	Liability £000	Interest £000	Total £000
Within 1 year	2,000	78	161	2,239
Within 2 to 5 years	8,555	313	598	9,466
Within 6 to 10 years	11,956	515	635	13,106
Within 11 to 15 years	13,834	376	528	14,738
Within 16 to 20 years	15,493	793	357	16,643
Within 20 to 25 years	12,748	761	105	13,614
ESTIMATED TOTAL	64,586	2,836	2,384	69,806

36. IMPAIRMENT LOSSES**Impairment of Assets**

Impairment losses/(reversals) of £14.292m were charged to the Comprehensive Income and Expenditure Statement. The breakdown between class of asset is as follows:-

	Losses £000	Reversal of Previous Losses £000	Net Loss/(Reversal) £000
Property, Plant & Equipment and Assets Held for Sale	14,959	(667)	14,292

37. TERMINATION BENEFITS

The Council terminated the contracts of a number of employees in 2020/21 incurring liabilities of £0.16m (£2.07m in 2019/20). This was in respect of 6 officers (95 officers in 2019/20) from across the Council. The Remuneration Report at page 44 provides further details on exit packages.



Notes to the Accounts (cont'd)

38. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

East Renfrewshire Council participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees' contributions.

The Council has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme. However, it is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Council is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period 1 April 2020 is 23.0% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay. In addition £0.34m was paid (2019/20 £0.34m) in respect of added years.

While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms were unlawfully discriminating on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The total contribution paid into the Teachers' Pension Scheme during the year ending 31 March 2020, by East Renfrewshire Council was £11.525m, equating to approximately 2.06% of the total contributions made to the scheme.

39. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

The post-employment scheme for employees other than teachers is the Local Government Pension Scheme (LGPS), and is administered in the West of Scotland by Glasgow City Council in respect of all local authorities and admitted bodies in the former Strathclyde Area. This is a multi-employer scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. Employer's liabilities can be evaluated directly by the Actuary at any



Notes to the Accounts (cont'd)

time on membership data. Individual employer assets have been apportioned to each employer since 2002. Prior to that date, each employer was considered to have the same funding as the whole Fund.

Benefits

- From 1 April 2015 the pension salary will be calculated on a career average salary and the accrued rate will be based on 1/49th of this calculation and years of pensionable service.
- For the period 1 April 2009 to 31 March 2015 the LGPS was a defined benefit final salary scheme and the pension's accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009, the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).
- There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. Pensions are increased annually in line with changes to the Pensions (Increases) Act 1971 and Section 59 of the Social Security Pensions Act 1975.

Governance

- The Strathclyde Pension Fund is operated under the regulatory framework for the LGPS in Scotland and the governance of the scheme is the responsibility of the Strathclyde Pension Fund Committee. This committee is comprised solely of elected members of Glasgow City Council. Employing authorities (including East Renfrewshire Council) are represented at the Strathclyde Pension Fund Representative Forum.
- Policy is determined in accordance with the Local Government Pension Scheme (Scotland) Regulations. Management of the Fund's investments is carried out by the Fund's Investment Advisory Panel which selects and appoints a number of external investment managers/partners and monitors their investment performance.
- Under the Regulations, employers fall into three categories, scheme employers (also known as schedule bodies) such as East Renfrewshire Council, community admission bodies and transferee admission bodies. Admission agreements are generally assumed to be open-ended. However, either party can voluntarily terminate the admission agreement by giving an appropriate period of notice to the other party. Any deficit arising from the cessation valuation will usually be levied on the departing admission body as a capital payment.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no pension plan assets built up to meet these pension liabilities.

Transactions Relating to Post-Employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

**Notes to the Accounts (cont'd)**

Included in net cost of services within Comprehensive Income and Expenditure Statement	Local Government Pension Scheme	
	2020/21 £000	2019/20 £000
<ul style="list-style-type: none"> Current service cost Past service costs (including curtailments) Effect of settlement Contributions in respect of unfunded benefits <i>Included within Financing and Investment Income and Expenditure</i>	22,330	25,649
<ul style="list-style-type: none"> Net interest cost 	24	(3,303)
	-	-
	(1,297)	(1,276)
	2,219	3,391
Total of LGPS Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	23,276	24,461
Included within Other Comprehensive Income and Expenditure		
<ul style="list-style-type: none"> Expected return on scheme assets Actuarial (gains) and losses on changes in demographic assumptions Actuarial (gains) and losses arising on changes in financial assumptions Other 	(117,286)	35,736
	(10,701)	(69,734)
	155,078	(22,477)
	(6,387)	(3,273)
	43,980	(35,287)

Movement in Reserves Statement

<ul style="list-style-type: none"> Actual amount charged against the General Fund Balance for pensions in the year: employers' contributions payable to scheme 	12,131	11,960
<ul style="list-style-type: none"> Less: Total Post Employment Benefit charged to the Surplus or Deficit on Provision of Services 	(23,276)	(24,461)
<ul style="list-style-type: none"> Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code 	(11,145)	(12,501)

Pensions assets and liabilities required in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme	
	2020/21 £000	2019/20 £000
Present value of the defined benefit obligation	(755,122)	(602,311)
Fair value of plan assets	635,679	514,717
Net liability arising from defined benefit obligation	(119,443)	(87,594)

**Notes to the Accounts (cont'd)****Local Government
Pension Scheme****Reconciliation of the Movements in the Fair Value of Scheme Assets.**

	2020/21 £000	2019/20 £000
Opening fair value of scheme assets	514,717	534,941
Effect of Settlement		
Interest income	11,845	12,870
Remeasurement gain/(loss)		
• The return on plan assets, excluding the amount included in the net interest expenses	117,286	(35,736)
• Other	(8,722)	-
The effect of changes in foreign exchange rates		
Contributions from employer	12,131	11,960
Contributions from employees into the scheme	3,860	3,571
Benefits paid	(15,438)	(12,889)
Closing fair value of scheme assets	635,679	514,717

Reconciliation of Present Value of the Scheme Liabilities**Funded liabilities:
Local Government
Pension Scheme**

	2020/21 £000	2019/20 £000
Opening balance at 1 April	(602,311)	(669,782)
Effect of Settlement	-	-
Current service cost	(22,330)	(25,649)
Interest cost	(14,064)	(16,261)
Contributions from scheme participants	(3,860)	(3,571)
Remeasurement gains and (losses)		
• Actuarial gains and (losses) on changes in demographic assumptions	10,701	22,477
• Actuarial gains and (losses) arising on changes in financial assumptions	(155,078)	69,734
• Other	15,109	3,273
Past service cost	(24)	3,303
Benefits paid	16,735	14,165
Closing balance at 31 March	(755,122)	(602,311)

**Notes to the Accounts (cont'd)**

Local Government Pension Scheme assets comprised:

Asset Category	31-Mar-21				31-Mar-20			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
Equity Securities:								
Consumer	36,602	-	36,602	6	32,962	93	33,055	6
Manufacturing	35,961	299	36,260	6	26,707	81	26,787	5
Energy and Utilities	6,530	109	6,640	1	6,881	-	6,881	1
Financial Institutions	22,501	-	22,501	4	22,189	-	22,189	4
Health and Care	17,459	275	17,734	3	13,032	133	13,165	3
Information Technology	29,414	-	29,414	5	16,963	4	16,967	3
Other	-	-	-	-	-	-	-	-
Debt Securities								
Corporate Bonds (investment grade)	-	-	-	-	16,150	-	16,150	3
Corporate Bonds (non-investment grade)	-	-	-	-	-	-	-	-
UK Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Private Equity:								
All	-	113,698	113,698	18	-	61,506	61,506	12
Real Estate:								
UK Property	-	51,501	51,504	8	-	46,603	46,603	9
Overseas Property	-	-	-	-	-	-	-	-
Investment funds and unit trusts:								
Equities	5,982	216,349	222,331	35	146,186	12,671	158,857	31
Bonds	-	85,974	85,974	14	22,509	37,083	59,593	12
Hedge Funds	-	-	-	-	-	-	-	-
Commodities	-	269	269	-	258	-	258	-
Infrastructure	-	642	642	-	-	-	-	-
Other	-	1,323	1,323	-	-	660	660	-
Derivative:								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	115	-	115	-	11	-	11	-
Cash and cash equivalents								
All	10,241	431	10,672	2	26,497	25,536	52,034	10
Totals	164,806	470,873	635,679	100	330,345	184,372	514,717	100

Please note, the sum of the individual items may not equal the totals shown due to rounding.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson an independent firm of actuaries, estimates for the Strathclyde Pension Fund being based on the latest full valuation of the scheme as at 31 March 2020.



Notes to the Accounts (cont'd)

The principal assumptions used by the actuary have been:-

	Local Government Pension Scheme	
	2020/21	2019/20
Investment returns	25.1%	(4.3%)
Mortality assumptions:		
Longevity at 65 for current pensioners:		
• Men	19.8 years	20.7 years
• Women	22.6 years	22.9 years
Longevity at 65 for future pensioners:		
• Men	21.2 years	22.2 years
• Women	24.7 years	24.6 years
Rate of increase in salaries	3.55%	3.0%
Rate of increase in pensions	2.85%	1.9%
Rate for discounting scheme liabilities	2.00%	2.3%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in assumptions at 31 March 2021:	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	10%	75,048
0.5% increase in the Salary Increase Rate	1%	9,480
0.5% increase in the Pension Increase Rate	8%	63,810

Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into too narrow a range. The Fund invests in equities, bonds, properties and in cash.

Impact on the Council's Cash Flow

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. Employer's contributions have been set at 19.3% for the next three years following completion of the triennial valuation as at 31 March 2020.



Notes to the Accounts (cont'd)

The Fund takes account of national changes to the Local Government Pension Scheme in Scotland such as the move from 1 April 2015 to a new career average revalued earning scheme (CARE) for future accruals.

The total contribution expected to be made by Council to Strathclyde Pension Fund in the year to 31 March 2022 is £12.038 million.

The weighted average duration of the defined benefit obligation for scheme members is 19.0 years (19.5 years 2019/20).

40. CONTINGENT LIABILITIES

There are contingent liabilities arising from insurance claims and a small number of legal cases currently in dispute. Also holiday pay issues are currently subject to Employment Law litigation on a national level and will not be resolved for a number of months. No liability has currently been accepted and no liability may arise. Further contingent liabilities exist in relation to the Council's share of any potential future claims against the former Strathclyde Regional Council and any shortfall in Government Funding to cover the additional pressures faced by the Council in connection to Covid-19.

In terms of East Renfrewshire Culture and Leisure Trust's admission to the Strathclyde Pension Scheme, the Council has guaranteed to accept liability for any unfunded pension costs should they cease to exist, withdraw from the scheme or become unable to meet any unfunded liability. The Council has not quantified the possible liability.

41. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council's activities expose it to a variety of financial risks:

- credit risk - the possibility that other parties might fail to pay amounts due to the Council
- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments
- market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Regulations issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its Financial Regulations/Standing Orders/Scheme of Delegation;
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
 - the Council's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;



Notes to the Accounts (cont'd)

- its maximum and minimum exposures to the maturity structure of its debt;
- its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Regulations.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy for 2020/21 including the prudential indicators was approved by Council on 27 February 2020 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2020/21 was set at £262.707m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £239.625m. This is the expected level of debt and other long term liabilities during the year.
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 30% based on the Council's net debt.
- The maximum and minimum exposures to the maturity structure of debt are shown below.

These policies are implemented by a central treasury team. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices - TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit Risk

Credit risk arises from the deposits with banks and financial institutions.

This risk is minimised through the annual Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard and Poors Credit Ratings Services. The Annual Treasury Management Strategy also imposes a maximum sum to be invested and the time limits in respect of each financial institution.

The credit criteria in respect of financial assets held by the Council are detailed below:

The Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Credit ratings, as follows:-

**Notes to the Accounts (cont'd)**

Financial Asset Category	Criteria	Fitch	Moody's
		Deposits with Bank and Money Market Funds	Short Term: Long Term:

The Council's [Capital Investment Strategy for 2020/21](https://www.eastrenfrewshire.gov.uk/media/1180/Full-Council-Meeting-item-11/pdf/Council_Item_11_-_27_February_2020.pdf?m=637390021868600000) was approved by Council on 27 February 2020 (https://www.eastrenfrewshire.gov.uk/media/1180/Full-Council-Meeting-item-11/pdf/Council_Item_11_-_27_February_2020.pdf?m=637390021868600000)

The Council's maximum exposure to credit risk in relation to its investments in banks, £12.5m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2021 that this was likely to crystallise.

Amounts Arising from Expected Credit Losses

At the end of the financial year expected credit losses were calculated on all amortised assets, on a 12 month basis, with the exception of investments in central government and other local authorities. This amount totalled £860 (2019/20 £2,099) during the year, the Council did not write off any financial assets.

Credit Risk Exposure

The Council has the following exposure to risk at 31 March 2021.

£000s	Credit Risk rating	Gross Carrying Amount (£)	Exposure to Credit Risk (£)
12-month expected credit losses	AAA	29,180,000	-
	AA-	30,000,000	-
	A+	5,000,000	792
	A	7,500,000	68
Simplified approach (trade receivables excluding statutory debtors - Council Tax and Non-Domestic Rates)	Less than 3 months and past due date	214,000	-
	Three to six months	78,000	-
	Six months to one year	173,000	-
	More than one year	1,162,000	-

The Council does not generally allow credit for customers, such that as at 31 March 2021 £1.627m of the £7.235m (£1.776m of £2.276m as at 31 March 2020) sundry income debtor balances are past their due date for payment.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.



Notes to the Accounts (cont'd)

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities is as follows:

	31 March 2021	31 March 2020
	£000	£000
Less than one year	383	561
Between one and two years	828	383
Between two and five years	392	1,205
More than five years	112,623	112,638
	114,226	114,787

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances)
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value, on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a

**Notes to the Accounts (cont'd)**

treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	<u>£000</u>
Increase in interest payable on variable rate borrowings	231
Increase in interest receivable on variable rate investments	-
Increase in government grant receivable for financing costs	(281)
Impact on Surplus or Deficit on the Provision of Services	<u>(50)</u>
Share of overall impact debited to the HRA	<u>(15)</u>
Decrease in fair value of fixed rate investment assets	52
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	<u>24,075</u>

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk

The Council does not invest in equity shares and consequently is not exposed to losses arising from movement in their price.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

42. HERITAGE ASSETS: FIVE YEAR SUMMARY OF TRANSACTIONS

There has been no acquisition, donation, disposal or impairment of Heritage Assets in the five year period covering the financial years 2016/17 to 2020/21.



Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account's Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rent and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in year, on the basis on which rents are raised is shown in the movement on the Housing Revenue Account Statement.

	HRA Notes	2020/21 £000	2019/20 £000
Income			
Dwelling Rents		(11,619)	(11,423)
Non-dwelling Rents		(180)	(199)
Other Income		(1,004)	(940)
Total Income		(12,803)	(12,562)
Expenditure			
Repairs and Maintenance		4,906	5,009
Supervision and Management		3,583	3,531
Depreciation and Impairment on Non-Current Assets		6,618	9,290
Movements in the Impairment of Debtors	4	264	204
Other expenditure		422	251
Total Expenditure		15,793	18,285
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		2,990	5,723
HRA Services' Share of Corporate and Democratic Core		34	38
Net Cost for HRA Services		3,024	5,761
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:			
• (Gain) or Loss on Sale of HRA Non-Current Assets		-	-
• Interest Payable and Similar Charges		1,306	1,162
• Interest and Investment Income		(12)	(17)
• Pension Interest Cost and Expected Return on Pension Assets		99	162
• Rental Income – operating lease over Property, Plant and Equipment		(201)	(188)
• Capital Grants and Contributions Receivable		(1,882)	(1,425)
(Surplus) or Deficit for the Year on HRA Services		2,334	5,455



Notes to the Housing Revenue Account

Movement on the Housing Revenue Account Statement

	HRA Notes	2020/21 £000	2019/20 £000
(Surplus) or Deficit for the Year on HRA Income and Expenditure Statement		2,334	5,455
Adjustments between Accounting Basis and Funding Basis Under Statute	1	(2,239)	(6,053)
Net (Increase) or Decrease Before Transfers to or from Reserves		95	(598)
(Increase) or Decrease in Year on the HRA		95	(598)
Balance on the HRA at the end of the Previous Year		(2,316)	(1,718)
Balance on the HRA at the end of the Current Year		(2,221)	(2,316)

Housing Revenue Account Disclosures

1. Adjustments between Accounting Basis and Funding Basis under Statute

	2020/21 £000	2019/20 £000
Gain or loss on sale of HRA non-current assets	-	-
Capital expenditure funded by the HRA	100	-
Transfer (to)/from the Capital Adjustment Account:		
• Depreciation	(6,618)	(9,290)
• Capital Grants and Contributions	1,882	1,425
• Repayment of Debt	2,938	2,567
HRA share of contributions to or from the Pensions Reserve	(497)	(753)
Transfer to/from the Statutory Compensated Absences Account	(44)	(2)
	(2,239)	(6,053)

2. Housing Stock

Council's housing stock at 31 March 2021 was 2,994 (2,990 at March 2020) in the following categories:

	2020/21 Number	2019/20 Number
1 Apartment	172	172
2 Apartment	938	938
3 Apartment	1,270	1,270
4 Apartment	533	529
5 Apartment	77	77
6 Apartment	4	4
Total	2,994	2,990

3. Rent Arrears

At the year-end rent arrears amounted to £1,390,559 (2019/20: £1,116,203) of which the current rent arrears were £950,435 (2019/20: £657,517) representing 7.1 % (2019/20: 4.4%) of gross rent due and former tenant arrears amounted to £440,124 (2019/20: £458,686). In addition, the figure contains £27,269 (2019/20: £19,465) in respect of outstanding Housing Benefit Overpayments.



Notes to the Housing Revenue Accounts (cont'd)

4. Impairment of Debtors

In the financial year 2020/21, the bad debt provision for the Housing Revenue Account was increased by £264,272, resulting in a bad debt provision balance of £1,313,575 (2019/20: £1,049,303).

5. Void Rents

The loss of rental income recoverable from houses that were not let during the year totalled £377,764 (2019/20: £392,548).



National Non Domestic Rates

National Non Domestic Rates (NNDR) income is collected by Councils on behalf of the Scottish Government. The amount of NNDR income distributed to the Council by the Scottish Government is aligned to the amount collected by the Council. The table below details the actual levels of NNDR collected by East Renfrewshire Council, the agreed Provisional Contribution Amount to the national pool and the Distributable amount due to the Council from the national pool.

The Business Rates Incentivisation Scheme (BRIS) is intended to encourage all local authorities to maximise their existing business rates income and also to encourage new businesses to start up. Each local Council that exceeds its calculated local buoyancy target will be able to retain a 50% share of the additional rates income generated, where it can be demonstrated that there is a corresponding increase in rateable value. In accordance with the guidance, the table below describes this element of Non Domestic Rates increase as "income retained by the Council".

	2020/21	2019/20
	£000	£000
Gross rates levied and the contributions in lieu	18,998	20,280
Less:		
• Reliefs and other deductions	(13,005)	(6,050)
• Payments of interest	-	-
• Write-offs of uncollectable debts and allowance for impairment	(481)	(261)
Net Non-Domestic Rate Income collected	5,512	13,969
Collection adjustment to meet Provisional Contribution Amount	1,106	1,208
Contribution to Non Domestic Rate pool	6,618	15,177
Distribution from Non Domestic Rate pool	9,961	15,377
Adjustments for years prior to the pool	-	-
Non-Domestic Rate income retained by Council (BRIS)	-	-
Income credited to the Comprehensive Income and Expenditure Statement (as per Note 14)	9,961	15,377

Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £, which is determined each year by the Scottish Government. The NNDR poundage rate set by the Scottish Government for 2020/21 was £0.498 (2019/20 £0.49)

	Number	Rateable Value as at 1 April 2020 £
Shops	597	15,809,400
Offices	354	3,522,620
Hotels, Boarding Houses etc.	15	567,900
Industrial and Freight Transport	159	1,447,520
Subject Miscellaneous	421	17,585,576
Subjects Other	269	3,460,640
Total	1,815	42,393,656



Council Tax

Local Councils raise taxes from residents through the Council Tax - which is a property tax linked to property values. Each dwelling in a local council area is placed into one of 8 valuation bands (A to H). The local council determines the annual tax for a band D property and all other properties are charged a proportion of this, with lower valued properties (Bands A to C) paying less, and higher valued property (E to H) paying more. The Council Tax Income Account shows the gross income raised from Council Taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

	2020/21 £000	2019/20 £000
Gross Council Tax levied and contributions in lieu	66,638	62,913
Adjustments for prior years Council Tax	(82)	(91)
Adjusted for:		
• Council Tax Reduction Scheme	(4,142)	(3,567)
• Council Tax Benefits (Net of Government Grants)	5	12
• Other discounts and reductions	(6,584)	(6,330)
• Uncollectable debt and allowance for impairment	(1,404)	(767)
Net Council Tax Income included in the Comprehensive Income and Expenditure Account (as per Note 14)	54,431	52,170

Calculation of the council tax

Dwellings are valued by the Assessor and placed within valuation bands ranging from the lowest "A" to the highest "H". The council tax base is the number of chargeable dwellings across all valuation bands (adjusted for dwellings where discounts apply), after providing for non-payment, expressed as an equivalent number of band D dwellings. The band D council tax charge is calculated using the council tax base, and this in turn fixes the charge for each of the other bands that are based on pre-determined proportions relative to the band D charge. The band D charge for 2020/21 was £1,289.96 (2019/20: £1,230.41).

A discount of 25% on the council tax is made where there are fewer than two residents in a property. Discounts of 10% are applied to unoccupied properties. Certain persons are disregarded for Council Tax purposes, including people who are in detention, students and people who are severely mentally impaired. Reductions in council tax payable are also available for people with disabilities.

Charges for water and sewerage services are the responsibility of Scottish Water. East Renfrewshire Council collects total monies and makes a precept payment to Scottish Water on the basis of collection levels based on a pre-determined formula. The figures below exclude the water and sewerage charges.

**Council Tax (cont'd)****Calculation of the Council Tax Base 2020/21***

	No. of Dwellings	No. of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	Total Dwellings	Ratio to Band D	Band D Equivalents
BAND A	1,334	(153)	0	(187)	(12)	982	240/360	655
BAND B	5,247	(267)	7	(600)	(20)	4,367	280/360	3,396
BAND C	4,019	(124)	45	(407)	(20)	3,513	320/360	3,123
BAND D	6,638	(184)	(12)	(612)	(16)	5,814	1	5,814
BAND E	8,270	(135)	(13)	(536)	(17)	7,569	473/360	9,945
BAND F	6,293	(62)	(39)	(305)	(13)	5,874	585/360	9,546
BAND G	6,591	(72)	(6)	(275)	(13)	6,225	705/360	12,191
BAND H	752	(2)	0	(16)	(4)	730	882/360	1,789
							TOTAL	46,459
							Provision for non-collection (2%)	(929)
							Council Tax Base	45,530

*Source: A Questionnaire requested by the Scottish Government entitled Council Tax Base 2019

Dwellings fall within a valuation band between A to H which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base i.e. Band D equivalents. This value is then increased or decreased depending on the band. Based on the Council Tax base available to East Renfrewshire Council, the band D charge for 2020/21 was £1,289.96.

BAND A	£859.97	BAND E	£1,694.87
BAND B	£1,003.30	BAND F	£2,096.19
BAND C	£1,146.63	BAND G	£2,526.18
BAND D	£1,289.96	BAND H	£3,160.41

**Common Good Fund**

The earliest legislation which reflects the existence of the Common Good can be traced back to the Common Good Act 1491. The term common good is used to denote all property of the former Burghs not acquired under statutory powers or held under special trusts and was reserved for purposes which promoted the general good of the inhabitants or dignity of the Burgh. The Council administers these funds but they are not council assets and have not been included in the council's balance sheet. The in-year movement relates to the capital accounting entries and is not based on costs incurred or income received.

Movement in Reserves statement for the year ending 31 March 2021

	2020/21 Unusable Reserve £000	2019/20 Unusable Reserve £000
Balance at 1 April	(1,877)	(1,953)
Deficit / (surplus) on the provision of services	164	76
Other comprehensive income and expenditure	-	-
Balance at 31 March	(1,713)	(1,877)

Comprehensive Income and Expenditure Statement for the year ending 31 March 2021

	Expenditure £000	2020/21 Income £000	Net £000	Expenditure £000	2019/20 Income £000	Net £000
Net costs of services	164	-	164	76	-	76
(Surplus) or deficit						
(Surplus) / deficit on revaluation of fixed assets						-
Total Comprehensive Income and Expenditure			164			76

Balance Sheet

	2020/21 £000	2019/20 £000
Property, Plant and Equipment	1,713	1,877
Net Assets	1,713	1,877
Unusable Reserve:		
Revaluation Reserve	(627)	(673)
Capital Adjustment Account	(1,086)	(1,204)
Net Reserves	(1,713)	(1,877)

**Common Good Fund (cont'd)****PROPERTY, PLANT & EQUIPMENT****Movement on Balances (Common Good)**

	Land and Buildings 2020/21 £000	Land and Buildings 2019/20 £000
Cost or Valuation at 1 April	1,972	1,976
Additions	-	-
Donations	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(26)	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(58)	5
Derecognition – disposals	-	-
Derecognition – other	-	-
Assets reclassified (to)/from Held for Sale	-	-
Other movements in cost or valuation	(55)	(9)
As at 31 March	1,833	1,972
Accumulated Depreciation and Impairment at 1 April	(95)	(23)
Depreciation charge	(80)	(81)
Depreciation written out on revaluation and disposal	55	9
Derecognition – other (transfers)	-	-
As at 31 March	(120)	(95)
Net Book Value at 31 March 2021	1,713	
Net Book Value at 31 March 2020	1,877	1,877
Net Book Value at 31 March 2019		1,953



Group Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Year ended 31 March 2020

Year ended 31 March 2021

Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
143,083	(13,012)	130,071	Education	166,018	(15,237)	150,781
117,969	(67,380)	50,589	HSCP – Provision of Services	134,047	(81,534)	52,513
37,512	(11,460)	26,052	Environment	36,974	(6,903)	30,071
20,906	(14,530)	6,376	Corporate & Community – Community Resources	21,066	(14,528)	6,538
419	(164)	255	Chief Executive's Office	429	(352)	77
4,723	(3,557)	1,166	Other Expenditure & Income	5,688	(2,597)	3,091
3,470	(205)	3,265	Support Services – Chief Executive's Office	3,463	(263)	3,200
14,813	(2,131)	12,682	Support Services – Corp & Comm.	14,971	(928)	14,043
3,211	(827)	2,384	Support Services – Environment	2,874	(884)	1,990
			Share of operating results of subsidiaries:-			
9,499	(3,724)	5,775	ERC Leisure Trust	8,773	(3,059)	5,714
76	-	76	Common Good	164	-	164
23	(21)	2	Trust Funds	2	-	2
355,704	(117,011)	238,693	Net Cost of General Fund Services	394,469	(126,285)	268,184
18,285	(12,562)	5,723	HRA	15,793	(12,803)	2,990
373,989	(129,573)	244,416	Cost of Services	410,262	(139,088)	271,174
		(1,041)	Other operating expenditure			(1,892)
		13,256	Financing and investment income and expenditure			12,221
		(254,578)	Taxation and non-specific grant income			(278,741)
		2,053	(Surplus) / Deficit on Provision of Services			2,762
		(2,652)	Share of operating results of associates			(509)
		306	Share of operating results of joint venture			(2,879)
		(293)	Group (Surplus) / Deficit (Note 1 Group)			(626)
		(16,392)	(Surplus) / Deficit on revaluation of fixed assets			(7,324)
		(62,658)	Actuarial (gains)/losses on pension assets/liabilities			23,976
		(1,676)	Share of other comprehensive expenditure and income of associates and joint venture			(215)
		(80,726)	Other Comprehensive (Income) and Expenditure			16,437
		(81,019)	Total Comprehensive (Income) and Expenditure			15,811



Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Council along with the share of reserves of its subsidiary, associates and joint venture, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the movements chargeable to council tax (or rents) for the year.

The Increase/Decrease line shows the statutory Group General Fund Balance and Housing Revenue Account Balance movements in the year following these adjustments.

	Unallocated General Fund Balance £000	Earmarked General Fund Balance £000	Housing Revenue Account £000	Capital Grants & Receipts Unapplied £000	Repairs & Renewals Fund £000	Insurance Fund £000	Capital Reserve £000	Total Usable Reserves £000	Unusable Reserves Restated £000	Share of Reserves of Subsidiary Associates and Joint Venture Usable Reserves £000	Share of Reserves of Subsidiary Associates and Joint Venture Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2020 carried forward	(9,643)	(21,818)	(2,316)	-	(5,829)	(1,960)	(2,656)	(44,222)	(431,533)	(10,933)	(11,013)	(497,701)
Movement in reserves during 2020/21												
Total Comprehensive Income and Expenditure	(1,715)	-	4,216	-	-	-	-	2,501	13,380	(3,127)	3,057	15,811
Adjustments between accounting basis & funding basis under regulations	(16,483)	-	(2,239)	-	-	-	159	(18,563)	18,563	(850)	850	-
(Increase)/Decrease in 2020/21	(18,198)	-	1,977	-	-	-	159	(16,062)	31,943	(3,977)	3,907	15,811
Net transfer to or from Reserves	16,234	(13,776)	(1,882)	(1,920)	1,524	(9)	(171)	-	-	-	-	-
Balance at 31 March 2021 carried forward	(11,607)	(35,594)	(2,221)	(1,920)	(4,305)	(1,969)	(2,668)	(60,284)	(399,590)	(14,910)	(7,106)	(481,890)
Movement in reserves during 2019/20												
Total Comprehensive Income and Expenditure	(3,690)	-	5,455	-	-	-	-	1,765	(76,140)	(2,030)	(4,614)	(81,019)
Adjustments between accounting basis & funding basis under regulations	2,301	-	(6,053)	-	-	-	1,452	(2,300)	2,300	(672)	672	-
(Increase)/Decrease in 2019/20	(1,389)	-	(598)	-	-	-	1,452	(535)	(73,840)	(2,702)	(3,942)	(81,019)
Net transfer to or from Reserves	2,300	(2,769)	-	-	752	(10)	(273)	-	-	-	-	-
Balance at 31 March 2020 carried forward	(9,643)	(21,818)	(2,316)	-	(5,829)	(1,960)	(2,656)	(44,222)	(431,533)	(10,933)	(11,013)	(497,701)



Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council and its Group entities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2020 £000		31 March 2021 £000
730,204	Property, Plant & Equipment	733,475
234	Heritage Assets	234
289	Intangible Assets	172
20,591	Long-term Investments and/or Investments in Associates and Joint Venture	24,268
262	Investments	255
751,580	Long Term Assets	758,404
986	Assets Held for Sale	-
481	Short Term Intangible Assets	481
516	Inventories	1,071
16,334	Short Term Debtors	27,791
34,248	Short Term Investments	7,999
38,277	Cash and Cash Equivalents	62,900
90,842	Current Assets	100,242
(561)	Short Term Borrowing	(383)
(4,864)	Finance Leases including PFI/PPP	(5,083)
(45,001)	Short Term Creditors	(46,339)
(209)	Provisions	(182)
(50,635)	Current Liabilities	(51,987)
(157)	Provisions – long term	(164)
(114,226)	Long Term Borrowing	(113,843)
(93)	Long Term Creditors	(93)
(264)	Liabilities in associates and joint venture	(338)
(83,837)	PFI/PPP Finance Lease	(78,712)
(89,441)	Defined Benefit Pension Liability	(125,369)
(6,068)	Capital Grant Receipts in Advance	(6,250)
(294,086)	Long Term Liabilities	(324,769)
497,701	Net Assets	481,890
(55,155)	Usable Reserves	(75,194)
(442,546)	Unusable Reserves	(406,696)
(497,701)	Total Reserves	(481,890)

Margaret McCrossan CPFA
Head of Accountancy (Chief Financial Officer)
The unaudited accounts were issued on 15th June 2021

**Group Cash Flow Statement**

The Group Cash Flow Statement shows the changes in cash and cash equivalents of the Council and its Group entities during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2019/20	2020/21
£000	£000
(293) Net Group (surplus) or deficit on the provision of services	(626)
(7,830) Group adjustments to net surplus or deficit on the provision of services for non-cash movements	(22,556)
- Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(8,123) Net cash flows from Operating Activities	(23,182)
21,678 Investing Activities	19,363
(19,843) Financing Activities	(20,804)
(6,288) Net (increase) or decrease in cash and cash equivalents	(24,623)
(31,989) Cash and cash equivalents at the beginning of the reporting period	(38,277)
(38,277) Cash and cash equivalents at the end of the reporting period	(62,900)

**Notes to the Group Accounts****1. RECONCILIATION OF EAST RENFREWSHIRE COUNCIL'S SURPLUS OR DEFICIT FOR THE YEAR TO THE GROUP SURPLUS OR DEFICIT**

PURPOSE This statement shows how the (surplus)/deficit on the Council's single entity Income and Expenditure Account for the year reconciles to the (surplus)/deficit for the year on the Group Accounts.

	2020/21 £000	2019/20 £000
(Surplus)/Deficit on East Renfrewshire Council's provision of services	2,501	1,765
(Surplus)/Deficit in year arising from subsidiaries included in Group Accounts:		
Net expenditure/(income) on Trust Funds in year	-	-
Common Good	164	76
East Renfrewshire Culture and Leisure Trust	97	212
(Surplus)/Deficit in year arising from associates included in the Group Accounts:		
• Strathclyde Partnership for Transport	(382)	(2,663)
• Strathclyde Concessionary Travel Scheme Joint Committee	(122)	21
• Renfrewshire Valuation Board	(5)	(10)
(Surplus)/Deficit in year arising from a joint venture included in the Group Account:		
East Renfrewshire Integration Joint Board	(2,879)	306
GROUP ACCOUNT (SURPLUS)/DEFICIT FOR THE YEAR ON PROVISION OF SERVICES	(626)	(293)



Notes to the Group Accounts (cont'd)

2. COMBINING ENTITIES

The following entities have been consolidated into the Group Statements as subsidiaries of the council.

Subsidiaries:-

Common Good and Charitable Trusts

Barrhead Common Good along with the Council's Charitable Trust Funds are administered by East Renfrewshire Council (as sole trustee) and are treated as subsidiaries within Council's Group Accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line.

East Renfrewshire Culture and Leisure Trust

East Renfrewshire Culture and Leisure Trust was incorporated on 2 July 2015 as a company limited by guarantee. The company is also a registered charity, with East Renfrewshire Council being the sole member. The Council provides funding to the Trust based on an agreed service plan; however, the limit of the council's liability if the company was wound up is £1. Under accounting standards, the council has a controlling interest in this company. It is therefore included in the Group Financial Statements as a subsidiary.

The company will promote, advance and further charitable purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.

After accounting for FRS 102 Retirement Benefits, the net liabilities of the company were £3.967m at 31 March 2021. The loss on ordinary activities before and after taxation for the year to 31 March 2021 was £0.097m (2019/20 £0.212m).

The latest set of audited accounts is for the year to 31 March 2021. Copies of the audited accounts may be obtained from the Chief Executive, East Renfrewshire Culture and Leisure Trust, St John's Campus, 18 Commercial Road, Barrhead, East Renfrewshire, G78 1AJ.

The Council also exercises a significant influence over a number of entities, details of which are listed below. All of these bodies share the same financial year as the Council and have all been incorporated into the Group Accounts as either associates or joint ventures.

Associates:-

Strathclyde Partnership for Transport

Is the statutory body responsible for formulating the public transport policy for the 12 local authorities in the West of Scotland. The Council contributed £1.51m or 4.27% to the Council's running costs during 2020/21 and accounted for £18.872m (2019/20 £18.196m) of the net balance sheet assets within the Group Balance Sheet. The accounts of the Council are subject to independent audit and are available from The Treasurer to Strathclyde Partnership for Transport, Consort House, 12 West George Street, Glasgow G2 1HN.



Notes to the Group Accounts (cont'd)

Strathclyde Concessionary Travel Scheme Joint Committee

Comprises the 12 Councils within the West of Scotland and oversees the operation of the concessionary fares scheme for public transport within its area. The costs of the Scheme are met by a combination of funding from the 12 constituent Councils and by direct grant funding from the Scottish Government. The Strathclyde Passenger Transport Executive administers the Scheme on behalf of the Board.

During 2020/21 the Council contributed £0.180m or 4.45% to the annual running costs and accounted for £0.154m (2019/20 £0.032m) of the net Balance Sheet assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Treasurer to Strathclyde Concessionary Travel Scheme, Strathclyde Partnership for Transport, Consort House, 12 West George Street, Glasgow G2 1HN.

The Renfrewshire Valuation Joint Board

Is an independent public body formed in 1996 at local government reorganisation by an Act of Parliament. The Council has no shares in, nor ownership of the Board. The Board's running costs are met by the three councils of East Renfrewshire, Inverclyde and Renfrewshire. Surpluses or deficits on the Board's operation are shared between the three member councils. The accounts of the Board are subject to audit and are available from the Treasurer of the Renfrewshire Valuation Joint Board, Renfrewshire Council, Council Headquarters, Paisley PA1 1JB.

The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of East Renfrewshire, Inverclyde and Renfrewshire. East Renfrewshire Council contributed £0.537m or 20.64% to the organisation's revenue costs and its share of the year-end net liability of £0.338m (2019/20 £0.264m) is included in the Group Balance Sheet.

Joint Venture:-

East Renfrewshire Integration Joint Board

The East Renfrewshire Integration Joint Board was formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Joint Venture between East Renfrewshire Council and the Greater Glasgow & Clyde Health Board.

Integration Joint Boards are specified as Section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 supported by International Financial Reporting Standards (IFRS).

The East Renfrewshire Integration Joint Board receives contributions from its funding partners, namely East Renfrewshire Council and the Greater Glasgow and Clyde Health Board to fund its services. Expenditure is incurred in the form of charges for services provided to the Joint Board by its partners.

During 2020/21 the Council contributed £81.6m or 38.5% to the annual running costs and accounted for £5.242m (2019/20 £2.363m) of the net Balance Sheet assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Chief Financial Officer to the East Renfrewshire Integration Joint Board, Eastwood Health and Care Centre, Drumby Crescent, Clarkston, G76 7HN.



Notes to the Group Accounts (cont'd)

3. FINANCIAL IMPACT OF CONSOLIDATION

The effect of inclusion of the Common Good along with the subsidiary, associate and joint venture entities and the trust fund balances on the Group Balance Sheet is to increase both Reserves and net assets by £22.016M, representing the Council's net share of the net assets in these entities.

4. ACCOUNTING POLICIES

The financial statements in the Group Accounts of East Renfrewshire Council are prepared in accordance with the accounting policies set out for the single entity.

5. PENSIONS

Disclosure of information relating to the pensions of East Renfrewshire Council and its associates follows the reporting requirements of IAS19 Employee Benefits. Information relating to the pensions of subsidiaries follows the reporting requirements of FRS102 (The financial Reporting Standard applicable in the UK and Republic of Ireland) and includes separate assumptions for their actuarial valuation.

6. GOING CONCERN

The Council's share of East Renfrewshire Culture & Leisure Trust's (ERCLT) net reserves is a net liability, this liability is a direct consequence of the requirement to fully account for Employee Benefits. The pension liability, due in future years, will be financed by annual pension contributions and returns on pension fund investments.

ERCLT has prepared their accounts on a going concern basis, as has the Council in preparing its Group Financial Statements as it is expected that funding, aligned with robust budget processes, will continue to provide sufficient resources.

**Notes to the Group Accounts (cont'd)****7. TRUST FUNDS**

The Council acts as Trustees for 17 Trusts, 7 of which have charitable status. These are varied in nature and relate principally to legacies left by individual inhabitants over a period of years. The funds do not represent assets of the Council and are not included in the Council's single entity Balance Sheet.

		Balance 31.03.20	Expenditure	Income	Balance 31.03.21
		£	£	£	£
Charity Number					
SCO05976	Duff Memorial Fund	7,459	-	56	7,515
SCO16641	Newton Mearns Benevolent Fund	2,729	300	18	2,447
SCO19475	Janet Hamilton Fund	13,700	1,059	249	12,890
SCO19474	John Pattison Memorial	76	80	45	41
SCO19473	Hugh & Janet Martin Fund	1,161	286	77	952
SCO37293	Netherlee School 1937	1,933	-	78	2,011
SCO37925	Talented Children & Young People	19	-	3	22
CHARITABLE REVENUE BALANCES		27,077	1,725	526	25,878
	Thornliebank War Memorial Fund	701	-	4	705
	Anderson Bequest	73	-	5	78
	Cathcart Cemetery Fund	6,287	-	44	6,331
	Crum Memorial	69	-	5	74
	McNiven Prize	933	-	9	942
	Rev Denis Reen	2,214	-	19	2,233
	James Cowan Bequest	398	-	4	402
	Cowan Park Cropping Fund	25	-	2	27
	Annie Tyson Trust Fund	48,155	-	948	49,103
	Rita Donnelly Memorial Prize	20	-	-	20
OTHER TRUST FUND REVENUE BALANCES		58,875	-	1,040	59,915

			Capital Value of Fund	
			31.03.21	31.03.20
			£	£
The Principal Funds	Duff Memorial Fund	For the upkeep of Duff Memorial Hall	4,646	4,646
	Janet Hamilton Fund	Assisting the sick requiring nursing or hospital treatment	40,131	40,131
	John Pattison Memorial	Assisting the deserving poor in Barrhead	9,657	9,657
	Hugh & Janet Martin Fund	For charitable and educational purposes	15,574	15,574
	Netherlee School 1937	To advance the education of the pupils of Netherlee Primary	15,000	15,000
	Talented Children & Young People	For talented children and young people in the fields of arts and crafts	555	555
	Other – Charitable		1,500	1,500
CHARITABLE TOTAL RESERVES			87,063	87,063
	Annie Tyson Trust Fund	Assisting with special needs training	157,306	157,306
	Other Trust Funds		10,256	10,256
OTHER TRUST FUND TOTAL RESERVES			167,562	167,562

**Notes to the Group Accounts (cont'd)**

		2020/21	2019/20
		£	£
Balance Sheet – Charitable	Fund balances	112,941	114,140
	Creditors	-	-
	TOTAL LIABILITIES	112,941	114,140
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	112,941	114,140
	TOTAL ASSETS	112,941	114,140
		2020/21	2019/20
		£	£
Balance Sheet – Other Trust Funds	Fund balances	227,477	226,437
	Creditors	-	-
	TOTAL LIABILITIES	227,477	226,437
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	227,477	226,437
	TOTAL ASSETS	227,477	226,437

8. NON MATERIAL INTEREST IN JOINT COMMITTEES

The Council has an interest in a number of Joint Committees that have not been consolidated within the group accounts. In aggregate they are considered to be immaterial to the understanding of the accounts.

- **Scotland Excel** took up the activities of the Authorities Buying Consortium and similar bodies across the Scottish local authority sector on 1 April 2008. It is a not-for-profit organisation funded mainly by the 32 participating Scottish local authorities. During the year, the Council made a contribution of £74,031 (2019/20, £71,874) representing 2% (2019/20, 2%) of the organisation's estimated running costs for the year to 31 March 2021.
- The **Clydeplan** Joint Committee is constituted under a formal agreement of the eight Councils in the Glasgow and Clyde Valley area. Under the Town and Country Planning (Scotland) Act 1997, each member council not only has responsibilities for the local planning matters in their area but also the strategic issues that cover the wider area of Glasgow and Clyde Valley. Accordingly the Committee prepares, monitors and reviews the Structure Plan on behalf of member councils and liaises with central government, Scottish Enterprise and other bodies. During the year, the Council made a contribution of £72,437 (2019/20, £52,437) representing 12.5% (2019/20, 12.5%) of the Committee's estimated running costs for the year to 31 March 2021.
- **Continuing Education Gateway** is a consortium of 11 local authorities in the West of Scotland. It was formed in April 2000 to further the provision of careers and education guidance services. During the year, the Council made a contribution of £18,369.18 (2019/20, £16,400) representing 4.19% (2019/20 4.19%) of the consortium's estimated running costs for the year to 31 March 2021.



Notes to the Group Accounts (cont'd)

- The **West of Scotland Archaeology Service** was set up in 1997 as a Committee of 11 authorities in the region. It is currently funded by 12 local authorities and by Historic Scotland for specific projects. Its primary purpose is to provide planning related archaeological advice to its members, permitting them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process. During the year, the Council made a contribution of £7,619 (2019/20, £7,619) representing 5.5% (2019/20 4.99%) of the Committee's estimated running costs for the year to 31 March 2021.
- The **West of Scotland European Forum** was set up in 2007 as a Joint Committee and consists mainly of 12 local authorities. Its purpose is to develop positive links between the communities of the region and institutions of the European Union. In this task it follows on from the work previously undertaken by the West of Scotland European Consortium (WOSEC). During the year, the Council made a contribution of £1,632 (2019/20 £1,632) representing 3.9% (2019/20 3.79%) of the Forum's estimated running costs for the year to 31 March 2021.
- The **Glasgow and Clyde Valley Cabinet** is a Joint Committee established on 20 January 2015. The purpose of the Committee is to determine the strategic Development priorities for the Clyde Valley Region and to monitor and ensure the delivery of the City Deal Programme as agreed between member authorities and the UK and Scottish Governments. The City Deal Programme aims to deliver a £1.1bn investment programme, including delivery of labour market and innovation programmes. During the year the Council made a contribution of £52,061 (2019/20 £67,028) representing 5.2% (2019/20 5.2%) of the organisation's running costs for the year to March 2021.
- The **SEEMIS Group LLP** was incorporated on 11 May 2009 and commenced trading on 1 July 2010. It is funded by the 32 authorities and the principal activity of the LLP is the provision of information technology solutions to education services. During the year, the Council made a contribution of £73,415 (2019/20 £64,315) representing 2.51% (2019/20 2.51%) of the organisation's running costs for the year to 31 March 2021.



Glossary of Terms

Much of the terminology used in this Report is intended to be self-explanatory. However, the following additional definitions and interpretations of terms used may be helpful.

1. Gross Expenditure

This includes all expenditure attributable to the service / activity including employee costs, expenditure relating to premises and transport, supplies & services, third party payments and capital charges.

2. Gross Income

This includes the charges to individuals and organisations for the direct use of the Council's services.

3. Corporate and Democratic Core

Corporate and Democratic Core costs include the costs of policy making and all other member based activities together with costs which relate to the general running of the Council. The Service Reporting Code of Practice for Local Authorities stipulates that such costs are to be excluded from the Total Cost relating to the Housing Revenue Account service activity.

4. Capital Charges

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

5. Financing Costs

This includes the annual costs of financing the sums borrowed by the Council covering its capital repayment of loans, interest charges and debt management expenses.

6. Specific Government Grant

This includes grants received from Central Government in respect of a specific purpose or service e.g. Gaelic Grant.

7. Capital Expenditure

This is expenditure incurred in creating, acquiring or improving assets where the expenditure is normally financed by borrowing with repayment over a period of years, or by utilising the income from the sale of existing assets.

8. Non-Current Assets

These are created by capital expenditure incurred by the Council. This includes buildings and property, vehicles, plant and machinery, roads, computer equipment etc.

9. Revaluation Reserve

The Revaluation Reserve represents the accumulated gains on the revaluation of fixed assets not yet realised through sales. This account cannot be used to support spending.

10. Capital Adjustment Account

The capital adjustment account represents the accumulation of capital resources set aside to meet past expenditure. This account cannot be used to support spending.

11. Financial Instruments Adjustment Account

This account is a balancing account to allow for differences in statutory requirements and proper accounting practices for borrowing and lending. This account cannot be used to support spending.

12. Capital Grant Receipts in Advance

This contains any capital grants or contributions which have been received where the related capital expenditure has not yet been incurred and will be released to meet the costs of that capital expenditure as appropriate.



Glossary of Terms (cont'd)

13. Pension Reserve

The Local Government Pension Fund (Scotland) Regulations 2003 came into force on 20 December 2003 and require Local Authorities to set up a pension reserve fund for pension scheme surpluses and deficits. This fund is separate from a Council's General Fund and means that any pension scheme surplus / deficit will not impact on local taxation.

14. Generally Accepted Accounting Practice in the UK (UK GAAP)

The overall body of regulation establishing how Company accounts must be prepared in the United Kingdom. The basis on which Local Authority accounts were previously prepared.

15. International Financial Reporting Standards (IFRS)

The basis on which Local Authority accounts are currently prepared.

16. Subsidiary

An entity over which the Council has overall control through the power to govern its financial and operating policies so as to obtain benefits from the entity's activities.

17. Associate

An entity other than a subsidiary or joint venture in which the reporting Council has a participating interest and over whose operating and financial policies the reporting Council is able to exercise significant influence.

18. Joint Venture

A contractual or binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.

19. Entity

A body corporate, partnership, trust, unincorporated association, or statutory body that is delivering a service, or carrying on a trade or business, with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single-entity accounts.

20. Common Good

Denotes all assets of the former Burghs not acquired under statutory powers or held under special trusts and reserved for purposes which promoted the general good of the inhabitants or dignity of the Burgh



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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE
24 June 2021
Report by Deputy Chief Executive
CODE OF CORPORATE GOVERNANCE

PURPOSE OF REPORT

1. To update the Audit and Scrutiny Committee on progress against improvement actions in the 2020/21 Code of Corporate Governance and to approve a new Code for 2021/22 (listed at Annex 1).

RECOMMENDATIONS

2. The Audit and Scrutiny Committee is asked to:-
- (a) Note progress on the 2020/21 Code of Corporate Governance improvement actions, and:
 - (b) Approve the Code of Corporate Governance updates and actions for 2021/22 (Annex 1).

BACKGROUND

3. East Renfrewshire Council is responsible for ensuring that business is: conducted in accordance with the law and proper standards; and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
4. In discharging this responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of resources. Since December 2002, the Council has adopted and updated annually a Code of Corporate Governance which is consistent with the principles and requirements of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*.
5. The Code of Corporate Governance is a statement of the structures and processes that govern internal policy-making, community leadership, partnership working and the mechanisms to ensure proper control and accountability are in place.
6. The *Delivering Good Governance in Local Government* framework was revised in 2016. The Code comprises of seven governing principles and a set of supporting principles. The full set of principles is listed in the draft code in Annex 1. A diagram providing an 'at a glance' summary of the Council's evidence to ensure good corporate governance is included at the end of Annex 1 for ease of reference.

7. All councils must comply with the following requirements:
- Publication of an annual progress summary on the previous year's Code, including any actions taken to improve compliance.
 - Publication of an annual Code of Corporate Governance update. This must include an update on any new evidence we can present. It must also include self-assessment scoring of the evidence we have regarding: compliance with national guidance on each governance requirement; and details of any action planned to improve compliance during 2020/21.
 - Inclusion of an Annual Governance Statement in the Council's Annual Report and Accounts.

PROGRESS ON 2020/21 ACTIONS

8. In May 2021 an update on the actions from the 2020/21 Code of Corporate Governance update was produced. The update is attached at Annex 1 and is available to the public on the [council website](#).

9. Five of seven improvement activities listed in the 2020/21 code were completed:
- As part of risk management, the first annual "Fraud Response Statement" was approved by the Audit and Scrutiny Committee in September 2020.
 - Finalisation of the new Digital Customer Experience programme.
 - The Equalities and Human Rights Mainstreaming Report 2017-2021 was approved by Council in April. This includes 6 new Equality Outcomes for the period 2021-2025.
 - There was a full roll out of an investment reporting system for Capital and Investment projects.
 - The Outcome Delivery Plan 2020-2023 reflecting on recovery and renewal post-COVID-19 was approved at Council in October 2020.

The remaining activities have been carried forward into the 2021/22 plan. The plan outlining the next steps for Community Choices participatory budgeting events has been delayed due to current restrictions. The process will be completed 21/22. And the Climate Change Strategy and Action Plan is currently still under development.

UPDATED CODE OF CORPORATE GOVERNANCE FOR 2021/22

10. The updated Code of Corporate Governance for 2021/22 is included at Annex 1 and sets out arrangements which fulfil the seven governance principles outlined in the national guidance.

11. The CIPFA / SOLACE framework emphasises that councils should:
- keep codes of corporate governance under review;
 - carry out a process of self-evaluation scoring; and
 - develop actions to address any gaps or areas for improvement in governance arrangements.

The self-assessment scoring of this year's code found that we were compliant across all governance principles, apart from one relating to managing data. Internal auditor identified that data sharing agreements recorded on information asset registers were not up to date in March 2020. As a result, a new action relating to the roll out of a replacement Information Asset Register application has been added to the Code.

12. As well as the activities that have been carried forward from last year's plan a number of actions to be undertaken in 2021/22 to further improve compliance with the Code have been identified. Each action has been included only once to avoid duplication, with any references to other relevant supporting principles included for information. Key actions for 2021/22 are:

- Introducing a marketing campaign to raise awareness about the new complaints handling procedure and processes.
- Implementing a new Equality & Fairness Impact Assessment process and creating a central repository of all completed Impact Assessments on the Council webpage.
- Reviewing and updating the workforce plan.
- In response to an area of the Code that we are only partially compliant, one improvement action will focus on rolling out the replacement Information Asset Register (IAR)
- Community Choices participatory budgeting process/events will be completed by end 2021/22 (carried forward action).
- Climate Change Strategy and Action Plan remains under development. Target consultation and publication by end 2021/22 (carried forward action).

13. Some actions included within the report relate to several principles, however these actions are only mentioned once for brevity.

14. Once approved, the Code of Corporate Governance 2021/22 will be made available on the Council's website and a progress update on the actions will be made in May 2022 after the close of the 2021/22 financial year.

ANNUAL GOVERNANCE STATEMENT

15. As part of the SOLACE/CIPFA corporate governance framework the Leader and the Chief Executive are responsible for ensuring the inclusion of the Annual Governance Statement in the Annual Report and Accounts. The 2020/21 Annual Report and Accounts is to be published later in the year. This Statement includes a progress summary of the 2020/21 Code of Corporate Governance actions and also references the 2021/22 Code.

CONCLUSION

16. Based on the evidence presented here East Renfrewshire Council is governed by sound and effective internal management controls and continues to demonstrate compliance with the requirements of the CIPFA/SOLACE Framework: "*Delivering Good Governance in Local Government*."

17. As part of the annual review process the Code of Corporate Governance has been updated and scored in line with evidence and in consultation with colleagues across the Council. Progress on planned actions for last year (2020/21) has been posted on the Council's website, accessible [here](#). Subject to Audit and Scrutiny Committee's approval the new revised Code for 2021/22 will also be posted on the Council's website in August 2021.

RECOMMENDATIONS

18. The Audit and Scrutiny Committee is asked to:-

- (a) Note progress on the 2020/21 Code of Corporate Governance improvement actions.

- (b) Approve the Code of Corporate Governance updates and actions for 2021/22 (Annex 1).

Caroline Innes
Deputy Chief Executive
16 June 2021

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BACKGROUND PAPERS

- Code of Corporate Governance, Audit & Scrutiny Committee, 28 July 2020.

KEYWORDS

(governance, code, corporate, principles, CIPFA, SOLACE, LAN, accountability, improvement actions, leadership).

EAST RENFREWSHIRE COUNCIL

CODE OF CORPORATE GOVERNANCE 2021/22

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1– not; 2– partial; 3–fully)	Further Action Required
1. Behaving with integrity	1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<ul style="list-style-type: none"> Codes of Conduct for Members & Employees Members' Induction Programme Council Values (reviewed 2019) Quality Conversations framework 	3	
	1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	<ul style="list-style-type: none"> Council Values HR notices and policies Customer Care standards New Council website Communications Strategy Vision for the future strategy (reviewed 2019) Citizens' panel findings on demonstrating council values 	3	
	1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	<ul style="list-style-type: none"> Minutes of meetings Council Standing Orders Audit and Scrutiny Committee Scheme of Administration Scheme of Delegated Functions Council values Register of interests 	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1– not; 2– partial; 3–fully)	Further Action Required
	1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> • HR notices and policies • Social Media Policy & Media Protocol • <u>Anti-Fraud and Bribery strategy: Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20</u> • Registers of interests (Councillor and Employee) • <u>New complaints procedure</u> • Unacceptable Actions Policy • Codes of Conduct for Members & Employees • Council Values • Leadership Competencies • Management & Leadership Development Programmes 	3	<u>Marketing campaign to raise awareness about the new complaints handling procedure and processes. Delivery of training programme to support efficient complaints handling via the new customer experience management system (GOSS), Responsible Officer: Sarah Jane Hayes and Morag Brown, completion August 2021</u>
2. Demonstrating strong commitment to ethical values	2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> • Minutes of committee meetings • Council Standing Orders • <u>Audit and Scrutiny Committee chaired by non-Administration councillor</u> • Scheme of Administration • Scheme of Delegated Functions 	3	
	2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> • Members' Induction Programme • Codes of Conduct for Members & Employees • Scheme of Delegated Functions • Council Values • Leadership Competencies 	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1– not; 2– partial; 3–fully)	Further Action Required
	2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<ul style="list-style-type: none"> • HR notices and policies • Contract Standing Orders • Quality Conversations • Chief Executive performance review meetings • Recruitment and Selection Code of Practice • Discipline & Grievance procedures • Corporate Procurement Strategy 	3	
	2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	<ul style="list-style-type: none"> • Codes of Conduct for Members & Employees • Contract Standing Orders • General Conditions of Purchase • Corporate Procurement Strategy • Integration scheme for ER HSCP • Culture and Leisure Trust – Transfer of Services Agreement and Articles of Association 	3	
3. Respecting the rule of law	3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> • Scheme of Administration • Council Values • Contract Standing Orders • Adherence to Local Government in Scotland Act • Other statutory provision (e.g. planning legislation, placing requests, freedom of information, data protection and health and safety requirements) • Role of Monitoring Officer • Financial Regulations • <u>Declarations of Employee interests</u> 	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1– not; 2– partial; 3–fully)	Further Action Required
	3.2 Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	<ul style="list-style-type: none"> • Codes of Conduct for Members & Employees • Scheme of Delegated Functions • Job descriptions • Financial Regulations • Compliant with CIPFA Statement on role of Chief Financial Officer • Council Standing Orders 	3	
	3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none"> • Legal files and emails • Outcome Delivery Plan 	3	
	3.4 Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> • Role of Monitoring Officer • Legal files and emails (e.g. response to Housing Regulator reports) • Adherence to Local Government in Scotland Act 2003 • Other statutory provision (e.g. planning legislation, placing requests, freedom of information and data protection requirements) 	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Openness	1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> • Community Plan & Outcome Delivery Plan • National reporting requirements to Scottish Government/Audit Scotland • <u>COVID-19 actions reports to Council throughout 2020 and into 2021</u> • Internal Audit annual report • Annual Report & Accounts • Annual Performance Report • Council and Community Planning Partnership (CPP) performance reports • Citizen Space engagement tool • Social media growth and content strategy • <u>New Council website</u> • Citizens' Panel reports • Council Standing Orders • Planning for the future demographic report • National LGBF benchmarking report • Annual Complaints report • Chief Social Work Officer Annual Report • Publication Scheme • Records Management Plan • FoI annual report • Council values • Communications Strategy • Insider magazine • Programme reporting & governance 	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	<ul style="list-style-type: none"> • Council meetings and webcasts • Council Standing Orders • <u>Audit and Scrutiny Committee chaired by non-Administration councillor</u> • Scheme of Administration • Scheme of Delegated Functions 	3	
	1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> • Scheme of Administration • Call-in procedure • Scheme of Delegated Functions • Committee Minutes and reports • Risk management strategy • Options appraisal guidance and training • Reporting arrangements • Unacceptable Actions Policy • <u>Integrated Impact Assessment (Equality, Fairness and Rights)</u> 	3	<u>Implement new Equality & Fairness Impact Assessment process and create a central repository of all completed Impact Assessments on council webpage.</u> <u>Responsible Officer: Jamie Reid,</u> <u>completion Spring 2022</u>
	1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<ul style="list-style-type: none"> • Community Plan • Community Planning Partnership • Citizen Space community engagement tool • Social media interaction • Citizens' Panel reports • Service-level customer communication • Digital Customer Experience principles • <u>User/service design as part of MAP and training on Scottish Approach to Service Design</u> • <u>Community Benefits Wish List</u> 	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
2. Engaging comprehensively with institutional stakeholders	2.1 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	<ul style="list-style-type: none"> • Outcome Delivery Plan • Vision for the Future strategy • Communications Strategy • Community Engagement for Fairer East Ren plan • Locality Planning - targeted and joint approaches to improving outcomes in specific communities 	3	
	2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> • Citizens' Panel reports • Community Planning Partnership • Voluntary organisations database • Community Groups database • Community Plan (incorporating Fairer East Ren) • <u>Jointwork with Voluntary Action East Renfrewshire as part of pandemic support response for local communities</u> 	3	
	2.3 Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit	<ul style="list-style-type: none"> • Community Planning Partnership • Integration scheme for ER HSCP • Culture and Leisure Trust – Transfer of Services Agreement and Articles of Association 	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
3. Engaging stakeholders effectively, including individual citizens and service users	3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	<ul style="list-style-type: none"> • Citizen Space community engagement tool • Community Planning Partnership • <u>New Council website</u> • Participation Requests Framework 	3	
	3.2 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	<ul style="list-style-type: none"> • Vision for the Future strategy • Citizen Space engagement tool • Service-level customer communication • Community Empowerment Act briefings • Community Engagement driver diagram • Communications Strategy • Social media growth and content strategy • Community engagement training 	3	
	3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<ul style="list-style-type: none"> • CPP needs assessment • Citizens' panel data trends • Citizen Space engagement tool • Planning for the Future document • Communications Strategy • Social media growth and content strategy • Community engagement on Fairer East Ren plan • Locality Planning – targeted/joint approaches to improve outcomes in specific communities • <u>Equality and Human Rights Mainstreaming report published April 2021 including new equality outcomes</u> • <u>Supplier Development and Meet The Buyer Programme</u> 	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	<ul style="list-style-type: none"> • Citizen Space community engagement tool • Social media & <u>new Council website</u> • Citizens' Panel reports • Complaints report • Communications Strategy 	3	
	3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> • Citizen Space community engagement tool • Fairer East Ren community engagement exercise • Community mapping database • Locality Planning – targeted/joint approaches to improve outcomes in specific communities 	3	
	3.6 Taking account of the interests of future generations of tax payers and service users	<ul style="list-style-type: none"> • CPP needs assessment • Community mapping database • Social media engagement • Annual Report & Accounts • Annual Performance Report • Council and CPP performance reports • Vision for the Future strategy • Financial Planning • Planning for the future demographic document • Renewal theme of COVID-19 recovery 	3	

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Defining outcomes	1.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> • Modern Ambitious change Programme (MAP) • Council vision, capabilities and values • Outcome Delivery Plan • Annual updates on Community Plan and Outcome Delivery Plan • Council Report – Financial Planning • <u>Capital Investment Strategy</u> • Community Planning Partnership (CPP) • Meetings • Vision for the Future strategy • Strategic Planning update for Council • Driver diagrams for 5 capabilities (incl. modernisation, data, digital and empowering communities) • <u>Digital Transformation Strategy 2021-24</u> 	3	
	1.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none"> • Outcome Delivery Plan • Vision for the Future strategy • MAP change programme • Directors of Finance- Economic Forecasts/Benchmarking • Communications Strategy • Locality Planning • Budget planning process 	3	

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> Annual updates on Community Plan and Outcome Delivery Plan Annual report and accounts Council Report – Financial Planning Treasury Management Strategy 	3	
	1.4 Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> Strategic and operational risk registers Risk reporting Audit and Scrutiny and CMT risk monitoring Risk Management Strategy Business Continuity Planning 	3	
	1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> Public performance reporting 2021 Budget consultation exercise Participatory budgeting (PB) – engagement and participation in expenditure and policy developments e.g. ER Spaces for People (consultation on safe travel during Covid-19), Learning & Leisure in Neilston and support for Linking Communities: community led PB group. Outcome Participation Request policy and process 	3	<p><u>ONGOING</u> <u>Action deferred due to the COVID 19 pandemic.</u> <u>Community Choices participatory budgeting process/events have been delayed due to current restrictions.</u> <u>Responsible Officer: Dominique Carsisle-Fitz, process completed by 21/22</u></p>

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
2. Sustainable economic, social and environmental benefits	2.1 Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	<ul style="list-style-type: none"> • <u>Capital programme/ Capital Investment Strategy</u> • City Deal • Invest East Renfrewshire • Sustainable procurement policy • Corporate Procurement Strategy • City Deal procurement strategy • Budget Strategy Group and annual budget process • PEST analysis in Vision for the Future • <u>Living Wage, Modern Slavery Charter, Community Benefits</u> 	3	
	2.2 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"> • Agendas, reports and minutes of meetings • Council Report – Financial Planning 2019-25 • <u>Capital Investment Strategy</u> • <u>Treasury Management Strategy</u> • Budget Strategy Group and annual budget process • Strategic risk register monitoring • Recovery & Renewal themes of COVID-19 response 	3	

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.3 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> • Agendas, reports and minutes of meetings • Council Standing Orders • New Council website • Scheme of Administration • Budget consultation exercise • Main Issues Report & Local Development Plan 	3	ONGOING <u>Climate change views sought by Citizens' Panel in January 2021. Climate Change Strategy and Action Plan under development.</u> Responsible Officer: <u>Environment Leadership Support Officer, target consultation and publication by end 21/22.</u>
	2.4 Ensuring fair access to services	<ul style="list-style-type: none"> • Adhering to statutory guidance • Integrated Impact Assessment (Equality, Fairness and Rights) • Equality Outcomes Mainstreaming Plan and Report • Fairer Scotland Duty 	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Determining interventions	1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> Options appraisals (including guidance & training) – mainstreamed into MAP & financial bid processes Council Standing Orders Agendas, reports and minutes of meetings Corporate template - options 	3	
	1.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resource available including people, skills, land and assets and bearing in mind future impacts	<ul style="list-style-type: none"> Financial planning and financial management Budget Strategy Group Use of Citizens' Panel data Service/user design via MAP 'Consul' scoping and development – citizen engagement and participation software Use of 'Commonplace' – tool for plotting and responding to needs Use of Citizen Space community engagement tool across departments Local Development Plan 2 preparation 	3	
2. Planning interventions	2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> Cabinet system of governance Annual Cabinet work plan Six monthly strategic performance monitoring MAP & Investment Programme governance Multi-year budgeting Procurement Contract Register 	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.2 Considering and monitoring risks facing each partner when working collaboratively including shared risks	<ul style="list-style-type: none"> • Community Planning Partnership including thematic outcome delivery groups • Risk Management Strategy • Strategic Risk Register • Business Continuity Planning 	3	
	2.3 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> • Performance Management Framework • Evaluative approach to Service Business Planning • Outcome strategies • Outcome Delivery Plan • Community Plan 	3	
	2.4 Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> • Performance Management System • 6 monthly performance reporting 	3	
	2.5 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	<ul style="list-style-type: none"> • Financial planning and management • Budget Strategy Group • Financial Planning 	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
3. Optimising achievement of intended outcomes	3.1 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> • Financial management and planning • Budget Strategy Group • Capital Investment Strategy • <u>Treasury Management Strategy</u> • Asset Management Plans • Budget engagement process • Capital planning • Local Development Plan • Participatory budgeting (PB) – participatory approaches to policy development and capital and revenue spend • <u>Community Benefits, Fair Working Practices</u> 	3	
	3.2 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	<ul style="list-style-type: none"> • Asset Management Plans • Corporate Asset Management Group • Capital Project Appraisal Forms • Financial Planning • Revenue Savings Templates • Corporate Resource Planning (e.g. transformation fund, restructuring budget) • <u>Treasury Management Strategy</u> 	3	
	3.3 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	<ul style="list-style-type: none"> • Financial Planning and management 	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	3.4 Ensuring the achievement of 'social value' through service planning and commissioning	<ul style="list-style-type: none"> • Economic Development & City Deal approaches to community benefits • Change programmes • Corporate procurement • Alternative models of service delivery (HSCP) 	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Developing the entity's capacity	1.1 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> • Procurement Strategy • Option appraisal • APSE benchmarking reports • Participation in benchmarking groups & Local Government Benchmarking Framework report 	3	
	1.2 Recognising the benefits of partnerships and collaborative working where added value can be achieved	<ul style="list-style-type: none"> • CoSLA • Improvement Service engagement • Community Planning Partnership • ERCL Trust • HSCP • City Deal • Scotland Excel • Local Government Digital Partnership • Clyde Valley arrangements • <u>hubWest</u> • Shared services/collaborative arrangements • <u>Third Sector Interface via Voluntary Action East Renfrewshire</u> 	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	1.3 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> • Workforce Plan and driver diagram • Planning for the Future staff profile • Vision for the Future strategy 	3	<u>Review and update workforce plan.</u> <u>Responsible Officer:</u> <u>Sharon Dick,</u> <u>completion June 2021.</u>
2.Developing the capability of the entity's leadership and other individuals	2.1 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> • Scheme of delegated functions • Elected member inductions • Scheme of Administration • Codes of Conduct for Employees & Members • <u>Anti-Fraud, Bribery and Theft strategy: Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20</u> • Job descriptions 	3	
	2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<ul style="list-style-type: none"> • Scheme of Delegated Functions • Scheme of Administration • Council Standing Orders • Contract Standing Orders 	3	
	2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	<ul style="list-style-type: none"> • Job descriptions • Scheme of Delegated Functions • Quality Conversations • Six monthly corporate performance reporting 	3	

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.4 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks	<ul style="list-style-type: none"> • Member and Officer induction programme • Leaders for the Future programme • Vision for the Future strategy • Briefings to Members • Corporate Training Calendar • Brightwave e-learning • Atomic online video training • Quality Conversations • Member Training and Development Plans • Organisational Development Board 	3	
	2.5 Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> • Citizens’ Panel reports • Citizens’ Space engagement tool • Community Councils and Tenant group support • Service/User design as part of MAP • Supporting community groups 	3	
	2.6 Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> • Member support team • Chief Executive and Member meetings • Member Training and Development Plans • Leadership training 360 feedback 	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.7 Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> • Quality Conversations • Training and Development Plans • Annual review corporate training programme • Chief Executive and Member meetings 	3	
	2.8 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> • HR and Health and Safety policies • <u>Implementation of new Health & Safety ICT system</u> • Healthy Working Lives Award • Employee counselling provision • Occupational Health provision • Stress risk assessment 	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Managing risk	1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> • Scheme of Administration • Scheme of Delegated Functions • Risk management strategy • Corporate Management Team monitoring • Business Continuity Planning • Risk registers as part of response to and recovery from COVID-19 	3	
	1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> • Risk management strategy 	3	
	1.3 Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> • Risk management strategy • Risk Management Group • Audit and Scrutiny Committee role • Operational risk registers 	3	
2. Managing performance	2.1 Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	<ul style="list-style-type: none"> • Strategic planning and performance arrangements (Outcome Delivery Plan, Community Plan) • Council Minutes and Committee reports • Performance Management Framework • Corporate Asset Management Group 	3	
	2.2 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<ul style="list-style-type: none"> • Member Support team • Corporate report format guidance • Council Minutes and Committee reports 	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.3 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	<ul style="list-style-type: none"> • Scheme of Administration • Scheme of Delegated Functions • Codes of Conduct for Members and Employees Recruitment and Selection Code of Practice • Registers of interests (Member and Officer) • <u>Anti-Fraud, Bribery and Theft strategy: Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20</u> • Council Standing Orders • Annual Governance Statement • Adherence to Local Gov. in Scotland Act • <u>Audit and Scrutiny Committee chaired by non-Administration councillor</u> • Call-in procedure • Establishment of Emergencies Committee as part of COVID-19 response 	3	
	2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> • Directors' 1:1s with Convenors • Performance management framework • Strategic and service business plan monitoring arrangements 	3	
	2.5 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)	<ul style="list-style-type: none"> • Contract Standing Orders • Financial planning and management • Annual Report and Accounts 	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
3. Robust internal control	3.1 Aligning the risk management strategy and policies on internal control with achieving objectives	<ul style="list-style-type: none"> • Risk management strategy • Strategic risk register • Internal audit plan and reports • Risks linked to outcomes in key plans 	3	
	3.2 Evaluating and monitoring risk management and internal control on a regular basis	<ul style="list-style-type: none"> • Risk management strategy • Budget monitoring arrangements 	3	
	3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> • <u>Anti-Fraud, Bribery and Theft strategy: Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20</u> • Compliance with the Code of practice on managing the risk of fraud and corruption 	3	
	3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> • <u>Annual Governance Statement</u> • <u>Annual Report and Accounts</u> • <u>Internal audit work plan</u> • <u>Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks</u> 	3	
	3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, that its recommendations are listened to and acted upon	<ul style="list-style-type: none"> • <u>Audit and Scrutiny Committee chaired by non-Administration councillor</u> • <u>Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks</u> • <u>Use of 'call in' procedures</u> 	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
4. Managing data	4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> • Codes of Conduct for Members and Employees • Recruitment and Selection Code of Practice • Registers of Members' and Employees' interests • <u>Anti-Fraud, Bribery and Theft strategy: Managing the Risk of Fraud and Corruption – Fraud Response Statement 2019/20</u> • Corporate training and guidance notes on FOI, Regulation of Investigatory Powers and Data Protection • Data Loss Prevention programme • Data Protection (e-courses) • Information Governance Officer • Data protection policies • Records Management Plan 	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> • Data Loss Prevention programme • Information Governance Officer • Data protection policies • <u>Digital Information Asset Register</u> 	2	Roll out the replacement Information Asset Register (IAR) application, with a focus on: identifying IAR users across departments; reviewing and building on Third Party sharing guidance (includes data processing agreements & information sharing protocols) for IAR users; and supporting users to populate the register with Asset details, relevant sharing documentation and review dates. Responsible Officer: TBC, completion by Spring 2023

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> • Performance Management Framework • Sign off procedures • Mid and end year reporting • Mid and end year review meetings • Local Government Benchmarking Framework analysis 	3	
5. Strong public financial management	5.1 Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> • Financial planning and management arrangements • Council Report - Financial Planning • <u>Capital Investment Strategy</u> • <u>Treasury Management Strategy</u> • Outcome Delivery Plan • Finance Business Partner Approach 	3	
	5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks & controls	<ul style="list-style-type: none"> • Budget monitoring reports • Annual report and accounts • Finance Business Partner Approach • <u>Core Systems development</u> 	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. Implementing good practice in transparency	1.1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> • <u>New Council website</u> • Corporate Reporting Format guidance • Communications strategy 	3	
	1.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> • Annual Public Performance Report • <u>New Council website</u> - performance pages • Evaluation of public performance reporting arrangements 	3	
2. Implementing good practices in reporting	2.1 Reporting at least annually on performance, value for money and the stewardship of its resources	<ul style="list-style-type: none"> • Annual report and accounts • Annual Public Performance Report • Performance Management Framework • Local Government Benchmarking Framework • Annual Performance Report 	3	
	2.2 Ensuring members and senior management own the results	<ul style="list-style-type: none"> • Discussion at Council/Cabinet/Committees • Chief Executive review meetings • Chief Executive's 'Quality Conversation' 	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.3 Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	<ul style="list-style-type: none"> Annual governance statement Code of Corporate Governance improvement actions published online 	3	
	2.4 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> Annual governance statement- included in annual accounts and publicly available 	3	
	2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	<ul style="list-style-type: none"> Recent review of annual account format to improve accessibility 	3	
3. Assurance and effective accountability	3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> Recommendations made by external audit acted upon Audit Scotland Annual Audit Report to Members and the Controller of Audit East Renfrewshire Best Value report 	3	
	3.2 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	<ul style="list-style-type: none"> Compliance with CIPFA's statement on the role of the head of internal audit Compliance with public sector internal audit standards 	3	
	3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> Recommendations made by peer reviews/inspections/regulatory and bodies considered and included in plans for implementation e.g. thematic review cycle in schools 	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<ul style="list-style-type: none"> Annual Governance Statement 	3	
	3.5 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	<ul style="list-style-type: none"> Community Planning Partnership governance arrangements Ongoing approach to community engagement, participation and feedback on decisions 	3	

East Renfrewshire Council Corporate Governance - Key documents, supporting processes and monitoring

Corporate Governance comprises the systems and processes, cultures and values, by which councils are directed and controlled and through which they account to and engage with their communities

Key Documents

Strategies, standards and statements

- | | |
|--|--------------------------------------|
| Vision for the Future | Council Values |
| Outcome strategies | Governance Statement |
| Capital Investment Strategy | Codes of Conduct |
| Anti-Fraud, Bribery & Theft Strategy | Register of Interests |
| Corporate Procurement Strategy | Social Media Policy & Protocol |
| Risk Management Strategy | Customer Care Standards |
| Communications Strategy | <u>Procurement Contract Register</u> |
| Strategic Risk Register | <u>Digital Information Asset</u> |
| <u>Capital Investment Strategy</u> | <u>Register</u> |
| <u>Digital Transformation Strategy</u> | <u>Living Wage</u> |
| <u>2021-24</u> | <u>Modern Slavery Charter</u> |
| <u>Treasury Management Strategy</u> | <u>Declarations of Employee</u> |
| | <u>Interests</u> |

Plans, policies and reports

- | | |
|--|--|
| Community Plan (including Fairer East Ren) | Public Performance Report |
| Outcome Delivery Plan | Internal Audit Reports |
| Local Scrutiny Plan | LGBF Benchmarking Report |
| Mainstreaming Equality Plan | Strategic Performance Reports |
| Asset Management Plans | Citizens' Panel Report |
| Records Management Plan | Audit & Scrutiny Reports |
| Workforce Plan | Financial Planning Report |
| New Complaints Procedure | Annual Report & Accounts |
| Unacceptable Actions Policy | Change & Investment |
| <u>COVID-19 actions reports</u> | Service Business Plans |
| Meeting Agendas and Minutes | <u>Equality & HR Mainstreaming</u> |
| Programmes | <u>Report</u> |
| Local Development Plan | |

Supporting Processes, Systems and Monitoring

- HR policies
- Leadership Competencies
- Recruitment Code of Practice
- Inductions and training
- Quality Conversations framework
- Job Descriptions
- Monitoring Officer
- Performance Management Framework
- Inspection regimes
- New Council website
- Community Planning Partnership
- Budget monitoring
- Data Protection/Information Governance policies
- Risk Monitoring
- Audit & Scrutiny Committee
- Council Standing Orders
- Scheme of Delegated functions
- Scheme of Administration
- Contract Standing Orders
- Financial Regulations
- Integrated Impact Assessment (Equality, Fairness and Rights)
- Community Benefits Wish List
- Supplier Development and Meet The Buyer Programme
- Fair Working Practices
- hubWest
- Third Sector Interface via Voluntary Action East Renfrewshire
- Implementation of new H&S ICT system
- Core Systems development

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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE24 JUNE 2021Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 2020/21 QUARTER 4**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2020/21 as approved in March 2020 and subsequently revised in August 2020 and again in February 2021.

BACKGROUND

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

AUDIT PLAN 2020/21 - PROGRESS REPORT QUARTER 4

3. A copy of the revised annual audit plan for 2020/21 is shown in appendix 1. Four audits relating to planned 2020/21 audit work have been completed in quarter 4 as shown in appendices 2 and 3. Responses are deemed to be satisfactory if all recommendations are accepted for implementation by management and where any recommendation is not accepted, a satisfactory reason is given. The quarterly performance indicators for the section are shown in appendix 4. Some indicators are not being met due to COVID19 restrictions on audit work that can be carried out during lockdown and delays in departments responding to audit queries.

4. One new request for assistance was dealt with using contingency time during the quarter. This investigation is ongoing and has also been referred to the police so no further information can be provided at this time however an update will be provided once any investigation is complete.

5. Six audits relating to planned 2020/21 audit work are still in progress and it is hoped that these can be issued soon.

RECOMMENDATION

6. The Committee is asked to:

- (a) note Internal Audit's progress report for audits completed in quarter 4 of 2020/21 and
- (b) confirm whether they wish any of the reports detailed in appendix 3 to be circulated to audit and scrutiny committee members or submitted to a future meeting for more detailed consideration.

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

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EAST RENFREWSHIRE COUNCIL
Internal Audit Section
REVISED ANNUAL AUDIT PLAN FOR 2020/21 PROGRESS REPORT

Department	Title	Audit Number	Original No. of days	Revised days Aug 20	Revised days Feb 21	Status
Chief Executives	Financial Ledger and budgetary control	1	20	20	20	In progress
Corporate & Community	Payroll	2	25	-	-	DEFER 1
	Maximising Attendance	3	20	-	-	DEFER 1
	Overtime	4	22	22	-	DEFER 2
	Cash income and banking	5	22	22	22	In progress
	Creditor Payments	6	10	10	10	In progress
	Debtors control	7	10	10	10	Complete
	Housing Benefit/ Universal Credit	8	30	30	30	Complete
	Clothing Grants/free school meals	9	12	12	-	DEFER 2
	Council tax – billing and collection	10	24	24	24	Complete
	NDR	11	7	-	-	DEFER 1
	Travelling and subsistence	12	12	-	-	DEFER 1
	Education	Pupil Equity Fund	13	12	-	-
Environmental Controls – Education		14	10	10	-	DEFER 2
Schools Cluster		15	30	30	-	DEFER 2
Educational payments		16	8	8	8	Complete
Environment	Asset Management	17	20	-	-	DEFER 1
	Grant Certification	18	15	-	-	DEFER 1
	Gas Servicing	19	15	15	-	DEFER 2
	City Deal	20	15	10	10	In progress
	Burial Income	21	8	8	8	Complete
	Health and Safety	22	15	-	-	DEFER 1
	Climate Change Report	23	5	5	5	Complete
	Energy and Fuel	24	15	-	-	DEFER 1
Housing	Housing Allocations and homeless person accomm	25	27	-	-	DEFER 1
	New Council Houses	26	20	20	-	DEFER 2
HSCP	Care First Finance System	27	15	-	-	DEFER 1
	IJB	28	20	20	-	DEFER 2
Trust	Culture and Leisure Limited Trust	29	20	20	-	DEFER 2
Various	Contract 1	30	20	20	20	In progress
	Contract 2	31	20	-	-	DEFER 1
	Application Audit Integra	32	32	32	32	Complete
	Fraud Contingency	33	67	47	47	In progress
	General Contingency	34	30	30	30	Complete
	LG Benchmarking Framework sickness	35	5	5	5	Complete
	creditors	35	5	5	5	Complete
	Follow up	36	50	50	25	In progress
	Previous year audits Note1	37	20	8	8	Complete
Audits carried forward from 2019/20	Stores	38				In progress but suspended
	Housing voids	39				
	Carers Legislation (complete)	40		30	30	
	Payment to Care Providers	41				
	HSCP follow up	42				
Total			733	523	349	

Note 1 previous year audits were completed with the exception of the five which have been carried forward.

DEFER 1 relates to audits which were deleted/deferred and approved by Committee in August 2020.

DEFER 2 relates to audits which were deleted/deferred and approved by Committee in February 2021.

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**INTERNAL AUDIT
REPORTS AND MEMOS ISSUED 2020/21**

FILE REF	AUDIT NO.	SUBJECT	DEPARTMENT	DATE AUDIT STARTED	DATE REPORT MEMO SENT	DATE REPLY DUE	DATE REPLY REC	COMMENTS	Total	H	M	L	E	Not accepted
MB/1145/FM	1	Financial Ledger and Budgetary Control	Chief Exec Office	18/02/21										
MB/1146/NS	20	City Deal	Environment	26/02/21										

Reports issued in quarter are shown in bold.

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SUMMARY OF 2020/21 REPORTS ISSUED WHERE RESPONSES WERE RECEIVED SINCE LAST PROGRESS REPORT

1. MB/1133/FM Council Tax System – Billing and Collection

The objectives of the audit were to ensure that:

- Procedures and regulations have been established and cover the processes
- Issue of demands for council tax meet legislative requirements and accounts are readily identifiable
- Various payment methods are available and accuracy of bills are checked before the payment run is carried out
- Procedures ensure amended/revised bills are supported by adequate evidence and that suppression cases are restricted and regularly reviewed
- Income collected is readily identifiable and updates relevant records promptly
- Reconciliations are undertaken to agree income collected, refunds made and housing benefits posted
- Data is held in accordance with policies and is secure

When the audit commenced the old council tax system ORBiS was still in use but as the audit concluded the new council tax system was functional. The work undertaken within the council tax team to implement the new system has meant that some tasks which would usually be scheduled, such as review of billing suppressions, have not been completed at the usual frequency. This has also resulted in a back log of tasks which are currently being worked through. Responses to audit queries were sometimes slow which resulted in the audit taking longer to complete compared to normal circumstances.

Some issues were noted during the audit such as credit balances on accounts not being dealt with promptly and a lack of evidence that bank reconciliations were being reviewed. In total, eight recommendations were made, two of which were classified as medium risk, with the remaining ones as low risk. All recommendations were accepted by management. The medium risk recommendations are reproduced below with the departmental responses.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	Council tax staff must ensure that accounts in credit, particularly those with larger balances are reviewed regularly and the appropriate action taken promptly after any investigations have concluded.	Medium	Yes	Additional resource will be required to carry out the necessary activity to alleviate this risk. Following the implementation of the new software system for Revenues & benefits, a full review of tasks and resources is planned for the 2021-22 year and this work will be taken into account in the review.	Senior Revenues Manager & Operations Manager	December 2021
4.5.1	Review of billing suppression reports should resume and be carried out regularly now that the new council tax system is functional.	Medium	Yes	An exceptions report is produced every time a billing job is run which shows the accounts where a bill has been suppressed. These exceptions reports are checked. Evidence of the checking and outcome is retained.	Senior Revenues Officer	In Place

2. MB/1134/NS Application Audit of Integra

The objectives of the audit were to ensure that:

- Each transaction is authorised, complete, accurate, timely and input once only;
- An appropriate level of control is maintained during processing to ensure completeness and accuracy of data;

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

Generally, the system appears to be robust and areas of control checked by audit have all been addressed by the Core Systems Team responsible for the different areas of the system. Testing carried out during the audit showed that there are appropriate controls in place to limit access to the system and access which is granted is restricted to the areas of the system required to allow employees to carry out their duties. However, it was noted that there were a number of former employees who still had access to the system and there appeared to be a high number of non-employee accounts. It was recognised that a full review of users had still to be carried out.

It was also noted that the new system allows supporting documentation to be attached to transactions within each of the modules (excluding the P2P module) but testing carried out showed that this was not always being done.

Seven recommendations were made, six were classified as medium risk, with the remaining one as low risk. All recommendations were accepted by management. The medium risk recommendations are reproduced below with the departmental responses.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	A full review of users should be carried out, covering all modules, to ensure only current employees have access to the system and that the access levels are appropriate.	Medium	Yes	A user review is currently being progressed. It is part of a wider review including authorised signatories, Icon user access etc.	Head of Accountancy (CEO Business Support)	31 March 2021
4.1.2	All generic/non-employee logins should be reviewed to ensure that the number is appropriately restricted and controlled.	Medium	Yes	Now reviewed. 2 generic log-ins deleted. Remaining 8 generic log-ins are minimum required for running background jobs & operation of software. Capita employee log-ins have also been reviewed & accounts disabled where appropriate. All other users are included in review at 4.1.1 above.	Core Systems Programme Manager (Core Systems Development Manager)	31 March 2021
4.1.3	The authorisation of new users and the ability to select any user on the system as an authoriser should be reviewed for appropriateness.	Medium	Yes	The group of individuals who can approve new users will be restricted to the Integra Authorised Signatories list. This list is used for invoice approval and indicates a degree of financial responsibility. Ultimately, the new user will only be set up by the Core Systems team after checking that the e-form has been appropriately authorised.	Core Systems Programme Manager (Core Systems Development Manager)	31 March 2021
4.1.4	The Core Systems Team and Systems Administrator should not carry out any changes to security profiles unless supported by an appropriately authorised e-form.	Medium	Part Yes	No changes to security profiles for purchase ordering, accounts payable or accounts receivable will be processed without a supporting e-form. Access to cost centres may be amended by Core Systems team where an email request is submitted by an authorised signatory. Such emails will be retained as an audit trail by the Core Systems team.	Core Systems Programme Manager (Core Systems Development Manager)	31 March 2021

4.3.1	Users responsible for the clearance of suspense accounts should be instructed to ensure that items are cleared before the period end and should not be carried forward for more than two periods	Medium	Yes	Issue email to Finance Business Partners/Accountancy staff	Head of Accountancy	31 March 2021
4.4.1	The system provider should be contacted and arrangements made to carry out appropriate training on report writing to allow information to be extracted from the system in the most efficient way.	Medium	Yes	<p>Training for Core Systems staff on Crystal reports was arranged for March 2020 but was cancelled due to Covid restrictions. It has been rescheduled to March 2021 but will be difficult to achieve remotely.</p> <p>However, the Core Systems Board has determined that users should utilise a suite of standard reports, rather than developing a huge range of ad hoc reports as with the previous system.</p> <p>The main method of reporting is the Integra in built reporting tool Xquery – this was included in the tender response and has been utilised since go-live. Access to this report writer has been given to the Core Systems team and the Chief Internal Auditor and can be expanded to the Internal Audit team if required.</p> <p>Crystal reports functionality is available but on a restricted licence basis (6 licences). It is currently used by the Core Systems team to format outputs such as purchase orders, cheques, bacs remittance advice, sales invoices etc It was not purchased or intended to be used as the main reporting tool.</p> <p>It can be used to supplement the Xquery tool e.g. reports with over 100,000 records or interrogating large tables more quickly but it is not a replacement for Xquery.</p>	Core Systems Programme Manager (Core Systems Development Manager)	31 March 2021

3. MB/1135/RM HOUSING BENEFIT

The audit covered two main areas and the objectives covered were as follows:

Fraud Detection and Prevention:

- vetting and training of employees
- do not redirect scheme
- fraud referrals
- data matching
- undertaking and managing investigations
- use of sanctions

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 - security of data

(It is noted that fraud investigation activity has greatly reduced as the Council no long has an internal Housing Benefit fraud investigation team)

Overpayments:

- Overpayments are accurately recorded and classified within the benefits system
- Adequate records are in place to demonstrate that all overpayments are identified and appropriate recovery action implemented
- Controls are in place to ensure that all write offs are justified and are in accordance with Council policy
- Security of data.

Generally, no significant control failures were identified and the processes within the areas reviewed are operating satisfactorily.

Due to the advent of the pandemic and problems experienced due to the implementation of the new system, some tasks which were previously being carried out have been suspended or been delayed. These include review forms which had begun to be sent out to existing claimants on a targeted basis at the end of 2019. They had not previously been issued for quite a long period prior to 2019. However, none have been issued since the lockdown. There have been long delays in issuing decision notices to recover overpayments, birthday lists have not been reviewed since September 2020 and HB Data Matching lists have not been reviewed since October 2020.

Management are aware of these issues and hope to be in a position to address them in the near future. The audit testing was limited in some areas due to this and also due to some actions being limited due to covid restrictions.

Some of the recommendations previously made have not been demonstrated to have been implemented.

Eleven recommendations were made, all of which were classified as low risk. All recommendations were accepted by management.

4. MB/1139/NS Educational Payments

The objectives of the audit were to ensure that:

- Education Maintenance Allowances (EMA) are only paid to pupils who meet the qualifying criteria
- Satisfactory checks are carried out on the financial details supplied by applicants
- Calculation of EMAs are in agreement with the guidance document
- Attendance at school is monitored by staff administering EMAs
- Any overpayments are recovered

The administration of EMAs was found to be well controlled and organised with all information readily available along with supporting documentation. Overall, the controls in place appear to be operating satisfactorily.

There were a couple of minor points noted in relation to reconciliation of ledger and classification of student payments that need to be addressed to strengthen the controls already in place.

Two recommendations were made, one was classified as medium risk, with the remaining one as low risk. Both recommendations were accepted by management. The medium risk recommendation is reproduced below with the departmental responses.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
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Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	Periodic reconciliations between the education system and financial ledger should be carried to ensure that all income and expenditure is being accounted for accurately.	Medium	Y	Termly reconciliations between the education system and financial ledger will continue to take place and will be marked on the spreadsheet as evidence.	Pauline Stewart	Complete

Risk Ratings for Recommendations	
High	<ul style="list-style-type: none"> • Key controls absent, not being operated as designed or could be improved and could impact on the organisation as a whole. • Corrective action must be taken and should start immediately.
Medium	<ul style="list-style-type: none"> • There are areas of control weakness which may be individually significant controls but unlikely to affect the organisation as a whole. • Corrective action should be taken within a reasonable timescale.
Low	<ul style="list-style-type: none"> • Area is generally well controlled or minor control improvements needed. • Lower level controls absent, not being operated as designed or could be improved

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EAST RENFREWSHIRE COUNCIL
Internal Audit Section

QUARTERLY PERFORMANCE INDICATORS

<u>Internal Audit Indicators reported Quarterly</u>	Target (where applicable)	Quarter 4 Actual 2020/21	Quarter 4 Cumulative 2020/21
2. Audit Coverage.			
2.2 Actual direct audit days as a percentage of total days available	75%	59%	50%
2.3 Number of requests for assistance/queries raised by departments outwith planned audit work.	-	1	8
2.4 Percentage of planned contingency time used. (Days available exclude public holidays, annual leave and sickness absence)	<100%	16%	57%
5. Issue of Reports.			
5.1 Number of audit reports issued per quarter.	-	6	10
5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1)	12 weeks	31.9 weeks	23.5 weeks
5.3 Ave. time taken to issue report (working days). (Note 2)	10 working days	22.8 working days	18.3 working days

Notes

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

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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE24 June 2021Report by Chief AuditorINTERNAL AUDIT STRATEGIC PLAN 2021/22 TO 2025/26**PURPOSE OF REPORT**

1 To submit Internal Audit's 5 year strategic plan for 2021/22 to 2025/26 to members for approval. The strategic plan includes the detailed annual plan for 2021/22 plus the indicative number of days to be spent in the following four years based on the risk assessed audit universe which lists all potential audits.

BACKGROUND

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

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

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

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

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

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

STRATEGIC AUDIT PLAN 2021/22 TO 2025/26

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

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

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

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

11. As part of the consultation process and risk assessment, some new audits have been added to the audit universe (for example COVID business grants and client monies).

12. Similarly, some audits have now been deleted from the audit universe as they are no longer applicable or have low risk assessments or been merged with other audits (for example phone internet payments and staff and civic catering).

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

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

AUDIT RESOURCES ASSESSMENT

15. The Internal Audit section has an establishment of five members of staff (4.7 FTE) including the Chief Auditor. There is currently one vacant post but an assumption has been made that this will be filled in the second quarter of 2021/22 when calculating the number of audit days available.

16. The number of days available in 2021/22 has been estimated and compared to the number of days required. Various assumptions have had to be made regarding the number of working days that will be available. On the basis of the audit universe which lists all potential audits, an estimated

3,813 days are required to complete all planned audits at the required frequency within the 5 year period. An estimated 3,665 staff days are available for direct audit work over this same period, leaving an estimated shortfall of 148 days over the 5 year period (or an average of 30 days per annum). The current shortfall in audit days over the 5 year period is viewed as manageable at present but will be kept under review. Audits have been rescheduled to ensure that planned audits for 2021/22 can be met with the estimated days available. The current staffing levels of the Internal Audit section is therefore considered to be adequate at the present time on the assumption that the vacant post will be filled.

17. One of the internal audit performance indicators measures direct audit days as a percentage of total days available. The target for this indicator is 75% however based on the estimated number of days available in 2021/22 of 912 and an estimated 251 days for indirect audit work, this would result in only 661 days available for direct audit work or 72%. There is therefore the possibility that this indicator may not be met however it is reported quarterly to Audit and Scrutiny Committee so will be kept under review.

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

RECOMMENDATION

19. The committee is asked to approve Internal Audit's Strategic Plan for 2021/22 to 2025/26.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.
Chief Auditor
2 June 2021

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EAST RENFREWSHIRE COUNCIL

STRATEGIC AUDIT PLAN

2021/22 to 2025/26

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Chief Auditor
02 June 2021

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EAST RENFREWSHIRE COUNCIL 2021/22
Internal Audit Section
ANNUAL AUDIT PLAN

Department	Title	Audit Number	No. of days
Chief Executives Office	Corporate Procurement Cards	1	15
Corporate & Community	Payroll	2	28
	Creditor interfaces, e-invoicing	3	18
	Debtors	4	24
	Housing Benefits/ Universal Credit	5	30
	Clothing Grants/free school meals	6	12
	Council Tax -reductions and liability	7	24
	Education	Environmental Controls - Education	8
Schools cluster		9	32
Environment	Clyde Valley Contract Group	10	13
	Grant Certification	11	15
	Gas Servicing	12	15
	City Deal	13	15
	Climate Change Report	14	5
	COVID business grants	15	25
	Energy and Fuel	16	15
Housing	Housing Repairs	17	20
	New council houses	18	24
HSCP	Care First Finance System	19	20
	Kinship, fostering and adoption	20	16
	IJB	21	15
Trust	Trust	22	20
Various	Contract 1 - TBA	23	20
	Application Audit	24	18
	Fraud Contingency	25	70
	General Contingency	26	30
	LG Benchmarking Framework	27	10
	Follow Up	28	50
	Previous year audits	29	52
			661

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EAST RENFREWSHIRE COUNCIL 2021/22
 Internal Audit Section
SUMMARY OF STRATEGIC PLAN

<u>Type of Audit</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/25</u>	<u>Total</u>
Systems/Regularity Audit	438	735	399	458	446	2,476
Contract Audit	20	45	40	40	65	210
Computer Audit	28	78	66	48	32	252
Performance Indicators	10	10	10	10	10	50
Fraud Contingency	70	70	70	70	70	350
General Contingency	30	30	30	30	30	150
Previous Year Follow Up	50	50	50	50	50	250
Grant Certification	15	15	15	15	15	75
Total	661	1033	680	721	718	3,813

**Internal Audit Section
AUDIT DAYS AVAILABLE**

ESTIMATED ANNUAL DAYS AVAILABLE		2021	2022	2023	2024	2025	TOTAL
		Days					
Number of days in full year	Note 1	1,152.0	1,226.0	1,226.0	1,222.0	1,226.0	6,052.0
Less:	Public Holidays	42.0	46.0	46.0	46.0	46.0	226.0
	Annual Leave	132.0	140.0	140.0	140.0	140.0	692.0
	Purchase of Annual Leave	6.0	6.0	6.0	6.0	6.0	30.0
	Sickness Absence	30.0	30.0	30.0	30.0	30.0	150.0
	vaccinations and hospital appointments	10.0					10.0
	induction training	10.0					10.0
	Authorised Absence	10.0	10.0	8.0	10.0	10.0	48.0
Working days available		912.0	994.0	996.0	990.0	994.0	4,886.0
Indirect Audit Work :-							
	Administration	50	50	50	50	50	250.0
	Planning and Reporting	60	60	60	60	60	300.0
	Courses/training	24	20	20	20	20	104.0
	Seminars & Audit Meetings	30	30	30	30	30	150.0
	Audit Committee/team meets	40	40	40	40	40	200.0
	PSIAS	2	5	5	2	2	16.0
	HGIOS/AGS	4	4	4	4	4	20.0
	Recruitment	6					6.0
	PRD	15	15	15	15	15	75.0
	Consultancy	20	20	20	20	20	100.0
	FOI	-	-	-	-	-	-
Total for Indirect Audit Work		251	244	244	241	241	1221
Estimated annual time available for Direct Audit Work		661	750	752	749	753	3,665
Direct as % of available days		72%	75%	76%	76%	76%	75%

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

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

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AUDIT UNIVERSE
EAST RENFREWSHIRE COUNCIL 2020/21

Title	Dept	Type	2021	2022	2023	2024	2025	Total	Est days	Freq (yrs)	Days in 5 yrs	Gen Risk
Asset Management	Env	Sys		20				20	20	5	20.00	L
Barrhead & Eastwood Payment Centres	Corp& Comm'y	Reg		16			16	32	16	3	26.67	M
Barrhead Resource Centre	HSCP	Reg		8				8	8	5	8.00	L
BID process	Env	Reg						0	0	5	0.00	L
Building Cleaning	Educ	Reg				15		15	15	5	15.00	L
Burial Income	Env	Reg					8	8	8	5	8.00	L
Climate Change Report	Env	reg	5	5	5	5	5	25	5	1	25.00	LX
Cash Income and Banking	Corp& Comm'y	Sys			22			22	22	3	36.67	M
Cashless catering and Parentpay	Educ	Reg		30			30	60	30	3	50.00	M
HSCP Health Care Centres and area offices	HSCP	Reg			8			8	8	5	8.00	L
HSCP emergency payments (Sect 22 & 12)	HSCP	Sys			8			8	8	5	8.00	L
HSCP Self Directed Support Charges	HSCP	Sys		20			20	40	20	3	33.33	M
Project management of capital projects	Env	cont		25			25	50	22	3	36.67	M
City Deal	Env	Reg	15	15	15	15	15	75	15	1	75.00	LX
Clothing Grants / Free Meals	Corp& Comm'y	Reg	12					12	12	5	12.00	L
Commercial rents (ind units/shops)	Env	Sys		20				20	20	5	20.00	L
ERCLT	Trust	Reg	20	20	20	20	20	100	20	1	100.00	LX
Community Safety Unit	Corp& Comm'y	reg		20				20	20	5	20.00	L
Complaints Monitoring	Corp& Comm'y	Sys		15				15	15	5	15.00	L
Computer	Various	Comp	28	78	66	48	32	252	40	1	200.00	LX
Contract	Various	Cont	20	20	40	40	40	160	40	1	200.00	LX
Corporate Procurement Cards	Ch Exec Office	Sys	15					15	15	5	15.00	L
Council Tax - Reductions/liability	Corp& Comm'y	Sys	24			24		48	24	3	40.00	M
Council Tax - Billing & Coll.	Corp& Comm'y	Sys			24			24	24	3	40.00	M
Council Tax - Recovery and Enforcement	Corp& Comm'y	Sys		18			18	36	18	3	30.00	M
Creditor Payments	Corp& Comm'y	Reg			10	10	10	30	10	5	10.00	LX
Creditors	Corp& Comm'y	Sys		24				24	24	1	120.00	LX
Debtors	Corp& Comm'y	Sys	24					24	24	1	120.00	LX
Debtors Control	Corp& Comm'y	Reg		10	10	10	10	40	10	5	10.00	LX
Education - music service and parentpay	Educ	Reg			10			10	10	5	10.00	L
Education Support (SEN, Bi-Lingual Supp, taxis etc.)	Educ	Sys		20				20	20	5	20.00	L
Creditor interfaces/ e-invoicing	Corp& Comm'y	sys	18			18		36	15	3	25.00	M
Energy and Fuel (incl utility payments)	Env	Reg	15					15	15	5	15.00	L
Financial Ledger and budgetary control	Ch Exec Office	reg			20			20	20	3	33.33	M
Follow up	Various	FU	50	50	50	50	50	250	50	1	250.00	LX
Fraud Contingency	Various	Fraud	70	70	70	70	70	350	70	1	350.00	LX
Gas Servicing	Housing	Reg	15					15	15	5	15.00	L
General Contingency	Various	Gen Cont	30	30	30	30	30	150	30	1	150.00	LX
Grant Certification	Env	Grant	15	15	15	15	15	75	15	1	75.00	LX
Health & Safety	Env	reg		15				15	15	5	15.00	L
Grounds Maintenance	Env	Reg				15		15	15	5	15.00	L
Highways Maintenance	Env	reg				20		20	20	5	20.00	L
Home Care Services	HSCP	Sys		22			22	44	22	3	36.67	M
Housing - Rent Accounting	Housing	Sys		20			20	40	20	3	33.33	M
Housing - voids, garage allocations etc.	Housing	Sys				14		14	14	5	14.00	L
Housing Allocations and homeless person accom	Housing	sys		27			27	54	27	3	45.00	M
Housing Benefits/ Universal Credit	Corp& Comm'y	Sys	30	30	30	30	30	150	30	1	150.00	X
Housing Repairs	Housing	Sys	20			20		40	20	3	33.33	M
Staff and Civic Catering	Educ	Reg		0				0	0	5	0.00	L
Human Resources Management	Corp& Comm'y	Sys		20		20		40	20	2	50.00	H
UJB	HSCP	reg	15	15	15	15	15	75	15	1	75.00	LX
Income Maximisation, money advice, welfare rights	Corp& Comm'y	sys			30			30	30	5	30.00	L
Insurance Arrangements	Corp& Comm'y	Sys			8			8	8	5	8.00	L
Kinship, Fostering and Adoption	HSCP	Sys	16					16	16	5	16.00	L
Bonnyton House	HSCP	Reg				10		10	10	5	10.00	L
LG Benchmarking Framework	Various	Pis	10	10	10	10	10	50	10	1	50.00	LX
Licensing Income	Corp& Comm'y	Reg				15		15	15	5	15.00	L
Maximising Attendance	Corp& Comm'y	Reg		20			20	40	20	3	33.33	M
Members' Expenses	Corp& Comm'y	Sys			12			12	12	5	12.00	L
NDR	Corp& Comm'y	Reg		7				7	7	5	7.00	L
Ordering & Certification	Ch Exec Office	Sys		20			20	40	20	3	33.33	M
Overtime	Corp& Comm'y	Reg		22			22	44	22	3	36.67	M
Parks & other outdoor income	Env	Reg				8		8	8	5	8.00	L
Payments to Care providers	HSCP	Reg		25		25		50	25	2	62.50	H
Payroll - All payruns	Corp& Comm'y	Sys	28		28		28	84	25	2	62.50	H
Pupil Equity fund	Educ	Sys		12				12	12	5	12.00	L
Petty Cash	Various	Reg		15				15	15	5	15.00	L
Phone/Internet Payments	Corp& Comm'y	Sys		0				0	0	5	0.00	L
Previous year audits	Various	Sys	52	20	20	20	20	132	20	1	100.00	LX
Record Management Plan	Ch Exec Office	Reg		10				10	10	5	10.00	L
Risk Management & Corporate Governance	Various	Reg		15				15	15	5	15.00	L
Schools - Educational Payments	Educ	Sys					8	8	8	5	8.00	L
Schools - Transport	Educ	Sys		15				15	15	5	15.00	L
schools cluster 1 St Lukes	Educ	Reg						0	32	7	22.86	LX
schools cluster 2 Mearns Castle	Educ	Reg					32	32	32	7	22.86	LX
schools cluster 3 Eastwood	Educ	Reg						0	32	7	22.86	LX
schools cluster 4 Woodfarm	Educ	Reg	32					32	32	7	22.86	LX
schools cluster 5 Williamwood	Educ	Reg		32				32	32	7	22.86	LX
schools cluster 6 St Ninians	Educ	Reg			32			32	32	7	22.86	LX
schools cluster 7 Barrhead High	Educ	Reg				32		32	32	7	22.86	LX
Schools Vat Free Purchase Scheme	Educ	Sys		12				12	12	5	12.00	L
Scottish Welfare Fund	Corp& Comm'y	Reg		15			15	30	15	3	25.00	M
Stores	Env	Sys				20		20	20	5	20.00	L
Sustainability (incl procurement)	Env	Reg		20				20	20	5	20.00	L
Carers Legislation	HSCP	Reg				15		15	15	5	15.00	L
GDPR	Corp& Comm'y	Reg				15		15	15	5	15.00	L
Client Monies	HSCP	Reg				15		15	15	3	25.00	M
Clyde Valley Contract Group	Env	Reg	13					13	12	5	12.00	L
State aid	Env	Reg			10			10	10	5	10.00	L
Care First Finance System	HSCP	Sys	20			20		40	15	5	15.00	L
PPP projects	Env	Reg			15			15	15	5	15.00	L
COVID business grants	Env	Reg	25					25	25	3	25.00	M

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AUDIT UNIVERSE

EAST RENFREWSHIRE COUNCIL 2020/21

Title	Dept	Type	2021	2022	2023	2024	2025	Total	Est days	Freq (yrs) 1=annual	Days in 5 yrs	Gen Risk
DSM guidelines	Educ	sys			15			15	15	3	25.00	M
Early Learning and Childcare payments	Educ	sys		15			15	30	15	3	25.00	M
New Council Houses	Housing	sys	24					24	20	5	20.00	M
Thornliebank Resource Centre	HSCP	Reg		8				8	8	5	8.00	L
Trade Refuse Income and special uplifts	Env	Sys				12		12	12	5	12.00	L
Travelling & Subsistence	Corp& Comm'y	Reg		12				12	12	5	12.00	L
Treasury Management	Ch Exec Office	Sys		18				18	18	5	18.00	L
VAT	Ch Exec Office	Reg		12				12	12	5	12.00	L
Vehicle Services	Env	Reg			12			12	12	5	12.00	L
Wraparound care	Educ	Sys			20			20	20	5	20.00	L
Total days needed per universe			661	1033	680	721	718	3813				
Available days (automated from audit needs)			661	750	752	749	753	3665				
Audit Needs Assessment	Shortfall/ (over)		0	283	-72	-28	-35	148				
Average shortfall/(Over) per year								29.6				
Main financial systems in bold												
		Risk										
	X	Very High annual coverage required										
	H	High - audited on 2 year cycle										
	M	Medium - audited on 3 year cycle										
	L	Low - audited on 5 year cycle										
	LX	Frequency determined by factors other than risk eg coverage, external requiremnt, annual or cyclical coverage needed										

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 June 2021

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – IMPROVING OUTCOMES FOR
YOUNG PEOPLE THROUGH SCHOOL EDUCATION

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Improving Outcomes for Young People Through School Education*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the Audit Scotland report [Improving Outcomes for Young People Through School Education](#), published in March 2021, 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 Director of Education has provided comments on that report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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

1. Audit Scotland Report *Improving Outcomes for Young People Through School Education*

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

24 JUNE 2021

Report by Director of Education

IMPROVING OUTCOMES FOR YOUNG PEOPLE THROUGH SCHOOL EDUCATION:
ASSESSMENT OF CURRENT POSITION IN EAST RENFREWSHIRE

PURPOSE OF REPORT

1. The purpose of the report is to apprise the committee of the assessment against the recommendations made in the 'Improving Outcomes for Young People through School Education' Accounts Commission report prepared by Audit Scotland.

RECOMMENDATIONS

2. It is recommended that members of the Audit and Scrutiny Committee note and comment on the assessment of current practice within East Renfrewshire to improve outcomes for young people and actions being taken by the Education Department to drive further improvement.

BACKGROUND

3. In March 2021 Audit Scotland published the 'Improving Outcomes for Young People through School Education' report on behalf of the Accounts Commission, following their audit work to look at how effectively the Scottish Government, councils and their partners were improving outcomes for young people through school education.

4. Audit Scotland commenced its work in 2019 considering its review of improving outcomes in the context of primary and secondary schools. This work was paused in March 2020 because of the Covid-19 pandemic and was restarted in October 2020 to look at the impact of Covid-19 on school education and the response taken by the Scottish Government, councils and their partners. The Audit Scotland report recognises that this is a fast-changing situation and only covers actions taken by the Scottish Government, councils and their partners up until early January 2021.

5. There is strong evidence in East Renfrewshire of Education's relentless focus to deliver excellence and equity for all its learners and the impact of this resulting in improved outcomes. This is intrinsic in executing the department's vision of *Everyone Attaining, Everyone Achieving through Excellent Experiences*.

6. Reports at Education Committee highlight key areas that the department consider fundamental in its intent to continually improve outcomes for children and young people through their school education, and importantly to succeed in learning, life and work. Recent reports include Getting it Right for Every Child (GIRFEC) at the April 2021 committee, The Quality of Remote Learning at the March 2021 committee and the department's Standards and Quality Report (2019 - 2020) and Local Improvement Plan (2021 - 2024) at the committee in January 2021.

REPORT

7. The key messages in the 'Improving Outcomes for Young People through School Education' report are:

- 'School education is not just about exam results. It also aims to improve children's and young people's health and wellbeing and support wider outcomes such as vocational qualifications. The Covid-19 pandemic has affected children and young people in many ways, including their learning, wellbeing and economic circumstances. Pupils living in the most challenging circumstances have been most affected by school closures.
- Those involved in planning, delivering and supporting school education were working well together prior to the pandemic. This strong foundation helped them to collaborate to deliver a rapid response to Covid-19 in exceptionally challenging circumstances. The pandemic has reinforced the importance of school education and other sectors working together to tackle issues which affect young people's life chances and outcomes, such as child poverty and health and wellbeing.
- Both national education policy and the curriculum reflect the importance for pupils of different pathways and opportunities, and outcomes beyond exam results. There has been an increase in the types of opportunities, awards and qualifications available to children and young people and an increase in the number awarded. However, better data is needed to understand if other outcomes, like wellbeing and confidence, are improving.
- There is wide variation in education performance across councils, with evidence of worsening performance on some indicators in some councils. At the national level, exam performance and other attainment measures have improved. But the rate of improvement up until 2018–19 has been inconsistent across different measures. Measuring progress has been hampered by the cancellation of exams and other data gaps caused by Covid-19. This could create risks around accountability.
- The poverty-related attainment gap remains wide and inequalities have been exacerbated by Covid-19. Progress on closing the gap has been limited and falls short of the Scottish Government's aims. Improvement needs to happen more quickly and there needs to be greater consistency across the country. The government and councils recognise that addressing inequalities must be at the heart of the response to Covid-19, longer-term recovery and improving education.
- Council spending on primary and secondary school education across Scotland increased by 5.1 per cent in real terms between 2013/14 and 2018/19, from £4.1 billion to £4.3 billion. Most of the real-terms increase in spend can be attributed to the Attainment Scotland Fund, which the Scottish Government set up in 2015/16 to close the poverty-related attainment gap. When this is excluded, real-terms spending increased by 0.7 per cent during the period, to just over £4.1 billion. The Scottish Government had put over £200 million of extra money into Covid-19 mitigation measures and education recovery by early January 2021.'

8. The report focuses on attainment before the disruption caused by the Covid-19 pandemic and compares performance across council areas, including the gaps between pupils residing in the least and most advantaged areas in examining the poverty related attainment gap.

9. In the broad general education the report examines the Achievement of Curriculum for Excellence Levels (ACEL) in literacy and numeracy across the primary and secondary sector. In the senior phase of secondary, the report examines four key indicators: percentage of school leavers achieving one award or more at Level 5 or better; those achieving five awards or more at Level 5 or better; those achieving Level 4 literacy and numeracy; and the percentage of 16 to 19-year-olds participating in education employment or training. The data

used in the report is from a baseline of 2013/14 to 2018/19, except for ACEL attainment where the baseline is from 2016/17, the first year such data at authority level was published by the Scottish Government.

10. In arriving at their conclusions of performance across Scotland, Audit Scotland made a number of recommendations for the Scottish Government, councils and Education Scotland to work together to take forward, where appropriate, within the context of a collaborative system. There are specific recommendations for partners and joint recommendations. These are included in the report.

11. The Audit Scotland analysis shows that East Renfrewshire performs well and from a very high base as evidenced in the report. However the department is not complacent and *Appendix 1* provides the Education Department's assessment of its current position against the recommendations councils are to take forward; and demonstrates current strength and intent to further improve.

12. As noted the thrust of the key messages and recommendations in the Audit Scotland publication are considered to present no difficulty for the department or the Council. During 2020-21 Education Committee has considered a number of papers and presentations concerning the response to Covid-19; in addition there are regular reports on performance and standards at authority level and in our schools. Whilst shunning complacency, East Renfrewshire has operated and led developments in a number of these areas over the years or already has taken action to address more recent recommendations heightened as a consequence of Covid-19.

13. Fundamental to East Renfrewshire's ambition that all children and young people flourish in education and beyond is the effective use of performance information and the interventions and supports necessary to raise the bar in terms of attainment and achievement for all children and young people. In doing so extra focus is placed on closing gaps for any and all groups of learners. The department's vision, *Everyone Attaining, Everyone Achieving through Excellent Experiences* is delivered through effective leadership and staff development, involving and engaging learners and their families, collaborating with partners, and providing the best conditions to excel. These underpin the Audit Scotland recommendations that councils are asked to take forward within a collaborative system.

14. The content of this paper has also been discussed by members of East Renfrewshire's Education Committee on 10 June 2021.

FINANCIAL AND EFFICIENCY IMPLICATIONS

15. There are no direct financial or efficiency implications related to this report.

CONCLUSION

16. East Renfrewshire Education's values-based vision, its culture of continuous improvement, and evidence of positive outcomes and impacts to date, show that the authority is well placed to address the recommendations presented in the Audit Scotland report, 'Improving Outcomes for Young People through School Education'.

RECOMMENDATIONS

17. It is recommended that members of the Audit and Scrutiny Committee note and comment on the assessment of current practice within East Renfrewshire to improve outcomes for young people and actions being taken by the Education Department to drive further improvement.

Mark Ratter
Director of Education
24 June 2021

Local Government Access to Information Act 1985

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APPENDIX

1. Education Department response: 'Assessment of Current Position in ERC'

Assessment of Current Position in ERC: 'Improving Outcomes for Young People through School Education' (Audit Scotland Report)						
Audit Recommendations Councils should:	Assessment Per Format of Previous Audit Scotland Report					ERC Assessment Comment
	No action needed	No But action in hand	Yes in place but needs improving	** Yes in place & working well	Not applicable	
<p>Work with schools, Regional Improvement Collaboratives, other policy teams and partners, for example in the third sector, to reduce variability in outcomes by more consistent application of the drivers of improvement set out in the NIF, by</p> <ul style="list-style-type: none"> • Using data to understand trends in outcome measures over time and across different demographic groups; • using evidence-based quality-improvement approaches • sharing learning and applying good practice across schools and councils • helping schools to build up their data analytical, evaluation and quality improvement skills so they can make evidence-based decisions 				✓		<p>East Renfrewshire Council's Education Department's vision of <i>Everyone Attaining, Everyone Achieving, Through Excellent Experiences</i>, signals the department's ambition of raising the academic, wider achievement including vocational outcomes for all children and young people. The Education Department recognises the importance of education in raising the bar for all, whilst placing extra focus on closing attainment gaps for any and all groups of learners, especially for those from lower socio-economic backgrounds; education is a route from poverty.</p> <p>The Education Department considers the use of performance and management information as vital to achieving its objectives and is at the heart of the improvement planning cycle. Such information enables the department to target available resources, support and challenge, most effectively.</p> <p>The department has always used the analysis of management information and benchmarking, in a considered and contextual way as part of its drive for continuous improvement. By making effective use of national data analysis tools and datasets, benchmarking allows the department to consider its current performance and to evaluate if the ambition of raising attainment is being realised for all children and young people, by focusing its attention on particular key groups which are of specific interest.</p> <p>Key groups of interest where attainment gaps exist include gender, ethnicity, free school meal entitlement, looked after status, Scottish Index of Multiple Deprivation (SIMD) and the lowest performing 20% of learners. The department focusses on such individual groups of learners, however these groups are not mutually exclusive and where an initiative focuses on</p>

Note:

** Although evaluated as in place and working well, the Department is not complacent and seeks continuous improvement in all aspects.

Assessment of Current Position in ERC: 'Improving Outcomes for Young People through School Education' (Audit Scotland Report)						
Audit Recommendations Councils should:	Assessment Per Format of Previous Audit Scotland Report					ERC Assessment Comment
	No action needed	No But action in hand	Yes in place but needs improving	** Yes in place & working well	Not applicable	
						<p>a particular group, this will have wider success for learners from differing backgrounds and circumstances. Comparison at all levels is used to highlight and question differences to stimulate improvement ultimately for each and every individual learner. Other data such as attendance rates, temporary exclusions, and levels of engagement from questionnaires etc. are likewise analysed and used to inform areas where there is scope to further improve and address in particular any issues of equity.</p> <p>Following key assessment periods or the publication of attainment data, the department undertakes extensive and rigorous analysis of the authority's and education establishment's performance, benchmarking internally, regionally and nationally. The open and transparent reporting of outcomes allows the department to celebrate successes widely and to support opportunities for sharing and collaboration between establishments, whilst also identifying areas where further improvement is required.</p> <p>Specifically, the National Improvement Framework (NIF) identifies raising attainment in literacy and numeracy as key area of focus. East Renfrewshire has a similar focus on literacy and numeracy and tracks the attainment of groups of learners from P1 baseline assessment, local and national standardised assessments in the Broad General Education (BGE) through to senior phase National Qualifications. This allows the department to track the progress of identified groups of learners from the earliest point, to support establishments in identifying critical groups of learners in their own context and supports on-going evaluation of the impact of interventions.</p> <p>Whilst the Audit Scotland review and their resulting report</p>

Note:

** Although evaluated as in place and working well, the Department is not complacent and seeks continuous improvement in all aspects.

Assessment of Current Position in ERC: 'Improving Outcomes for Young People through School Education' (Audit Scotland Report)						
Audit Recommendations Councils should:	Assessment Per Format of Previous Audit Scotland Report					ERC Assessment Comment
	No action needed	No But action in hand	Yes in place but needs improving	** Yes in place & working well	Not applicable	
						<p>considers primary and secondary schools, locally there is a strong focus on monitoring and support of learners in our early years facilities, where literacy, numeracy and wellbeing are at the fore to provide the best foundations for children and their progress through school education and future success.</p> <p>The Education Department supports the sharing of best practice and quality improvement approaches in East Renfrewshire across establishments and more widely, regionally and nationally. Each cluster of early years establishments and schools work collaboratively to identify aspects of improvement which are specific to their communities and to plan for collective change and improvement through the creation and implementation of a cluster improvement plan which the department monitors progress towards identified outcomes. This collective approach supports the sharing of best practice, success and otherwise, which are specific to the needs of the local community.</p> <p>The Education Department's annual quality assurance programme includes Thematic Reviews, Cluster Transition Reviews, Validated Self Evaluation and Collaborative Improvement Visits. Whilst these approaches to scrutiny, quality assurance and support are directed and led by the department's Quality Improvement Team, senior leaders from other establishments also play a central role in the process. This supports improvement, the dissemination of best practice, professional learning and develops relationships across establishments with the shared ambition for all learners to fulfill their potential. Staff from the department, ELC (Early Learning and Childcare) facilities and schools establishments support Her Majesty's Inspectorate of Education (HMIE) in its role of</p>

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						<p>quality assurance of educational establishments across the country. This activity helps disseminate effective practice seen elsewhere and nationally within East Renfrewshire.</p> <p>The department is represented on lead national groups such as the ADES: Performance and Improvement Network, Curriculum and Qualifications, and Education Resources Network. Membership of such groups allows the officers to be informed and to help guide national policy developments, and to share and consider practice and approaches from other local authorities.</p> <p>Officers from the department, school middle and senior leaders contribute to and lead national and West Partnership (Regional Improvement Collaborative, RIC) curricular working groups to develop collegiately and to share widely best practice and innovation. For example, this has led to meaningful cross-authority working directly between schools in the West Partnership, sharing best practice in staff professional development.</p> <p>Following the introduction of the School Improvement Partnership Programme (SIPP) between Crookfur and Thornliebank primary schools, which was highly evaluated by the Robert Owen Centre at Glasgow University, the SIPP programme was extended to include all early years and primary establishments. The programme, supported by officers and psychologists from the department, challenged establishments to identify gaps in educational outcomes for groups of their learners. Establishments with a similar focus collaborated to identify evidence based research which suggested approaches to address the gap in learning for these particular groups of learners and then collectively decide upon</p>

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						<p>appropriate interventions. Establishments used baseline data to identify targeted groups of learners and gathered data on an ongoing basis to measure the success of the programme. The SIP programme aligned with professional development opportunities for practitioners in professional inquiry, has resulted in the development of three school based research hubs, with a planned fourth to be developed in 2021-22. A total of 237 staff across East Renfrewshire have now attained masters level qualifications with a further 65 currently undertaking masters level study. The skills which these staff have developed in professional inquiry will support the recovery from the impact of Covid-19.</p> <p>The Education Department provides significant challenge and support through the analysis of education outcomes by EMIS (Education Management Information Service). EMIS also delivers highly evaluated professional development for staff in the effective interrogation of attainment data, benchmarking, tracking and monitoring. Professional development has been provided by education staff in the use of the department's school tracking database, national benchmarking and improvement tools for the broad general education and senior phase and the national standardised assessments. These professional development opportunities support staff in the use of the analytical toolset to identify areas for improvement e.g. groups of learners in numeracy, and to benchmark nationally and track and monitor pupil progress and the effectiveness of intervention strategies.</p> <p>Recently an ELC Tracking tool has been created and implemented. It is intended that this facility which records key developmental stages of children in early years establishments, will further support analysis of children's</p>

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						progress and identification of key groups of learners who are not progressing as well as others thereby supporting early interventions. The system is also intended to be accessible to funded partners in the private, independent and voluntary sectors; and so will assist further with transitions from early years settings to primary school.
Monitor the short- and longer-term impacts of Covid-19 (including the impact of remote learning) on local children's and young people's learning and wellbeing and take action when required to mitigate the effects and improve outcomes			✓			<p>During the initial school closure period between March and August 2020, the Education Department provided support and guidance to settings which highlighted the importance of ongoing engagement with learners and their families and maintaining a focus of wellbeing. Seven learning hubs were established for vulnerable children and children of key workers; all other children and young people were supported by teachers and support staff to engage with and participate in digital and remote learning opportunities to ensure continuing education provision. Senior and pastoral care staff in all settings maintained regular contact with children and families as required, whether they were learning at home or in a hub and provided additional support to address any wellbeing or learning needs. Case studies of good practice in remote learning have been published on Education Scotland's website for Carlibar, Carolside and Hillview primary schools.</p> <p>In May 2020 East Renfrewshire Education Department conducted a self-evaluation exercise on the engagement and participation of pupils with their home learning. A report on 'Digital Learning and Engaging and Supporting Vulnerable Families' was produced and shared with key stakeholders. Identified good practice was shared and feedback received used to plan Career Long Professional Learning.</p> <p>In January 2021, education officers engaged with schools to</p>

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						<p>support staff in undertaking an evaluation of how effective remote learning had been during the previous lockdown and to consider approaches for the lockdown which was in place at that time. The department provided an audit tool to support this process and to allow central collation of the results, which resulted in the production of an overview of remote learning provided by all establishments, in order to share best practice and next steps.</p> <p>The department's review of remote learning during Covid-19 identified cross department and cross-sector working focusing on the mental and physical wellbeing of children and young people. The review highlighted excellent relationships between departmental and school staff, with key partners such as Educational Psychology, Social Work and Health. Cross sector working ensured that targeted interventions continued to address learning loss and support the mental and physical well-being of children and young people. For example Reading Recovery, regular check ins with pupils and families, access for pupils, families and staff to the Council's Healthier Minds service, small differentiated online group sessions and one to one lessons, the use of Bilingual Support Workers to support children and families with remote learning, remote assemblies praise cards sent home and celebration of achievements. The Education Department ensured that children entitled to a free school meal continued to receive this at home and ensured physical school places for the most vulnerable and key worker children during and beyond school term time.</p> <p>The Education Department coordinated the creation and curation of recorded lessons by teaching staff, which were hosted and shared widely across the Council; these complemented the nationally available recorded lessons which</p>

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						<p>the department supported schools in the use of. Recorded and in many cases live lessons and drop-ins, became embedded in every day teaching and learning, reducing the impact of remote learning for all learners.</p> <p>The Education Department will continue to support and challenge education establishments by interrogating attainment data across all sectors at key points in the academic year. This analysis will take cognisance of the lockdown periods and will identify groups of learners who have possibly been affected most by the lockdown measures, and will look at longitudinal impact and outcomes. This analysis will support establishments in identifying individual children and implementing strategies to tackle learning loss immediately. Establishments will then track and monitor the success of these outcomes on an ongoing regular basis.</p> <p>A report on the Quality of Remote Learning was considered at Education Committee in March 2021.</p> <p>Following the decision nationally to cancel the 2021 examination diet, schools in East Renfrewshire are working closely with the Education Department, pupils and parents to implement the Alternative Certification Model (ACM). The strong practice in moderation and assessment, high quality remote learning offer, rigorous tracking and effective collaboration within and across the authority means that schools are well placed to ensure a shared understanding of standards and expectations and that pupils achievements are fairly recognised. The Education Department has undertaken an equalities impact assessment for the new policy and procedures to ensure all candidates are treated fairly, equitably and without bias. In addition, the Quality Improvement Team</p>

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						<p>will support schools to analyse provisional estimates and carry out any internal checks, particularly for key equity groups.</p> <p>In collaboration with other local authorities and the Scottish Government, Education Department officers will work towards introducing the national health and wellbeing survey. This survey will be undertaken by children from P5 to S6, and will focus on mental and physical health and wellbeing issues. Data at establishment level will assist the department in aligning support and resources appropriately to establishments and local communities and will support head teachers to implement appropriate strategies to tackle physical and mental wellbeing issues specific to their establishment's context.</p> <p>In recent weeks the Director of Education has been consulting staff in all educational establishment and the department and its services on a draft framework and timeline designed to support the Education Department to respond to the Covid-19 pandemic: <i>Building Back Better and Fairer</i>. The aim is to ensure not just a return to pre-covid positions, but to use the pandemic as an 'opportunity to become a truly extraordinary educational system in the future'.</p> <p>The framework, aligned with the department's Local Improvement Plan (LIP), will drive the department and establishments towards its vision <i>Everyone Attaining, Everyone Achieving, Through Excellent Experiences</i>, by identifying areas of particular focus for the remainder of school year 2020-21 and session 2021-22, with the LIP setting out the wider areas for improvement over its three year period (2021-22 to 2023-24). The priorities of the National Improvement Framework (NIF) are embedded within the department's LIP.</p>

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						<p>Within the <i>Building Back Better and Fairer</i> framework there will be a heightened focus on the inequalities of outcomes which may be exacerbated by Covid-19; the learning in terms of changes made in response to the pandemic that could be further capitalised on; and how best to support such going forward to deliver excellence and equity. The department is also in the process of developing a Social Justice plan linked to recovery and renewal and building back better.</p> <p>Once finalised, it is intended that the framework and activity going forward under local improvement planning, will be used to support the department to monitor and evaluate progress in response to the impact of Covid-19 and ensure more generally that East Renfrewshire sustains its drive for continuous improvement and help further its vision all learners, staff and services.</p> <p>This approach, the outcomes and impacts will be reported through future Education Committee meetings.</p>
More effectively and consistently involve young people and parents in planning to improve outcomes and to inform the local response to Covid-19				✓		<p>The Education Department, as part of its annual cycle of quality improvement, undertakes digital surveys of parents/carers across early years, primary and secondary sectors periodically. Pupils across the same primary and secondary establishments also complete a pupil version of the survey which focusses on their experiences of education.</p> <p>East Renfrewshire Council was a volunteer local authority to take part in the national Parental Involvement and Engagement (PIE) survey, first introduced as a pilot in 2018. This survey allows school level analysis to take place, but also supports benchmarking between local authorities across Scotland which can lead to the sharing of best practice. Plans were in place for East Renfrewshire to be 1 of 5 local</p>

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						<p>authorities across Scotland to take part in the survey in 2021, however the survey was postponed as a consequence of Covid-19 restrictions. The department will continue to undertake the PIE survey in coming years.</p> <p>The responses from these surveys allow the Education Department to consider improvement actions as part of its Local Improvement Plan and to measure the impact of these on an ongoing basis. Moreover the data shared with schools allows link officers to offer support and challenge to establishments to consider how they will address any noticeable concerns. Education establishments also undertake their own surveys to seek views of their communities and act on the results to inform improvement.</p> <p>In developing the <i>Building Back Better Framework</i>, referenced above, the Education Department consulted pupils, parents and staff to identify what worked well over the periods of remote and blended learning and what areas could have been improved. The responses from stakeholders are at the centre of the framework's development including establishing key priorities and activities required to support education establishments and services recover from the specific challenges brought about by the pandemic and address ongoing improvement under local improvement planning.</p> <p>During the pandemic all schools continuously sought pupil feedback on their learning and wellbeing, with almost all teachers using this information to help with planning for volume/pace and challenge of lessons. Parent Council meetings continued throughout remote learning in all schools, enabling effective dialogue with parents regarding remote learning offers and areas for improvement. Moreover ELC</p>

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						<p>settings and schools formally sought parental feedback through focus groups, questionnaires, online forms and commendably adapted their policies (such as remote learning) and approaches in response.</p> <p>The Quality of Remote Learning reported to Education Committee in March 2021 highlights the work on interactions with pupils and consultation with parents/carers about their engagement and wellbeing during remote learning.</p> <p>Customer Service Excellence assessment of the Education Department was discussed at Education Committee in April 2021. This assessment included reviewing the actual service delivered in establishments by examining a 'customer journey'; this was focused on approaches to providing continuity of learning during the Covid-19 pandemic across schools and services and involved learners, staff and partners. The department was awarded 31 areas of 'Compliance Plus', up from ten in 2015, and 26 in 2019. One of the areas highly commended included an ethos of consultation being integral to continuous improvement, including during changes made at pace in response the Covid-19 pandemic.</p> <p>The Education Department is committed to the promotion and protection of children's rights, in line with the UNCRC. Children and young people have opportunities to express their opinion in matters that affect them so that they can become active participants in a democratic society. From our annual Education Department questionnaires, most pupils (79% of 8048 surveyed 2017-19) agreed that their school listens to their views and takes them into account.</p> <p>All our settings take a 'You Say, We Do' approach to seek the views of learners on the quality of: learning and teaching;</p>

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						relationships within the setting community; health and wellbeing; success and achievements. There are regular opportunities for pupil representatives to meet with the Director of Education and share their views on issues relating to matters such as the curriculum, learning and teaching, and pastoral care. This provided valuable insight and informed improvements during the periods of school closure. Stakeholder engagement is an important aspect of East Renfrewshire's evaluation and improvement cycle.
Ensure third-sector organisations working with or representing children and young people are effectively involved in local planning to improve longer term outcomes, and to deliver the local education response to Covid-19.			✓			Throughout the pandemic officers of the Education Department and schools engaged with the third-sector and other organisations in order to ensure children and young people were actively considered in planning for immediate and longer term outcomes. Working closely with Educational Psychology team, vulnerable groups of children and young people were identified and closely monitored by staff with regards to their engagement in remote learning and their wellbeing. This resulted in those most vulnerable being identified and encouraged to physically attend school, or early years setting. The Education Psychology team supported children and young people and parents/carers with advice on mental health and wellbeing during lockdown via specialist resources on its website and also through online sessions delivered by the psychologists. The Healthier Minds service was set up and established this session, offering bespoke wellbeing support to pupils, families and staff. East Renfrewshire Council Leisure (ERCL) trust facilitated hubs within schools during the lockdown periods, providing physical activity and wellbeing activities to support the physical

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						<p>and mental health of the most vulnerable. Over the holiday periods/school breaks, the department collaborated with ERCL to develop Covid-19 Holiday Camps which combined educational experiences as well as physical activity for the most vulnerable and key workers.</p> <p>Officers of the department have worked closely with education establishments, Skills Development Scotland, higher and further educational establishments, Work East Ren and other third sector organisations to ensure that all children and young people who intend to leave school, are able to access a positive post school leaving destination. The co-ordination and support of these organisations ensured that almost all children and young people entered in to higher/further education, employment, modern apprenticeships, volunteering or some form of professional training. This ultimately resulted in the proportion of young people entering positive destinations being significantly higher than the national value, and higher than other similar comparator local authorities.</p> <p>Colleagues in the Health and Social Care Partnership continue to work with the department as part of the inclusive holistic approach to meeting pupils' needs. Most recently their work to extend the existing school counselling service and create a wellbeing hub with a range of professionals to support mental health and wellbeing will be important in helping to address concerns and build resilience in learners.</p> <p>The third sector and other organisations work in partnership to deliver the curriculum offer including vocational options with college support, provide experiences and opportunities for learners as part of realising the department's vision for all learners.</p>

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<p><u>The Scottish Government, Education Scotland and councils should:</u> Continue to ensure a coordinated policy response within and across government (for example with health and children and families services) when planning to improve longer-term outcomes for children and young people and delivering the education recovery response to the equality impacts of Covid-19</p>						As noted earlier the Education Department has already created a recovery framework, <i>Building Back Better and Fairer</i> , which identifies the key priorities which are required to be established to support schools and services as they seek to recover. The framework is designed to complement the activities set out in the Local Improvement Plan, identifying particular areas of focus for the next 15 months, with the LIP setting out the wider areas for improvement over a three year period. This approach will be fully aligned with Scottish Government and Education Scotland guidance and the priorities and vision set out in the National Improvement Framework.
<p><u>The Scottish Government, Education Scotland and councils should:</u> Use the Equity Audit and other evidence to monitor the short- and longer term impact of Covid-19 on children's and young people's learning and wellbeing, and to inform the development of local and national priorities and targeting of mitigating actions</p>						<p>The Education Department has considered the findings of the Equity Audit from Education Scotland. As noted earlier to provide greater insight to the impact of Covid-19 locally within East Renfrewshire, the department conducted its own audit across all education establishments reflecting on the mitigations which establishments employed to reduce the impact of Covid-19.</p> <p>The East Renfrewshire audit identified key strengths in remote learning across East Renfrewshire, in Engagement and Wellbeing, Learning & Teaching, Assessment, Self-Evaluation for Self Improvement and Digital Capacity. The report also highlighted areas for improvement at school, cluster and department level.</p>

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						The Equity Audit and East Renfrewshire audit supported the department in its development of its <i>Building Back Better Framework</i> . The framework will support and challenge establishments to focus on key areas of recovery, with specific focus on identified groups of learners, and will measure progress made towards building back better and fairer using a variety of qualitative and quantitative measures.
<u>The Scottish Government, Education Scotland and councils should:</u> Further promote the importance of the different pathways, qualifications and awards available to young people with parents, carers, politicians, and the media, to support wider public understanding of the importance of broader outcomes.						<p>The Education Department recognises not only the need to provide young people with alternative pathways and opportunities for wider achievement, but also the importance of celebrating such wider, non-traditional qualifications, in order to ensure parity of esteem. Such wider achievements improve the skills for life, learning and work of our young people, increase their confidence and likelihood of successful transition to the world of work.</p> <p>The vocational programme available to S4-S6 pupils, has 500 places available to any of 60 courses which are delivered locally within schools or remotely at higher education establishments and which will result in a National Qualification award or Foundation Apprenticeship. The Education Department altered the construction of the secondary school timetable in order to ensure that vocational courses were treated like all other subjects. Consequently young people can opt to study a vocational course alongside other academic studies, and attendance in these school based subjects will not be affected by undertaking a vocational course. Young people record their desire to undertake a vocational subject as they would a traditional school based subject. These approaches ensure that young people, parents/carers and school staff, see vocational studies as just important as any other and help to</p>

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						<p>provide parity of esteem.</p> <p>Valuing wider learning opportunities and qualifications, the development of the new Eastwood and Barrhead high schools, included the development of industry standard facilities to support locally delivery of vocational skills, including industry standard catering facilities and a vocational wing which supports the development of professional skills in IT and labour occupations such as plumbing.</p> <p>The impact of the wider achievement opportunities and vocational programme is evident from national analysis with East Renfrewshire recording the highest percentage of school leavers attaining at least 1 vocational qualification and being recorded as the highest performing mainland local authority, as measured by the percentage of 16-19 year olds participating in learning, training or work.</p> <p>The successes and outcomes of all children and young people are celebrated widely with Education Committee, staff groups and parent council chairs. Reporting takes different forms, for example through our annual self-evaluation report (Standards & Quality), presentations and specific reports. Reports to committee, in particular the annual Standards and Quality Report and progress by the Education Department with the Outcome Delivery Plan, include various performance measures such as Information of wider achievement including Duke of Edinburgh Awards, ASDAN Awards/Personal Effectiveness, Sports Leadership and Skills for Learning, Life and Work Qualifications. Young people's achievements are recognised through a wide range of awards and awarding bodies, including the ASDAN Award, John Muir Award, Saltire Award, Caritas Award, and the Modernising Volunteering</p>

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						<p>Award. The Conveners' Awards for outstanding achievement is an annual awards ceremony event to recognise particular young people or groups.</p> <p>Following the publication of the Additional Support for Learning Review by Angela Morgan, the Education Department is undertaking its own local review and considering the recommendations of the national review. East Renfrewshire's review will consider how we celebrate achievements and successes for all children and young people and will make recommendations of how we support the implementation of a National Measurement Framework which more widely recognises the success of all children and young people.</p>

10 June 2021

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 June 2021Report by ClerkNATIONAL EXTERNAL AUDIT REPORT
DIGITAL PROGRESS IN LOCAL GOVERNMENT**PURPOSE OF REPORT**

1. To provide information on the Audit Scotland report *Digital Progress in Local Government*.

RECOMMENDATION

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

BACKGROUND

3. A copy of the Audit Scotland report [Digital Progress in Local Government](#), published in January 2021, 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 Cllr Miller and Cllr Grant. The Head of Communities, Revenues & Change has provided comments on that report and a copy of those comments is attached (see Appendix A).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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

Background Papers:-

1. Audit Scotland Report *Digital Progress in Local Government*

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External Audit Report – Digital Progress in Local Government

Comments for Audit & Scrutiny Committee on 24 June 2021

Prepared by Head of Communities, Revenues & Change

June 2021

INTRODUCTION

1. This paper aims to provide high level comments on the Council's position regarding the Audit Scotland report "Digital Progress in Local Government".

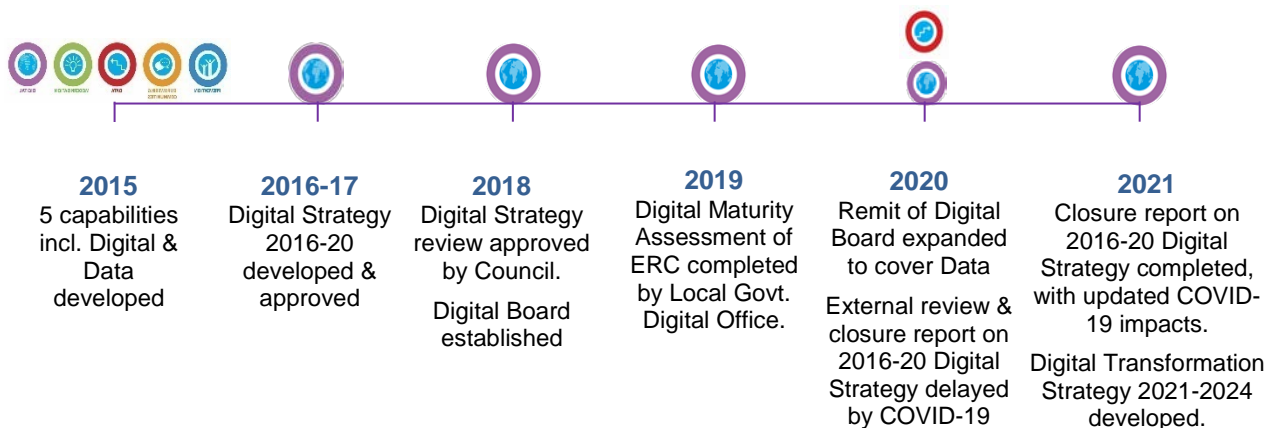
BACKGROUND

2. Audit Scotland published its 'Digital Progress in Local Government' paper in January 2021, covering the following areas:

- Progress and impact of COVID-19
- Becoming a digital council
- Citizens at the heart
- Workforce and skills
- Data and technology
- National leadership and collaboration.

3. East Renfrewshire has a longstanding commitment to digital transformation and was instrumental in the establishment of the Local Government Digital Office in 2015/16. The Council's Chief Executive is Chair of the Scottish Local Government Digital Transformation Board. The Digital Office and Board key contributors in the development of this Audit Scotland report. The Council has also been actively involved in the national digital partnership forum and key collaborative workstreams.

4. A summary timeline of East Renfrewshire Council's digital journey is given below:



REPORT

Progress

Summary Recommendation from Audit Scotland report (these will be included at the beginning of each section):

To maintain momentum, councils should assess their progress, learn lessons, and identify and address barriers and inequalities.

5. Appendix 1 contains a recent report considered by Cabinet on 3 June 2021. This provides an update on the Council’s Modern, Ambitious Programme (MAP) and our digital transformation agenda. The report takes a backward look at the significant achievements of our Digital Strategy for 2016-20, especially in the light of COVID-19 response, and brings forward new Digital Transformation priorities for the next three years. Digital and data remain core capabilities that the Council will use to unlock modernisation, customer service and efficiency opportunities in the months and years ahead. Our digital transformation priorities align well with the direction of Scottish Local Government, the recommendations of the Audit Scotland report and the national Digital Strategy, published earlier this year.

6. A recent meeting of the Local Government Digital Partnership considered the Audit Scotland report and the themes of the national digital strategy, with around 140 attendees from across Scottish councils attending via Teams. East Renfrewshire was asked to input to the meeting and the following graphic was produced to summarise the Council’s position on each of the report’s themes. Further detail will be given in the sections below.

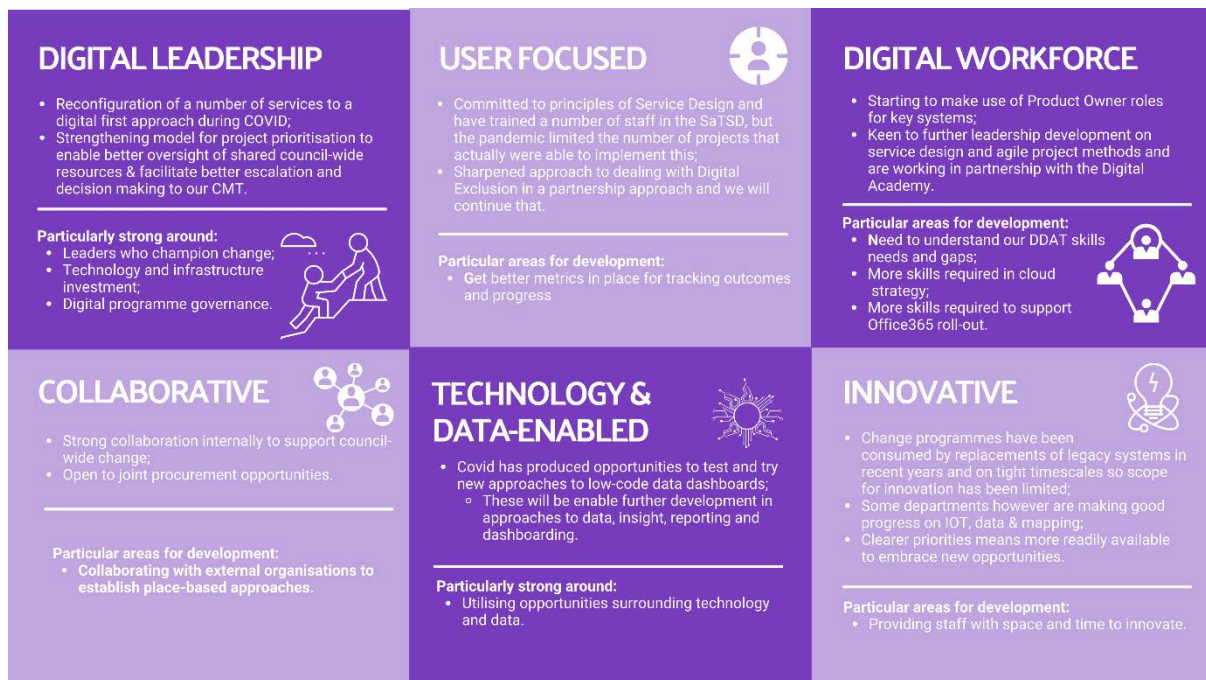


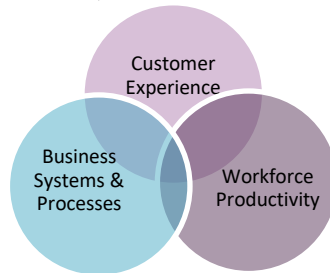
Figure 1: East Renfrewshire Council progress against each of the report’s themes

Digital Leadership

Councils should have a clear digital vision and strategy that sets out how digital transformation will deliver better outcomes for people. The strategy should be supported by plans, detailing actions, timescales and the required investment in technology, people and skills.

Councils need to improve how they monitor outcomes. This could include adopting a benefits realisation approach.

7. Earlier this year we refreshed our Digital Transformation priorities for 2021/24. There is further detail on these in Appendix 1, but these can be summarised as:



8. Each of these 3 areas has commonality in terms of: a focus on end-to-end processes; a commitment to involve users at the heart of service design; the need to focus on benefits and achieve good return on investment, whilst ensuring sound financial and data governance and information security.

9. These priority areas are underpinned by new strategies for ICT; Customer Experience and Data & Strategic Insight, which are all under development engaging closely with departments across the Council.

10. This work is overseen by the Corporate Management Team in its role as MAP Board; by the cross-cutting Core Systems and Digital & Data Boards. There are also project teams in and appropriate governance arrangements in place for each of the areas of the programme.

11. Our well-established MAP reporting arrangements mean we have good oversight of projects and progress across the wide range of areas in our programme. We have been developing the Council's approach to project prioritisation to facilitate better planning and alignment of shared resources including ICT, HR, Digital Customer Experience and project management staff. This is a challenging area as we have high ambitions and aspirations but, like others in the public sector, we have a way to go to develop the full range of Digital, Data and Technology skills that will be required of our workforce in the future and there are key challenges in balancing the need to invest in modernisation of our systems and development of skills and infrastructure whilst also making year-on year savings. The Council has also been developing its approach to benefits realisation, to enable clearer measurement of the outcomes and impacts of change.

12. A Digital Maturity Assessment of East Renfrewshire Council was undertaken by the national Local Government Digital Office in 2019. This involved face to face interviews with the CMT, Heads of Service and senior leaders, and online surveys of managers, Digital Board members and Headteachers. The report was used to inform the work of the Digital Board and the direction of our digital programme. Amongst the report's conclusions was recognition of our clear and ambitious vision; good governance; strong national networks at senior leadership level and innovation in Education and Health and Social Care. The report noted opportunities for us to review resource allocation and ensure that investment was sufficient to achieve our ambition, sharing learning more effectively and engaging wider on innovation. In addition, opportunities were highlighted in the areas of user-centred design; embedding new ways of working and measuring and supporting skills gaps. This learning has all been used to build and enhance our new programme and strategy.

User Focused

To better understand the needs of citizens, councils should have a citizen and community engagement plan and ensure they have sufficient staff with the skills to carry out service design.

13. Our leaders are more aware than ever of customer expectations and demand and, through a service design approach, we are introducing more self-service and cost effective channels ways to access services, designing them to the customer requirements to ensure high customer satisfaction. Putting the customer at the heart of change and design is a key cross-cutting theme of our digital priorities.

14. We have begun to embed the Scottish Approach to Service Design ([SA@SD](#)) into our project methods and trained a range of staff in this approach. Whilst the pandemic limited our ability to roll this out widely in 2020/21, there were some good examples of services using online methods to engage with customers, test new services and to co-design changes. A particular example would be the Council Tax and Benefits system implementation which made good efforts to engage customers and to test the design of the new system with its end-users prior to launch.

15. A cross-cutting Member/Officer working group met to discuss digital opportunities arising from the pandemic in December 2020, as part of the Council's approach to Renewal. The issue of digital inclusion came through strongly as a theme. There is an update on the Council's strong delivery of the Connecting Scotland programme and the East Renfrewshire Digital Inclusion Partnership in the report at Appendix 1.

Digital Workforce

Councils should conduct a staff skills survey to better understand what digital and data skills they need. Councils should have detailed workforce and skills development plans, including for leadership teams and elected members. That align with digital transformation plans.

16. Our workforce plan has recently been updated to cover the period 2021-2024. The plan reflects our vision for the future workforce and is aligned with our digital transformation plans. It is imperative that the Council has an established workforce that not only works for the challenges of today, but also focuses on the challenges of tomorrow.

17. Digital transformation is one of the demand drivers of our workforce. We recognise the importance of recruiting and retaining employees with the correct digital skills and development of these skills within our current workforce. Our plan recognises the need to review the structures of the organisation to ensure they are fit for purpose in delivering transformation and an important area will be to shift the balance of temporary funding and temporary posts into permanent, revenue-funded digital, data and technology ([DDaT](#)) roles.

18. We have begun embedding DDaT roles to support our areas of transformation and across our workforce training opportunities through development opportunities in the Scottish Approach to Service Design, Agile project methods, User Research and Microsoft 365 – these have all developed the digital ability of our workforce and there are also a number of digital training courses delivered through our corporate training calendar. In addition, we have Digital Champions in place across the organisation who continue to promote and share digital knowledge helping our staff to understand that change is everyone's business.

Collaborative

The refresh of the digital strategy for Scotland provides an opportunity for all organisations which support the delivery of digital transformation in local government to set the vision and agree shared priorities.

Councils should actively collaborate through the Digital Office and other regional partnerships.

19. East Renfrewshire Council has been a leading force in cross council and cross sector collaboration. The Chief Executive is chair of the Local Government Digital Partnership and played a key role in setting up the Digital Office which is highlighted in the AS report. She is also co-chair of the national Health and Social Care Digital Board, a cross sector Board with the NHS and Scottish Government. The Council's Head of Digital & Community Safety is chair of the National Digital Assurance Board with colleagues from across Local Government and the Head of HR & Corporate Services plays an active part on the Digital Office Delivery Board bringing her expertise of HR into discussions on digital workforce skills.

20. Well-planned and targeted collaboration, both internally and with other organisations is critical to our success and will give us opportunities to learn from other approaches without 'reinventing the wheel'.

21. Through our change programmes and close links with the Scottish Local Government Digital Office, we will continue to explore collaborative opportunities to work with other organisations to learn from their successes; fast-track our own journey and make best use of transformation resources. A good example includes the emerging national approach to Digital Planning as part of a national programme driven by the Scottish Government. Other key partners include Scotland Excel, who are working hard to join-up procurement and contractual opportunities across the public sector. A good example of this approach is the work on national Digital Telecare contracts, which will also be a significant priority in the next period as we strive to meet national timescales for the switch from analogue to digital.

22. Earlier in June 2021, Cabinet considered a paper on Digital Connectivity Transformation. This paper outlined use of the Scottish Government Capita SWAN framework to procure additional bandwidth through which Capita will work in partnership with City Fibre to provide a 'Full Fibre Network' in East Renfrewshire, with City Fibre investment of up to £27m in a full fibre network which could give 85% of homes and businesses access to a full fibre network locally (national average is 50%), providing the essential foundations for economic growth and social inclusion across the area. This builds on the March 2021 Council approval of an investment of £2.7M in the Council's wide area network to improve internet connection speeds across the Council's estate and is an excellent example of partnership working and investment to future-proof the local area for the rising demands of digital consumption.

Technology & Data-Enabled

Councils should understand their technology infrastructure and have a clear plan to address legacy systems to create better coordinated solutions. This could include common platforms and shared procurement.

Councils should work with the Digital Office and Scottish Government in developing common data standards and a data ethics approach.

23. Data is one of the Council's 5 capabilities. Our Information as an Asset (IAAA) strategy is about being a data-informed organisation that makes decisions based on evidence, analysis and

insight. The Council has a wide range of data assets including customer, finance, staff, service and asset/estates information. Our strategies, operational decisions and improvement priorities should all be based on and informed by data and high value business intelligence. Across our change programmes and by making use of digital methods, we are actively seeking to increase automation, reduce manual re-keying of data and integrate systems for a joined-up view of data. This work includes an important focus on GDPR and information governance capabilities and our projects have become more data-aware through embedding Data Protection Impact Assessments (DPIA) as part of project governance.

24. The pandemic has illustrated the power of data in understanding our customers and communities and improving productivity, efficiency and automation. Examples include the data-informed approach to supporting our shielded residents; data dashboards that give us real-time information on isolation support calls for those who have tested positive for COVID-19; staff absence dashboards and a multifaceted dashboard that shows COVID impact live in communities, schools and geographies.

25. The Council has also led on a project involving all 8 City Deal councils, which mapped all city deal projects and investment areas (e.g. new houses, new businesses etc) for sharing with utility companies allowing them to plan for the services required and reducing project delays.

26. This year has also seen completion of a contracts register which will give managers a single view of all contracts including timeline, spend, value and procurement route.

27. Our IAAA strategy has had resourcing and skills challenges in recent years, but with renewed vigour, driven by the progress made during the pandemic, the linkages with Microsoft 365 roll-out and the criticality of data to the 3 priorities of our digital strategy, there is a new programme emerging and laying good foundations.

28. We want our staff to become more skilful in using digital technology to store, retrieve, automate, work-flow and research information. They will be able to use digital technology to support anytime, anywhere to work more efficiently. The level of data analytics capability will be much higher and staff will be able to present information in a format that enables managers across the Council to self-serve. We will have staff with knowledge of Artificial Intelligence (AI) and there will be automation in the buildings we work in. This is being addressed through investment of resources in the development of the data and digital skills of staff, reviewing and understanding technology capability within the organisation and what investment is needed and development of management information tools.

29. The foundation of all of these ambitions is a secure and resilient ICT infrastructure, which is a key focus of our ICT Strategy. Cyber security is a key risk for all organisations and we regularly consider, review and enhance our approaches. The Council has 3 information security principles, which are underpinned by a holistic approach to people, processes, technology and data. Repeated training and communication are key to developing staff awareness of these critical issues. We learn lessons from data and information security incidents in other organisations and have to undergo rigorous scrutiny to achieve accreditation as part of the Government's Public Services Network (PSN) accreditation.



Innovative

Councils should have a structured approach to collaboration and innovation, with staff given space and time to learn, test new ideas and put them into practice.

30. The Council's ambitions for digital transformation and modernisation are significant. Our Modern Ambitious Programme (MAP) covers a vast array of projects, programmes and ideas. We have recognised the need to prioritise to ensure that we focus on the areas that will take us furthest on our journey. Our ideal would be to focus on customer experience, savings, and benefits, but there are also some critical, complex foundational pieces around ICT legacy system replacements, integrations and security-related projects which must also be undertaken to build the path for onward digital transformation. Resources, capacity and skills are a challenge, alongside shrinking budgets.

31. Our teams are however so ambitious for further development and innovation. Appendix 1 outlines some of the innovations undertaken within our Environment Department, working closely with the Local Government Digital Office, by way of the Internet of Things (IoT), using wireless sensory network across services to harvest data to inform service deliver and data-led decision making. This has included road temperature monitoring sensors; grit bin sensors and building temperature sensors. There are further opportunities being explored around smart street lighting, waste management and building management for property services. IoT will also be very important in future HSCP provision.

32. At current levels, the Digital Connectivity project outlined above will also bring East Renfrewshire to the top of the league table for full fibre availability amongst Scottish local authorities.

CONCLUSION

33. There has been substantial progress in recent years, and particularly across the pandemic period, in the delivery of the Council's digital strategy. Our aspirations to continue our ambitious modernisation journey remain as important as ever and the pace and scale of change across the Council and HSCP is significant.

34. Prioritisation, resource management and good governance will be key to the next stages of our digital transformation journey, with a focus on customer experience, our business systems and processes and capitalising on the use of Office 365 capabilities to enhance the productivity of our workforce. This will be especially relevant as we recover from the pandemic and move forward into a phase of renewal.

BACKGROUND REPORTS

- Update on MAP and Digital Transformation Strategy, Cabinet, 3 June 2021
- Digital Connectivity Transformation, Cabinet 3 June 2021
- National Digital Strategy for Scotland, March 2021, <https://www.gov.scot/publications/a-changing-nation-how-scotland-will-thrive-in-a-digital-world>
- Audit Scotland report: Digital Progress in Local Government, January 2021, <https://www.audit-scotland.gov.uk/report/digital-progress-in-local-government>
- Core Systems Implementation – Progress Report, Cabinet 3 December 2020
- Update on Modern, Ambitious Programme (MAP), Cabinet 25 April 2019
- Update on Modern, Ambitious Programme (MAP) & Digital Strategy, Cabinet 21 June 2018 & Council 27 June 2018

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EAST RENFREWSHIRE COUNCILCABINET3 June 2021Report by Deputy Chief ExecutiveUPDATE ON MODERN, AMBITIOUS PROGRAMME (MAP) &
DIGITAL TRANSFORMATION STRATEGY**PURPOSE OF REPORT**

1. The purpose of this report is to update Cabinet on the progress of the Modern, Ambitious Programme (MAP) and to outline our new Digital Transformation Strategy for 2021-24.

RECOMMENDATIONS

2. It is recommended that Cabinet:
- a) Notes the good progress across the Modern, Ambitious Programme (MAP) including the core systems, digital and departmental programmes.
 - b) Commends the achievements of the Digital Strategy 2016-20 (Annex 1) and notes the impact of the pandemic in accelerating key aspects of our digital delivery to enable our services to keep operating effectively over this challenging period.
 - c) Agrees the 3 priority areas of the Council's digital transformation strategy for 2021-24: customer experience; business systems and processes and workforce productivity and that these will be underpinned by a more detailed roadmap for change which will be developed on completion of project prioritisation and resourcing work.

BACKGROUNDModern, Ambitious Programme

3. The Council's Modern, Ambitious Programme (MAP) seeks to change the way we work, with a particular focus on developing three of our capabilities: modernising, digital and data.

4. MAP has consisted of 6 major programmes of change, each consisting of a large number of projects. There is a programme board in place for each and they are responsible for delivery at a programme level. The programmes are:

- Core Systems
- Digital & Data
- Environment change programme
- HSCP change programme
- Education change programme
- Corporate & Community Services change programme

5. Overall governance is through the Corporate Management Team (CMT) in their role as MAP Board. They are responsible for ensuring that savings and benefits for the Council are achieved and that programme dependencies and resources are well managed. MAP meetings across 2020/21 have been less frequent than usual as a result of pandemic response, although much change-related activity has been able to continue despite the restrictions.

6. Much of the corporate change capacity over the last 2 years has been focused towards complex replacements of some of our most fundamental ICT legacy systems that touch every employee and every household in East Renfrewshire. Cabinet considered a report in December 2020 that gave a more detailed update on the Core Systems programme and also noted the significant work to replace the legacy Council Tax and Benefits ICT system. The report also updated members on the Digital Customer Experience programme which, as a first stage on a long-term change journey, had successfully replaced the council's website in July 2020.

7. The Council's Digital Strategy was approved by Cabinet and Council in 2018 and was due to cover the period up to 2019/20, with the end-point extended due to COVID-19 and its impact on service capacity. The Member/Officer Renewal Group considered the impact of digital on COVID-19 response and the potential for building upon this in a renewal phase at a meeting in December 2020.

8. Work is ongoing across the Council to review projects and capacity and reprioritise in the light of COVID-19 and the pressures on budgets.

PROGRESS UPDATE – MODERN, AMBITIOUS PROGRAMME (MAP)

Digital – Pandemic Response

9. The Council's Digital Strategy was considered by both Cabinet and Council in June 2018. The overall objectives were around improving digitisation of priority processes and transactions (both internal and external) based on user design; to enhance 'channel shift' where the customer chooses to engage with us in different (and often cheaper) ways such as online; to extend our ability to offer services to the public on a 24/7 basis and to enable the delivery of efficiencies. The strategy has delivered significant progress with digital being an integral part of our operations, a key enabler across the Council and a future source of transformation and ambition.

10. A Digital Board has been meeting since October 2018 to oversee this work, although ownership of individual projects and processes sits with departments themselves. The scope of the Digital Board was widened in 2020 to include the Council's emergent data programme.

11. Annex 1 contains a summary of the wider-ranging projects undertaken as part of the Council's Digital Strategy. The 2020 pandemic acted as a catalyst for advancing our digital progress and enabled us to accelerate many projects so that we could continue to deliver services. Key COVID-19 digital impacts included:

- Reconfiguration of a number of services to a digital first or digital only approach, including digital learning for school pupils
- Increased demand for online services
- Significant increase in employees working from home, utilising technology to do so
- Increased demand for online collaboration tools, not just for cross-sector working, but also to engage with citizens
- Exacerbation of social and digital exclusion
- Need for new solutions to respond to the emergency (e.g. shielding; volunteering; isolation & support apps)

- Increased collaboration, data-sharing and analysis between partners.
12. Compared to the previous year, COVID resulted in huge increases in social media usage (127% increase in Twitter and 183% increase in Facebook reach); an 80% decrease in face to face visits to council offices, coupled with 164% increase in use of the web chat service and a 70% increase in automated telephone payments.
13. Many application processes also moved online including 99% of building warrants received online (78% in previous year); 92% of planning applications (81% previous year) and 90% of new COVID business grant applications. Online booking systems were also developed to allow the public access to much-in-demand civic amenity site slots and e-forms and dashboards were used to track progress on support for shielded residents and those asked to isolate under Test & Protect.
14. Face to face transactions also moved online, with remote death registrations introduced in March 2020 and documents able to be submitted online for the first time. In addition, Council meetings and the Education Appeals process were held online via Teams.
15. In an unprecedented shift, our Education service moved online with teachers and support staff supporting young people to participate in digital and remote learning during periods of lockdown and self-isolation. A minimum of 86% of pupils engaged with this online learning on a weekly basis in May 2020, rising to 95% in February 2021.
16. The majority of HSCP services continued to be delivered throughout the period of the pandemic, with adapted approaches. Modified service delivery, typically through greater use of digital communication, dealt with the restrictions of face to face contact. Social Workers maintained contact with families via WhatsApp, Zoom and telephone. Video calls became a common way for workers and clients to communicate and residents and families to interact. Online and telephone appointments became the norm.

Digital Inclusion

17. The Council participated in various phases of the national Connecting Scotland programme which provided people on low incomes and in target groups with access to digital devices, connectivity and support to develop their confidence and skills online. By the end of May 2021, over 2000 digital devices, many with free WIFI will have been distributed to households across East Renfrewshire over the last year. This included 623 chromebooks and 51 MIFI (mobile wifi) devices provided to pupils via the Connecting Scotland education programme and the 709 devices (376 chromebooks and 414 ipads) with free MIFI to be distributed via 28 council and partner services to households across East Renfrewshire as part of the broader Phase 1 and 2 Connecting Scotland programmes. These have targeted those at a higher clinical risk due to COVID; older people; people with disabilities and families, with low income being a key criteria. Phase 3 of the Connecting Scotland programme is likely to be launched before the summer with around 23,000 devices being available across Scotland.
18. In addition, a further 50 devices and free MIFI are currently being distributed to low income households, again identified by council services and partners and a further 700 chromebooks will be distributed shortly by the Education Department using one-off COVID-related funding allocated to the Council from the Scottish Government.
19. The voluntary sector has also provided devices and free WIFI utilising a range of COVID related funding and other resources they have access to. This includes Voluntary Action East Renfrewshire, East Renfrewshire Good Causes and Barrhead Housing Association who together managed a digital inclusion fund which complemented the Connecting Scotland Programme. The Department of Work and Pensions has also been providing digital devices to job seekers through a discretionary programme.

20. There is of course potential for this shift to digital services to have exacerbated social and digital exclusion. Where required, all benefitting from the Connecting Scotland programme, have had the support of a digital champion to ensure they have been able to use the devices. The pandemic has also been a catalyst for the formation of a more formal Digital Inclusion Partnership for East Renfrewshire, with quarterly meetings across a range of partner agencies aimed at ensuring no-one is left behind by this renewed digital focus. This partnership will continue to meet and will focus on communication and support to ensure that local residents have the confidence, skills and tools to enable them to benefit from being digitally connected. The most recent Citizens Panel included a new question set on digital access and use and there will be further engagement on digital inclusion to inform the work of the partnership.

21. Work was also undertaken to support local businesses with their own transitions to a digital world, through the Digital Boost scheme, which offered consultancy, training and support to help businesses adapt and change.

Change Programmes

22. Each department continues to support council-wide programmes of change including the Office 365 rollout, further development of our information management/governance approach and the development of a data programme. The pandemic brought significant opportunities to develop our approaches in these areas including the development of dashboards, mapping and reporting tools to monitor progress and impact of the pandemic in East Renfrewshire.

Environment

23. Since the last MAP progress update in April 2019, structural and role redesigns within Neighbourhood, Property, Technical, Roads, Corporate Health & Safety and Economic Development have been completed. Housing Services have also completed the first 2 phases of their structural and role redesign, with a third phase underway, due for completion by the end of 2021.

24. The creation of the Change & Governance function has also brought together the existing Environment departmental functions of Business Intelligence, Digital, Business Support, Customer Relations and the Change Team.

25. There are a range of digital and ICT system developments and changes underway in the Department. These include:

- The deployment of in-cab telematics for the Neighbourhood Services team is complete. This has facilitated better digital communication between managers/supervisors and operational staff in relation to the day-to-day delivery of services, such as refuse collection and special uplifts, with digitisation of 6 processes to date, customer booking of slots and online tracking of jobs now available. This has removed significant manual processing and administration and improved customer service. There is further potential for route-optimisation efficiencies to be realised from the 25 bin lorries which now have these in-cab telematics.
- The replacement of the Housing ICT system, which will enable mobile/remote system access via hand-held devices for key staff and deliver a customer self-service portal.
- The Roads Service is developing its asset management system which has enabled mobile/remote access 'in the field' via hand-held devices for officers undertaking lighting tasks and processes and is now being widened for those undertaking routine maintenance duties.

- Property Services have also reviewed the capabilities of their asset management system and are developing improvement projects to make better use of current modules and consolidate property/asset-related information and data within the system.
- The Corporate Health & Safety team have implemented a new health and safety management system which improves information on audits, inspections and risk assessments and simplifies reporting action tracking.
- The Department also continues to work with the Core System team to develop interfaces between the Council's new finance/procurement system and various departmental systems. This will enable more efficient and effective purchase-to-pay processes and improve financial tracking and reporting.

26. The Roads Service and Neighbourhood Services are working with the Council's Digital Customer Experience programme to transfer existing digital customer and back office processes, including online forms, to the new customer experience platform. This has included successfully transferring the 'missed bins' and special uplifts processes.

27. A project to digitise cemetery records is also underway and includes the use of digital technologies to record condition and safety details of headstones within cemeteries

28. The department continues to work with the Digital Office and their partners around expanding opportunities for use of the Internet of Things Scotland (IoT) technology. The purpose of which is to deploy a wireless sensor network across services to harvest data to inform service delivery and data-led decision-making.

29. Roads temperature sensors were deployed to support the winter gritting programme in 2020. Further work is ongoing to explore the potential of sensors to monitor grit/salt bin capacity and vehicle grit-spread in order to achieve further efficiencies.

30. The Council have recently deployed IoT sensors within the Barrhead building due to COVID-19. The purpose of which is to monitor airflow and to regulate temperature across the building to ensure a safe working environment for staff. The deployment of IoT sensors within our Education schools estate will also help to monitor CO2 and ventilation levels in order to gain insight from air quality data. This is particularly important during the COVID-19 pandemic.

31. There are further IoT opportunities being explored around smart street lighting, waste management and building management for property services.

32. Wearable technologies are also playing their part in improving compliance against health and safety standards within the Roads Service, with technologies now helping to reduce the likelihood of conditions like 'white finger' which can result from hand/arm vibration syndrome and also supporting the implementation of social distancing for frontline workers.

33. The Environment Department has also set up an internal mapping portal using the corporate Geographic Information System, ESRI, which gives all staff access to all the Council's spatial datasets. Over 100 searchable maps are available on this Portal, including Planning Applications, Land Ownership (this map has been viewed over 1600 times, removing the need for direct contact with the Council's Estates team). Historic maps, and aerial photography are included. This tool is also used for collecting and surveying Council assets and supporting community consultations. ESRI Dashboards are used, for example to give real time displays of COVID data and HR COVID Absence Data. There are also maps available to the public, including the school catchments, ward information, polling places, adopted roads, winter maintenance programme (gritted streets and grit bin location) and street lights (making fault reporting easier and more accurate).

34. The Council has also been lead on an ESRI project involving all 8 City Deal councils, which mapped all city deal projects and investment areas (e.g. new houses, new businesses etc) for sharing with utility companies allowing them to plan for the services required and reducing project delays.

Education

35. The Education Department's focus over the last 18 months has been on supporting young people and staff with learning during the pandemic. This included online and remote learning; moving to online meetings for Placing Request Appeals and new approaches to parental engagement including Parents' Evening appointments via phone rather than face to face. A new app to allow pupils to pre-order meals was also introduced across high schools at the end of 2020, reducing queues and helping pupils maintain social distancing.

36. Schools use a range of, increasingly digital, methods for keeping in touch with parents which helps minimise paper; rekeying and improves accuracy of information. Pre-pandemic the Department's digital journey included launch of the national Parent Portal which improved access to information for parents and reduced manual processes in schools. As of December 2020, 7847 parents had linked 11,855 children through the portal. This built upon the huge uptake of the Parent Pay system where parents could pay online for school meals, trips, charity donations etc rather than find cash to send into schools. The Department also makes use of the national gov.notify service to facilitate text messaging across a range of services to communicate with parents.

37. For the first time a new online application form for 3-4 year old nursery admissions was launched in January 2021 as well as a new online process launched for Primary 1 and Primary 7 document submission, reducing time for parents and school/nursery administrative staff.

38. The department is part of the national project to introduce the SEEMIS Early Years platform and are currently preparing data cleansing and migration for the new system.

39. The department was part of a pilot with Strathclyde Passenger Transport (SPT) on the new school transport management package, which has now been rolled out to the remaining authorities. This provides families with the opportunity to book spaces depending on school timetables and gives enhanced management information, allowing easier integration with existing information sources and business processes.

Health & Social Care Partnership

40. The focus of the HSCP over the last 18 months has been to keep life and limb services operating under the pressures of the pandemic. This has involved moving to greater digital communication, replacement of face to face appointments wherever possible and finding new and innovative ways to stay in touch with vulnerable clients and families during periods of isolation, lockdown or social distancing.

41. The HSCP's Fit for the Future project was closed in August 2020. Its original savings target of £954k was delivered, with an additional savings target of £250k delivered as a full year saving in 2020/21 as referenced in the IJB Budget report 2020-21. The project delivered significant financial savings but also changed the organisational structure to strengthen the link between strategy and operations and enabled the HSCP to develop a stronger locality focus. New roles in relation to strategic planning, market facilitation and improvement capacity are now embedded in the locality structure.

42. The HSCP is now discussing post-pandemic change and transformation priorities with the IJB. This will include a focus on people who use HSCP services – reviewing client journeys; use of technology to support people to remain safely at home; service redesigns; and continuing to develop the online appointment model where appropriate. There will also be

significant work on ICT systems and processes and workforce planning including Care at Home redesigns and use to technology to support the frontline.

43. A new project to replace the existing CareFirst system with a new Case Recording solution is now in its early stages. This project represents significant undertaking for the HSCP Change Programme in terms of its size and scale.

Corporate & Community Services

44. The Corporate and Community Services (C&CS) Department has a dual role in change and transformation – firstly to lead the Council's corporate approach in terms of digital, ICT provision and strategy; our customer experience programme; the Core Systems programme; organisational development and workforce planning; development of the data programme and overall governance through the Programme Management Office; and secondly to drive transformation in the Department's own services.

45. The digital programme has continued to be dominated with the replacement of major ICT systems, driven by contracts ending or support coming to end of life. There is a significant resource requirement both within services and ICT to implement these new systems, which can be a challenge to balance with transformational projects and the ongoing stability and security needs of our network. The Council's new ICT Strategy is currently in development focusing on the themes of performance and stability; customer service and enablement of transformation.

46. The Core Systems Programme has been one of the main programmes of change in recent years with significant workload and impact for C&CS teams including HR/Payroll; ICT; Accounts Payable (formerly known as Creditors) and Accounts Receivable (formerly Debtors). The Core Systems project team is also line managed within the C&CS Department and structural and budget proposals are currently being developed for when the project team contracts end in March 2022.

47. In addition the recent replacement of the legacy Council Tax and Benefits ICT system has been resource intensive and complex in recent years. This project has been one of the first to utilise new service design and user engagement techniques, using Teams for remote testing of the new system during the pandemic. Following a COVID-related delay in 2020, the system went live in December 2020 and annual billing for Council Tax was completed for the first time in the new system in March 2021. The focus of the next year will be to stabilise the new system and refine our end to end processes for efficiencies whilst also implementing an associated customer portal.

48. The Digital Customer Experience programme launched a new user-centred council website in July 2020 with excellent customer feedback. Whilst engaging on development of a new Customer Experience Strategy for the Council, the programme is now focused on the implementation and integration of a new customer experience platform with online customer forms that meet government and data standards. The national mygov.scot account will be used to verify citizens and give a single sign-on for access to Council services, giving a consistent look and feel. The Council Tax and Benefits Citizen Access portal will be the first service to go live later this year.

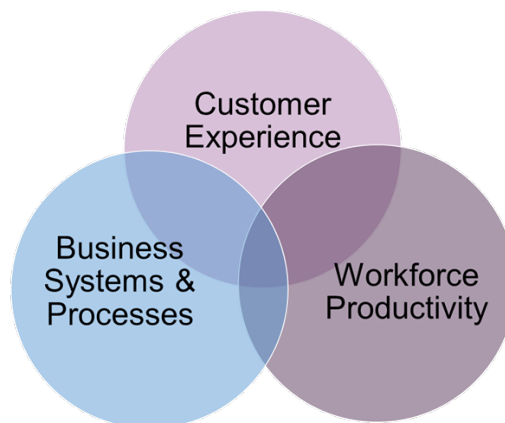
49. The Department oversees the Office 365 programme which has enabled the transition to homeworking during the pandemic, supported virtual training, employee engagement and social connection. This is now a key priority area to leverage further gains from workforce productivity as we consider what the pandemic will mean for the way we work in the future. This will involve information governance, technical and digital skills considerations.

50. From a wider skills development perspective, our Organisational Development and PMO teams have worked together with the Scottish Digital Academy to train over 100 employees in user research and the Scottish Approach to Service Design. In addition, more than 30 Digital Champions have been established across the organisation to support employees to make the most of technology. From a workforce planning perspective, there will be a focus on building the organisation's digital, data and technology (DDaT) skills.

51. In terms of the data programme, good progress is being made in information governance, data protection and information security, which are critical legal responsibilities and also an essential foundation for building future Office 365 potential. This year has demonstrated the potential of data in terms of dashboarding, mapping and reporting of the impact of the pandemic locally and helping to proactively meet the needs of vulnerable residents such as those shielding. This year has seen completion of a contracts register which will give managers a single view of all contracts including timeline, spend, value, and procurement route. There is huge potential that can be derived from consideration of data as part of all projects. Benefits will include improved customer service; improvements in performance and cost management; reduced rekeying; improved automation; early intervention and predictive modelling.

OUR FUTURE PROGRAMME

52. Our digital transformation strategy for 2021-2024 is based upon moving forward on 3 fronts. Summaries of each area are given below and there is further detail at Annex 2.



Customer Experience

53. The vision for this area is to provide a consistent, efficient customer experience, designed with the user at the heart.

54. To achieve this there will be a clear, organisation-wide Customer Experience Strategy, with the new website and customer experience platform as the foundations for improved customer experiences across the Council. There will be streamlined digital processes, including booking, scheduling and payments, designed end-to-end in an inclusive way using the Scottish Approach to Service Design (SAAtSD). New technologies will be used to improve the customer journey, based on customer preference, with support available for those who need it.

Business Systems & Processes

55. The aim in this section is to have efficient and effective business systems and processes enabled by digital technology and optimised across the Council.

56. This will build on the Core Systems programme which saw the successful implementation of new finance/procurement and HR/payroll systems. The opportunity now is to optimise the systems as the foundation for end to end process improvement across the Council, linking to other line of business systems to join up information flow, reduce duplication of effort and maximise the benefits we can get from our systems.

Workforce Productivity

57. This last theme is about increasing the productivity and effectiveness of our workforce, enabled by Office 365 capabilities.

58. The pandemic and the resulting need to work at home wherever possible, was a significant catalyst in developing the Council's use of Office 365 capabilities and, in particular the Teams environment which facilitates online meetings, video calls, shared team sites and messaging. This theme is about embedding and enhancing our use of these tools to create, communicate, collaborate, store, plan, automate, analyse and report. There are important information governance and technological considerations as part of this development and there will be further digital skills and cultural work to be undertaken to support and encourage use of the tools available and embed new ways of working.

59. Office 365 is what is known as an 'evergreen' product suite, which will be subject to constant evolution and growth worldwide. This will bring new challenges for the Council in terms of forward-planning and resourcing and for both ICT and services as they get to grips with what this new environment will mean in terms of new functionality with automatic updates and releases from the suppliers which may have impact on our network infrastructure.

How We Will Achieve This

60. Each of the 3 areas underpinning our digital transformation strategy have commonality in terms of a focus on end-to-end processes; a commitment to involve users at the heart of service design; the need to focus on benefits realisation and achieving a good return on investment as well as ensuring sound financial and data governance and ICT security at the same time as achieving fundamental change. In addition, there is an underlying need to develop the Council's workforce in terms of digital, data and technology skills.

61. Whilst challenges continue to be faced in terms of capacity versus ambition and complexity of many of these programmes of work, we are more conscious than ever of the importance of prioritising this work to achieve best use of scarce resource. We will make more use of agile project methods to provide a more incremental way to manage change based on user needs and focused on chunking projects to get value to those who use the service as quickly as possible. This will require a shift in culture, new ways of working and skills development.

62. Departments are currently engaged in a process of project prioritisation looking at what the Council needs and wants to deliver as part of its digital transformation journey over the next period. Looking at the projects in the round like this will help us assess the linkages and sequencing of projects; the scope for use of national platforms or solutions where possible; to plan resources; identify gaps or challenges and ensure a balance of delivery and benefits realisation across each of the 3 fronts of our digital transformation strategy.

63. Subject to the detail of the project prioritisation exercise and resulting resourcing discussions, it is anticipated that key MAP areas for the next 3 years will include:

- Implementation of the new ICT and Customer Experience strategies.

- Maximising the benefits from the new Finance/Procurement, HR/Payroll and Council Tax/Benefits systems, including putting in place new service structures to take control of the new systems once the Core Systems dedicated team comes to an end by March 2022.
- Significant development of our HSCP infrastructure with replacement of its case management system; the analogue to digital telecare programme and a retendering of the Care at Home platform. In terms of resources and significance this will be as fundamental a change as the Core Systems programme has been in recent years.
- Transformation of education infrastructure through the replacement of SEEMIS with two new systems: SEEMIS Schools and SEEMIS Early Years across all education establishments (and external funded providers) with the migration of approximately 20,000 pupil records and files and retraining of all school and early learning and childcare based staff.
- Developing our Digital Planning processes as part of a national programme driven by the Scottish Government.
- Shifting the profile of how we work, looking at our office buildings, our workforce cultures, the technologies we use (including Office 365) and how we can develop to be fit for the future, building on our experiences of work during the pandemic.
- Developing new approaches to data, insight, reporting and dashboarding.
- Reconfiguring the Programme Management Office (PMO) to ensure that robust programme governance, planning and benefits realisation is in place across the MAP portfolio and to assist resource planning and skills development across the Council.

IMPLICATIONS

64. It is clear that there has been significant progress in recent years, and particularly across the pandemic period, in delivery of the Council's digital strategy. Our aspirations to continue our ambitious modernisation journey remain as important as ever. Change and transformation across an organisation as diverse as a council is a complex area. The use of equality/fairness and data protection impact assessments is a routine part of projects. Budget challenges mean we have to clearly prioritise our activities and resources to ensure we deliver benefits from projects, that they contribute to future savings opportunities and that they improve the experiences of local residents and reduce bureaucracy. Learning from other's successes (and failures) will also help us transition quicker and save rework.

FINANCE & EFFICIENCY

65. Whilst significant savings have already been achieved, the very difficult financial circumstances facing councils are expected to continue for the foreseeable future so the scale of change will need to be maintained. Under the banner of our MAP programme we are implementing a range of "enabler" projects and service redesigns which will help us achieve significant savings in future years. A total of close to £11.8m (67%) of the 2018-21 agreed savings (including almost £4.4m (59%) for 2020/21) arose from efficiencies, through the Council's MAP programme or as a result of our focus on the Council's 5 capabilities.

66. Savings plans for future years will be developed by the Corporate Management Team on the basis of the Scottish and UK budgets. Each department, through its own change

programme to modernise and digitise services, contributes to the delivery of the overall MAP programme and to the Council's savings targets.

67. There is also a need to balance the pressure for savings with the need to invest in our ICT systems and development and also in reshaping the skills of our workforce in terms of digital, data and technology.

68. Departments continue to make good use of the Modernisation Fund to augment project resource and Spend to Save options also remain available.

CONSULTATION & PARTNERSHIP WORKING

69. The progress and ambitions outlined in this paper relate not only to the Council but also to the wider 'family' organisations of the HSCP and the Culture and Leisure Trust. We will continue to work together to progress the key priority areas for change and to share lessons learned and plan resources.

70. In March 2021 the national Digital Strategy for Scotland was published, having been developed jointly by the Scottish Government and the Scottish Local Government Digital Office. As we move forward with our own digital transformation priorities we will explore collaborative opportunities to work with other organisations to learn from their successes; fast-track our own journey and make best use of transformation resources. Other key partners will include Scotland Excel, who are working hard to join-up procurement and contractual opportunities across the public sector.

71. User engagement in service design, internal as well as external, is a key principle of our digital transformation journey. We will utilise the Scottish Approach to Service Design wherever possible to put users at the heart of change.

CONCLUSION

72. Today's report demonstrates the very broad range of areas being progressed and the commendable delivery and development of the Council's digital strategy in challenging circumstances.

73. The pace and scale of change across the Council and HSCP remains significant. This is driven by pressures on budgets; statutory and contractual obligations and our own ambitions for digital modernisation and improved user experience. Prioritisation, resource management and good governance will be key to the next stages of our digital transformation journey, with a focus on customer experience, our business systems and processes and capitalising on the use of Office 365 capabilities to enhance the productivity of our workforce. This will be especially relevant as we recover from the pandemic and move forward into a phase of renewal.

RECOMMENDATIONS

74. It is recommended that Cabinet:

- a) Notes the good progress across the Modern, Ambitious Programme (MAP) including the core systems, digital and departmental programmes.
- b) Commends the achievements of the Digital Strategy 2016-20 (Annex 1) and notes the impact of the pandemic in accelerating key aspects of our digital delivery to enable our services to keep operating effectively over this challenging period.

- c) Agrees the 3 priority areas of the Council's digital transformation strategy for 2021-24: customer experience; business systems and processes and workforce productivity and that these will be underpinned by a more detailed roadmap for change which will be developed on completion of project prioritisation and resourcing work.

Caroline Innes, Deputy Chief Executive

Report author: Louise Pringle, Head of Communities, Revenues & Change, 0141 577 3136.

BACKGROUND PAPERS

- Education Department Report on the Quality of Remote Learning, Education Committee 11 March 2021
- Core Systems Implementation – Progress Report, Cabinet 3 December 2020
- Annual Efficiency Statement, Cabinet 15 August 2019
- Update on Modern, Ambitious Programme (MAP), 25 April 2019
- Update on Modern, Ambitious Programme (MAP) & Digital Strategy, Cabinet 21 June 2018 & Council 27 June 2018

East Renfrewshire Digital Strategy 2016 - 2020

Project closure report
January 2021



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2. Covid-19 impact
3. Challenges
4. Digital council outcomes
5. Digital services: summary
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9. Digital services: Culture and Leisure Trust
10. Digital services: Health and Social Care Partnership
11. Digital workforce: summary
12. Digital citizens: summary
13. Digital citizens: Covid-19 impact
14. Supporting businesses
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Progress of the Digital Strategy

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Positioning

2016 – 2020 strategy has delivered significant progress against the ambition to become a 'Leading Digital Council'.

Integrated

Digital is integral to operations, supporting the delivery of the Modern Ambitious Programme.

Enabler

Digital is an enabler across the organisation.

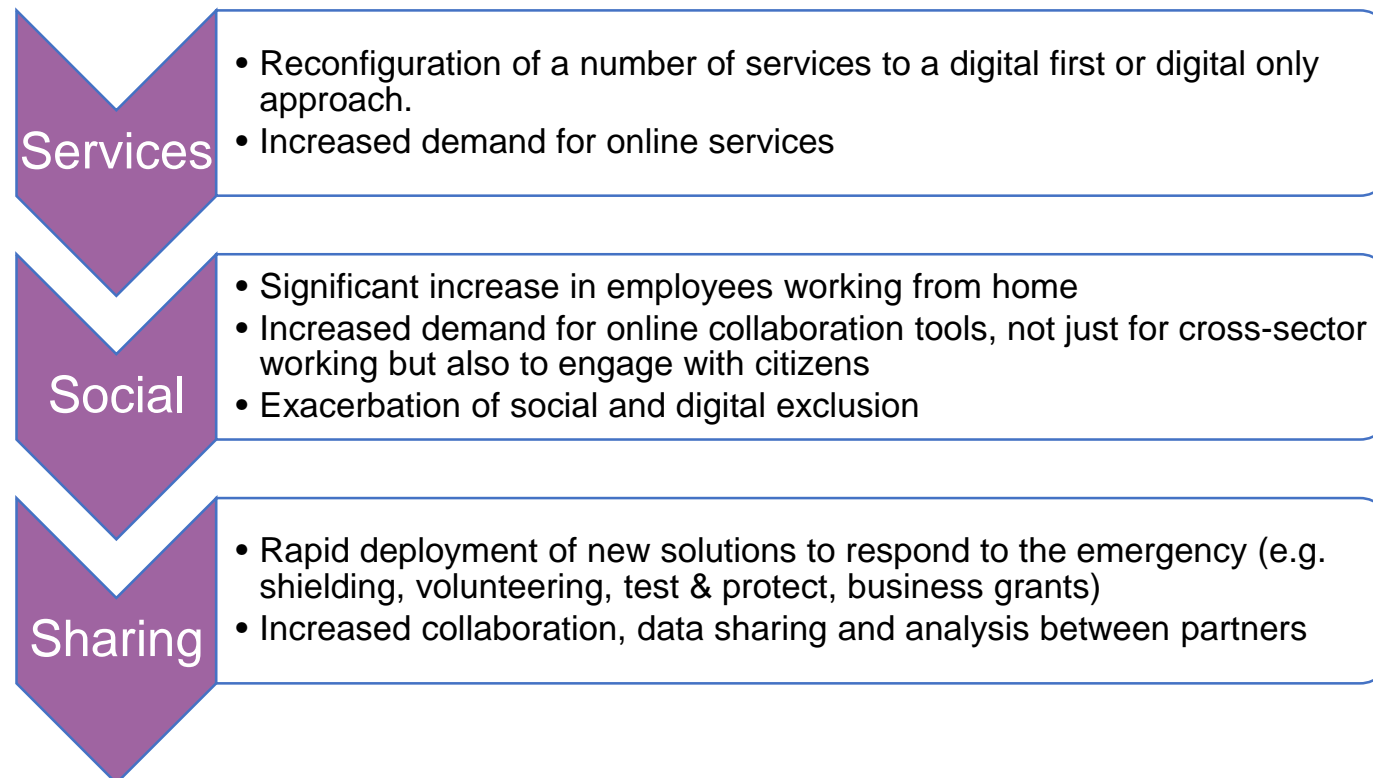
Guiding principles

A range of cross cutting transformation themes developed from the strategy will help the organisation to deliver future ambitions.



Covid-19 impact

- The Covid19 pandemic and the events surrounding it may change the way that we work and live forever
- It has been necessary to consider existing strategies and plans and their relevance to the changing world
- The expectations of our employees and our citizens are evolving rapidly and as an organisation, East Renfrewshire Council faces the challenge of adapting and supporting at a time of significant financial pressures
- During the pandemic the Council has seen rapid change in the following areas:





- Scale, scope and number of projects
- Objectively prioritising projects
- Establishing baseline data
- Defining measurable benefits
- Culturally embracing measurement of change/ benefits
- Creating a culture of outcome ownership
- IT contracts and systems unsupported
- Limited resources
- Reduced budgets
- Covid-19 pandemic



Digital Services



All services are digital by design and use data analytics

Digital Workforce



We have a digitally capable workforce with a modern working environment

Digital Citizens



Communities engage digitally with the Council



Digital Foundations

Enabling technology supports our digital outcomes



Successful outcomes - highlights

- ✓ Established a foundation to develop user centred digital services
- ✓ New Digital and Data Board established
- ✓ Core Systems programme delivered under extreme circumstances
- ✓ New website launched July 2020
- ✓ New Council Tax and Benefits system launched Dec 2020
- ✓ 100% of Building and Planning applications online and new app for officers launched
- ✓ Digitisation of six Neighbourhood Services processes
- ✓ 25 bin lorries fitted with telematics for service optimisation (65k service transactions)
- ✓ H&S digital technology deployed within the Roads Service machinery
- ✓ Digitisation of parental communication and launch of the Parent Portal (50% of pupils now linked to Parent Portal account)
- ✓ Parent Pay launched and handled £3.9m in payments, 200k transactions
- ✓ 86% of pupils engaged with online learning on a weekly basis during the first lockdown





Citizen experience

A new Customer Experience Management (CXM) platform has been purchased and the focus of the Digital Customer Experience (DCE) project has been to migrate processes from the existing Meritec and Lagan IT systems. An online form standards framework has been created to ensure that all forms are created in a standard way that aligns to the Government Digital Service (GDS) standards. The team are working with services to review all online forms against the framework and ensuring they adhere to ERC's data obligations of data minimisation and privacy by design. Essential updates to forms are being identified to allow current forms to be transferred to the Goss platform.

Citizen portal

The vision is for citizens to access all services through a single portal, providing a consistent look and feel. The Goss platform will use the national mygov.scot account to verify citizens.

The portal is currently being tested and expected to go live in March 2021 with Revenues and Benefits to be the first service to go live.

Process improvement

The pandemic saw many services moving to accept electronic versions of evidence to minimise face to face contact.

Remote Registrations were available from 26th March and the Scottish Welfare Fund accepted scanned documents via Whatsapp. It is expected that this will accelerate a move towards more digitised processes in the future.

New user centred website launched in July 2020 with fantastic user feedback.

Digital Services: Core ²⁵² Systems



Major IT System Replacement

The digital programme continues to be dominated with the replacement of major IT systems, driven by contracts ending or support coming end of life. During 2020, the Council has launched new Revs & Bens, CRM, Finance and HR & Payroll systems.

Within the next 3 years, resource will be required for future phases of the Core Systems programme, a new Housing management system and SEEMIS amongst others.

There is a significant resource requirement both within services and IT to implement these new systems, which limits the opportunity to invest time in transformational projects. Services will be encouraged to take a user centred design approach to the system replacements, providing greater benefits to both the organisation and the user.

Core Systems

The Core Systems programme has been a huge focus of the council's change capacity over the last 2 years and involved services across the Council, Trust and HSCP. The projects are highly complex, requiring financial controls and data protection compliance to be paramount. Both the Finance/Procurement and HR/Payroll systems are now live and remain in budget for the overall programme.

The delivery of two such significant projects at the same time would have been remarkable during "business as usual" but with key teams working from home and all the service pressures of COVID, this is an amazing achievement.

Early benefits are being realised from the Finance and Procurement system in terms of self service, digitisation of processes, elimination of spreadsheets and tighter financial controls.

Council Tax & Benefits System

The replacement system went live in December 2020, a slight delay due to the impact of the Covid-19 pandemic. New ways of delivering training and engaging with users are being designed to fit with social distancing rules. The project replaces an aging IT system with one that will be more user friendly. It is expected that within phase 1, all processes will be reviewed and redesigned to remove duplication and automate where possible.

Benefits are already being felt by the service in terms of ease of reporting and access to data. A more structured approach to training will also help to improve staff confidence and capability. Customers should benefit from faster processing times, reducing the frustration which can be felt at times with waste and unnecessary processes. Further benefits will be realised in Phase 2 with the implementation of an online portal allowing customers to manage their own accounts, providing staff with time to focus on more complex issues or supporting vulnerable customers.





Digital Neighborhood services

Since the implementation of a workflow system, Neighbourhood Services have digitised 6 processes totalling 20k transactions including special uplifts.

The process previously required significant manual intervention with forms being printed, sorted, copied and then passed to the crew to collect. The outcome of each job was then written onto each form and passed back to admin support for input. Integrating with the existing CRM system and the creation of business rules has allowed the jobs to be sorted and allocated automatically. Updates direct from the in-cab devices notify back office staff on the progress of the job.

Customers are kept up to date with the progress of the job through either text or email. The digitisation has resulted in a significant reduction in admin time of more than 1 day per week. Since the pandemic, the process has been further developed to allow customers to book slots for uplifts.



Smarter bin lorries

25 bin lorries have in cab telematics which provides a foundation to implement route optimisation which may deliver significant efficiency.

A list of all the bins to be emptied is sent to operatives with information on job complete and outstanding sent back to the supervisor automatically.

Since implementation, there have been more than 65k transactions in this process alone.



Automatically safer

Wearable tech within the Roads service monitors machinery against H&S standards. When using appropriate machinery, employees wear a watch and an alarm goes off when the standards are breached.

Operatives are consequently less likely to suffer from conditions such as white finger. Centrally stored information makes it easier to access, limiting Council liability. This has been updated to support social distancing for staff in the Roads team.





New ways of working: Placing request appeal meetings

During the pandemic, it was necessary to find an alternative way to hold placing request appeal meetings. These are meetings with a number of internal and external attendees which have to be held within a specific timescale.

A new process was developed to enable these meetings to be held remotely via conference call. This has been a fairly complex process with training and support required for Elected Members, parents and panel members.

Feedback from the service is that could change the way that these hearings are delivered in the future, as this is a more efficient way of working for all parties.

Digital communications

Education make use of a variety of ways to keep in touch with parents including text, email and the use of IVR/telephone routing.

This blended approach enables schools to get messages to parents in an appropriate and timely way. Communication methods are regularly being reviewed to improve effectiveness and reduce costs.

Education are also now using the gov.notify service to facilitate text messaging across a range of services, to communicate with parents including free school meal provision during lockdown, Early Years, Admissions, School Transport and Education Maintenance Allowance.

Parent portal launched

The new Parent Portal has gone live with a large uptake in this functionality, more than 10k pupils are now linked to an active parentsportal.com account which represents more than 50% of the pupils in East Renfrewshire. This will improve access to information for parents and reduce manual processes within schools.

86% of pupils engaged with online learning on a weekly basis during the first lockdown

Digital school dinners

A new app to allow pupils to pre-order meals was introduced across all the high schools in ERC towards the end of 2020. This reduces queues and helps to maintain social distancing.





'Open More' - enabling out of hours library access

Uses technology to access Clarkston Library using swipe cards to authenticate citizens who can borrow items via kiosks.

- ✓ The system controls the lights and alarms.
- ✓ Feedback from customers is that wifi and computers are most in demand.

Smart swimming

- ✓ Learn 2 allows swimming teachers to mark up learner progression in real time.
- ✓ Can be accessed via a tablet or smartphone and information syncs at the end of the lesson
- ✓ Allows the parent to check a child's progress almost instantly
- ✓ Reduces admin time for both staff and the public.



Online booking for sports classes launched

Booking processes improved and a mobile app developed. This has all helped to drive channel shift, moving bookings which would have been made over the phone or in person to online. This activity was accelerated by the pandemic.

Box Office: digital ticketing

Customers can access Box Office via an app on their phone, which scans the bar code and provides the Trust with real time visitor numbers.



Virtual bucket list

The Virtual Reality project within Libraries is a great example of how technology can be used to enrich lives. The team secured funding to purchase VR high quality headsets and began working with groups of older people and people who have dementia. The concept was advertised as "Come and do your bucket list in your local library". The VR experience can take people on a walking tour, to places where they have never been or back to places which evoke positive memories and emotions. The apps also allow you to participate in experiences such as jumping out of airplanes or swimming with sharks. The initiative reduces social isolation and loneliness by bringing people together as a groups to share experiences.



HSCP Services

The majority of HSCP services continued to be delivered throughout the period of the pandemic, with adapted approaches. Modified service delivery dealt with the restrictions in face to face contact and group work, typically through greater use of digital communication.

Social Work contacts

Social workers maintained contact with all their families, making greater use of telephone, Zoom and WhatsApp to stay in touch.

Care placements

With significant pressure on care placements for children and young people, virtual fostering and kinship care panels were established to support arrangements.

NHS 'Near Me'

Has been used by local GPs, other practice staff and some physios to conduct appointments online. Remote access is also used in Primary Care.

Virtual Visiting

There has been work with care homes including Bonnyton House to promote contact between relatives and residents through technology including via tablet devices.

Hospital In-reach

Hospital to home teams have undertaken reviews and participated in ward meetings virtually.

Video calls

Care Homes and social work teams have made significant use of video calling to keep up communication with families. The Child and Adolescent Mental Health Service (CAMHS) activity continued with young people seen via 'Attend Anywhere'. Multi Agency Public Protection Arrangements (MAPPA) also continued, with the Police, via teleconference.

Digital Workforce: Summary ²⁵⁷



2000 Council & Education staff are being supported to work remotely

Digital Academy

100 employees in total have attended training provided in User research and Scottish Approach to Service Design. 15 employees have attended Agile for Teams.

“Insufficient staff capacity and digital skills are the most significant barriers to change”

Skills audit

A digital skills survey was carried out to help to establish a baseline, identify gaps and generate ideas for future learning and training offer. Led by OD team.

Audit Scotland: Digital Progress in Local Government Jan 20201

Dedicated Role

Dedicated Digital Learning Officer to support the roll out of digital skills.

Microsoft 365

Huge uptake in use as it enabled the transition to home working during pandemic, supported virtual training, employee engagement and social connection. Staff personas have been developed and are being used to target training activities

Digital Champions

More than 30 Digital Champions have been established across the organisation and have played a key role in supporting employees during the pandemic to make the most of their technology. Recent remote training has included an overview of Teams and MS Planner with more than 100 staff attending.



Digital inclusion

The public wifi pilot implemented wifi in three buildings, Fairweather Hall which had no wifi capacity, Linn Park which allowed connectivity to an ERC sheltered housing complex and Mearns Library. Fairweather Hall is hired for community and leisure activities and over the 3 month pilot, approximately 200 unique devices connected to the wifi each month. Given that the building is only utilised during times when it is booked, figures are higher than expected and reflect the expectations of the public around availability of wifi.

Within the sheltered housing complex, as expected, adoption was slower but 12 unique devices were connecting by month 3, access in this pilot is to residents who may have been otherwise excluded from connectivity. As staff, residents and families become familiar and more aware of the service, the expectation is that use of this service may grow. Within the Mearns library, the wifi replaced existing connectivity with a poor user experience and as a result the library saw a four-fold increase in connections from an average of around 90 per month to approximately 400 per month.

Citizen engagement

The Council Tax and Benefits project has continued to engage with citizens as part of the user centred design approach using Teams for remote testing.

Customers were asked to provide feedback about what they liked or disliked or would change or improved. This has helped to design and shape the “To Be” processes and will deliver a better customer experience.

Digital Citizens: Summary

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Digital Inclusion during the pandemic has become a priority to support remote learning, help people access services and tackle loneliness.

665
devices
with
free
wifi
provided



110
devices
in
progress



623
Chromebooks
loaned via
schools



51 mifi
boxes to
enable
free wifi



Connecting Scotland

As part of the Covid19 response, the Scottish Government launched the “Connecting Scotland” initiative to provide devices, connectivity and support to those most in need within society. Local Authorities have been at the forefront of this initiative with ERC leading nationally.

Digital Inclusion Partnership

Group established in 2020 with focus on supporting the delivery of the Connecting Scotland programme. Support has been focused on low income residences and those who are vulnerable/shielding. Local partners have helped to identify clients who would benefit including those with mental health issues, elderly, disabled and care leavers.

Research

Research conducted with 41 Connecting Scotland beneficiaries and other residents and staff across the partnership.



65% using device
daily
33% once a week

Benefits

Keeping in touch
Progressing study
Take part in groups which would normally meet face to face



The group is currently agreeing future partnership priorities and actions. This is likely to include a **local campaign to raise awareness** of free digital access and promote going online. Further work will also be done to **build confidence and capacity of those providing digital support**



Compared to the same period last year...



316% increase in messages through Twitter
127% increase in Twitter reach



258% increase in messages through Facebook
183% increase in Facebook reach

164% increase in use of Live Chat
70% increase in automated telephone payments
38% increase in contact via social media
47% increase in email
19% increase in enquiries to Money Advice & Rights Team (MART)
12% increase in phone contact

Increase in referrals to:

- Scottish Welfare Fund
- Voluntary Action East Renfrewshire (VAER)
- foodbanks
- Connecting Scotland

Our best performing posts were on changes to:

- refuse collection
- placing requests
- mental health advice
- hub schools
- the Council's humanitarian food hub
- business support grants
- schools making facemasks for frontline workers

80% decrease in face to face visits
82% decrease in face to face cash payments



DIGITALBOOST power up your business

- Through the Digital Boost Programme businesses can access free digital consultants, online training and a wide range of support to help their business adapt and change.
- Since the start of April 2020 Business Gateway have delivered 11 Digital Boost Webinars with 170 attendees, with topics ranging from Facebook, Video production, Hootsuite and Instagram. There will be a further 13 workshops delivered before the end of the financial year.
- We have directly supported 8 businesses with 23 days of 1-2-1 expert Digital consultancy support to develop their web presence, ecommerce, social media and digital strategy and a further 28 days support will be delivered in the coming months. Part of the 28 days will be to support the 'Shop Local' campaign, with 8 businesses who have never traded online before having the opportunity to make their business digital and sell online for Christmas.



Business Support Grants

1030 new business grants, to a value of over £10 million, have been processed in recent months. 90% of these were received online and the other 10% via email.



The Council has made huge progress towards being a data enabled organisation with the establishment of a Data & Strategic Insight team. The team's responsibility includes data governance and stewardship, modelling and dashboards. Significant progress has been made in establishing an information governance framework and ensuring that the existing policies and procedures are fit for the digital world. Examples of some of the projects they have helped to facilitate are outlined below.

Single View of Customer

During the pandemic, data matching was undertaken to cross-match the shielding list with Unique Property Reference Numbers (UPRN), Homecare, District Nursing, Telecare, Housing, Children and Families, Learning Disability, Community Care, Food Hub and Young Mums' client lists.

More than 150 million data matching checks were run in the first month alone, showing overlaps in households and allowing resources to be targeted where they were most needed.

This proof of concept can be used as an approach for developing a Council wide "golden record". This has the potential to reduce costs through automating processes, proactively delivering services and reducing fraud. Initial discussions are planned with the DCE programme and Education to look at initial use cases.

Dashboarding

During the pandemic, dashboards via Power BI provided real time information to managers to support service delivery.

This included the development of an online absence dashboard providing managers information on who in their teams was affected due to illness, self isolation or underlying health conditions.

The same technology was used to support the management of outbound calls for residents who had been asked to shield.

ESRI GIS

ERC has a shared an 'open to all' mapping portal (ESRI) which enables information to be used and shared across the Council, allowing instant access within a single location.

For example, the Land Ownership shared web map has been viewed over 1600 times, removing the need for direct contact with the Council's Estates team.

East Renfrewshire was lead on an ESRI project involving all 8 City Deal councils, which mapped all city deal projects and investment areas (e.g. new houses new businesses etc) for sharing with utility companies (incl. water sewerage, gas, electricity, digital providers). Previously these providers were not set up to plan for these investment projects and had no information to use – this could cause delays to projects. The new system allows them to plan for the services required and flag any resource issues at an early enough stage to allow forward-planning and jointwork.

ERC Roads have also used ESRI to map all roads and street lights in the local area. This will join up with the website system to let customers select the lighting fault they want to report using their address and the system will automatically know which light needs repair.



We need to build upon the successes of the 2016 – 2020 strategy and the lessons learned during the pandemic response.

We now need to provide a framework for supporting our people to embrace new ways of doing business, so that we deliver the best possible services to our residents.

East Renfrewshire Digital Transformation Strategy 2021 - 2024

DRAFT

March 2021



Vision for the future

Our vision is to be a modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better.

We are working across East Renfrewshire to achieve best Outcomes for



EARLY YEARS AND VULNERABLE YOUNG PEOPLE



LEARNING, LIFE AND WORK



ENVIRONMENT AND ECONOMY



SAFE, SUPPORTIVE COMMUNITIES



OLDER PEOPLE AND PEOPLE WITH LONG-TERM CONDITIONS

We will achieve this by excelling in our Five Capabilities



PREVENTION



EMPOWERING COMMUNITIES



DATA



MODERNISATION



DIGITAL

And along this journey, in everything we do, we must live our Values



Ambition



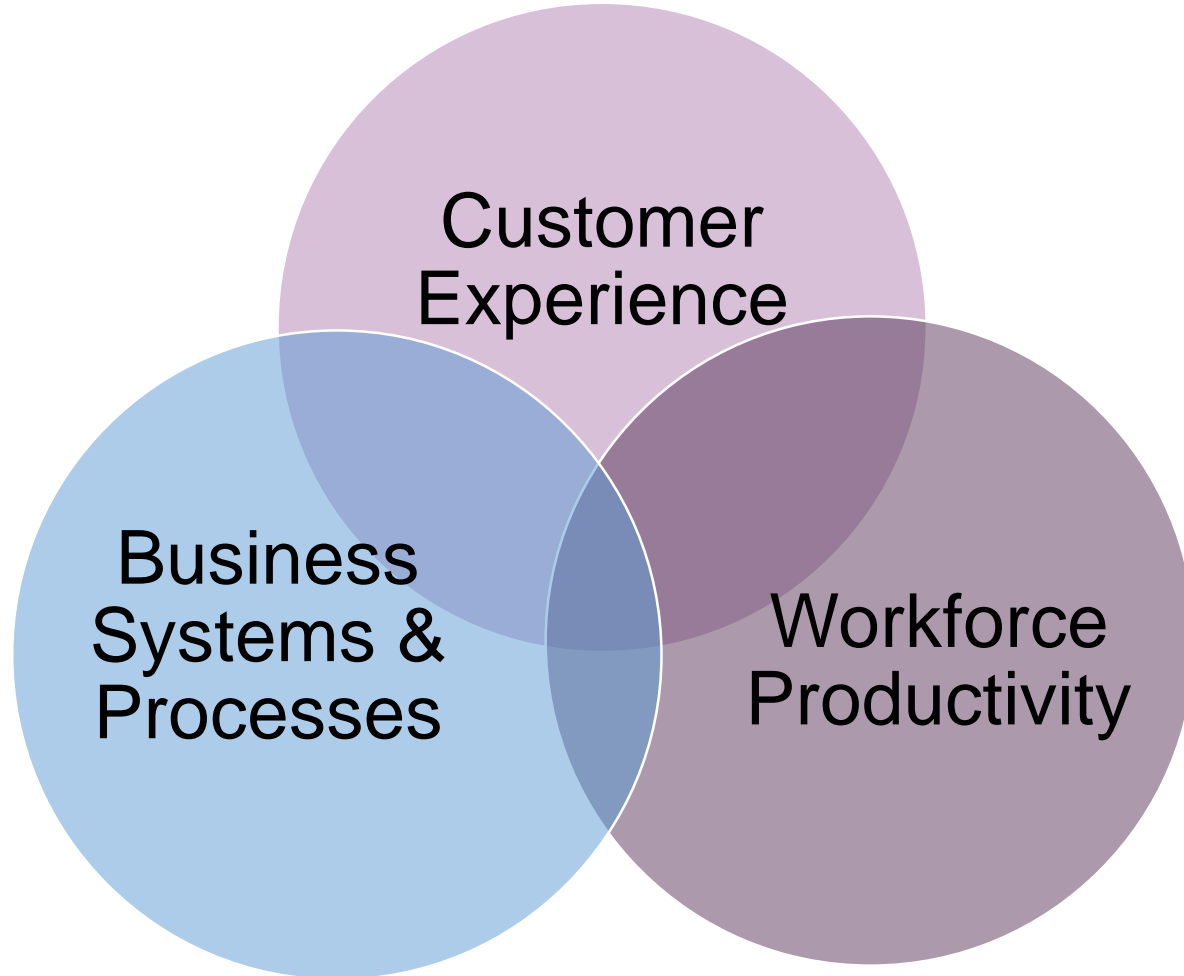
Kindness



Trust

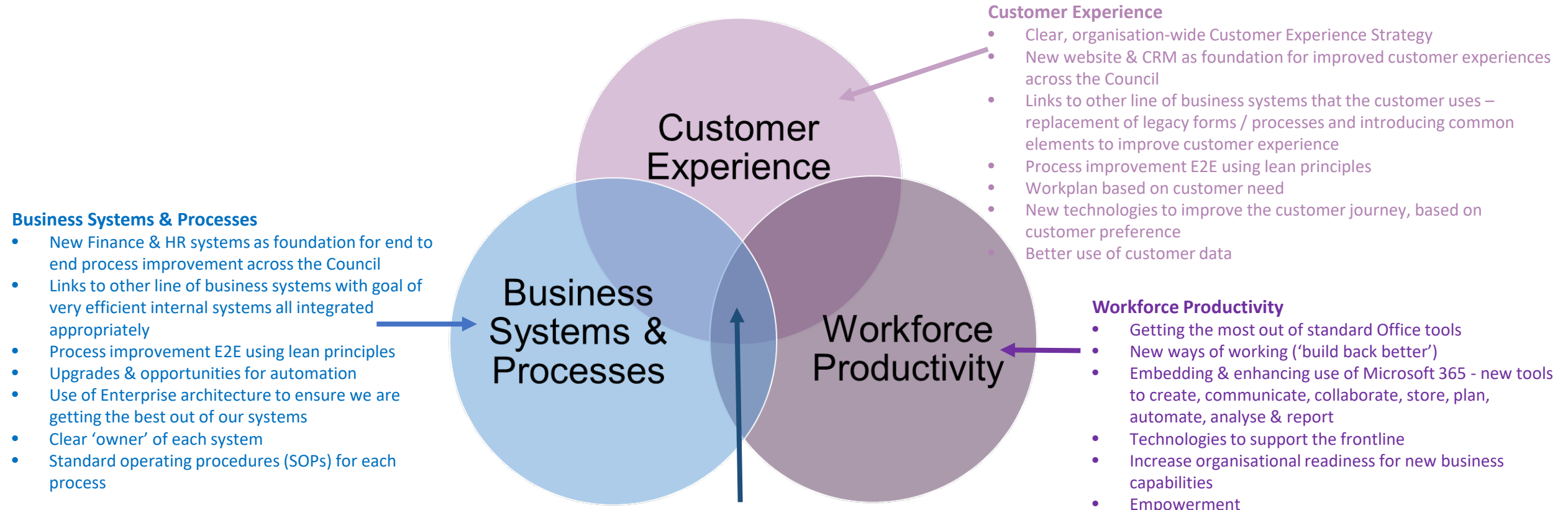
Our Digital Transformation Strategy 2021-24 is based on moving forward on 3 fronts:

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These 3 areas can be further explained:

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All 3 areas are underpinned by common methods, standards and skills

- Focus on benefits realisation, effort vs value
- Use of Scottish Approach to Service Design (SAAtSD)
- Use of national platforms/solutions where possible
- Focus on Agile project methods wherever suitable
- Small number of projects, with backlog prioritised regularly by leaders
- Organisation-wide ICT Strategy and focus on ICT security and stability
- Strategic analysis & insight
- Digital, Data & Technology (DDaT) skills
- Improved project communications & transferable lessons learned

Theme: Customer Experience

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Vision: to provide a consistent, efficient customer experience designed with the user at the heart.



Well designed, customer focused, end-to-end digital processes.



Streamlined digital processes including booking, scheduling and payments.



Customer insight at the core of any action.



Provide timely and honest information and regular updates on progress.



Customer at the heart



Design processes in an inclusive way, providing support for those who need it.



One council approach



Embed the Scottish Approach to Service Design

Future activity: Customer Experience

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Key areas of future activity have emerged from the legacy of the Digital Strategy 2016 – 2020. These significant pieces of work will need to be supported using the new transformation themes approach.

Digital Customer Experience Platform

With significant work completed on the foundation elements of the new customer platform, the programme should see delivery accelerated. New processes will be delivered for complaints and waste early in 2021 with the customer portal being available for customers from the summer. New functionality for bookings and appointments will significantly improve the customer experience by enabling full end to end online service delivery.

Analogue to Digital Telecare

ERC provide Telecare alarm services to 3000 vulnerable residents. The entire system is based on analogue phone lines which are due to be switched off nationally by 2025.

Over the next year, the project will be managing the tender process with the aim being to appoint a supplier by Spring 2021.

Connected systems

There are significant opportunities for transformation and savings through automation and the Internet of Things (IoT), offering automatic updates, remote monitoring and dynamic control.

Council Tax and Benefits

Access to the service through a fully integrated customer portal will deliver significant benefits to both the customer and the organisation, reducing processing times, increasing accuracy and delivering an improved customer experience.

Contact Centre Technology

New technology which provides a seamless multi channel contact centre will be explored. This will enable the contact centre advisers to move between different types of contact easily and will integrate with the Council's new Customer Experience Platform.

A fit for purpose, modern contact centre system will support the delivery of channel shift and provide detailed data for analysis to inform future decision making.

This would provide the opportunity to explore the possibilities of using chatbots, live chat, Artificial Intelligence (AI) and voice recognition.

Theme: Workforce Productivity ²⁷⁰



Vision: Increasing the productivity and effectiveness of our workforce enabled by Office365 capabilities.



Identify opportunities for digitisation or automation.



Reduce duplication of effort.



Guidance, training and support to make the most of technology.



New ways of working are essential.



Optimise the use of existing tools, maximise investment.



Align workforce and skill development plans with digital transformation plans

Future Activity: Workforce Productivity



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M365 project revised brief, to include Covid-19 impact and lessons learned:

MS Teams 6 Month Usage Figures

8.5k
Team
Chats



49k
private
chat
message



33k
Teams
Meet-
ings



50k
Teams
Calls

Collaboration & Communication

The suite of tools will help to improve collaboration between teams but also within the HSCP and between Corporate and Schools in Education.

Internal communication will be improved through utilising a range of applications which can support behaviour and culture change through transformation the way that we communicate.

Productivity

With reducing budget and increasing demand, there is a requirement to deliver more with less. Maximising the benefit of the investment already made in O365 will help to drive efficiencies. Processes will be redesigned to deliver improved business outcomes and continuous improvement will be embedded in the culture of the organisation.

Information Governance

Promoting transparency and information quality assurance to help deliver on operational efficiencies and provide right first time responses to access request in a timely manner in line with legislative timescales.

Establishing an information and records management framework that supports the Council's electronic document journey within M365 to ensure that data is stored in a compliant and secure way aiming to deliver a solution which has privacy by design at the core.



1000 M365 licences in use, 400% increase

ERC are fully engaged and collaborating with the Digital Office on M365.

Theme: Business Systems & Processes ²⁷²



Vision: Efficient and effective business systems and processes enabled by digital technology and optimised across our organisation.



Robust and consistent processes



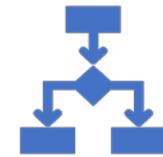
Join up information flow between systems



A process for identifying, monitoring and realising benefits is required.



Maximise the use of existing and future technology to deliver benefits.



Identifying duplication of effort and opportunity for any quick wins.

Future activity: Business Systems & Processes – Core Systems

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The ongoing delivery of the Core Systems programme will continue to play a major role in change across the Council requiring significant investment in time and money. Resource systems and processes will be optimised across the Council.

HR & Payroll

Additional functionality will be delivered including timesheets, leave, performance management and recruitment and workflow. This will increase self service and automation, reducing resource requirements and cost of delivery.

Finance

Planning for future phases is currently underway reviewing costs, resources and potential benefits to agree the best way forward. The system is currently settling in. The focus of next year is to monitor the benefits.

Process reviews will be prioritised based on effort and value



IT Systems Replacement

Replacement of major IT systems (contracts or support ending):

- New Housing management system
- SEEMIS
- HSCP will be replacing the Social Care system, CareFirst
- Culture and Leisure Trust implementing a new Library management system

Maximising the benefits

With such a huge investment in the core systems programme, it is essential that benefits are optimised through reviewing processes using lean principles, reducing waste and automating where possible.

How we will enable the change



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Clear organisation strategy is required and projects prioritised based on outcomes.



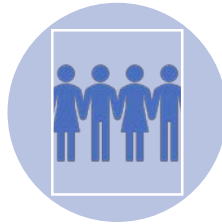
Projects should be resourced effectively and not expected to be absorbed as part of day job.



Embed use of Scottish Approach to Service Design and Agile



Support the adoption of a project prioritisation model to help manage number or projects and focus resource for maximum benefit.



Involve employees with developing and driving change



Focus on benefits realisation, value v effort



Drive change with feedback and insight gathered from employees, customers and sector



Collaborate internally and externally through Digital Office and other partnerships

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE24 June 2021Report by ClerkNATIONAL EXTERNAL AUDIT REPORT - SELF-DIRECTED SUPPORT (SDS)
2017 PROGRESS REPORT - IMPACT REPORT - UPDATE ON FUTURE SDS
DEVELOPMENT ACTIVITY**PURPOSE OF REPORT**

1. To provide an update on issues relating to the Audit Scotland report *Self-Directed (SDS) Support 2017 Progress Report - Impact Report*, specifically an update on future SDS development activity as requested by the Audit and Scrutiny Committee in September 2020.

RECOMMENDATION

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

BACKGROUND

3. A copy of the report [Self Directed Support \(SDS\) 2017 Progress Report - Impact Report](#), which was published by Audit Scotland in December 2019, was circulated to all Audit and Scrutiny Committee Members shortly after it was published. In keeping with usual practice, the Chief Officer, Health and Social Care Partnership provided comments on the Audit Scotland report, which had also been prepared for submission to the East Renfrewshire Integration Joint Board Performance and Audit Committee. Those comments were submitted to the Committee on 24 September 2020 ([Item 11 - Report on SDS](#)). At that time, under the Committee's specialisation arrangements, Councillor Miller and Councillor Gilbert led the review of the report.

4. The feedback on the report referred to the key themes contained within the 2019 Audit Scotland Impact Report; outlined East Renfrewshire HSCP's current SDS implementation position; and advised of planned self-evaluation activity which would inform the future programme of development. The key messages and recommendations of the 2017 report were detailed and it was reported that a thematic inspection of SDS in 2019, undertaken by the Care Inspectorate, noted similar themes and key recommendations which included concerns about inconsistency across the 32 HSPCs in Scotland. An update on the local actions identified in 2017 was provided and it was reported that overall good progress had been made. However, it was also recognised that further work was required to embed the changes which had already been made; to further refine and analyse data; and review and reflect on the use of SDS during the pandemic in order to inform future development activity.

5. In September 2020, the committee noted the feedback provided and agreed, in keeping with what had also been agreed by the IJB Performance and Audit Committee, that following local self-evaluation activity, an update on future SDS development activity, should be submitted to this committee. A copy of feedback on this issue is now attached (Appendix A refers).

RECOMMENDATION

6. 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 – *Self-Directed Support 2017 Progress Report - Impact Report* and Related Report Submitted to Committee on 24 September 2020.



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	23 June 2021
Agenda Item	9
Title	Self-Directed Support
<p>Summary</p> <p>To provide members of Performance and Audit Committee with an update on progress in relation to the implementation of Self-Directed Support (SDS) within East Renfrewshire Health and Social Care Partnership</p>	
Presented by	Lee McLaughlin, Head of Recovery and Intensive Services
<p>Action Required</p> <p>The Performance and Audit Committee are asked to note and comment on the report.</p>	

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EAST RENFREWSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP

PERFORMANCE AND AUDIT COMMITTEE

23 June 2021

Report by Chief Officer

Self-Directed Support

PURPOSE OF REPORT

1. To update Performance and Audit Committee on progress in relation to the implementation of Self-Directed Support (SDS) within East Renfrewshire Health and Social Care Partnership.

RECOMMENDATION

2. The Performance and Audit Committee is asked to note and comment on the report.

BACKGROUND

3. 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.
4. Members may recall the paper presented to Performance and Audit Committee in September 2020 which provided an overview of the 2019 Audit Scotland Impact Report on Self-Directed support along with an update on the HSCP's local action implementation.
5. Between November 2020 and March 2020, The East Renfrewshire SDS Forum and East Renfrewshire Carers Centre were commissioned by East Renfrewshire HSCP to sense check local SDS implementation, policy, practice and guidance. They completed this by holding focus groups for people who use our services and their unpaid carers and by facilitation focus groups for frontline practitioners and managers.
6. The values underpinning this review was to model a collaborative person centred approach and to focus on the following key themes in order to inform our local implementation and improvement plan:
 - What is working well?
 - What requires to improve?
 - Gaps in practice or process
 - Resources and Resource Allocation

7. Alongside this review, Head of Service and Locality Manager attended Breaking Down Barriers training delivered by SDS Forum to hear first-hand the experience of local residents of using Self-Directed Support. We heard many areas of good practice, grounded in relationship and human rights based practice. We also heard feedback about HSCP processes and practice which could be improved. These reflected the key areas for improvement highlighted by the review.

REPORT

What is working well?

8. East Renfrewshire HSCP have implemented Self Directed Support in line with the principles and values of The Social Care (Self Directed Support) (Scotland) Act 2013. The review noted many examples of creative, personalised practice where SDS had made a positive difference to the lives of individuals and families.
9. The review recognised that Self-Directed Support is used creatively in East Renfrewshire and there are very good examples of this. Budgets are fair and give people opportunity and choice when managing their support. All Social Workers that contributed commented on the success of the REG and RAG systems although would like to see the coaching/mentoring element to return to this forum.
10. The review noted the benefits of an Independent SDS Forum and Carers Centre locally and it was clear the current relationships were positive and partnership working is valued. The general public are well informed and know how to access services within East Renfrewshire. Social Workers are positive about the model of SDS and would like to ensure it continues to improve. The adult budget calculator assessment tool is good and is easy to use.
11. The Independent Review of Adult Social Care reflects much of the practice and aspiration in terms of a relationship and human rights based approach to adult social work and social care.
12. East Renfrewshire Talking Points have been recognised both locally and nationally as a model of good practice in terms of building capacity in communities and providing natural supports as part of our early intervention and prevention approach. The aim is to continue to develop this model as we move towards recovery from Covid-19, reflecting the vision in our Strategic Plan and the recommendations in the Independent Review of Social Care.

What could be improved?

13. Individuals, unpaid carers and practitioners described a “lengthy and complex” assessment and support plan approval process highlighting the need to streamline the process and for independent advice/brokerage services to support individuals throughout the support planning phase.
14. Social Workers explained that the focus on sustainability and budget pressures often presents as a barrier to personalised, creative support planning. Feedback showed that worker and manager confidence varies across the HSCP due to varied interpretations of the SDS policies and guidance. A more streamlined approach was suggested with messages to practitioners/managers reinforced to give them permission to think differently transferring the balance of power from professionals to individuals and families where possible.

Process/practice gaps

15. Practitioners and managers identified a gap with respect to training, specifically in relation to SDS legislative duties, creative support planning and sharing good practice.
16. Information and practitioner guidance could be streamlined and improved and practice and processes for SDS Option 2 require to be reviewed and strengthened to inform practice.
17. We noted the increased demand for independent advice, brokerage and support with option 1 over the last year with 50% of all referrals to East Renfrewshire SDS Forum from children, young people and families. The HSCP has increased short term funding support to SDS Forum until March 2022 to meet this increased demand.

Resources/resource allocation

18. The review noted some frustrations from practitioners when supporting carers/recipients to look at how they can use their budget creatively. More flexibility and choice when looking at supports within the home and as an alternative to a care home are key areas where increased flexibility and creativity could make a difference.
19. Frontline Practitioners have undoubtedly been affected by the working from home and the missed opportunities for informal coaching/challenge/inspiration from colleagues and as such require support and permission to support creativity and flexibility. Sharing personal stories and more examples of how to be more creative has been highlighted by practitioners as the best solution to support improvement in this area.
20. Further testing and review of the Individual Budget Calculator are required although early indicators are that the model is working well for both individuals and practitioners.
21. We have signalled for some time the conflict between short to medium term decisions required to achieve savings and the longer term preventative strategy achieved through early intervention. The 2020/21 savings we could not deliver due to pandemic included significant savings to come from the individual budget calculator being revised to tighten the prioritisation/eligibility criteria and implement the individual contribution mechanism. The additional savings challenge in 2021/22 has exacerbated this. We also recognise that the implementation of these changes may conflict with the recommendations contained within the Independent Review of Adult Social Care, so the timing of any local decisions will need to be balanced with the risk of implementing change that may require subsequent reversal.
22. We also need to consider how we resource capacity to ensure we deliver the recommendations in this report; either through re-alignment of existing staff or should we require additionality this will need to be funded and we will need to demonstrate a clear business case and identify a funding source, potentially on an invest to save basis.

CONCLUSION

23. The East Renfrewshire SDS Forum and East Renfrewshire Carers Centre have worked in partnership with East Renfrewshire HSCP to sense check local SDS implementation, policy,

practice and guidance. The review highlighted many areas of good practice alongside areas where our processes/systems could be improved to improve practice and the user experience. Common themes were evident as well as responsive positive solutions. Some gaps in the implementation of SDS still exist locally although there is a strong value base and willingness to streamline systems to work from.

24. Person centred and relationship practice is the foundation to social work practice and Self-Directed Support. There are clear opportunities to build on our strengths locally and drive forward improvements in processes and practice.
25. In the spirit of collaboration and partnership working, a SDS steering group has been established to oversee our implementation programme locally. The group will be co-chaired by Head of Service and SDS Forum Manager and the membership will include people with lived experience of using Self-Directed Support, practitioners, managers and finance officers.
26. The group will collaborate to agree and oversee a local implementation plan highlighting key priorities, achievements and risk to Directorate Management Team, Performance and Audit Committee and Integration Joint Board as required.

RECOMMENDATIONS

27. The Performance and Audit Committee are asked to:
 - Note the update with respect to SDS implementation in East Renfrewshire
 - Note the establishment of the SDS Steering Group
 - Note the intention to update Integration Joint Board and Performance and Audit Committee moving forward.

REPORT AUTHOR AND PERSON TO CONTACT

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0141 451 0751

June 2021

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

PAC PAPER 23.09.2020: Self-Directed Support: 2017 Progress Report Impact Report published by Audit Scotland in December 2019

https://www.eastrenfrewshire.gov.uk/media/3485/Performance-and-Audit-Committee-Item-08-23-September-2020/pdf/Performance_and_Audit_Committee_Item_08_-_23_September_2020.pdf?m=637360286464100000

Outside the Box Community Solutions – Finding the Right Support

https://otbds.org/wp-content/uploads/2021/05/Finding_the_right_support.pdf