

**MINUTE**  
**of**  
**AUDIT AND SCRUTINY COMMITTEE**

**Minute of Meeting held at 2.30pm in the Council Chamber, Council Headquarters, Giffnock on 5 March 2015.**

**Present:**

Councillor Gordon Wallace (Chair)  
Councillor Barbara Grant (Vice Chair)  
Councillor Gordon McCaskill

Councillor Paul O’Kane  
Councillor Tommy Reilly  
Councillor Ralph Robertson

Councillor Wallace in the Chair

**Attending:**

Jackie Martin, Corporate Business Manager (Finance); Michelle Blair, Chief Auditor; Linda Hutchison, Clerk to the Committee; and Jennifer Graham, Committee Services Officer.

**Apology:**

Councillor Charlie Gilbert.

**DECLARATIONS OF INTEREST**

**1444.** There were no declarations of interest intimated.

**CHAIR’S REPORT**

**1445.** The following matters were discussed during the Chair’s report:-

(i) Subsistence Rates

Under reference to the Minute of the meeting of 15 January 2015 (Page 1276, Item 1356(ii) refers), when it was agreed that in the first instance the Chair would discuss an overnight subsistence rate issue informally with the Human Resources Manager and provide feedback, Councillor Wallace advised that he had so far been unable to meet with her but that he hoped to do so shortly following which he would update the committee.

(ii) Managing Absence

Under reference to the Minute of the meeting of 15 January 2015 (Page 1278, Item 1359 refers), when absence management issues had been discussed, Councillor Wallace referred to a recent benchmarking exercise carried out by

the Improvement Service which had highlighted areas for improvement, not least in absenteeism within the Council. He clarified that he and Councillor Robertson had spoken with the Deputy Chief Executive in this regard and with a view to introducing quarterly meetings with her to enable updates to be provided on progress or otherwise with initiatives being undertaken.

(iii) Change of Date and Times of Future Meetings

The Clerk advised that the June meeting of the committee had been diarised for 11 June in error, clarifying that it should have been scheduled for 4 June 2015 instead. In the course of discussion, it was proposed that in future meetings start at 2.00pm rather than 2.30pm.

The committee:-

- (a) noted that the Chair would meet with the Human Resources Manager regarding overnight subsistence rates for employees and provide feedback in due course;
- (b) noted that Councillors Wallace and Robertson would meet with the Deputy Chief Executive quarterly to receive updates on absence issues; and
- (c) having noted that its June meeting would take place on 4 not 11 June as previously intimated, agreed that future meetings commence at 2.00pm.

## **NATIONAL EXTERNAL AUDIT REPORT – COMMUNITY PLANNING – TURNING AMBITION INTO ACTION**

**1446.** The committee considered a report by the Clerk on the publication by Audit Scotland of a report on Community Planning – Turning Ambition into Action which, under the committee’s specialisation arrangements for dealing with external audit reports, had been sent to Councillors Wallace and Robertson for review. The Deputy Chief Executive had been asked to provide comments and a copy of her feedback was attached to the report.

It was reported that Audit Scotland had been tracking and reviewing progress on community planning since 2004 and that, since 2010, East Renfrewshire had also been subject to the assurance and improvement plan process which set out planned scrutiny activity for the Council based on a shared risk assessment undertaken by representatives of all of the main local government audit and inspection agencies. For the past two years, East Renfrewshire had received a positive assessment and no extra external scrutiny had been required. It was explained that a number of other local authorities had been audited during 2013/14 the results of which had been scrutinised by the local Community Planning Team which had identified various cross cutting themes within them.

It was explained that the national report Community Planning – Turning Ambition into Action, published in 2014, highlighted recommendations for action, not only by community planning partnerships (CPP), but also the National Community Planning Group, the Scottish Government and COSLA. Change required to be implemented at a national level and within national partner bodies. The report outlined how East Renfrewshire was placed against the seven key recommendations made, and commented that East Renfrewshire’s CPP was well placed against these and had adopted a continuous improvement approach to ensure it continued to meet evolving national expectations.

In the course of discussion it was reported that membership of the CPP Board included elected Members, Council officers and representatives from Police Scotland, the Scottish Fire and Rescue Service, NHS Greater Glasgow and Clyde, and Voluntary Action Scotland.

The committee agreed to note:-

- (a) that copies of two associated CPP Performance and Accountability Review meeting Minutes requested by and provided to the Chair would be circulated; and
- (b) otherwise, the report and the comments made.

### **NATIONAL EXTERNAL AUDIT REPORT – THE IMPACT OF WELFARE REFORMS ON COUNCIL RENT ARREARS IN SCOTLAND**

**1447.** The committee considered a report by the Clerk on the publication by Audit Scotland of a report on the Impact of Welfare Reforms on Council Rent Arrears in Scotland which, under the committee's specialisation arrangements for dealing with external audit reports, had been sent to Councillors Wallace and Robertson for review. The Head of Revenues had been asked provide comments and a copy of his feedback was attached to the report.

Audit Scotland had sought to determine the extent to which removal of the spare room subsidy (RSRS) and other welfare reforms had impacted on rent arrears in Scotland, with the work including a review of the underlying factors impacting on rent arrears and highlighting council initiatives that helped mitigate the effect of welfare reforms on arrears. The value of Scottish rent arrears had increased by 16% between 2011/12 and 2012/13 and 24% between 2012/13 and 2013/14, with Councils suggesting various reasons for this which were itemised. Reference was made to the extent to which increased discretionary housing payments (DHPs) had been made available and how they provided financial assistance towards housing costs, potentially reduced higher levels of rent arrears, and had been intended to mitigate the impact of housing benefit reductions caused by the RSRS.

Having reiterated that across Scotland arrears increased by 24% between 2012/13 and 2013/14, it was explained that the increase in East Renfrewshire had been 11% which was the eighth lowest increase in Scotland and that 97% of the Council's DHPs had been awarded to help control rent arrears levels, this being 7<sup>th</sup> equal highest in Scotland. It was concluded that welfare reform had impacted on rent arrears levels across Scotland in 2013/14, with the impact locally being at the lower end of the scale due partly to the effective manner in which the Revenues Team had dealt with DHPs and undertaken ongoing work to mitigate other welfare reforms.

During discussion, Councillor Robertson suggested that looking at the extent to which those who did not receive benefits were experiencing problems with rent arrears could be valuable and revealing. Supported by other Members, he predicted that rent arrears problems would worsen in future, including when DHPs ended. Other issues discussed included the Council's position on evictions and related issues such as support for tenants; forthcoming changes to housing benefit payment arrangements and potential implications; and the value of the committee seeking a further update on the position on rent arrears in due course.

The committee agreed:-

- (a) that further clarification be sought from the Head of Revenues on the extent to which it is known that those not in receipt of benefits are experiencing problems with rent arrears;

- (b) that the Head of Revenues provide a further update on the impact of welfare reform on rent arrears after the DHP arrangements had come to an end; and
- (c) otherwise, to note the report and the comments made.

#### **LOCAL EXTERNAL AUDIT REPORT – HOUSING BENEFIT PERFORMANCE AUDIT – OUTCOME OF RISK ASSESSMENT**

**1448.** The committee considered a report by the Clerk on the publication by Audit Scotland of a report on the Outcome of a Risk Assessment Associated with Housing Benefit Performance which, under the committee's specialisation arrangements for dealing with external audit reports, had been sent to Councillors Wallace and Robertson for review. The Head of Revenues had been asked to provide comments and a copy of his feedback was attached to the report.

It was explained that because of deteriorating performance in speed of processing housing benefit early in 2014, Audit Scotland had chosen to carry out a risk assessment of the Council two years after its previous one. Audit Scotland's report had acknowledged various strengths but also risks to continuous improvement some of both of which were itemised. The Council's proactive and inclusive approach to preparing for the challenges of welfare reforms had been acknowledged. In reviewing the Council's business planning and reporting arrangements, Audit Scotland had not identified any risks to continuous improvement and acknowledged the comprehensive online performance management system in place. However, regarding arrangements for delivering outcomes, the report had highlighted nine areas for improvement a summary of which was provided. A related improvement plan prepared had been considered satisfactory by Audit Scotland. A number of related actions had already been completed, with comments provided on reductions to the average times for processing new claims and changes of circumstances. Improvements were to continue to be monitored with a further update to be provided at the end of the financial year.

During discussion, Members commented on the need for further clarification on why action was only 'considered' to recover overpayments in respect of council tenants with arrears in excess of £250; circumstances in which such action is not pursued; the approach taken by other local authorities on this; and the position on benefit overpayments to private landlords. Having commented on the writing off of debts, Members also proposed seeking further detailed information on each of the actions specified on the improvement plan and related progress made. It was commented that it was a testament to staff that Audit Scotland had commented on the Council's proactive and inclusive approach to addressing welfare reform issues.

It was agreed:-

- (a) that the Head of Revenues submit further information on the issues raised by the committee to the next meeting and that he, or an appropriate representative, attend the meeting to discuss the information provided further;
- (b) that the Clerk seek clarification from Members on whether or not there were any other related issues they would wish the Head of Revenues to comment on then over and above those raised at this meeting and advise the Head of Revenues; and
- (c) otherwise, to note the report and the comments made.

## REVIEW OF THE STRATEGIC RISK REGISTER

**1449.** Under reference to the Minute of the meeting of 25 September 2014 (Page 1168, Item 1225 refers), when an update on the Council's Strategic Risk Register had been noted, the committee considered a report by the Chief Executive providing the most recent biannual update on the Register. The Register, a copy of which was attached to the report, itemised key risks that required to be considered and actions put in place to manage these. As well as additions having been made to the register, several risks had been amended to include additional control measures, some had been rescored and some removed. The Register continued to align with the Council's key outcomes in the Single Outcome Agreement (SOA) and the internal and external business environments, whilst also reflecting corporate risks associated with the Council's strategic change and reform agenda and those inherent in its day to day business.

Having commented on various aspects of the report, in response to questions, the Corporate Business Manager clarified and commented on various issues. In response to concerns expressed that some governance arrangements, including important audit and risk arrangements, associated with the Culture and Leisure Trust remained unclear, she confirmed that some discussions on these were on-going and that the Board would determine various arrangements. Whilst commenting on a reputational risk matter raised, she expressed the view that some issues would still be reflected in the Council's risk register, including due to staffing and building arrangements linked to services managed by the Trust. It was commented that elected Members appointed to the Board should place an appropriate focus on scrutiny.

During a wide ranging discussion on issues raised by Members, other issues commented on by the Corporate Business Manager included why the risk linked to teacher numbers remained on the register and workforce planning. Regarding the latter, reference was made to the workforce succession planning toolkit made available by Audit Scotland several years ago, following which Members proposed that the Human Resources Manager be invited to the next meeting to comment on the extent to which this had and was being used within the Council; on the extent to which workforce planning policy was being implemented given its importance as identified some years ago; how succession planning could be improved; and why the associated risk had increased to high. Clarification was provided on issues considered through the use of the How Good is Our Service model for self-assessment and how it was one mechanism through which performance and workforce planning issues could be identified and plans made to address these.

Other issues on which clarification was provided included risks linked to ensuring sufficient school catchment places; more generally how risk scores were determined and by whom; and that further clarification was awaited on the backdating of holiday pay following an associated legislative ruling. It was proposed that further clarification be sought on the current estimated costs of backdating holiday pay.

The committee agreed:-

- (a) that the Human Resources Manager be invited to the next meeting to comment on the various workforce succession planning issues raised;
- (b) that further clarification be sought on the current estimated cost of paying backdated holiday pay;
- (c) to **recommend to the Cabinet** that the Council's Strategic Risk Register be approved; and

- (d) otherwise, to note the report.

### **INTERNAL AUDIT PLAN PROGRESS REPORT**

**1450.** The committee considered a report by the Chief Auditor regarding progress made on the implementation of the 2014/15 Internal Audit Plan from 1 October to 31 December 2014. The report confirmed the number of reports issued during the quarter and that satisfactory management responses had been received in all cases.

During discussion and in response to questions, the Chief Auditor commented on various audits and related findings including in respect of the audits on wraparound care and nursery provision; maximising attendance policy; and voids and garage applications within the Housing Service.

The committee agreed:-

- (a) to approve the deletion of the Homecare Services audit from the 2014/15 plan; and
- (b) otherwise, to note the internal audit progress report.

### **COMMUNITY GRANTS REVIEW**

**1451.** Under reference to the Minute of the meeting of 13 November 2014 (Page 1220, Item 1285(ii) refers), when it was agreed that Members would provide feedback to the Clerk on the draft questions compiled on community grants to allow them to be finalised and issued to the Head of Democratic and Partnership Services, the Clerk confirmed that the questions had been finalised and issued in November, a response to which had been received on 5 February and circulated to the committee for their review and comments.

Councillor Wallace clarified that he had sought further information on some issues, that he had held some preliminary discussions on the Whitelee Wind Farm fund, and suggested that the committee's work needed to look at grants and funding awarded to community groups rather than just grants. A proposed way forward with the investigation was discussed.

The committee:-

- (a) agreed that the investigation be widened to consider grants and funding to community groups;
- (b) noted that Councillors Wallace, Grant and Robertson had volunteered to take forward some more detailed discussions on the investigation at this stage, including with the Head of Democratic and Partnership Services on the feedback he had provided;
- (c) agreed that any other Member who wished to be involved in the above work at this stage advise the Clerk; and
- (d) agreed that the Clerk convene a meeting of the sub-group in the first instance.