Business Operations and Partnerships Department

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Date: 22 September 2022
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TO: Councillor Andrew Morrison (Chair), Tony Buchanan (Vice-Chair), Provost Mary Montague and Councillors Paul Edlin, Annette Ireland, David Macdonald and Gordon Wallace.

AUDIT AND SCRUTINY COMMITTEE

A meeting of the Audit and Scrutiny Committee will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, on **Thursday, 29 September 2022 at 2.00pm.**

The agenda of business is as listed below.

Yours faithfully

Louise Pringle

L PRINGLE
DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

AGENDA

1.   Report apologies for absence.

2.   Declarations of interest.

3.   Chair's Report.

4.   Clarification Received on Queries Raised at Previous Meeting – Report by Clerk (copy attached, pages 3 - 6).

5.   Managing Absence – Annual Report – Report by Director of Business Operations and Partnerships (copy attached, pages 7 - 14).

6.   National Fraud Initiative – Update – Report by Director of Business Operations and Partnerships (copy attached, pages 15 - 18).

For information on how to access the virtual meeting please email:-
linda.hutchison@eastrenfrewshire.gov.uk

A recording of the meeting will also be available following the meeting on the Council's YouTube Channel https://www.youtube.com/user/eastrenfrewshire/videos

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29 September 2022

Report by Clerk

CLARIFICATION RECEIVED ON QUERIES RAISED AT PREVIOUS MEETING

PURPOSE OF REPORT

1.   To summarise the clarification received and circulated on queries raised at the meeting of the committee held on 11 August.

RECOMMENDATION

2.   It is recommended that the committee notes the position.

REPORT

3.   In June, the committee endorsed the final observations and recommendations made by the committee in April 2022 arising from its self-evaluation, agreeing to implement recommendations made as appropriate.

4.   One of the self-evaluation observations made was that when queries on reports are raised at meetings, it is not always possible for answers to be provided at the meeting itself. Although the provision of clarification or assurances subsequently was considered acceptable, it was agreed, in the interests of transparency, that the Clerk should submit a summary of clarification received and circulated to the next meeting.

5.   A related observation endorsed by the committee in June was that it is useful, where possible, for Members to alert the Clerk or Chair in advance to issues they wish to raise at meetings. This is with a view to helping to ensure that answers can be requested, prepared and made available to the committee where possible at its meetings, also in the interests of transparency. Members of the committee are therefore encouraged to alert the Clerk or Chair to issues in advance to the extent possible.

6.   The clarification provided on queries raised at the meeting on 11 August, which has already been circulated through correspondence, is itemised in Appendix 1 to this report.

RECOMMENDATION

7.   It is recommended that the committee notes the position.

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 and Scrutiny Committee Agenda – 11 August 2022 (Item 5)

CLARIFICATION SOUGHT AND CIRCULATED FOLLOWING MEETING ON 11 AUGUST 2022

DATE OF MEETING AND ITEM	ITEM AND ISSUE(S) RAISED	CLARIFICATION
11 August *(Item 5)*	ANNUAL TREASURY MANAGEMENT REPORT 2021/22 It was agreed that the Chief Accountant would provide clarification on what the Risk Indicator percentages referred to below were based on, to the Clerk, for circulation to Members:- (a)　The percentage of variable rate loans should be no more than 30% (b)　The maximum of long term debt maturing in any one year should be no more than 15%	(a)　It has been confirmed that this is an historical indicator, approved by Council as part of its Treasury Management Strategy. The level provides the Council with some flexibility, especially when loan rates are on a downward trajectory. However given that interest rates are currently increasing, consideration is being given as to whether the level of this indicator remains relevant. Should this be apparent then the next Treasury Management Strategy will be updated. (b)　It has been confirmed that this is an historical indicator, approved by Council as part of its Treasury Management Strategy. Given the repayment profile of the Council's current external debt, especially in respect of 2054/55 when the Council is scheduled to repay 12.2% of its current debt, the level of this indicator is still considered relevant.

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29th September 2022

Report by Deputy Chief Executive

MANAGING ABSENCE

PURPOSE OF REPORT

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

RECOMMENDATION

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

REPORT

Absence Data 2021/22

3.   In 2021/22 there has been an increase in Local Government Employee (LGE) absence with days lost per FTE at 12.33 compared with 10.16 days in 20/21 which is an increase of 2.17 days.

4.   Teacher absence increased to 4.14 days per FTE compared to 3.61 days lost per FTE in 20/21 which is an increase of 0.53 days. The Council's overall annual day's lost absence per FTE was 9.44 days which is an increase of 1.66 days against the previous year.

5.   However it should be noted that LGE and teaching absence have both improved compared with pre-covid figures in 2019/20 with a decrease of 0.67 days and 1.06 days respectively. In 2020/21 there was a significant decrease in absence due to lockdowns and the high numbers of employees working from home.

6.   The top three absence reasons combined across the council for both long and short term sickness absence in 2021/2022 can be attributed to stress non-work related, musculoskeletal including back pain and Gastro intestinal disorders.

7.   Stress (non-work related) continues to be the main cause of sickness absence across both Local Government and Teaching staff. Managers continue to be encouraged to make staff aware of the services available such as the employee counselling service, online resources provided via the Employee Assistance Programme and occupational health where an employee is absent or is showing signs of stress, anxiety or is presented with a personal problem.

Sickness Absence Reporting

8.   With the introduction of the new HR and Payroll system the majority of local government managers input their team's absence directly into the system. As part of ongoing Business Systems and Processes work a pilot will take place with Schools based staff so that they can trial inputting their absence into the HR and Payroll system without the need to submit returns to the payroll department. It is hoped by having all managers across the council inputting and maintaining absence directly into the system we will be able to improve sickness absence reporting so that it becomes real-time reporting rather than having to wait until the monthly payroll has run.

Absence Benchmarking

9.   The LGBF (Local Government Benchmark Framework) data comparing LGE (Local Government) and teaching absence data from all councils is issued by the Improvement Service annually (Table 1) and we review this with respect to our performance and targets. This data is issued in the latter half of the financial year so the latest data available is for 2020/21. It should be noted that the Improvement Service do not report overall absence data.

10.   Through work undertaken to review sickness reports from the new HR and Payroll system it has been identified that due to the way the data was loaded into the system the overall FTE figure used to calculate and report the SPI for 20/21 was incorrect and we had over reported the SPI for LGE and Teachers. It was identified that employees who left, returned, changed positions or changed their employment status prior to the data load were not counted in the FTE. The calculation has been rectified which means the teaching absence is 3.61 days per FTE and would have put us in 10th place instead of 15th place in the LGBF tables. LGE absence is now 10.16 days per FTE which would have put us at 21st instead of 24th in the LGBF comparison tables. This is a one off issue which is directly linked to the data loaded between the old and new HR and Payroll system, and this will not occur in the future.

Covid-19 Absence

11.   It should be noted that Covid Absence in 20/21 was not counted as part of the sickness absence PI; therefore it was expected that absence would be higher in 21/22 considering the number of employees affected by Covid-19. It was anticipated that the absence performance indicator would increase after the relaxation of Covid rules and social distancing guidance allowing individuals to mix more. This has contributed to the increase of short term absence for viral infections. Whilst Covid absence may have been high at different points throughout the pandemic shielding and homeworking has helped to reduce the cause of other absences.

12.   In 2021/22 Covid-19 absence over 12 weeks or due to the Covid vaccine were recorded as sickness absence which resulted in 1852 FTE Days lost. Absences under 12 weeks were recorded as special leave rather than absence.

13.   Since July 2022, following guidance from CoSLA, managers are now required to record all absences related to Covid-19 as sickness absence.

Table 1: Statutory Absence Performance Indicator

	2015/16 Days absence/ FTE	**2016/17** Days absence/ FTE	**2017/18** Days absence/ FTE	**2018/19** Days absence/ FTE	**2019/20** Days absence/ FTE	**2020/21** Days absence/ FTE	**2021/22** Days absence/ FTE
LGE	11.8	11.5	10.5	12.2	13.0	10.16	12.33
LGE Scottish Average	10.7	10.9	11.4	11.49	11.9	9.71	Data not yet available
LGE National Placing	25th	20th	8th	21st	26th	21st	Data not yet available
Teachers	5.6	4.1	4.5	6.1	5.2	3.61	4.14
Teachers Scottish Average	6.2	6.0	6.1	6.2	6.3	4.16	Data not yet available
Teachers National Placing	7th	2nd	3rd	11th	6th	10th	Data not yet available
Overall ERC absence	**9.8**	**9.0**	**8.5**	**10.1**	**10.1**	**7.8**	**9.44**

Industry Sickness Absence Data

14. The Office of National Statistics 'Sickness in the UK labour Market: 2021 states that the sickness absence rate in the UK in 2021 rose to 2.2%, from a record low of 1.8% in 2020; this is the highest it has been since 2010, when it was also 2.2%. An estimated 149.3 million working days were lost because of sickness or injury in the UK in 2021, equivalent to 4.6 days per worker.

15. Absence is consistently higher within Public Sector in comparison to Private Sector and has been consistently since 1995. The Office of National Statistics confirms that this can be attributed to the differences in job roles and that within Private Sector it is more likely that employees will not be paid Occupational Sick Pay in comparison to public sector workers.

16. The most common reason for sickness absence in 2021 was "other" conditions, including accidents, poisonings, diabetes and Covid accounted for nearly one in four of all occurrences of sickness absence in 2021, which is significantly different to the Council's top 10 reasons for absence. This is due to the fact Covid was treated as special leave for the first 12 weeks rather than sickness absence.

17. According to the Office for National Statistics, the groups of employees with the highest rates of sickness absence in 2021 included women, older workers, those with long- term health conditions, people working part-time and people working in caring, leisure and other service occupations.

18.   The Office for National Statistics state around 1 in 5 (21%) adults experienced some form of depression in early 2021; this is more than double than before the pandemic (10%).

19.   The CIPD Health and Wellbeing at Work 2022: Survey report recognises that apart from Covid related absence the other causes of absence are similar to previous years, with minor illness most commonly responsible for short-term absence. Mental ill health, musculoskeletal injuries, stress and acute medical conditions are the most common causes of long-term absence (four weeks or more). As in previous years, manufacturing and production organisations and those in the public sector are more likely than those in private sector services or non-profits to include musculoskeletal injuries among their top causes of absence. The public sector is also more likely to include stress among their top causes of short- and long-term absence.

20.   PAM Wellbeing produced material 'restoring wellbeing', which would concur with the Office for National Statistics how 'challenging the crisis has been for everyone, but for some it has been devastating' with individuals suffering from PTSD, increase in domestic abuse, increased divorce rates and suicide.

21.   A theme from the benchmarking for employers to be noted is that as we recover from the pandemic and the catastrophic effects this has had on individuals' health and wellbeing, employers will also now need to support employees through the economic fallout of the pandemic.

Focus on Absence Improvement

22.   The CMT continues to support the focus on absence management and improvement. From the analysis and absence monitoring it is evident that the employees who carry out frontline services within the Council have higher rates of absence in comparison to other Council services.

23.   The Council continues to adopt robust absence monitoring strategies to ensure the policy is applied consistently. Within the hot spot frontline service areas Neighbourhood Service, Facilities Management and Homecare there is key focus on reviewing absence cases, however it is recognised that a contributing factor is an ageing workforce and long term conditions are associated with age, which are a key challenge for these frontline services.

24.   HR continues to have monthly meetings with management within the hotspot areas to discuss absence. The capability guidance is used to manage long term absences with 5 dismissals due to capability and 20 ill health retirals in the last year. The process of awarding ill health retirals is decided by the Council using medical guidance from our Occupational Health provider and can only be awarded with the approval of an Independent Registered Medical Practitioner.

25.   With regards to stress, an early intervention approach is promoted to ensure employees who are experiencing stress can be supported with resources available such as the Stress Risk review, PAM Assist counselling service and online resources. Managers are also reminded that when supporting an employee with personal stress in some cases this can be due to financial stress and employees are signposted to our colleagues in Money Advice and Rights.

26.   The advice from Occupational Health, is that the first step towards restoring the mental health of the workforce is for employers to normalise the fact it is okay to feel anxious; therefore management are encouraged to have conversations with staff around their wellbeing and if

stress is being displayed in the workplace. All managers are being encouraged to discuss a wellbeing goal with staff for inclusion as part of the Quality Conversation.

27.	HR and MART are reminding managers and employees that through our employee benefits and savings scheme, East Ren Rewards, this could make a difference to our employees offering access to a range of benefits, offers and discounts to help employees save money on everyday lifestyle spending and motoring. Managers should be aware it is simple to register and the information can be accessed via the Rewards and Recognition intranet page. As part of the CIPD Health and Wellbeing at Work Survey Report 2022, it was recognised that financial wellbeing benefits remains the most neglected area therefore the introduction of Salary Finance by East Renfrewshire Council is a positive step forward and employees are benefiting from using these services.

28.	Currently HR are working with PAM Assist to consider a wellbeing app that employees will be able to access which will interact with the employee and offer tailor made wellbeing support.

29.	The Council pays all employees above the Scottish Local Government Living Wage and all employees with a contract above 3 months are auto-enrolled to become members of the relevant Pension Scheme.

30.	It should be noted that musculoskeletal related absences feature in ERCs top reasons for absence and early intervention should be adopted ensuring up to date DSE assessments are undertaken, manual handling training or refresher training where appropriate, and physiotherapy can be purchased through the Occupational Health Provider to facilitate an earlier return to work advice can be sought from the HR Team. Reminders about the use of DSE assessments are particularly important especially with a number of employees working from different locations with a hybrid workstyle.

31.	ERC continues to support the health and wellbeing of our employees by facilitating awareness sessions, being aware of employee views by facilitating surveys, managers are encouraged to use resources available such as the flexible working policy to support employees with a work-life balance, the stress risk review process is available to identify stress factors within the workplace and to alleviate stress where possible, provide training for managers to be able to facilitate difficult conversations. From the benchmarking research, best practice approaches have been adopted by the Council such as HR attending HSCP facilitated Domestic Abuse training and Suicide Prevention training so that managers are supported with how to address and respond to any employee affected.

32.	Colleagues within ERC have been afforded the opportunity by the HSCP to attend a suite of training provided by Scottish Association of Mental Health to support managers to be able to facilitate conversations around the wellbeing of their employees and to be able to act swiftly and supportively in situations.

33.	HR continue to provide operational management with support at monthly meetings within the hotspot absence areas to further strengthen the capability of managers in promoting employee well-being and attendance ensuring they are trained in absence-handling and that they receive tailored specific support.

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

35.   There are a number of training courses available for managers, which Senior Management are encouraged to support managers to attend for personal development. Training can be accessed via Brightwave e-learning as well as the Corporate Training Calendar courses can be booked through the HR/Payroll system. It should be noted that there are an additional 2 new corporate training courses available to support with well-being, Understanding & Developing Resilience and Personal, Health, Wellness & Fitness.

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

37.   The HR team continues to provide support to managers on a range of cases of varying complexity. In 21/22 the HR team supported managers with around 350 absence cases. This may appear high however it should be noted that our employee population is really mixed compared to say the private sector. Over the last 12 months there have been some really complex matters to support including serious health conditions, social economic issues, substance abuse and personal tragedies. Support has been provided to ensure the case is being managed correctly and in line with employment law.

38.   It is recognised that there continues to be a need to educate employees to recognise the symptoms of anxiety and what pro-active steps can be taken to reduce stress and anxiety, the HR team have continued to increase awareness of health and wellbeing and the individual's responsibility towards a pro-active approach.

39.   The switch off and shift approach has been implemented across the Council, this is again to remind employees of the importance of having a break encouraging movement to ensure the health benefits are promoted for each individual encouraging a healthier workforce.

40.   With a number of organisational change programmes across the Council, it is recognised that there is the potential for an increase in levels of non-attendance. Within the Council the importance of engaging with employees throughout the change programme is recognised to ensure there is a clear communication strategy.

CONCLUSIONS

41.   The Council's overall absence performance has increased across both LG Employees and Teacher absence since 2021/22, however, has improved when compared to 2019/20, pre covid. It was anticipated that absence levels would increase due to the impact of Covid-19 (stress, health conditions due to medical delays, absence over 12 weeks being included in absence reporting) and cost of living pressures.

42.   The Council's approach to absence management is in line with benchmarking and best practice.

43.   The Council continues to have a strong focus on absence improvement and continues to benchmark and implement training and improvement actions. Mental health will continue to have a focus ensuring appropriate resources and strategies are in place for our employees. HR will continue to encourage our management teams to participate in training in order to develop a confident approach when dealing with mental health in the workplace ensuring that our employees are well supported.

44.   Early intervention will continue to be supported where an employee shows signs of a tress related illness or musculoskeletal health issues to ensure the appropriate resources are being accessed for our employees.

RECOMMENDATION

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

Director of Business Operations and Processes

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PAPERS
The Office of National Statistics 'Sickness in the UK labour Market: 2021 states
The CIPD Health and Wellbeing at Work 2022
Pam Wellbeing 'Restoring Mental Health'
Pam Group, 'UK Survey Report, Health at Work'

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29 September 2022

Report by Director of Business Operations & Partnerships

NATIONAL FRAUD INITIATIVE - UPDATE

PURPOSE OF REPORT

1.   To provide an update on the National Fraud Initiative (NFI) in Scotland and the work carried out by East Renfrewshire Council in 2021/22.

RECOMMENDATION

2.   It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2021/22.

BACKGROUND

3.   East Renfrewshire Council has an effective approach to the National Fraud Initiative (NFI) and all recommendations in the report have been addressed. A range of relevant services across the organisation participate in this biennial exercise and the outcomes are reported to Audit and Scrutiny Committee routinely, most recently in September 2021. The outcomes of the exercise and our approach towards it are also subject to audit. The National Fraud Initiative 2022 report by Audit Scotland was published in August 2022 and Audit Scotland will comment on ERC's approach in their Annual Report, which will be presented separately to Audit and Scrutiny Committee in September 2022. Further work in this area is being highlighted to the Committee through the report on "Managing the risk of Fraud and Corruption – Fraud Response Statement 2021/2022".

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

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

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

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

action as appropriate. Private Supported Care Homes were not included in the most recent NFI exercise, due to a legal question raised around the definition of patient data.

7.   Mitigating potential fraud across all areas is a matter for each service area and there are a number of roles across the Council that have specific remits to eradicate or reduce fraud taking place at source (e.g. Tenancy Enforcement Officers, Licensing Enforcement Officer, Internal Audit) and all employees are encouraged through the Code of Conduct and Anti-Fraud and Bribery Strategy to report suspicions of fraud.

AUDIT SCOTLAND REPORTS

8.   Audit Scotland published their "The National Fraud Initiative in Scotland 2022" paper in August 2022. The 2020/21 NFI exercise identified outcomes in Scotland of £14.9m, with a cumulative outcome since 2006/07 of £158.5m. NFI outcomes across Scotland have reduced by £0.4m in the past 2 years, which Audit Scotland believe could be due to less fraud and error, strong internal controls or some key data sets not being included. Pressures on staffing and services due to Covid 19 may also be a factor contributing to the lower outcomes.

9.   Audit Scotland acknowledge that most organisations demonstrate a strong commitment to counter fraud and NFI, however there was a lower percentage completing the exercise satisfactorily compared to 2018/19. A checklist is available from Audit Scotland for the NFI exercise, and it is recommended that all public bodies complete this. East Renfrewshire Council complete this checklist in line with the recommendations, and this confirms there is a robust approach to NFI.

10.   As reported in 2021, within the Council 3,026 matches were reported in the 2020/21 NFI exercise (2018/19 4,422), with a potential value of fraud or error of £77,499. The decrease in matches of 1,396 were mainly due to Accounts Payable (Creditors) and Housing Benefit. Within Accounts Payable the new Integra Finance and Procurement ICT system was used in 2020/21 versus the eFinancials system in 2018/19. It has been identified that Integra Purchase to Pay has a more robust control environment, with the NFI matching exercise confirming that. Every high risk match (396) and all Single Person Discounts (SPD) (1,105) were investigated. The remaining cases were categorised as medium or low risk and a sample of these cases were also investigated.

11.   Audit Scotland published a further report earlier this summer, "Non-domestic rates: Small Business Bonus Scheme Pilot evaluation" This report updated on a pilot which was carried out by Audit Scotland. The pilot identified £2.2m in businesses inappropriately claiming Small Business Bonus Relief (SBBS). East Renfrewshire Council fully participated in the pilot, along with the majority of Scottish Councils, with data matches investigated by Renfrewshire Council (who administer Business Rates/ Non Domestic Rates on behalf of ERC). No further action was identified for the 30 data matches. Scottish Government are now considering how this exercise can be repeated on a regular basis as part of the full NFI exercise.

12.   Covid 19 grants were paid in Scotland under the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF). A pilot was carried out by Audit Scotland to identify matches of this data in early 2021 and then rechecked due to low numbers of matches. Data released in September 2021, identified only 1 fraudulent Business Grant in Scotland for £25,000. It is not anticipated that this exercise will be run again.

OTHER RELATED INITIATIVES

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

14.   Under national welfare reforms, the Department of Work and Pensions (DWP) set up a fraud and error investigation service (FES). The DWP FES team continue to protect the Council's interests and to mitigate our risk against Housing Benefit fraud. Council and FES investigations into HB fraud can result in Housing Benefit Overpayment (HBO), the imposition of an administration penalty (i.e. half of the amount of the overpayment) or the potential for prosecution for HB fraud. Since we last reported in September 2021, there have been no new referrals, and there is no further information from the DWP on the 1 previous referral. The reduced levels of fraud in this area, are partly due to a reduced Housing Benefit caseload, with the move to Universal Credit, and the effective control environment.

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

NEXT STEPS

16.   The NFI exercise for 2020/21 is complete, outcomes recorded and audited with Audit Scotland having compiled their report. The next stage will be to start the 2022/23 exercise during 2023.

FINANCE AND EFFICIENCY

17.   While the recovery through the NFI exercise was relatively low for 2020/21 at £77,499, the main benefit from carrying out the exercise is the reduction in ongoing fraud and the deterrent effect gained from regular data matching.

PARTNERSHIP WORKING

18.   The follow up work carried out through the NFI exercise has been through partnership working with the following ERC teams; Housing Benefit & Discretionary Payments, Council Tax, Accountancy; Housing; Customer First; HSCP; Business Operations & Partnerships Business Support; Payroll, Accounts Payable (Creditors) and Economic Development. Renfrewshire Council also supported on Non Domestic rates.

CONCLUSION

19.   The Council has a robust and effective approach to NFI, which is complemented by existing fraud prevention measures and confirmed by Audit Scotland in their 2022 report.

20.   The latest NFI was challenging to complete due to ongoing workload pressures in teams caused by rising demands, pandemic-related tasks and the ongoing transition between legacy and new ICT systems. As reported to Cabinet in 2021 this resulted in backlogs with ramifications for performance measures across 2021/22, particularly for the Revenues and Benefits Service. The NFI exercise is a timely reminder that achieving operational deliverables and compliance to mitigate against fraud and error is a delicate balance and one where our teams have demonstrated a good focus in another challenging year.

RECOMMENDATION

21.   It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2021/22.

REPORT AUTHOR

Alison Ballingall, Senior Revenues Manager

For further information please contact Louise Pringle, Director of Business Operations & Partnerships, 0141 577 3136, louise.pringle@eastrenfrewshire.gov.uk

BACKGROUND PAPERS

- National Fraud Initiative – Update, Audit & Scrutiny Committee, 23 September 2021
- Audit Scotland Report - The National Fraud Initiative in Scotland 2022: https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220818_national_fraud_initiative.pdf
- Audit Scotland Report – National Fraud Initiative – Non-domestic rates: Small Business Bonus Scheme Pilot evaluation https://www.audit-scotland.gov.uk/uploads/docs/um/nfi_ndr_sbbs_pilot_report_may22.pdf

EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29th September 2022

Report by Chief Executive

MANAGING THE RISK OF FRAUD AND CORRUPTION –
FRAUD RESPONSE STATEMENT 2021/2022

PURPOSE OF REPORT

1.   In order to demonstrate compliance with the Code of Corporate Governance, this Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2021/22 where appropriate.

2.   In addition this report includes East Renfrewshire Council's response to the Fraud and Irregularity 2021/22 report published by Audit Scotland in July 2022. This report is a summary of the cases of fraud and other irregularities at public bodies reported by external auditors for the financial year 2021/22. A copy of this report is available on the Audit Scotland website https://www.audit-scotland.gov.uk/publications/fraud-and-irregularity-202122

RECOMMENDATIONS

3.   It is recommended that the Audit and Scrutiny Committee

- notes the content of the Fraud Response Statement and the work being undertaken across the Council in relation to managing the risk of fraud and corruption and the reporting already in place

- considers the feedback provided in the context of the comments made in the Audit Scotland report – Fraud Irregularities 2021/22

BACKGROUND

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

5.   It is recognised that the risk of fraud has increased over the last couple of years due to the Covid-19 pandemic. Services continue to review existing controls to ensure that they are still effective and appropriate and at the same time introduce new controls to address new risks. Measures like these have always been important but the unprecedented challenges and pressures brought by the pandemic, and the opportunities it has presented for fraudsters, bring a renewed focus on ensuring effective governance and controls are in place.

6.   Within the Code of Governance work to address fraud, bribery and theft is undertaken in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code on "managing the risk of fraud and corruption" which sets out the principles that define the

governance and operational arrangements necessary for an effective counter fraud response. The Code is applicable to all public services organisations and is comprised of five key principles, which are to.

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

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

8.   In line with the CIPFA Code recommendations that a Fraud Statement is considered annually. A Fraud Statement was considered and approved by the Audit and Scrutiny Committee on 23rd September 2021 and this report provides an updated overview of measures in place to address Anti-Fraud, Bribery and Theft and of work undertaken during 2021/2022 where appropriate.

Audit Scotland Report – Fraud and Irregularities 2021/22 Update - Overview

9.   The Fraud Irregularity Update 2021/22 shares risks and case studies to support the Scottish Public sector in the prevention of fraud. Key messages include recognising the significant challenges due to Covid-19, ensuring a wide range of actions required to mitigate new risks, addressing weaknesses in controls which contribute to fraud and irregular activities. Further information is available on Audit Scotland's website under "counter-fraud".

10.   Specific recommendations in the report include:

- Having effective governance and oversight arrangements for counter-fraud
- Understanding the current and emerging counter-fraud risks
- Regularly reviewing the counter-fraud strategy and counter-fraud plan
- Considering whether the risks and weaknesses in controls identified in the report may exist within East Renfrewshire Council and taking corrective actions
- Reviewing the independent reviews and associated recommendations that were commissioned by the Scottish Environment Protection Agency (SEPA) following a ransomware attack on its systems.

11.   These recommendations have been considered in relation to practices within the Council to proactively try and identify potential weaknesses and ensure that appropriate measures have been taken or are in place to prevent these happening within East Renfrewshire.

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

Governance

12.   The Anti-Fraud, Bribery and Theft Strategy, sets out a range of approaches within the Council to identify and minimise fraud and corruption risks. These include independent reviews of adequacy, efficiency and effectiveness of internal controls by Internal Audit, ensuring all

recruitment is undertaken in line with the Recruitment and Selection Policy and that orders and contracts are awarded in accordance with the Council's approved Contract Standing Orders and Financial Regulations. This Strategy is currently being reviewed and updated to ensure it continues to meet the needs of East Renfrewshire Council and addresses current and emerging fraud risks.

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

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

15. The pandemic required the Council to undertake new tasks or carry out existing functions in new ways at short notice. To minimise the risks associated with this all departments regularly reviewed their service and the Council's strategic risk register and a new Covid-19 risk register was also maintained.

ICT and Cyber Crime

16. The Information Security and Digital Risk Officer throughout the Covid-19 period provided updated guidance, policies and risk assessments across a range of cyber and information security topics. This covered information security when working at home; how to manage information on personal devices; use of strong passwords/passphrases and phishing awareness. This latter point also involved campaigns to check our users' response to potential phishing emails. This helped shape further controls and training resulting in all employees who clicked during campaigns receiving tutor led targeted training.

17. It is important that East Renfrewshire Council has a trained, security focused workforce who are capable of identifying suspicious communications and requests, and more importantly how to react to these, is vital in creating an holistic approach to detecting potential fraud including, but not limited to: Online fraud; User account fraud; Phishing and ransomware; False invoicing; False IT Service support calls and/or emails. East Renfrewshire Council participates in a wider UK programme to identify and prevent phishing attacks on the public sector by asking staff to forward suspicious emails to scam@netcraft.com as well as information.security@eastrenfrewshire.gov.uk. This results in suspicious content being addressed and blocked from continuing to proliferate across the public sector.

18. Both online and tutor led Information and Cyber Security Training provides employees with this focus for both their work and personal life with mandated online training every 2 years ensuring this focus remains. This year saw the introduction of: "Focus On" sessions providing tutor led short topic targeted sessions covering areas including Passwords and Phishing. As a pre-cursor to a larger in-person cyber exercise scheduled for September 2022, cyber incident response exercises for all Department Management Teams (DMTs) were provided aiming to enhance awareness of potential consequences related to cyber incidents and to think in advance about how ready they are to respond. This work also stresses to employees that they are the Council's strongest defence against such threats and malicious actors who may be attempting to gain access to Council information, computing systems and networks. Employees are trained to always be suspicious and question, not just react, when something is unusual or not expected.

19.   The Council actively participates in the national cyber security centre (NCSC) Active Cyber defence programme which provides tools and services which seek to reduce the harm from cyber-attacks and protect against a range of security threats and is an active member of the Scottish Local Authority Security Group (SLAISG) Scotland's WARP (warning, advice and reporting point) which facilitates the sharing of advice, best practice and potential cyber threats and attacks across the public sector.

20.   The Council has invested in managed ongoing vulnerability management across its server and desktop estate resulting in all assets being monitored for vulnerabilities and out of date software and a managed cyber security operations centre (CSOC) resulting in key assets across the network being pro-actively monitored for malicious and unusual activity. This provides an additional layer or protection from malicious actors attempting to gain a foothold within the network with the aim of breaching our information and systems confidentiality, integrity and availability.

21.   It is important that the Council maintains up to date and patched software and applications. Old and outdated systems can become vulnerable and exploited by hackers and cyber criminals, updates assist in keeping Council computing networks and information safe. ICT continues to ensure that applications and operating systems they manage are patched and updated including the removal of old version of the Windows operating system. This activity requires ongoing and continued support from departments, management and staff.

22.   As recommended in the Audit Scotland Fraud Irregularities Update 2021/211 a review of the independent review and associated recommendations that were commissioned by the Scottish Environment Protection Agency (SEPA) following a ransomware attack on its systems has been undertaken to ensure that the work outlined above in this report, in addition to other measures, would reduce the likelihood of East Renfrewshire Council being subject to a similar attack.

23.   A recent Corporate Management Team (CMT) and Crisis Resilience Management Team (CRMT) workshop was held specifically focusing on a Cyber Security incident to test the way in which such an incident would be handled and to identify areas for further improvement.

Procurement

24.   Financial control was also tightened with close scrutiny of all expenditure and an additional monitoring report provided to Council in June 2020 to provide an early indication of potential pressures. Staff across procurement, accountancy, IJB and Corporate Health and Safety Unit also liaised throughout last year on the purchase and issue of PPE across all Council services.

25.   Covid-19 brought significant supply challenges in the area of Personal Protective Equipment (PPE). The Procurement Team worked closely with Scotland Excel and the Scottish Government ensuring that due diligence of suppliers was carried out to eliminate risk of sourcing from fraudulent suppliers.

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

crime is engaging in procurement fraud and appropriate steps have been taken to minimise the risk of this within East Renfrewshire Council.

27.   In addition to this work Procurement include in high value or high risk contract "The Single Procurement Document (Scotland) standard qualification questionnaire which was supplied by Scottish Ministers for all regulated procurements. Sections within this which support management of the risk of fraud and corruption include – Criminal Convictions; Conspiracy; Corruption; Money Laundering; Payment of Taxes; Blacklisting; Bankruptcy and Arrangement with Accounts Payable.

Health and wellbeing

28.   The Council recognises that remote working may result in isolation and/or mental health issues which could result in vulnerability to be targeted. To keep our workforce healthy a number of messages promoting an appropriate work-life balance and sign-posting to support organisations have been shared with employees. The organisation has promoted flexibility in working times to accommodate other demands, particularly during lockdown periods when childcare provision was not available. Managers are encouraged to have regular contact with employees and enquire about their health and wellbeing and to watch out for signs of mental health in the workforce. The council's employee counselling services has seen increasing number accessing the services which can be accessed via manager or self-referral and this service continues to be promoted.

29.   During the pandemic the Council has raised awareness with both residents and employees about potential scams, in particular employee awareness has been raised around financial and vaccine scams.

Payment/Insurance/Payroll and HR

30.   The Council has established financial, HR/payroll and Council Tax systems with all procedures well documented and guidance available on the Council Intranet which assists employees to work in hybrid arrangements. These new systems incorporated new hierarchies of control so that there were automatic limits and reports on what individual employees could do.

31.   Inventories of furniture and equipment were maintained with items taken home to enable employees working there being recorded. This continues to be reviewed in light of The Way We Work Project.

32.   Specific controls are in place across all processes, in particular "higher risk" (for example payment or cash involved) to ensure risk of loss through fraud is minimised. This includes processes to prevent fraudsters seeking either directly or indirectly (through customers or suppliers) to elicit funds from the Council through misleading/false information.

33.   The HR and Payroll continue to maintain controls around recruitment including right to work checks and the payment of allowances. The team are vigilant and have seen an increase in fraudulent emails requesting changes to employee details, changes are only made where appropriate authorisation is provided.

34.   There is a "segregation of responsibilities" including checks upon System User access and within reconciliations are all in place. This approach is a fundamental part of mitigating the risk of fraud being perpetrated and protects both employees and mitigates the risk of Internal or External Fraud being perpetrated against the Council.

35.	Communications and sharing of information is vital in sharing information in relation to potential frauds which helps to mitigate the risk of frauds being perpetrated, with appropriate actions taken as required.

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

37.	As part of the Insurance claim process controls are in place to help mitigate the risk of fraudulent claims.

38.	A review of the Anti Money Laundering Policy has been undertaken this year. This includes guidance for employees on how to recognise money laundering, procedures for reporting concerns and training/measures to prevent money laundering in relation to payments made to the Council.

39.	The Criminal Finances Act 2017 made it an offence for a Council to fail to prevent an associated person from criminally facilitating the evasion of tax. Although measures are in place to address this, a Policy based around best practice principles is currently being prepared to formally set out the processes and policies which are in place to prevent the facilitation of such tax evasion.

REPORTING AND POTENTIAL FRAUD 2020/2021

40.	As part of the Intern Audit Progress report considered every 3 months by the Audit and Scrutiny Committee the Chief Internal Auditor provides an update on the requests for assistance which are always dealt with using Internal Audit "Fraud Contingency". Three potentially fraudulent matters were brought to Internal Audit's attention and investigated during 2021/22. The first two cases did not warrant further action after the initial investigation and neither involved financial loss to the Council. The third case related to theft of council property from council premises, valued at an estimated £300.00, and was reported to Police Scotland.

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

42.	East Renfrewshire has a single point of contact for NFI and a well-established internal network of departmental contacts. A comprehensive report outlining the National Fraud Initiative – update 2021/22 will be considered by the Audit and Scrutiny Committee on 29th September 2022.

43.	During the Covid-19 pandemic and subsequent Omicrom 2022 restrictions, the UK Government responded with measures to mitigate the economic and social impact including "Covid-19 and Omicron related payments" which are administered by the Economic Development Team within the Environment Department. Sadly, there is always the potential that fraudsters will try to take advantage of these emergency measures. The fraud threat posed during emergency situations is higher than at other times, and all public bodies were attuned to the risks facing their organisations and the public sector.

44.	The Economic Development, Accounts Payable and Internal Audit Teams have continued to work together to take the appropriate steps to reduce the threat of widespread fraud in relation to the Covid-19 and Omicron related payments by integrating appropriate

controls into the application and appraisal process, payments process and carrying out post-event assurance work to check for fraud and to ensure funding is used for its intended purpose. This included collecting data on who was applying, who was paid, ensuring applicants knew how their data would be used and their legal obligations for grant funding and having robust "claw back" agreements in place to be able to recover funds that were paid out incorrectly or used inappropriately. A sample of high risk grant awards for fraud has been undertaken and where relevant the Team will invoke the claw back agreement and pursue recovery.

45.   Externally, the Economic Development Team worked with Police Scotland and SLAED (Scottish Local Authorities' Economic Development) colleagues to create a list of fraudulent applications that was circulated regularly.

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

FINANCE AND EFFICIENCY

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

CONSULTATION

48.   A range of colleagues from across the Council including the Head of Accountancy, Chief Auditor, Chief Legal Officer, Chief Procurement Manager, Head of HR and Corporate Services, Head of Digital and Community Safety, Senior Revenues Manager, Compliance Officer, Economic Development and Inclusive Growth Manager have also been consulted as appropriate.

IMPLICATIONS OF THE PROPOSALS

49.   There are no direct implications of the proposals in this report specifically in terms of staffing, property, legal, ICT, Subsidy Control, equalities, sustainability and climate change.

CONCLUSION

50.   This Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2021/22. This report provides the evidence to demonstrate full compliance with the Code of Corporate Governance.

RECOMMENDATIONS

51.   It is recommended that the Audit & Scrutiny Committee

- notes the content of the Fraud Response Statement and the work being undertaken across the Council in relation to managing the risk of fraud and corruption and the reporting already in place

- considers the feedback provided in the context of the comments made in the Audit Scotland report – Fraud Irregularities 2021/22

REPORT AUTHOR

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September 2022

BACKGROUND PAPERS

- National Fraud Initiative – Update 2022, Audit and Scrutiny Committee, 23rd September 2022

- Audit Scotland Report - The National Fraud Initiative in Scotland 2022: https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220818_national_fraud_initiative.pdf

- Audit Scotland Report – Fraud & Irregularity 2021/22 https://www.audit-scotland.gov.uk/publications/fraud-and-irregularity-202122

- Managing the Risk of Fraud and Corruption Fraud Response Statement 2020 – 2021, Audit and Scrutiny Committee, September 2021

EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29th September 2022

Report by Chief Executive

REVIEW OF THE STRATEGIC RISK REGISTER
AND RISK MANAGEMENT PROGRESS

PURPOSE OF REPORT

1.   This report provides the latest biannual update of the Council's Strategic Risk Register and a summary of risk management progress. The previous update of the Strategic Risk Register was considered by the Audit and Scrutiny Committee on 7th April 2022.

RECOMMENDATIONS

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

BACKGROUND

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

4.   The previous update of the Council's Strategic Risk Register was considered by the Audit and Scrutiny Committee on 7th April 2022.

5.   Several risks have been amended to include additional control measures and the risks have been rescored for significance. A thorough review of all risks on the register has been undertaken by the CMT. There are now 38 risks of which 8 are evaluated as high and 30 as medium. Where a risk has been evaluated as "low" it will be removed from the Strategic Risk Register and monitored within Departmental or Operational registers if appropriate.

6.   The Strategic Risk Register is reviewed and updated frequently as appropriate to reflect the current "live" situation and therefore liable to change. The Strategic Risk Register in Appendix 1 to this report is therefore reported below as dated (14th September 2022).

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

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

REPORT

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

- Increase in the number of children and adults with additional support requirements leading to a rise in demand on services. *(Risks 2.2 - High)*

- Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of impact of new residential developments – in particular the Local Development Plan. *(Risk 2.3 - High)*

- Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee. *(Risk 2.4 - High)*

- Risk of failure of a key care provider, including care home, care at home and other care provider due to financial instability, staff recruitment and selection difficulties or significant care concerns. Consequences could include: disruption to service delivery, requirement to implement contingency plans, impact on individuals and families with potential disruption to care arrangements. *(Risk 5.2 – High)*

- Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls). *(Risk 6.7 - High)*

- Our major works capital programmes face significant pressures as a result of raw material costs, supplier costs, supply chain or contractor difficulties as a result of Covid-19, Brexit and the war in Ukraine. This will have a detrimental impact on the costs and/or timescales related to the delivery of projects. *(Risk 6.22 – High)*

- The COVID-19 Pandemic reduces community activity and diverts staff resources away from being able to identify, plan and deliver Participatory Budgeting (PB) opportunities resulting in the Council failing to meet its goal of 1% of spend being via Participatory Budgeting. *(Risk 6.24 – High)*

10.   The following risk were rescored down from **high to medium**:

- Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. *(Risk 5.3 - Medium)*

- The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in increased controls and restrictions being implemented within East Renfrewshire. This may impact on provision of services through: staff availability, supply chain issues, increased service demand, financial and service planning upheaval. *(Risk 6.18 – Medium)*

- Supporting the mass vaccination, testing programmes and other key Covid-19 response work streams within East Renfrewshire leads to other key work being

delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced. *(Risk 6.20- Medium)*

- High workloads with additional work as a result of the Covid-19 pandemic coupled with business as usual may impact on employee absence and poor wellbeing and also may impact on project delivery resulting in delayed deadlines which could damage the Council's reputation. *(Risk 6.23 – Medium)*

11.   The following risk was rescored up from **medium to high**:

- Inability to continue to deliver East Renfrewshire Council's preferred (or at least an acceptable) model of 1,140 hours of free early learning and childcare (ELC) which locally addresses the principles of quality, flexibility, accessibility and affordability. *(Risk 1.1 – High)*

  o   Increased: Rescored due to increased likelihood. This is linked to the continuing challenges around the documented revenue shortfall for the delivery of the statutory entitlement in the context of the wider savings required.

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

- The handback of PFI/PPP schools from the current management to the Council results in a decline in service due to an inability to successfully manage the transition and ongoing operation of the buildings. Buildings handed back to the Council as per the PFI/PPP agreements are not in an appropriate condition, resulting in additional maintenance costs for the Council. *(Risk 2.12 – Medium)*

- Resettlement of displaced persons from Ukraine and Afghanistan (or any other area) overwhelms the availability of resources in East Renfrewshire, impacting upon already stretched availability for housing, facilities (e.g. school provision, GP access, etc.), Council Services and the Third Sector. *(Risk 6.26 – Medium*)

13.   The following risks have been **removed** from the Strategic Risk Register since this was last considered by the Audit and Scrutiny Committee in September 2021.

- Continued disruption in schools and potential changes in SQA certification processes in 2021/22 detrimentally impacts upon exam results of young people in the 2021/22 exam diet with a subsequent negative impact on the Council's reputation. *(Risk 2.7)*

  o   Removed: The 2021/22 exam session has now been completed.   The Department of Education will continue to monitor and liaise with national partners on any changes to the exam diet for session 2022/23.

- Supporting the mass vaccination and asymptomatic testing programmes within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced. Challenges to the programmes may delay our citizens in receiving test results or their vaccinations. *(Risk 2.10)*

- o Removed: This risk has been combined with Risk 6.20 to reflect a single vaccination risk.

- The Covid-19 Pandemic results in additional deaths, which stretch the capacity of existing mortuary storage. This impacts on the NHS requiring the Council to provide additional facilities. *(Risk 2.11)*

  - o Removed – This is no longer considered a Covid specific risk and will be monitored as part of the Department of Environment Risk Register.

- As a result of current events (including Brexit) that impact the UK politically & economically - there is a disruption to Council operations and the services we provide, including frontline and support services. A further example is the conflict in Ukraine, which may lead to significant volumes of displaced individuals residing in East Renfrewshire, requiring support and potentially facing complex needs. Additionally, the conflict in Ukraine may lead to disruptions in key supply areas - with Russia and Ukraine making up significant amounts of global exports in wheat and gas, for example. (Risk 6.16)

  - o Removed: This risk as it was originally created to reflect the risks identified around Brexit which will continue to be monitored and should further specific risks be identified a new risk will be added to the Strategic Risk Register.

14. No risks descriptions were amended to **reflect the current position or provide further clarity** (additions in bold, removed text with line through and revised risk included below for clarity) on this occasion.

RISK TOLERANCE

15. **Map of strategic risks in East Renfrewshire Council**

Likelihood		1	2	3	4
	4			2.2; 5.2; 6.7; 6.22; 6.24	
	3			1.3; 2.8; 2.12; 3.2; 3.3; 4.4; 5.1; 6.1; 6.4; 6.12; 6.14; 6.20; 6.26	1:1 2.3; 2.4;
	2			1.2; 1.4; 2.6; 2.9; 2.12; 3.1; 3.3; 6.3; 6.6; 6.18; 6.25	3.5; 3.7; 3.8; 4.1; 4.2; 5.3;
	1				
		1	**2**	**3**	**4**
		Impact			

Risk Score	Overall Rating
11 to 16	High – RED
5 to 10	Medium – Orange
1 to 4	Low – Green

Outcome	Low Risk	Medium Risk	High Risk	Total
1. All children in East Renfrewshire experience a stable and secure childhood and succeed	-	3	1	4
2. East Renfrewshire residents are healthy and active and have the skills for learning, life and work	-	4	3	7
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	-	6	-	6
4. East Renfrewshire residents are safe and live in supportive communities	-	3	-	3
5. Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives	-	2	1	3
6. Our Strategic Outcomes: Customer, Efficiency and People	-	12	3	15
Total Strategic Risks	*-*	*30*	*8*	*38*

RISK PROGRESS

16.   The Corporate Management Team continues to discuss and reviewed the Strategic Risk Register on a regular basis and it remains a standing item on the CMT agenda. A number of updates have been made to both the risk control measures currently in place and the proposed risk control measures to ensure the information reflects the most up to date position.

17.   A review of the Risk Management Strategy is currently being undertaken and a new Risk Management Strategy 2022 – 2025 will be prepared in due course to ensure that the approach to risk management continues to meet the needs of East Renfrewshire Council.

18.   During the discussion on risk management at the Audit and Scrutiny Committee on 7th April 2022, it was suggested by Audit Scotland that consideration was given to including any information on areas of interest or which could, at some point in the future, reach a level which would then result in a risk to the Council and, at that point, be included in the Strategic Risk Register. "Horizon scanning" information is therefore included in this report to provide a high level overview of areas which are currently being considered but have not, as yet, resulted in a risk being added to the Strategic Risk Register.

19.   Horizon scanning at present broadly includes the following areas which are being kept under review by the Corporate Management Team, Departments and Services as appropriate. Any risks identified will be added to the appropriate service, operational, departmental or Strategic Risk Register in due course.

- National Care Service Bill
- Housing – possible implications of the Housing Bill
- Energy –
- Welfare – Scottish Child Payment changes
- Education Reform Bill
- Scottish Government intention to introduce a Referendum Bill to hold another plebiscite in October 2023.
- Asylum Dispersal Scheme

FINANCE AND EFFICIENCY

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

CONSULTATION

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

CONCLUSION

22.   As part of the review of the register 2 new risks was added and 4 risks were removed. There are now 38 risks on the register of which 8 are classified as "high" risk.

23.   The risks captured in the Strategic Risk Register continue to be monitored and evaluated by the Corporate Management Team on a regular basis. The Appendix to this report therefore contains the most up to date position at the time of this report (14th September 2022).

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

RECOMMENDATIONS

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

REPORT AUTHOR

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- 29th September 2022

BACKGROUND PAPERS

- Appendix 1   East Renfrewshire Council Strategic Risk Register_V4.5_Updated 14.09.2022
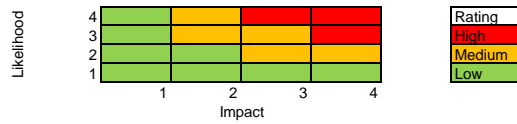
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Classification	Official Sensitive
Name	East Renfrewshire Council Strategic Risk Register
Version	V4.6
Date	14/09/2022
Updated by:	Gill Darbyshire, Chief Executive's Business Manager

The risks highlighted within this document are based upon the professional judgement of East Renfrewshire Council Corporate Management Team and officers in East Renfrewshire Council.

The Strategic Risk Register is the property of the Council's Corporate Management Team who will regularly review its contents and scoring.

All risks are currently scored on what is known and based upon information available. Risk scores and controls will be evaluated on an ongoing basis and reflective of developing knowledge.

Risk Scoring is presented based on the risk matrix below

Rating	
High	
Medium	
Low	

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Outcome 1: All children in East Renfrewshire experience a stable and secure childhood and succeed.												
Risk Status S/C/N (Same, Changed, New)	**Risk Number**	**Risk (Threat / Opportunity to achievement of business objectives)**	**Risk Control Measures (Mitigations) current In place**	**Likelihood (Probability)**	**Impact (Severity)**	**Risk Score**	**Proposed Risk Control Measures (Mitigations)**	**Date for completion**	**Re-scored Likelihood (Probability)**	**Re-scored Impact (Severity)**	**Re-scored Risk Score**	**Risk Owner**
C (13/09/2022)	1.1	**Inability to continue to deliver East Renfrewshire Council's preferred (or at least an acceptable) model of 1,140 hours of free early learning and childcare (ELC) which locally addresses the principles of quality, flexibility, accessibility and affordability.**	ERC's anticipated annual revenue funding shortfall from the first full year (2021/22) of implementation of 1140 hours has been well documented since 2018 and officers and elected members have petitioned SG/COSLA. In anticipation officers have sought to maximise the carry forward of specific ELC grant funding released on a phased basis in advance of full implementation. Such actions helped delay the full financial impact of the funding gap up to and including 2022/23. High quality, flexible accessible childcare available within East Renfrewshire Local Authority settings. Continue to monitor provision and regularly review delivery models based on bi-annual consultation, ensuring efficiency in the use of space and resources, whilst offering choice to families to make LA provision attractive. Maintain tight control of revenue spend, including scrutiny of requests to recruit to ensure all recruitment is on a needs (ratio) basis and that staffing levels in ELC settings are operating at maximum efficiency. Use of temporary contracts to ensure flexibility in revenue budget. Increase in local authority provision with all capital work now completed. Funded provider places ERC is in partnership with have also been increased. Introduction of Add-on hours and more flexble models of delivery beyond 1140, enabling families to purchase additional hours where capacity allows.	3	4	12	Following the national funding review (currently underway as of August 2022), assess the impact on ERC's delivery models and report to elected members as appropriate. Review of delivery models and provision following the ELC Consultation to be undertaken throughout September 2022 in advance of the admissions window for session 2023/24. Ongoing review of capacity across communities to ensure sufficient places for families to access 1140.	Subject to outcome of National Review. Nov 2022 Nov 2022	2	4	8	Director of Education
C (21/09/2022)	1.2	**Scottish Government Funding Follows the child guidance in relation to parents accessing Early Learning and Childcare (ELC) in their choice of provider will have a significant financial impact on budget.** **Review of sustainable rate places increased pressure on the budget.**	Rigorous scrutiny process to determine partnership status for ERC Funded Providers. Collaborate with West Partnership to utilise Ipsos Mori data and set a fair and transparent sustainable rate (Session 22 / 23). Promote the quality and affordability aspects of all ELC settings with parents and carers. Forecasting of the current demand and cost of children accessing non-LA settings. Continue to implement Funding Follows the Child and the West Partnership Cross Boundary Protocol, allowing parents maximum choice. Revised ELC admissions policy reflecting the enhanced 1140 provision and the allocation of places. Operation of application window to ensure allocation to nurseries can be undertaken to provide financial oversight. Funding request window notified to all funded providers. Review of application process to ensure LA and Funded Provider applications run in parallel, reducing 'double offers' made to families. Introduction of Add-on from August 2022 (where capacity allows) to increase the flexibility available within LA settings.	2	3	6	Review of models of delivery in LA settings through the ELC Consultation exercise to provide greater choice and flexibility, increasing the attractiveness of LA provision (every 2 years).	Nov 2022	1	3	3	Director of Education

				L	I	Score			L	I	Score	
C (21/09/2022)	1.3	**An increase in the number of requests from parents and carers for children to defer their entry to school, ahead of the required 2023 policy implementation date, leads to insufficient places being available and increased costs to ensure provision can be made.**	Implementation of the new ELC Admission Policy (updated November 2020). ELC settings to continue to engage with parents, outlining the progress and achievements of children. Playful pedogogy approach in Early Years of Primary School including high quality remote provision during times of restrictions. Departmental officer sitting on national Scottish Government working group. Deferral mapping system in place to support service planning.	3	2	6	Early notification for parents/carers seeking to defer, to provide sufficient time for planning within ELC settings. Ongoing review of school/nursery admission processes to ensure continued compliance and notification on deferred children. Ongoing review of capacity across communities to ensure sufficient places for families to access additional year of funded ELC.	Dec 2022 Dec 2022 Dec 2022	2	2	4	Director of Education
S (25/8/2020)	1.4	**Ongoing threat of Covid-19 impacts on the Council's ability to provide education to children and young people, either through significant rates of absence or school/class closures in schools across the authority.** **Higher rates of staff absence due to impact of Covid-19 cases and the need for self isolation.** **Ongoing impact of school closures on attainment of young people.**	Legacy guidance in place to support schools as they transition from the pandemic whilst continuing to encourage good practice around hygiene. Links to individual school remote learning plans able to be put in place where required. Introduction of new SEF funding, with ongoing support for schools to continue to address the challenges associated with the disruption caused by Covid. Ongoing support from Educational Psychological Services to support wellbeing amongst pupils including through HealthiER Minds. Robust adherence to pragmatic health and safety measures across all settings to reduce potential risks. Regular review of risk and control measures in places across establishments. Tracking of attendance figures on an ongoing basis by ELT, highlighting areas of concern with QI team for further investigation. Assessment of longer term absence.	2	3	6	Effective use of further additional resources being made available by the Scottish Government including additional funds for staffing to address learning loss above and beyond existing additional resources. Wider Scottish Government commitment for significant device provision across schools, with promise of a device and connectivity for every pupil. Development of a support to focus on Emotionally Based School Absence to aid transition back into school.	June 2023 June 2023 Subject to national timescales	1	2	2	Director of Education

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

Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current In place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (28/03/2022)	2.2	Increase in the number of children and adults with additional support requirements leading to a rise in demand on services.	Advanced Practitioner post to improve practice across adult and children services in preparing young people with additional support needs for adulthood. Analysis of demographic changes and increased financial forecasting. Education Resource Group manage specialist resources and admission to specialist provision. Resource Allocation Group (RAG) strengthened membership to include educational psychologist and occupational therapist. Concluded work to review transitions and new strategy developed	4	3	12	Present Transitions Strategy to Children Services Partnership Group for sign off. Implement Transitions Strategy - transition team to be developed to lead delivery of strategy - transitions team currently being recruited and transition planning to feature in R&R programme (reviewed Sep). Continued monitoring and Covid support to partly offset increased demand.	30/12/2022 30/12/2022 Ongoing (review Mar 23)	4	2	8	Chief Officer HSCP
C (17/03/2022)	2.3	Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of inward migration including the impact of new residential developments- in particular the Local Development Plan.	Regular review of places and demand; and implementation of admission arrangements policy. Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015. On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements. This will also take cognisance of inward migration to existing housing along with ongoing residential development under the adopted LDP1 and any windfall sites as reflected in the Housing Land Supply register. Revised Pupil Product Ratios (PPRs) for ELC, primary, secondary and ASN (Additional Support Needs) reflecting current build costs published summer 2019 and PPRs refreshed. Continue to review school rolls projections annually and Pupil Product Ratios (PPRs) at least every 2 years.	3	4	12	Council's Capital Investment Strategy and the associated future 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales. As appropriate education statutory consultation to be undertaken in advance and within required timeframes. Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.	Annual update (next due 28/02/2023) In line with relevant timescales In line with relevant timescales	2	4	8	Director of Education
S (30/08/2019)	2.4	Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee.	Current capital plan reflects major new replacement for Eastwood Leisure Centre and provision for repair and maintenance of Culture & Leisure facilities to improve the customer environment. In addition the capital plan includes the intent to renew sports and library facilities for the village of Neilston as part of campus approach to replace outdated local educational provision. Quarterly meetings take place between the Trust and Property and Technical Services to monitor performance. Business Continuity Plans in place for services. SLA in place between ERC & ERCL. Responded to the Main Issues Report and contributed to the new LDP (2) highlighting any impact in terms of the culture and leisure estate. Additional capital maintenance budget agreed for Trust properties in February 2019.	3	4	12	Capital Plan reviewed annually and updated to reflect operational requirements of facilities operated by the Trust. This will be ongoing. Progress new facilities planned for Eastwood Park and Neilston Leisure Centres in line with timescales set out in the Capital Plan. ERCL to take advantage of any opportunities offered by development of LDP3 taking account of due process such as planning and consultation in partnership with East Renfrewshire Council and in line with relevant timescales.	Annual update (next due 23/02/2023) In line with timescales set out in Capital Plan In line with timescales set out in Capital Plan.	2	3	6	Director of Education/Head of Accountancy

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Ref	No.	Risk	Controls	L	I	Score	Further Action	Date	L	I	Score	Owner
C (13/09/2021)	2.6	An increase in the number of children and young people disengaging with learning as a consequence of ongoing Covid-19 impacts and subsequently requiring specialist support.	Curricular focus on health and wellbeing to negate impact of Covid-19 Resources and plans in place for high quality remote learning in all schools and early learning provision. All establishments have been provided with Building Back Better & Fairer plans and continue to be supported by the QI team to ensure continuing high quality. Focus on supporting children and young people in to school and the promotion of in school learning. Effective multi-agency planning around the child. HealthiER Minds Service to support pupils and staff. Education Resource Group Inter-agency recovery group A review of specialist supports and services across the Education Department. Emotionally Based School Absence Support package developed including guidance, CLPL and specialist support.	2	3	6	Implementation of the findings of the ASN review. Wider campaign around the promotion of pupil attendance. Scottish Attainment Challenge funding from Scottish Government to support wider efforts across schools.	30/06/2023 30/06/2023 31/12/2022	2	1	2	Director of Education
S (24.08/2022)	2.8	Covid-19 pandemic leads to customer anxiety, affects demand, attendances and revenues, impedes full recovery and results in an increased management fee. Combined with a requirement for rescheduling and reprogramming throughout the year affecting venue availability and high rates of staff absence, the national trend of loss of staff to the sector following lockdown and an inability to recruit, all continue to impact the ability to provide high quality service across all venues.	Council Resilience Management Team oversight of Business Continuity and contingency planning lead on the tactical response to the ongoing pandemic. Monitor up to date Government guidance. Sharing of key Health / Government advice with the public. Effective Trust and Council governance arrangements. Effective measures to ensure non staff costs are controlled are in place. Consultation and on-going engagement with customers via online channels to build demand, confidence and allay fears. Trust staff training to identify new products, solutions and operating procedures. Workforce Planning Group established	3	3	9	Close financial modelling and management Local management of opening/closures supported by multi-channel customer communications (website, sms, app, social media)	01/04/2023 In line with Scottish Government guidance	3	2	6	Director of Education
S (24/08/2021)	2.9	Inability to recruit appropriately skilled teacher workforce at all levels, leading to a reduction in service levels and an inability to provide adequate teaching across schools. Inability to recruit head teachers and other senior leaders, leading to an inability to provide education leadership. Lack of appropriately qualified CDOs results in decrease in quality across ELC provision.	Workforce planning strategy approved with improved recruitment and selection procedures. Ongoing work with university partners to ensure upskilling of new teacher workforce at all levels. Succession planning toolkit for managers. Training and support for aspiring leaders to provide a continuum from middle leadership through to HT. Leadership strategy embedded across the department.	2	3	6	Ongoing development of CLPL Revisit the ELC staffing strategies to consider actions required to support potential future expansion.	30/06/2023 31/12/2022	1	2	2	Director of Education
N (13/9/2022)	2.1 2	The handback of PFI/PPP schools from the current management to the Council results in a decline in service due to an inability to successfully manage the transition and ongoing operation of the buildings. Buildings handed back to the Council as per the PFI/PPP agreements are not in an appropriate condition, resulting in additional maintenance costs for the Council.	PPP/PFI handback management group established, comprising of Bellrock SPV and appropriate officers from the Council to direct and monitor actions of operational sub groups: staffing; building condition and maintenance; equipment; legal; and finance.	3	2	6	Ongoing work of oversight group and subgroups to plan effective transition to ensure ongoing services, building condition suitability and financial/legal issues are concluded. Ongoing membership of local government officers group. Membership of oversight group to include representative from SFT.		1	2	2	Director of Education

							Outcome 3: East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses.					
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current In place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
S (21/08/2021)	3.1	Glasgow and City Region City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits resulting in a gap in funding provided by the UK and Scottish Government.	City Deal projects are delivered within the governance, procedures & project management requirements set out in the City Deal Assurance Framework. Regular reporting on City Deal projects is provided for Governance meetings that are held every 2 months. Additionally, there are frequent project & team meetings, with issues raised with the Programme Management Office (PMO). There are rigorous checks of all business cases - initially through checks by the Governance Board, prior to going to the PMO. There is a further check by the PMO prior to expenditure approval and project implementation. Reproofing projects in terms of scope, timescales and cost to ensure the projects remain value for money, can be achieved within current budgets and still provide the required GVA with the Finance Business Partner. The City Deal Governance Group within the Environment Department is chaired by the Director of Environment and meets monthly, enabling monitoring of progress and issues relating to City Deal Projects. A Cabinet report updating on key City Deal elements has been compiled and was discussed at 3 June meeting. All existing & new employees receive regular training to ensure their project management knowledge is up to date. This includes all City Deal project managers being trained in NEC3 contracts and financial standing orders.	2	3	6			2	3	6	Director of Environment
C (17/08/2022)	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan and City Deal GVA (Gross Value Add).	Major capital projects have been reviewed for inflationary impact in preparing the 2020/2021 to 2029/2030 Capital Plan. Reassessment of capital plan to ensure budget can be met. There is prudent budgeting and ongoing monitoring of reserves - including monitoring the effects of Brexit, Covid-19 and construction inflation on costs, availability of labour and changes to safe working practices. Building Cost Information Service (BCIS) is updated annually and the mid construction point is used to inflate projects, and notified to the Finance Service. Regular review of Government budgets and subsequent Council budgets takes place, to consider impacts on major projects.	3	3	9	Re-profiling of 10 Year Capital Plan should significant variations occur or are likely to occur in a single financial year.	Long Term Consideration	3	2	6	Director of Environment

Date	Ref	Risk	Controls	L	I	Score	Further Action	Target Date	L	I	Score	Owner
S (04/03/2022)	3.3	Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties. This risk is complicated by the potential changes to UK State Aid guidance and procedures as a result Brexit and the EU-UK Trade Agreement in December 2020.	Close monitoring of capital expenditure/income against budget throughout year. State Aid references is made within appropriate Cabinet/Council reports, where relevant. A member of the Environment Department attends 2 meetings per year at the Scottish State Aid Local Authority Network, to keep up to date with any changes to State Aid compliance. Staff from Environment Department, Legal Services, Finance and Procurement have received training through the Scottish Government's State Aid Unit. Further training can be requested from the Scottish Government State Aid Unit. Council training is carried out every 2 years. There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. further information including examples of what constitutes State Aid is provided in the relevant links on the intranet (Home/Chief Executive's Office/State Aid Guidance) UK Government guidance has been published and is being updated. The current assumption highlighted by CoSLA is that authorities should continue using the EU rules as reference points which the new UK regime is being fully developed and consultation completed. UK Government Guidance is available at: https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities An annual State Aid return is provided to the Scottish Government each June.	2	3	6	Continued & enhanced Scottish State Aid Local Authority Network communications are taking place in light of UK changes to the State Aid regime (arising from EU Exit), with Environment Department staff engaged. In light of potential UK changes to the State Aid regime, review the requirement for updated training in light of any changes to the State Aid regime: considering opportunities for more officers to undertake this training. This will also encompass the two yearly knowledge update. There will be regular review of any UK Government guidance and position on the changes to State Aid that may result from EU Exit. Engagement will take place through the Scottish State Aid Local Authority Network and with the Scottish Government / COSLA to ensure that any changes the Council is required to make are compliant.	31/01/2023 31/01/2023 31/01/2023	2	2	4	Director of Environment
S (28/01/2021)	3.5	There is a risk of an internal structural collapse at Braidbar Quarry which could result in the ground surface opening up possibly leading to fatalities if restrictions on access are not maintained. Several residential properties are blighted by this site.	Full fencing of the site completed November 2019. Warning signs erected around the perimeter. Regular inspections are undertaken, with fencing repaired when the Council is notified of breaches. The Council documents its repair regime. Digitised record inspection records are retained and regularly updated. No mitigation factors are presently in place for an internal structural collapse other than protection of the public through restricted access.	2	4	8	Remediation of the affected land is the only measure which will completely remove this risk. Achieving this however would be a multi-million pound exercise and would require significant collaboration with land remediation specialists.	Long Term Project	2	2	4	Director of Environment
S (14/04/2019)	3.7	Impact of severe weather (caused by climate change) disrupting the functioning of the Council and its ability to deliver services.	Business Impact Assessments and Business Continuity Plans consider implications of sudden and severe weather events. The Council participates in Climate Ready Clyde (CRC) project to evidence the impacts of climate change on the area and its assets and develop a climate change risk and opportunity assessment, adaptation strategy and action plan. Continue to construct and maintain all buildings and infrastructure to the best possible standard to reduce likelihood of structural failure. Participate in Clyde And Loch Lomond Flood Risk Management Group (CALL)	2	4	8	Develop a Climate Change & Sustainability Strategy Adaptation Strategy being developed at Glasgow City Region level Implement the Climate Change and Sustainability Strategy	To be determined 30/11/2022 To be determined	2	3	6	Director of Environment
S (21/12/2021)	3.8	Lack of Government funding to address climate change leads to East Renfrewshire Council being unable to achieve targets at the same time as maintaining core services with resulting public criticism/reputational damage.	Regular petitioning of Scottish Government via COSLA takes place for adequate funding. The Council works closely with regional partners to ensure sharing of best practice.	2	4	8			2	4	8	Director of Environment

Outcome 4: East Renfrewshire residents are safe and live in supportive communities												
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current In place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for Completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (12/09/2022)	4.1	Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements- MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.	The operation of Child Protection Committee (CPC), Adult Protection Committee (APC) and MAPPA meetings deal with strategic and practice issues. "Safe Together" model implemented in HSCP. Regular reporting to COPP in place for adult, children and high risk offenders.	2	4	8	Strengthen reporting arrangements around SSSC registrations. (Short-life working group established Mar-22 - progressing action plan) Roll out "Safe Together" across Council	31/12/2022 31/12/2022	1	4	4	Chief Officer HSCP
C (20/12/2021)	4.2	Acts of harassment, violence or intimidation, directed at particular religious or minority groups, impact on individuals and communities, resulting in harm and reduced confidence in being able to live safely and without fear within East Renfrewshire.	Local authorities have a duty under the Counter Terrorism and Security Act (2015) to have " due regard to the need to prevent people from being drawn into terrorism". The Council participates in multi-agency 'Prevent' and 'CONTEST' working groups, alongside other local authorities, Police Scotland and the Scottish Government, and has designated the Head of Digital and Community Safety as the Single Point of Contact (SPOC) for Prevent. The Council CRMT and the Civil Contingencies Service (CCS) ensure that appropriate business continuity and civil contingencies procedures are developed and maintained, to co-ordinate an effective response in the event of an incident impacting people, infrastructure or services. Where an individual has been identified as being at risk of being drawn into terrorism, there are well-established procedures for multi-agency case conferences (chaired by the Head of Adult Support and Protection) using the Prevent Multi Agency Panel (PMAP) referral process, with appropriate information sharing between the Council and Police to deliver targeted intervention activities. The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust staff of the Prevent duty and identifying signs and risk factors of potential radicalisation.	2	4	8	Deliver work plan agreed by Prevent operational group to ensure education and awareness is received by the relevant staff groups.	31/03/2023	1	4	4	Director of Business Operations & Partnerships
S (28/03/2022)	4.4	Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet potential increase in demand in relation to access to records and potential claims against the Council as Inquiry work progresses	Adult Protection Committee and Child Protection Committee have been sighted on these issues. Final s21 submission made to the Inquiry in July 2020 in relation to the foster care case study. The Inquiry requested further information which was submitted in Jan-22. The Inquiry will begin to take evidence from Jun-22 onwards – it is unclear at this point whether ER will be cited to court Key learning from S21 work shared with managers Identified leads in HSCP working alongside legal services to manage the progress of any allegations/claims made.	3	3	9			3	3	9	Chief Officer HSCP

Outcome 5: Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives												
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current In place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
S (28/03/2022)	5.1	Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity.	Scottish Government providing additional resources (winter planning) for Health and Social Care with emphasis on managing demographic pressures. Outcome Delivery Plan (ODP) and HSCP strategic plans build on foundation of wider council prevention and early intervention strategy for older people. UCC Delivery Plan approved by IJB in March-22. Concluded redesign work focusing on rehabilitation Annual budget setting takes account of demographic projections. Reviewed front door arrangements to ensure fit for purpose in terms of recovery – new model launched Summer and making significant positive impact on waiting list for assessment Re-started Talking Points as part of Community Led Support programme, diverting people to community resources and building own assets.	3	3	9	Review Talking Points approach as part of winter planning. Monthly reporting to Scottish Government on winter planning funding.	31/10/22 Ongoing Monthly (review Dec-22)	3	2	6	Chief Officer HSCP
C (28/03/2022)	5.2	Risk of failure of a key care provider, including care home, care at home and other care providers due to financial instability, staff recruitment and selection difficulties or significant care concerns. Consequences could include: - disruption to service delivery - requirement to implement contingency plans - impact on individuals and families with potential disruption to care arrangements	We work with the Care Inspectorate to ensure robust action plans for improvement are in place. We work with providers at risk to agree phased and managed approach to closure if required. Escalation process in place. Work with Scottish Government, Scotland Excel and CoSLA on care home market. Scotland Excel framework provides larger provider base to mitigate risk. Care Home assurance group established May 2020 (meets twice weekly). Care homes reporting key information which is reviewed by the care home assurance group to allow management of risk and support. Two community hubs established to provide range of support to care homes within Greater Glasgow and Clyde e.g. nursing, infection control support.	4	3	12	Reshape strategic commissioning plan based on outcome of the work exploring models of service delivery. Annual progress will inform our longer term approach. Increased monitoring by Commissioning and Contracts service (reviewed September 2022)	30/09/2022	3	3	9	Chief Officer HSCP
C (28/03/2022)	5.3	Significant pressures and lack of service capacity impacts on service delivery and quality standards. Impact on service users and carers.	Increased resource to support robust absence management. Single base operating for Care at Home Embedded full time Pharmacy resource within the service (Jul-20). Ongoing quality assurance and monitoring activity in place. Significant recruitment progressing Increased OT resource to maximise outcomes and reduce supports required Payment of carried over annual leave made to increase staff availability	2	4	8	Re-mobilise the service redesign activity. Conclude work to realign staff work patters in order to maximise resource Enhance data availability and reporting capability of hospital referrals	30/08/2022 30/08/2022 31/08/2022	2	3	6	Chief Officer HSCP

Our Strategic Outcomes: Customer, Efficiency and People													
Risk Status S/C/N (Same, Changed, New)	**Risk Number**	**Risk (Threat / Opportunity to achievement of business objectives)**	**Risk Control Measures (Mitigations) current In place**	**Likelihood (Probability)**	**Impact (Severity)**	**Risk Score**	**Proposed Risk Control Measures (Mitigations)**	**Date for completion**	**Re-scored Likelihood (Probability)**	**Re-scored Impact (Severity)**	**Re-scored Risk Score**	**Risk Owner**
C (20/09/2022)	6.1	**Reduced central government funding leading to failure to support the current level of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down council reserves on future years' budgets.**	Budget Strategy Group Corporate Ownership Treasury Management Strategy Ongoing monitoring of Council reserves 3 Year budget arrangements Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes. Close monitoring of expenditure/income against budget throughout the year. Prioritisation of Digital Transformation Programme and continual review of projects to ensure effective progress and business cases. Budget aligns with conditions set out in Scottish Government settlement letter. Updated settlement figures received from Scottish Government. Long term budget and scenario planning. Outline Financial Plan, reserves and Council Tax level reviewed annually by Council. Education resources reviewed in context of school empowerment and carry forward limit agreed.	3	3	9	Review reserves and consider options for future years' utilisation/reclassification to assist with meeting budget pressures if required. Reintroduction of 3 year national settlements from 2023/24. Avoid all non-essential spend. Investiage new Service Concession flexibility. Consider any additional fiscal flexibilities offered by Scottish Government.	31/10/2022 31/12/2022 31/03/2023 31/12/2022 31/12/2022	2	3	6	Head of Accountancy
C (22/03/2022)	6.3	**Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.**	Leadership Competencies (which are linked to Quality Conversation) and the Leaders of the Future Development Programme. Head of Service/Senior Manager lead in each department on workforce planning with an active corporate workforce planning group. Review of organisational and financial business case when considering redundancies/ early retirals. Workforce planning strategy in place. Succession planning toolkit available for managers. Actively support CoSLA working groups to benchmark best practices in workforce planning. Digital Transformation Programme launched with key programmes on Customer Experience; Business Systems & Processes and Workforce Productivity, supported by Organisational Development (OD) and a shared resourcing model including updated staffing structures. Strategic programme reporting for transformation programmes and investment reporting in place. Workforce plan updated detailing department actions and demonstrating alignment with financial plan. Digital champions in place to support O365 training.	2	3	6	Implement the actions from the Workforce Action Plan and start review of overall plan. Launch new governance for Digital Transformation from 1 April 2022 for delivery across 2022/23.	31/05/2022 31/03/2023	2	2	4	Director of Business Operations & Partnerships

		Risk	Controls / Mitigations	L	I	Score	Action	Target Date	L	I	Score	Owner
C (22/03/2022)	**6.4**	**The drive to deliver our ambitious change programme has an adverse impact on our employees as they strive to balance a relentless pace and scale of change with day to day responsibilities, leading to slower delivery of benefits and/or lower performance as services go through change.**	Modern Ambitious Programme in place since 2015. New Digital Transformation programme approved as part of Digital Strategy in June 2021, with launch 1 April 2022. Key programmes on Customer Experience; Business Systems & Processes; and Workforce Productivity. New governance in place to oversee progress, capacity, performance and delivery of benefits. Shared resources for digital transformation in plan via mix of revenue and Capital funding and use of Modernisation Fund to ensure projects are adequately resourced, including use of additional employees on temporary contracts where required. Skills development in support of change includes accredited Project Management Courses, agile courses, management training, training to assist with service redesign and new courses on user research, Service Design, following the Scottish Approach to Service Design. Capital Bids required to demonstrate alignment to 5 capabilities and key outcomes. Consideration of flexible external assistance and skills when change projects require. Greater use of "agile" project methodology to chunk projects into smaller, more manageable iterations, with lower risk. Agile training delivered to Leadership cohort in March 2022. Review of Council's Values with Organisational Development (OD) Board to support delivery of change.	3	3	9	Implement first year of new approach to digital transformation project prioritisation, working with new programme governance to ensure a joint strategic approach to decisions on projects including assessments of benefits realisation, skills and capacity.	31/03/2023	2	3	6	Director of Business Operations & Partnerships
S (16/02/2021)	**6.6**	**Failure to effectively manage the Council's information assets may lead to a risk of inadequate data handling, not adequately preventing loss of data and unlawful sharing of data may result in non-compliance with legislation in particular Data Protection Act 2018 (GDPR), Freedom of Information Scotland Act(2002) and Records Management Public Services Act 2011** **Failure to incorporate information governance elements through a privacy by design approach into procurement, project management, process and technologies** **Inability to recognise the value of our information assets may result in lost opportunities to use data to inform decision making, transform services, support increased performance, enhance customer service and promote transparency and information quality assurance**	Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed. Records Management Plan updated in line with Audit review and through ongoing revision. Retention schedule under ongoing review and revision. Review of policies and procedures is now complete and work is ongoing to ensure that policy and guidance is update to date and reflective of good practice. New guidance has been created and published in respect of Redaction which will ensure that personal data is not inadvertently published. Data Protection Policy has been has been revised to reflect the role of a dedicated Data Protection Officer (DPO). Service Privacy Notice Template updated and exercise in place to ensure that these are regularly reviewed. Annual Data Protection reporting mechanism to CMT established. DPIA training course has been developed and delivered to nominated employee across the Council. Scheduled dates have been delivered for this year and will be scheduled on the corporate training calendar on future years. New breach reporting procedures have been created and are published. These have been delayed as a result of the regulator Code of Practice on SAR being published at the end of 2021. New guidance for those involved in the process will be available by June 2021. Self-assessment update on the Council's Records Management Plan which has been refreshed and updated was submitted to The Keeper of the Records of Scotland.	2	3	6	Establish a cross departmental group responsible for coordinating the implementation of information governance related statutory duties, organisational policies and progress a work plan to take forward the development and promotion of a positive information governance culture through targeted activities, technical controls, training and communications that supports a pragmatic and risk based approach to ensuring the confidentiality, integrity and availability of information assets whilst focusing on citizen and employee safety, business transparency, and legislative compliance. Assessment of requirements for storage of hard-copy records to be considered.	31/03/2023 31/03/2023	1	3	3	Director of Business Operations & Partnerships Chief Executive

Category (Date)	Ref	Risk	Controls	L	I	Score	Actions	Action Dates	L	I	Score	Owner
C (20/12/2021)	6.7	Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls).	Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience. Ensure that the Council reviews Business Continuity Plans at least annually. Ensure that equipment is regularly maintained and replaced as required. Ensure supplier(s) contracts support recovery activities. Undertake independent review of core infrastructure design and architecture to gain validation and assurance of both security and operational capability Improve monitoring and alerting of hardware and environmental systems to provide a proactive response. Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity. The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.	4	3	12	Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery. Target updated from 31/03/22 to 31/08/22 to reflect delays incurred from email critical incident. Plan and perform regular audited disaster recovery tests and rehearsals. Target updated from 31/03/22 to 31/08/22 to reflect delays incurred from email critical incident. Develop an approach to adding out-of-hours monitoring and response for critical infrastructure to the ICT Service.	30/09/2022 30/08/2022 30/09/2022	2	2	4	Director of Business Operations & Partnerships
S (15/02/2021)	6.8	Failure to pay invoices, Covid-19 related payments and specific Educational Benefits Payments, within a specified timeframe (Local Government Benchmarking Framework indicator/Government requirements) or failure to pay said types of payments correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; detrimental business/personal financial impact and possibly, legal action.	Clear segregation of duties across the payment process, including system across controls. Standard Operating Procedures (SOPs) and guides in place for teams, providing instruction other Policy and Procedures which must be adhered to. Full restructure of Accounts Payable Team now implemented, providing enhanced resilience. Range of controls in place which must be completed prior to and as part of the Payment Run. These include over/under £20,000 checks based on both value and sampling commensurate with risk. Use of AP Forensics system to identify potential duplicate payments prior to each payment run. Integra Financial system has a number of inherent controls relative to functionality, authorisation and checks. Monitoring and reporting mechanisms in place to provide for ongoing review of performance, errors, training needs etc. Use of external networks to share information on potential frauds.	2	4	8	Monitoring and controls have been reviewed and enhanced across general invoice, Covid-19 and Educational Benefit payment processing. Risk of overreliance on key managerial resource will be mitigated when Hardship Payment Team Leader joins in April 2022 (Temp appointment for 15 months). Given ongoing changing environment, the risk is subject to ongoing review with formal assessment to be undertaken Dec 2022 Ongoing challenge to resource processing of Self-Isolation Support Grant in particular where spikes arise in Covid levels. This is being mitigated through support from other teams within ERC and external support.	31/12/2022 31/10/2022	2	3	6	Director of Business Operations and Partnerships
C (21/03/2022)	6.12	Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.	ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats. The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed. Security standards are reviewed and revised using a risk management approach. The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts. Ensure the security architecture follows layered approach as defined by best practice. Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Accreditation. Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.	3	3	9	Due to heightened tensions as a result of the conflict in Ukraine, the Information Security Officer will liaise with Scottish Local Authority Information Security Group, CISP and other national bodies to ensure the Council defences are updated timeously on receipt of specific threat intelligence.	30/09/2022	3	2	6	Director of Business Operations & Partnerships

C (21/03/2022)	6.14	**Failure to achieve anticipated benefits and savings from the Finance/HR/Payroll System would lead services short of capacity and risk service delivery.**	Strong and robust Core Systems Programme and associated Project governance and risk and issues registers backed by appropriate level of resources. At least monthly meetings of the Core Systems Programme Board where Programme level risks and issues are discussed. Core Systems Programme Team using lessons learned from other public sector organisations who have implemented an integrated core corporate system. Regular engagement with a wide range of stakeholders across the Programme and Projects. Working closely with ICT, the Core Systems Team use enterprise architecture to ensure that the potential impact of each Project release is co-ordinated and accounted for. Identification and recruitment of employees with key skills and expertise to form the appropriate Programme Team and associated Project Teams in place. Business readiness reviews in place prior to "go live" for all workstreams and Departments. Phase 1 Finance system successfully implemented August 2019 Phase 1 HR/Payroll system successfully implemented December 2020 Identify set-up improvements to increase robustness of system. Staffing reviewed for transition from Core Systems Programme to new Business Systems & Processes programme for implementation from 1 April 2022. New governance for Business Systems & Processes Programme in place from 1 April 2022, with transitional handover meeting from Core Systems Board on 30/3/22.	3	3	9	Regular review of ongoing releases and project prioritisation with Business Systems & Processes Board & Corporate Management Team throughout 2022/23.	31/03/2023	2	3	6	Chief Executive
C (08/09/2022)	6.18	**The re-emergence, escalation or waves of any emerging human health disease (including the Covid-19 pandemic) result in increased controls and restrictions being implemented within East Renfrewshire.** **This may impact on provision of services through: staff availability, supply chain issues, increased service demand, financial and service planning upheaval.**	Council Resilience Management Team oversight of Business Continuity & contingency planning and would lead on the tactical response to any pandemic. This will include monitoring Government & Health Guidance, ensuring up to date and consistent staff & public messaging - which will include Managers Guidance. Bespoke Council Resilience Management Team Sub Groups have been established during the response for Covid-19 and can be utilised for further waves / pandemics. The need for dedicated Sub Groups will be continually monitored, to reflect the situation. Up to date Contingency Planning arrangements: including Pandemic Guidelines for the Council and HSCP; Business Continuity and Incident Response Procedures. Established links to NHS Public Health and appropriate Multi Agency partners (included through Local and Regional Resilience Partnerships). Lobbying Scottish & UK Government for funding / flexibilities to address the additional financial pressures relating to Covid-19. CRMT meeting schedule has been variable throughout the pandemic - allowing response to developing pictures. Meeting frequency has flexed and enhanced in response to elements of concern, e.g. Omicron Variant..	2	3	6			2	3	6	Chief Executive

		Risk	Controls	L	I	Score	Further Action	Date	L	I	Score	Owner
C (15/08/2022)	6.20	**Supporting the mass vaccination and other key Covid-19 response work streams within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced.**	The Council has determined that support to the Vaccination Programme is the Corporate priority. The Mass Vaccination programmes has a dedicated Lead Officer, supported by Project Leads in dedicated areas (e.g. HR, Property, Procurement). The CRMT and CMT structure is well established to deal with reporting and early escalation of issues, where the need arises and monitors levels of recovery. All Departments maintain Business Continuity Plans, which should identify acceptable levels of staffing/resource to maintain critical services. Regularly review of the work stream, ensuring that it is up to date and reflective of the prevailing circumstances. Regular engagement with partners - particularly NHS Greater Glasgow & Clyde. Regular briefings / updates are provided to the Corporate Management Team (CMT) and Elected Members on the progress of the Mass Vaccination Centres. Key messaging is appropriately shared with the community. Agreement is in place with the NHS on the staffing of Testing programmes across East Renfrewshire, providing longer term stability. Joint working has taken place between HR, East Renfrewshire Culture & Leisure Trust and Voluntary Action East Renfrewshire to identify, train and establish volunteer resourcing to support longer term staffing of Vaccination Centres. Vaccination centres to support seasonal flu and ongoing Covid-19 immunisations will take place at Barrhead Health & Social Care Centre (weekends) and Carmichael Hall. CRMT is regularly capturing Service backlog information - which will regularly be reported to CMT and Members as appropriate. This includes if any Critical Functions are at risk - with the CRMT considering and suggesting strategies to protect these services during key periods (e.g. winter weather, new variants, etc.). As Scottish Government restrictions came to an end in March 2022; regular reviews take place on the scale and level of support offered for vaccinations.	3	3	9	Agreement is in place until January 2023 for use of halls & vaccination buses (Carmichael Hall, Glen Halls and The Foundry for the Bus) - this will continue to be monitored with communication taking place between the Council, Trust, HSCP and NHS on any extensions to this date.	31/01/2023	3	3	9	Chief Executive
C (29/03/2022)	6.22	**Our major works capital programmes face significant pressures as a result of raw material costs, supplier costs, supply chain or contractor difficulties as a result of Covid, Brexit and the war in Ukraine. This will have a detrimental impact on the costs and/or timescales related to the delivery of projects.**	EU Exit pressures are highlighted through the Brexit Working Group and shared appropriately. The Capital Asset Management Group regularly meets, allowing projects to be tracked - with concerns reported and appropriate interventions considered. Members approval would be sought through the budget monitoring reports of any minor changes to the approved plan and that a separate report would be submitted to Cabinet for approval should there be any substantial changes. Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements. The price of goods / services is reviewed by appropriate officers within Departments, with concerns raised at an early stage against significant increases. Business Continuity planning considers alternative suppliers to ensure key service continuity. Roads keep an adequate stock of cold lay material for urgent/emergency repairs & are placing bitumen orders at as early a juncture as possible.	4	3	12	Value engineering of current and future projects to remain within budget. Virement from other projects. Rescheduling of projects into future financial years. Re-profiling of 10 Year Capital Plan should significant variations occur or are likely to occur in a single financial year.	All ongoing consideratons	3	3	9	Director of Environment

C (15/08/2022)	6.23	High workloads with additional work as a result of the Covid-19 pandemic coupled with business as usual may impact on employee absence and poor wellbeing and also may impact on project delivery resulting in delayed deadlines which could damage the Council's reputation.	Counselling support accessible via manager or self referral is available for all of our officers. An array of corporate wellbeing advice is provided including signposting to different types of support. Promotion of temporary flexible working options and taking annual leave to prevent fatigue. Governance in place via CRMT and project boards for escalation of resource and timescale issues. Appropriate communications developed if wider messaging required. Regular Council reports to update on impact of Covid within the organisation. Review approach to mental health and understand by benchmarking if there are other supports that could be provided. Health & Wellbeing strategy and Action Plan developed to support employee health and wellbeing.	2	4	8			2	4	8	Director of Business Operations and Partnerships
S (14/9/2021)	6.24	The COVID-19 Pandemic reduces community activity and diverts staff resources away from being able to identify, plan and deliver Participatory Budgeting (PB) opportunities resulting in the Council failing to meet its goal of 1% of spend being via Participatory Budgeting.	Participatory Budgeting training and briefings being delivered refresh staff awareness and understanding as required. Regular updates to Corporate Management Team on progress. Support being given to Departments to develop PB proposals. Examples of good practice from other authorities being identified and shared with services.	4	3	12	Develop multi-year PB project pipeline beyond 22/23 to build on current activity, provide sufficient advanced planning time to services and reduce the risk of not meeting the 1% goal in future years.	31/03/2023	2	3	6	Director of Business Operations and Partnerships
C (08/09/2022)	6.25	COVID-19 developments lead to more stringent isolation requirements. This impacts on the number of staff available - which may limit the delivery of key COVID-19 workstreams (Vaccination Centres, Testing, Isolation Support, etc.) and potentially limits our ability to offer key services / service as normal. As well as the risk to normal Council & Trust business at present more stringent isolation requirements may arise through variants of concern, worry about NHS impacts, symptoms caused, etc.	Business continuity plans are in place and regularly updated with a view to identifying critical services and the resources needed to deliver these. CMT and CRMT maintain regular oversight of concerns within Departments, allowing interventions or support to be considered. Regular COVID reporting is provided to Elected Members, identifying issues, backlogs, etc. Internal Volunteer & Critical Function processes can be restarted through the CRMT where required.	2	3	6			2	3	6	Chief Executive
N (25/08/2022)	6.26	Resettlement of displaced persons from Ukraine and Afghanistan (or any other area) overwhelms the availability of resources in East Renfrewshire, impacting upon already stretched availability for housing, facilities (e.g. school provision, GP access, etc.), Council Services and the Third Sector.	Regular engagement on Resettlement with COSLA, the UK and Scottish Governments - this will include highlighting the issues and challenges faced. An East Renfrewshire Resettlement group has been established and can be escalated where there is urgent support or information sharing needs. Available Scottish Government funding has been utilised to enhance available resources - including the recruitment of a further Client Advisor, recruitment of an ESOL tutor.	3	3	9	Exploration of proposals to buy back Council housing and increase Private Sector Leasing to enhance available housing options. As UK & Scottish Government funding models and opportunities are avaible, explore further ways to improve and enhance on services.	31/08/2023 30/04/2023	3	3	9	Chief Executive & Director of Environment

East Renfrewshire Council

Management report 2021/22

AUDIT SCOTLAND

Prepared by Audit Scotland
September 2022

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Audit findings

Introduction

1. This report contains a summary of the key issues identified during the interim audit work carried out at East Renfrewshire Council. This work included testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the annual accounts. We considered the results of this testing when determining our approach to the audit of the 2021/22 annual accounts.

2. Our responsibilities under the *Code of Audit Practice* require us to assess the system of internal control put in place by management. We seek to gain assurance that the audited body:

- has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements

- has systems of internal control which provide an adequate means of preventing and detecting error, fraud or corruption

- complies with established policies, procedures, laws and regulations.

Conclusion

3. Our audit testing did not identify any significant control weaknesses. We did identify some less significant issues which have been noted in Exhibit 1. These have been discussed with management so that appropriate actions could be taken.

Work summary

4.   Our 2021/22 testing covered key controls in a number of areas including bank reconciliations, payroll validation and exception reporting, authorisation of journals, change of supplier bank details and IT access controls. Additionally, we tested controls in the following areas: budget monitoring and control; feeder system reconciliations and controls for preventing and detecting fraud in areas such as taxation receipts, welfare benefits, grants and other claims.

5. In accordance with *ISA 330: the auditor's response to assessed risk*, our audit judgements are based on current year testing of controls and, where appropriate, prior year results. Our risk-based audit approach allows us to take a three-year cyclical approach to controls testing. This approach enables us to place reliance on previous years' audit work where controls remain unchanged and no significant weaknesses had been identified. Also, where possible, we place reliance on the work of internal audit to avoid duplication of effort.

6. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

Risks identified

7. The key control risks identified during the interim audit are detailed in Exhibit 1. These findings will inform our approach to the financial statements audit where relevant.

8. Any weaknesses identified represent those that have come to our attention during the course of normal audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control system appropriate to East Renfrewshire Council.

Additional follow-up work

9. In response to the findings from our controls work, the audit team have undertaken additional substantive testing to gain the required assurances for the financial statements audit. Details of specific work undertaken are detailed in Exhibit 1 below.

Exhibit 1
Key findings and action plan 2021/22

Issue identified	Management response	Responsible officer/target date
Review of User Access It is good practice to review system access and permissions on a regular basis. During 2021/22 a full review of system access did not take place for the council tax and benefit system or the housing rent system. As part of our work we have reviewed a sample of system users across the council tax, benefits and housing rent system and confirmed the reasonableness of their access rights. **There is an increased risk of fraud occurring due to staff having inappropriate**	It is agreed that a review of system access and permissions on a regular basis is best practice. The new Council Tax & Benefits system has additional functionality which will result in a user's access being disabled if unused for more than 60 days. This is an added safeguard which was not available in the previous system. Additionally a new role of Product Owner was introduced in November 2021. This role segregates the operational from system activity, and is responsible for system access and permissions, with ongoing review. A formal annual review process will be introduced during 2022. With regards to the implementation of the NEC Housing System all users are currently being reviewed, along with permissions granted. No	Business Operations & Partnerships: Senior Revenues Manager 31/12/22 Environment: Senior Housing Manager

Issue identified	Management response	Responsible officer/target date
access to key financial systems.	access is being carried over from the former system ensuring all users are approved and current.	31/12/22
Employee verification An employee verification exercise is underway within the council with managers confirming on the iTrent system the employees within their team. Examples of managers responses to the exercise were shared with audit. However, we noted delays in staff being assigned to the correct manager in instances where the employee had been incorrectly mapped on the system. We will undertake further substantive testing of employee existence to gain the required assurances needed for the financial statements audit. **There is a risk that the underlying payroll data is incomplete or incorrect and that changes to the payroll system are not actioned promptly.**	The employee verification exercise is to identify fake employees. Immediate action is taken for any employee who should not be on the system to remove them and to determine if any incorrect payment has been made and take action to recover this. Regular reminders are issued to managers of the leavers process and actions that should be taken Via iTrent, HR and Payroll system, managers can easily see their direct reports on the system. Regular communications will be issued to ensure managers check these are up to date in addition to the annual verification exercise. In addition, regular lists of any incorrect payroll payments due to late notifications to Payroll will be shared to DMT and HRBPs to ensure that appropriate follow up takes place. Incorrect mapping of employees will not affect the payment to employees and does not add risk to any payroll payments. The delays in staff being assigned correctly is the time taken for the team to clarify with the manager and HRBP where the employee should be moved to in the structure	Business Operations & Partnerships : Head of Human Resources 31/12/22
Payroll to Ledger Reconciliation The monthly payroll to ledger reconciliation was not prepared from April to November 2021. The reconciliations were prepared from December 2021 onwards.	During 2021/22 the new HR and Payroll system was being introduced and embedded and along with the impact of Covid this led to delays in the completion of the bank reconciliations. It is agreed that reconciliations should be prepared, documented and reviewed on a timely basis, with any variances being followed up. It is recognised that further compliance support may be necessary to deliver on	Business Operations & Partnerships: Head of Human Resources 31/12/22

Issue identified	Management response	Responsible officer/target date
We also noted a lack of evidence of review of the reconciliations prepared. We will review the year end payroll reconciliation to confirm that there are no unreconciling differences noted at the year end. **There is a risk of financial misstatements not being identified promptly if reconciliations are not prepared and reviewed on a timely manner.**	this, and this will be reviewed during 2022/23.	
Rent rebate reconciliation The rent rebate weekly reconciliation between the housing benefit and housing rents system was not prepared or reviewed in a timely manner throughout 2021/22. Additionally, there were variances noted in 16 weeks of the year which were not investigated prior to the reconciliations being signed as checked or as reviewed. Whilst the total variance for the year of £4,435.97 is not material, it is good practice to ensure the reconciliation reconciles before signing it off. We will substantively test the reasonableness of housing rent income as part of our financial statements audit. **There is a risk of financial misstatements not being identified promptly if reconciliations are not prepared and reviewed on a timely manner including any unreconciling items.**	During 2021/22 the new Council Tax & Benefits system was being embedded. This, along with demands from the Covid-19 pandemic, resulted in backlogs within the team. There has been an improvement in performance in 2022/23, however the 2021/22 impact is relevant to several actions highlighted in this report and should be noted for context. It is agreed that reconciliations should be prepared and reviewed on a timely basis, with any variances being followed up. It is recognised that further compliance support may be necessary to deliver on this, and this will be reviewed during 2022/23.	Business Operations & Partnerships: Senior Revenues Manager 31/03//23

Issue identified	Management response	Responsible officer/target date
Council tax refund reconciliation The council tax refund reconciliation was prepared on a monthly basis. However, the reconciliations for the periods April to September 2021 were not reviewed by a senior officer until November 2021. We would recommend more timeous review of reconciliations. As part of our financial statements audit work we will substantively test the reasonableness of council tax income. **There is a risk of financial misstatements not being identified promptly if reconciliations are not prepared and reviewed on a timely manner.**	It is agreed that reconciliations should be prepared and reviewed on a timely basis. This is being prioritised and reviewed during 2022/23.	Business Operations & Partnerships: Senior Revenues Manager 31/12/22
Benefits nightly mass calculation report (not key control) Officers identified the nightly mass calculation report as a key control within the NEC system. A report is run nightly and automatically produces a report each morning providing details on changes made to claims. This output should be reviewed each morning for all changes made. We identified a lack of evidence of review for twelve of the twenty reports sample tested. Arrangements should be established to ensure review processes are consistently applied.	It is agreed that there should be evidence of review and this is being prioritised during 2022/23.	Business Operations & Partnerships: Senior Revenues Manager 31/12/22

Issue identified	Management response	Responsible officer/target date
There is a risk that errors are not identified and rectified promptly.		
Council Tax Billing		
The council tax team are only dealing with bills from 2021 and 2022 due to data issues with the files. The previous system ran billing covering all years, whereas the NEC system (which has been in place since December 2020) runs billing year on year.	The importance of billing for all financial years is recognised, however this is resource intensive. A new schedule of billing will be implemented during 2022/23 to ensure prior years are billed to customers.	Business Operations & Partnerships: Senior Revenues Manager 31/03/23
It is highly unlikely that the monetary value of bills would be material in total, however a resolution to the billing runs should be prioritised going forward.		
We will assess the likelihood of recoverability of prior year billing and review the allowance for uncollectable debt within the council tax income account.		
There is a risk that backdated discounts and reliefs may not have been applied.		
Benefits – Quality control checks (not key control)		
The council have quality control checks within the Housing Benefit system. There is a control applied to individual benefit claims over £1,500. Evidence of the checks undertaken are sent via email. However, the email evidence was not saved centrally until March 2022.	It is agreed that there should be evidence of timely review and this is being prioritised during 2022/23.	Business Operations & Partnerships: Senior Revenues Manager 31/12/22

Issue identified	Management response	Responsible officer/target date
There is a risk that errors are not identified and rectified promptly.		
Housing Rent cash receipting income reconciliation There was no evidence of review annotated on the housing rent cash receipting income reconciliation. As part of our financial statements audit work we will substantively test the reasonableness of housing rent. **There is a risk of financial misstatements not being identified promptly if reconciliations are not prepared and reviewed on a timely manner.**	Agreed. This review has been carried out during the year however no annotation was being made. This will be resolved with immediate effect.	Chief Executive's Office: Finance Business Partner (Environment) 25/08/22

Source: Audit Scotland

10. All our outputs and any matters of public interest will be published on our website: www.audit-scotland.gov.uk.

East Renfrewshire Council
Management report 2021/22

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

29 September 2022

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – LOCAL GOVERNMENT IN
SCOTLAND OVERVIEW 2022

PURPOSE OF REPORT

1.   To provide information on the Audit Scotland report *Local Government in Scotland Overview 2022.*

RECOMMENDATION

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

BACKGROUND

3.   A copy of the Accounts Commission report Local Government in Scotland Overview 2022, published in May 2022, has already been circulated to all Audit and Scrutiny Committee Members.   Under the committee's specialisation arrangements, the Member leading the review of this particular report is Councillor Morrison.

4.   When national external audit reports of relevance to local government are published, the Clerk is notified and seeks comments from an appropriate senior officer or officers within the Council on the local position relative to the content of report and any recommendations made. On this occasion, the Director of Business Operations and Partnerships has provided comments on the local position and a copy of those comments is attached (see Appendix A).

RECOMMENDATIONS

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

Local Government Access to Information Act 1985

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Background Papers:-

1.   Audit Scotland report *Local Government in Scotland Overview 2022.*

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<u>National External Audit Report:</u>
<u>Local Government in Scotland – Overview 2022</u>

<u>Comments for Audit & Scrutiny Committee on 29 September 2022</u>

<u>Prepared by Director of Business Operations & Partnerships</u>

<u>September 2022</u>

INTRODUCTION

1.   This paper aims to provide high level comments on the Council's position regarding the Accounts Commission report "Local Government in Scotland – Overview 2022".

REPORT

2.   The Accounts Commission published its Local Government in Scotland Overview 2022 in May 2022. This is a wide-ranging report that is effective in summarising the challenging context in which local government is operating: balancing ongoing pandemic-related demands; financial pressures and the prospect of major service reforms. The report opens with 6 key messages, which are pertinent to our own local experience in East Renfrewshire:

- Councils have had a very difficult year
- The challenging context means collaborative leadership is more important than ever
- Pressure on the local government workforce continued
- The impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality
- The early response showed what could be achieved by working closely with the voluntary sector
- Improvements are needed in data availability, tools and skills to support performance monitoring, strategic decision-making and planning service improvements.

3.   The report (p7) gives a set of Key Facts, which have been replicated locally for East Renfrewshire, using broadly the same timescales for comparability – see Annex 1.

RESPONDING TO THE EXTERNAL ENVIRONMENT

4.   The Accounts Commission's report covers a broad range of themes including how councils are positioned to address long-term priorities and how effectively the Council is managing recovery and renewal. Members can find more in-depth coverage through the various reports on specific topics at Council, IJB, Cabinet and Committees.

5.   Whilst significant, it is impossible to look in isolation at the impact of the pandemic on councils and local communities. As we continue to build back from the pandemic, there are a range of key priorities and important strategic influences including climate change; cost of living/poverty; public service reform and funding; the departure from the EU; and the war in Ukraine. This paper does not set out to address each of these separately and instead focuses on the 'Organising the Council' and 'Meeting Local Needs' themes of the Accounts Commission's report.

ORGANISING THE COUNCIL

Leading Recovery & Renewal

6.   Throughout the pandemic there have been regular reports to Council and IJB on the impact of the pandemic on local services, most recently to Council in June 2022. These are the best source for Members to get an overview of the key issues for response and recovery locally and the significant and ongoing impact on our services since 2020.

7.   From July to December 2020 a Member Officer Working Group, comprised of a cross-party group of elected members and relevant senior officers from across the Council, HSCP and ERCLT met to review and discuss the issues and opportunities around East Renfrewshire's post-pandemic recovery. The group looked at: the extent to which the Council was engaged in response, recovery and business-as-usual simultaneously; the shift to home working by residents; the increased use and reliance on digital technology to connect with people and access services; the economic impact on the wider economy and local businesses; potential entrenchment of existing poverty and disadvantage; positive increases in active travel (e.g. use of cycleways) and challenges with public transport and the shift to more environmentally sustainable travel options; community connections and well-being; impact on mental and physical health; and increasing the overall sustainability of East Renfrewshire as a place.

8.   It was noted that the pandemic had actually had positive impacts on the 2 main themes of 'Vision for the Future', the Council's 10 year outlook, which was last considered by Council in February 2020. With people largely confined to working at home and spending more time in their local areas, there were positive impacts for communities and for sustainability/'green' themes.

9.   The Council's Planning for the Future demographic overview was updated during 2022 and can be found here. This provides the agreed source reference for all strategic planning and ensures that the foundational information for our plans and strategies is consistent.

10.   A Strategic Planning report to Council in June 2022 summarised the Council's approach to pandemic response and recovery planning. This included the findings of independent research on the impact of the pandemic on the residents of East Renfrewshire; further details can be found here. Our Annual Child Poverty Report was also considered by Council in June 2022 and can be found here. Work is now progressing with the Community Planning partnership to review strategic priorities for the future and refresh our 'Vision for the Future'.

11.   The cost of living crisis has brought additional pressures to local residents. In August 2022, Cabinet approved a set of proposals through the Local Authority Covid Economic Recovery (LACER) Fund, aimed at providing support to our local economy and also local households which had been worst affected by the pandemic. The Council is working closely with a range of partners including the Third Sector, via Voluntary Action East Renfrewshire and the local Citizens Advice Bureau (CAB) on further proposals around Covid recovery and the cost of living challenge. A cross-party member officer working group is being established and proposals for 22/23 will be brought to Cabinet in October 2022. In addition, there will be a pre-Council briefing for Members, led by our Money Advice and Rights Team (MART) and CAB on 26 October 2022.

Education Recovery

12.   In considering the impact of the pandemic on residents, it has been important to evaluate the response and support provided. Regular reports have been provided to Council detailing the response and highlighting the impact of the additional spending or resources. In Education this has included the following evidence being shared with elected members:

- Standards and Quality Report for 2019-20 and 2020-21
- National Improvement Framework – Progress report with Priorities 2020-21
- Report on Quality of Remote Learning – March 2021

13.   In the regular Covid reports to Council, the Education Department outlined the increased demand around health and wellbeing.

14.   External scrutiny on councils' response to Covid-19 has also been undertaken in some areas by Education Scotland; this has included sharing of good practice to mitigate impacts. e.g. Education Scotland have inspected effective remote learning and undertaken visits to establish effective practice to support recovery:

- https://education.gov.scot/improvement/supporting-remote-learning/national-overviews/national-overview-of-practice-reports/
- https://education.gov.scot/media/nwibvl2q/what-scotland-learned-building-back-better.pdf
- https://education.gov.scot/media/mdpiqj3g/local-approaches-to-recovery.pdf

15.   East Renfrewshire has also sought to learn from others, participating in a Collaborative Improvement model with the aim of improving attainment and experiences in numeracy and mathematics. This report was shared with Education Committee in June 2022.

16.   During the pandemic, the Accounts Commission also published a report on how the Scottish Government, councils and partners were improving outcomes for young people through school education and addressing the negative impact of the pandemic. The Scottish Government has responded to this along with the two international reviews carried out by the OECD on Scottish Education and the Muir Review which was published in 2022.

17.   The Education Department's Building Back Better and Fairer framework set out the key priorities for schools and services to support children and young people with their learning and wellbeing during 2021-22, complementing the activities set out within the department's Local Improvement Plan (LIP). Purposefully, the framework was designed as a single page, providing a clear simple summary of next steps for improvement. The Local Improvement Plan and Strategic Equity Fund (SEF) Plan also integrated the approach to recovery, addressing excellence and equity in an education context. More widely, a similar approach has been followed with the review of numeracy and mathematics and the refreshed Developing the Young Workforce Plan.

18.   There is a significant amount of work that has been carried out to evaluate the impact of Covid-19, including the financial response, in an education context. In seeking to learn lessons and collect and share findings on response and good practice, it is important that a coherent and coordinated approach is undertaken by Scottish Government and the wider system e.g. Education Scotland.

19.   Particular examples include:

- Evaluation report on the impact of 1140 hours
- Impact of the development of West of Scotland – online learning available for children and young people across Scotland – See WP Improvement Plan and Evaluation Report
- High quality Career Long Professional Learning (CLPL) for staff (much of which takes place via online learning)

20.   Previous reports to Council have outlined the Education Department's continued focus on customer delivery throughout the pandemic, for example through the digitisation of

admissions processes and other applications. Whilst significant progress has been made, and importantly ensured service continuity throughout the pandemic, it is essential we evaluate and engage with customers to continue to make improvements in our service delivery. For example, the ongoing improvements to early learning and childcare applications, future consideration of EMAs, etc.

21. There are specific examples of customer focussed redesign for example, the shift to hybrid parents evenings, remote participation in parent council meetings, requests to the Scottish Government for hybrid approaches to consultation public meetings. These are all about ensuring greater accessibility and building on the increases in participation that were possible throughout parts of the pandemic.

22. In terms of disruption to education services throughout the second year of the pandemic (see Exhibit 8 of report), this evidence has regularly been presented through the reports to Council and Education Committee. For example:
- ELC – Impact on developmental milestones
- Curriculum for Excellence Attainment and widening of the gap – See report
- Health and Wellbeing of Learners – See Council paper, para 49 and report to Education Committee in March 2022

23. The Education Department has also developed a Strategic Equity Fund Plan, this will help address the impact of the pandemic on learners and their families.

East Renfrewshire Culture & Leisure Trust (ERCLT) - Libraries

24. Exhibit 10 of the Accounts Commission report highlights the impact of Covid-19 on libraries. ERCLT have provided some comments below on the impact to provision in East Renfrewshire.

25. East Renfrewshire libraries were among the successful bidders for Scottish Government to help libraries reopen. The funding has been used for a temporary project officer whose focus is on the library at Barrhead Foundry as it had been demonstrated that recovery was slower in that site than in other libraries. This post's focus is on raising awareness and promoting the library and its services in Barrhead, working with local groups and individuals, and bringing people back to the library again. It is funded until April 2023.

26. The proven positive impacts of library services include tackling poor health and wellbeing, social isolation and loneliness and promoting digital participation and inclusion. Exhibit 3 of the report notes the change in expenditure in recent years, with libraries particularly affected. Locally in that period library staff numbers, opening hours and resources have reduced, in line with the national picture, but staff continue to deliver valuable local services.

27. In February 2022 East Renfrewshire libraries reopened broadly back to pre-COVID operating hours for book lending and limited PC use. Events and activities for both adults and children did not return until Q1 of 2022/23.

28. Exhibit 10 looks at the change in library opening hours since Covid-19. In terms of East Renfrewshire, there was a very slight reduction in Barrhead Foundry library hours to bring it into line with the rest of the building. The -16% figure quoted for East Renfrewshire in the report is reflective of broader issues not related to the pandemic (e.g. Mearns library was closed at that time due to repairs to its heating and ventilation). In general terms East Renfrewshire libraries were further along the road to fully restoring opening hours than most at the time.
Managing Resources

29.   In common with other councils, East Renfrewshire Council and the Culture & Leisure Trust experienced significant reductions in income in 2020/21 as a result of the pandemic. Income streams affected included sports and leisure, school meals and waste. These losses were covered by additional Government COVID grants, and by income from the NHS for utilisation of Council/ERCLT premises as vaccination/ test centres.

30.   The Council's total usable reserves rose from £44.222m in 2019/20 to £60.278m in 2020/21, however £12.815m of this was due to COVID grants. The vast majority of our total reserves are ring-fenced or earmarked for specific purposes, leaving only £11.670m of general non-earmarked funds at 31 March 2021. Since then, figures have been further updated to take account of the £0.107m improvement in the unaudited position at the end of 2021/22, and the Council's decision to utilise £5.253m of general reserves to balance the budget for 2022/23. Assuming that the Council can absorb the current inflationary pressures and operates within budget in the current year, this would bring the forecast non-earmarked general reserve position at 31 March 2023 to £6.524m.

31.   In line with the national position, our core budgets have reduced in real terms in recent years, with the Council having had to apply savings of £55.5m between 2013/14 and 2020/21 in addition to utilisation of reserves and Council Tax increases.

32.   In May 2022 the Scottish Government provided a three year funding outlook for councils as part of its Resource Spending Review. Whilst the multi-year approach is greatly welcomed, the announcement of a flat cash position for councils for the years 2023/24 to 2025/26 represents a huge financial challenge for the Council at a time of high inflation, particularly in view of the cumulative savings that have already been applied since 2013/14.

33.   The Council updates its long term financial plan each year. The revision for March 2023 will take account of our plans for recovery from the pandemic, in addition to reflecting any further options arising from the ongoing development of a fiscal framework to provide more transparency on future Council funding.

34.   As a result of ring-fencing and protection of certain service areas, East Renfrewshire has experienced a similar pattern of savings to the position reported in Exhibit 3 of Accounts Commission's report, with the largest proportionate service reductions in recent years impacting on Environment and central support services.

35.   Recent Cabinet reports have also flagged up the pressures on our capital plans as a result of COVID delays, materials shortages and rising inflation. With capital budgets again largely flat cash in recent years, projects are being reviewed, savings sought and lower priority projects delayed.

36.   The Accounts Commission's report highlights the importance of transformation programmes to help councils deliver future savings and reduce costs. In East Renfrewshire, our approach to digital transformation is through 3 programmes:

- Customer Experience – providing a consistent, efficient customer experience, designed with the user at the heart.
- Business Systems & Processes - efficient and effective business systems and processes enabled by digital technology and optimised across the Council.
- Workforce Productivity - increasing the productivity and effectiveness of our workforce, enabled by Office 365 capabilities and better use of data.

37.   Cabinet considered an update on the digital transformation programmes in June 2022 and noted that, despite a continued focus on pandemic response and recovery, and delays in some areas, our services had made substantial progress across 2021/22 to progress our

digital transformation ambitions, make efficiencies, improve customer service and modernise the way we work.

Managing the Workforce

38. The Council's workforce plan recognises that our people are our greatest asset and the need to invest in our workforce, seek their feedback and ensure they are able to work efficiently and effectively.

39. Our priorities are:

- Empowered, resilient and engaged employees at all levels of the organisation
- A diverse, skilled workforce
- A flexible workforce that embraces change, innovation, digitalisation and delivers end-to-end customer focused services.

40. Over the last two years there has been significant impact on the workforce as a result of the COVID-19 pandemic with changes in delivery methods and additional funding provided from Scottish Government to support new tasks and requirements. The last year has continued to be challenging with the workforce supporting ongoing tasks required as a result of the Covid-19 pandemic including isolation support, humanitarian support for vulnerable/shielding residents, business grants, lateral flow testing in schools and additional staffing for schools, health and social care and cleaning, Mass Vaccination Centres and Asymptomatic Testing Centres. At times, it has been challenging getting the appropriate resource in place and services have supported with higher than normal levels of recruitment activity.

41. Following a prolonged period of response, our workforce planning activity is now beginning to refocus on some of the longer term requirements of the workforce, recognising that in some services pandemic-related demands persist and are being delivered alongside business as usual and recovery. In June 2022 the Corporate Management Team considered an update to the Council's workforce plan for the period 2022-25 and IJB also considered the HSCP's Workforce Plan.

42. The Accounts Commission acknowledge that "the pandemic has made workforce planning both more difficult and more necessary", with the need to manage short-term pressures with building longer-term resilience in our workforce and many councils updating their workforce plans to reflect greater flexibility, more remote working and a focus on wellbeing.

43. As at 1 April 2022 the Council's employee Full Time Equivalent is 4056.1 FTE which is an increase of 311 FTE in the last 2 years – 62.8 FTE in 2021/22 and 248.2 FTE the previous year 2019/20 (Graph 1 and Table 1). The Council delivers a range of services within the five departments with the FTE distributed as per Table 1. The HSCP figure includes only council employees with the HSCP workforce plan reporting both council and NHS workforce numbers. These figures do not include casual posts or any vacant posts in the process of recruitment.

Table 1: FTE per department

Department	FTE (Apr 19)	FTE (Apr 20)	FTE (Apr 21)	FTE (Apr 22)
CHIEF EXECUTIVE'S OFFICE	52.8	52.2	53	49.5
BUSINESS OPERATIONS & PARTNERSHIPS	302	302.8	304.3	301.4
EDUCATION	2308.5	2395.9	2585.2	2581.9
ENVIRONMENT	480.5	483.1	503.5	527.7
HEALTH AND SOCIAL CARE PARTNERSHIP	492.3	511.1	550.5	595.6
	3636.1	3745.1	3996.5	4056.1

Graph 1: ERC Headcount and FTE Profile
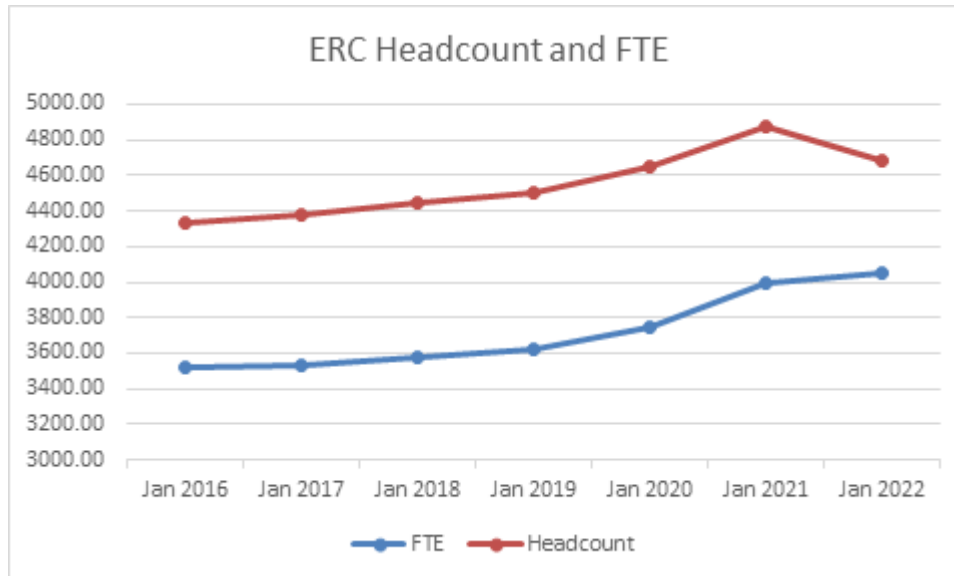
44.   The highest FTE increase is in Education followed by HSCP. In Education this has been driven by the impact of the pandemic and the additional funding provided by Scottish Government to support response and recovery in particular for teachers, Pupil Support Assistants (PSAs and Child Development Officers (CDOs). In HSCP the Care at Home workforce also increased due to increased funding and the successful recruitment campaign to meet increasing demands within the service given the growth in older population.

45.   The Education Department has seen significant turnover of senior posts over the last 2 years, particularly Head Teachers in secondary schools. Effective succession planning is in place, with high quality support for staff at senior levels. This includes HT induction programme and Aspiring Heads leadership programme. Support is also available through the West Partnership. The impact of this support in the secondary sector can be measured by very strong levels of performance in the 2022 SQA examinations.

46.   Environment has seen FTE increases in Roads & Transportation, Housing, Maintenance Services and Regeneration & Economic Development. These increases are mainly attributed to Scottish Government initiatives, like the Government backed employability schemes including the Young Person's Guarantee Scheme and new legislation such as the new Footway Parking legislation.

Part Time and Temporary Posts

47.   72.9% of the workforce is full-time with the remainder working part-time hours and this has been fairly consistent over the last few years. The number of temporary employees has been recognised as a concern and it has been acknowledged that some of this has been

driven by the impact of budget pressures as a way of planning for future savings. There are 17% temporary employees which is a decrease of 2% since last year and further steps are being taken to transition some other roles from temporary to permanent. A number of restructures are now in the final stages to support the digital transformation work where there have been a number of temporary posts. High turnover in these areas has impacted programme and project timelines and it is hoped permanent structures will bring more stability and allow more retention of talent.

Graph 2: Percentage of employees on temporary contracts
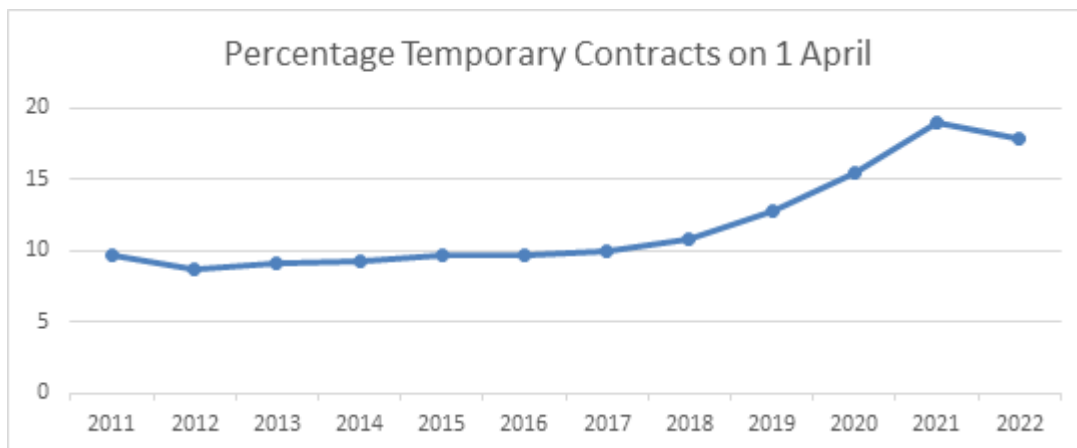
Employee Health & Wellbeing

48. During the pandemic and lockdown periods employee health and wellbeing has continued to be an area of concern. Regular communications were issued using different ways to encourage staff engagement and mental and physical activity with signposting to external organisations being promoted. In December 2021 a pilot Health & Wellbeing Survey was undertaken of non-teaching Council staff. In the pilot survey 479 staff rated their overall health and wellbeing as: 7% excellent, 45% good, 32% average, 11% below average, 4% poor and 1% extremely poor.
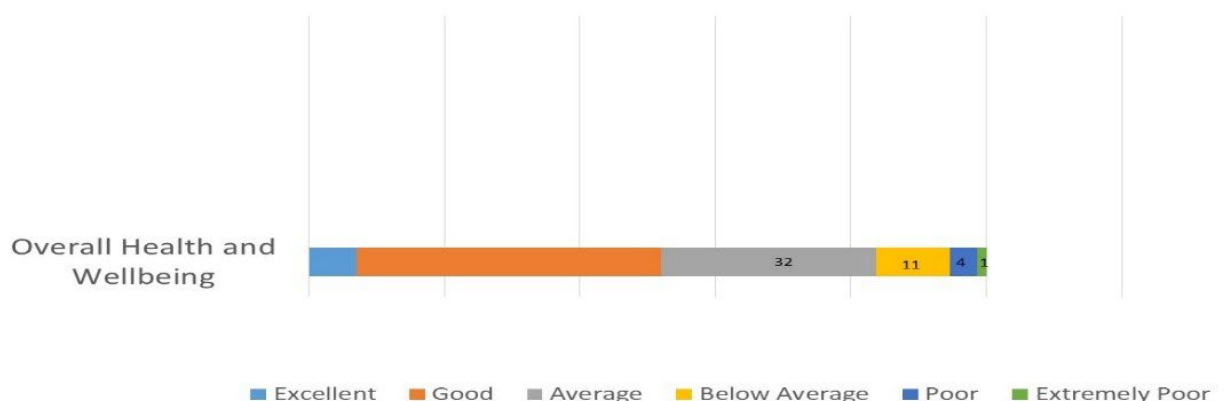
49. Overall experience of working for the Council was scored between 0 and 10 and showed: Detractors 11% (score 0 – 4), Passive 48% (score 5 – 7) and Promoters 41% (score 8 – 10). The key themes coming through in the open question related to workload, management, flexibility/working hours, values, development, ERC policies, communication, equipment, buildings and facilities. A Health and Wellbeing action plan is addressing some of these areas and results will be monitored in a follow-up survey to be undertaken later this year.

Absence

50. Covid-19 absence monitoring has been actively managed. As new variants of Covid-19 have emerged peaks in absences have been experienced and although there has been impact on a number of services the Council has continued to deliver essential services throughout. The Council has supported Scottish Government and Public Health Scotland guidance throughout and has promoted working from home for those who were able to do this. The Council is supporting hybrid working with *The Way We Work* initiative set-up to review our approach to work styles and looking at the property and technology supports we need to put in place to support our workforce to work effectively in this new environment.

51. From summer into autumn 2021/22 there were positive signs with the number of Covid cases declining, however in December 2021 the Omicron variant took hold and this again had an impact on our workforce with the peak in January 2022 of 396 employees affected. Over the last 2 years, in line with national guidance, the majority of COVID absence has been treated as special leave however in May 2022 there was a change in COSLA circulars with now only the first full 10 days of any absence is covered by special leave and the employee then moves onto normal absence reporting.

52. The top non-covid absence levels for 2021/22 were 9.4 days per FTE compared with 8.2 days per FTE the previous year. The top 3 reasons for absence in the 2021/22 were:

- Stress (non-work related)
- Musculoskeletal except back pain
- Gastro-intestinal

53. There are concerns over the impact of absences due to psychological issues over the next 12-36 months. Employees have been impacted by the pandemic, some are seeing increasing workloads due to budget savings and some are feeling real impacts from the cost of living crisis. This will continue to be monitored.

54. We will work with our Occupational Health provider to ensure continued support to employees and also signpost resources in the community. Within the HSCP specialist provision has been provided for services identified as requiring additional support. In terms of financial support, HR and Money Advice & Rights (MART) have strengthened working relationships and offer appropriate support with employee consent and also ensure employees are aware of the financial services that can be accessed via EastRen Rewards.

Skills & Recruitment

55. The purpose of the Workforce Plan is to look at the longer term changes to skills, job roles and requirements within the council as well as demand and supply of the workforce. The report recognises the Council is a complex organisation with many competing demands and consideration needs to be given to both skills and capacity of the workforce.

56. SPDS (Society Personnel and Development Scotland) carried out a workforce planning survey in autumn 2021. The table below details the key areas of skills shortages currently experienced in Scottish Local Authorities due to the impacts of Covid/Brexit:

Area of Shortage	No. of Councils	%	Area of Shortage	No. of Councils	%
Social Care	29	91%	Mental Health Officers	9	28%
Facilities Mgt. (catering/cleaning)	20	63%	Mechanics	6	19%
HGV Drivers	18	56%	Trades	6	19%
Social Workers	17	53%	Early Years	5	16%
Env. Health Officers	16	50%	Trading Standards	5	16%
Teachers	12	38%	Janitors	3	9%
Building Standards	10	31%			

57. Other areas of skill shortage identified by councils were:

- Additional Support Needs
- All areas across ICT
- Childcare posts in school clubs
- ICT specialisms, for example Data Analysts
- Marine staff
- Planners
- Procurement
- Support Workers

58. 66% of survey respondents believed that shortages were a result of impacts from both Brexit and Covid. Respondents listed the reasons attributing to the shortages as:

- Everyone nationally is looking for those with the same skills including the private sector. Labour market has tightened
- Covid and Brexit exacerbating roles that were already high turnover and difficult to recruit to e.g. HGV drivers, facilities management, catering & cleaning.
- HGV Drivers have always been scarce, but again has become worse due to isolation and lack of new drivers with the required skills/qualifications.
- Early Years - due to expansion of the service it is difficult to get the required numbers of qualified practitioners coming through, however, the requirement for bubbles and isolation periods has again worsened the situation.
- Additional Covid monies from Scottish Government is making it difficult to recruit to Early Years and Teaching Posts - in particular supply
- Pay gaps between public / private and increase in demand in some roles.
- Increased demand due to COVID for additional staffing within social care in particular. Shortages in Social Care existed pre-covid, but with the restrictions in relation to isolation this has caused the situation to become worse.
- Environmental Health has always been a struggle but due to the increased requirements on the service during Covid the impact of this has been exacerbated.
- Absence rates.

59. The results from this survey generally reflect the position in East Renfrewshire Council where the top 3 areas of shortage Social Care, Facilities Management and HGV Drivers are areas of continued focus. Early Years is however an area where the Council has successfully expanded the workforce and requirements continue to be monitored.

60. The demographics of East Renfrewshire, with growing populations particularly amongst our young and older residents, mean there are particular demands for education provision, health services and social care. East Renfrewshire is also one of the most ethnically and culturally diverse communities in the country, we expect this trend to continue and aim to better reflect this in our workforce. The workforce changes as a result of these demand drivers include an increase in:

- general services to households e.g. refuse collection, street cleaning, customer enquiries, planning etc
- demand for teachers, especially in the denominational sector
- demand for nursery staff
- demand for home care and social care employees
- need for employees with different culture sensitivities
- need for employees for data and digital skills.

61.   The cost of living crisis will also have a significant impact on demand for some of our services, but also on the wellbeing and circumstances of our own workforce.

62.   There has been a significant increase in turnover rates for Local Government Employees and Teaching staff. In 2020/21 there was a significant downturn in turnover as an initial result of the pandemic, however in the last year this has greatly increased.   These will continue to be monitored to see if they return to pre-pandemic levels.

63.   The way people want to work is changing with more employees looking for increased flexibility and a better work-life balance. This could affect roles within the council in a number of ways. We could see an increase in part-time/freelance workers and in remote living with flexibility of time potentially becoming an important driver for employees and it is important that we continue to review and iterate our policies in these areas.

64.   As an employer we have attractive terms and conditions and we encourage recognition of achievements within our workforce and these are celebrated using Kudos and our We Are East Ren Awards and our East Ren Reward Scheme includes an employee discount scheme, financial service support and salary sacrifice car benefit scheme.

65.   The importance of skills development, including data and digital, and the learning and development of employees and managers is crucially important to support the Council to meet its ambitions. However it must be recognised that there are capacity issues within the organisation. This can lead to managers continuing to operate with individual contributor roles; lack of focus on people management issues; people managing competing priorities; and managers covering gaps sometimes below their grade. Particularly in the light of the budgetary challenges ahead, as an organisation we need to carefully consider capacity and in some cases slow down and prioritise.

66.   Due to the size and scale of the Council many of our jobs have developed into hybrid and not discrete job roles. This has advantages and disadvantages: employees get to be involved in a well-rounded, broad role, however it can be difficult to recruit. This aspect of jobs needs to be recognised so that as we succession plan and upskill across teams we consider the great breadth many roles have. We also need to be aware of overall capacity within our workforce as we drive forward business as usual service delivery alongside transformational change. This will be an ongoing pressure, worsened by the scale of the public sector budgetary position.

67.   Workforce planning guidance and workforce information from our HR/Payroll ICT system are available to support managers and the process is driven by a Workforce Planning Working Group. The Group are engaging with the Digital Transformation Workforce Productivity programme to develop an interactive data dashboard which will give managers better access to real-time information about employees.

MEETING LOCAL NEEDS

Impact of Covid-19 on Services & Inequality
Collaboration& Communities

68.   The Strategic Planning report to Council in March 2022 highlighted 3 key pieces of broad-based research and community engagement:

- Citizens Panel Survey 2021
- Humanitarian Research into the Impact of COVID-19 in East Renfrewshire
- 2022-23 Budget Consultation

69.   These provide us insight into the ways the pandemic has affected local people and communities. This research can help inform our priorities as we move forward into recovery and renewal and seek to refresh our 'Vision for the Future'.

70.   There has been a wide reach across the various aspects of the research, including a 62% response rate (581 respondents) to the Citizens' Panel; 150 in-depth interviews with local residents, community groups, businesses and key stakeholders (including elected members) as part of Humanitarian research and 251 responses to the Council's budget engagement survey.

71.   The Accounts Commission highlight the importance of the use of data in tackling inequality and in councils' responses to the pandemic. We continue to develop our approaches to data and insight in East Renfrewshire Council and this is a specific focus of or Workforce Productivity digital transformation programme. The Corporate Management Team also continue to review monthly dashboards of key metrics around Covid response and recovery. The Improvement Service published case studies of our data-led approach to supporting shielding residents during the pandemic and also our partnership approach to supporting local communities and further details on these can be found in the various Covid-19 update reports to Council since 2020.

CONCLUSION

72.   East Renfrewshire Council fully recognises the challenges outlined in the Accounts Commission's Local Government in Scotland – Overview 2022. We are working to address these pertinent issues through the approaches and activities highlighted in this report. We believe that the coverage of key issues throughout the year as part of day-to-day business provides strong evidence and gives assurance that East Renfrewshire Council is well positioned across the wide range of issues highlighted.

73.   It is suggested that the Audit and Scrutiny Committee considers this Accounts Commission report and the issues and themes therein as part of its annual work programme to guide areas where the Committee would find value in a more detailed response to enable further discussion and scrutiny.

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KEY FACTS (East Renfrewshire)

	East Renfrewshire Council		**96,060** **Local residents**
	4056 FTE **Workforce**		**£259.594m** **Budget** (Net expenditure budget for 2021/22)
	25,632 **Covid-19 Cases** (Cases between Mar 2021 and Feb 2022)		**£1.4M of lost income** was covered by reduced expenditure **and a further £4.2M** was covered from the COVID reserve/funding.

Inequality

Life Expectancy
- Males in East Renfrewshire have the 2nd highest life expectancy in Scotland (highest of mainland authorities), 8 years more than Scottish average. Males also have a life expectancy 2 years more than females.
- Females in East Renfrewshire have the 3rd highest life expectancy in Scotland (highest of mainland authorities), 5 years more than the Scottish average

Child Poverty
- 12.8% of children living in relative poverty in East Renfrewshire (2020/21)

Financial hardship

Rent arrears
9.08% rent arrears in East Renfrewshire at December 2021 (6.5% at end of 2019/20)

Claimant count	2019/20	2021/22
Average Housing Benefit Claim Count	2958	2484
Average Council Tax Reduction Claim Count	4175	4609
Discretionary Housing Payments Claims Rec'd	358	293

Support

Self-Isolation Support Grants –   Sept 2020 to end August 2022

      Applications received – 2814
      SISGs Awarded – 2158
      Awarded applications   2090 x £500 = £1,045,000
      Awarded applications   68 x £225   = £15,300
    Total SISG spend = £1,060,300

10,956 isolation support contacts Sept 2020 to end June 2022

Business Support Grants paid in 2021/22:

Fund	Value spent
Softplay Nightclub COVID Cont	£18,000
COVID19 SFG Business Closure	£109,071
COVID19 SFG Business Hardship	£4,800
Taxi Private Hire Support	£530,500
Retail Top Up Support	£24,000
Local Discretion Fund 1	£296,000
SFBFTP £1K	£358,571
SFBF Transition £1500	£15,000
Business Restart Grant £6k	£1,518,000
Business Restart Grant £8k	£424,000
Business Restart Grant £12k	£638,000
Business Restart Grant £18k	£126,000
Small Accomm SFBF £1k	£2,000
Small Accomm SFBF £8k	£16,000
Taxi Driver Top Up	£514,500
Covid Soft Play up to £51k	£6,000
Covid Hospitality up to £51k	£207,900
Covid Hospitality over £51k	£15,750
Covid Taxi Operator 1 Vehicle	£195,000
Covid Taxi Operator 2-9 Vehicle	£33,000
Covid Taxi Operator 10-49 Vehicle	£42,000
Local Discretion Fund 2	£17,046
Hospitality Top Up Dec/Jan	£409,500
Hospitality Leisure Fund Top-Up	£147,700
Scottish Brewers Support 2022	£5,625
Top Up Taxi & Private Hire	£415,250
Public House Table Service Fund	£30,000
Business Ventilation Fund	£5,077
Total Payments	**£6,124,291.76**