

# Public Document Pack

**Argyll and Bute Council**  
Comhairle Earra Ghaidheal agus Bhoid

*Executive Director: Douglas Hendry*



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7 September 2021*

## **NOTICE OF MEETING**

A meeting of the **AUDIT AND SCRUTINY COMMITTEE** will be held **BY MICROSOFT TEAMS** on **TUESDAY, 14 SEPTEMBER 2021 at 10:00 AM**, which you are requested to attend.

Douglas Hendry  
Executive Director

## **BUSINESS**

1. **APOLOGIES**
  2. **DECLARATIONS OF INTEREST**
  3. **MINUTE FROM PREVIOUS MEETING HELD ON 15 JUNE 2021** (Pages 5 - 10)
- AUDIT ITEMS**
4. **INTERNAL AUDIT AND COUNTER FRAUD SUMMARY OF ACTIVITIES** (Pages 11 - 18)  
Report by Interim Chief Internal Auditor
  5. **INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2021-22** (Pages 19 - 36)  
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Report by Interim Chief Internal Auditor
    - *Complaints Handling*
    - *Land and Asset Disposal*
    - *LEADER*
  7. **EXTERNAL AUDIT UPDATE**  
Verbal Update by Audit Scotland
  8. **INTERNAL AUDIT - ANNUAL SELF-ASSESSMENT** (Pages 67 - 70)  
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9. **COUNTER FRAUD TEAM 2021 ANNUAL REPORT** (Pages 71 - 76)  
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**SCRUTINY ITEMS**
10. **UPDATE BY CHAIR(S) OF THE SCRUTINY PANELS**  
Verbal update by Martin Caldwell and Councillor Jim Lynch
11. **STRATEGIC RISK REGISTER** (Pages 77 - 82)  
Report by Chief Executive
12. **STRATEGIC RISK ASSURANCE MAPPING** (Pages 83 - 96)  
Report by Interim Head of Financial Services
13. **AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2020/21** (Pages 97 - 104)  
Report by Chair of Audit and Scrutiny Committee
14. **LOCAL GOVERNMENT IN SCOTLAND OVERVIEW 2021** (Pages 105 - 150)  
Report by Audit Scotland
15. **LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2019/20 - ANALYSIS AND COMMENTARY** (Pages 151 - 194)  
Report by Executive Director with responsibility for Customer Support Services
16. **AUDIT SCOTLAND REPORT - DIGITAL PROGRESS IN LOCAL GOVERNMENT** (Pages 195 - 258)  
Report by Executive Director with responsibility for Customer Support Services
17. **AUDIT SCOTLAND - 2020/21 FRAUD AND IRREGULARITY REPORT** (Pages 259 - 294)  
Report by Interim Head of Financial Services
18. **CORPORATE COMPLAINTS - ANNUAL REPORT 2020-21** (Pages 295 - 338)  
Report by Executive Director with responsibility for Legal and Regulatory Support
19. **FREEDOM OF INFORMATION - ANNUAL REPORT 2020-21** (Pages 339 - 348)  
Report by Executive Director with responsibility for Legal and Regulatory Support
20. **AUDIT AND SCRUTINY WORKPLAN** (Pages 349 - 354)  
For noting and updating

## **Audit and Scrutiny Committee**

Martin Caldwell (Chair)

Councillor George Freeman

Councillor Sir Jamie McGrigor

Councillor Richard Trail

Councillor Jim Findlay

Councillor Jim Lynch (Vice-Chair)

Councillor Alan Reid

Councillor Andrew Vennard

Shona Barton, Committee Manager

Contact: Lynsey Innis, Senior Committee Assistant; Tel: 01546 604338

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**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY SKYPE  
on TUESDAY, 15 JUNE 2021**

**Present:** Martin Caldwell (Chair)

Councillor Jim Findlay	Councillor Alan Reid
Councillor George Freeman	Councillor Richard Trail
Councillor Jim Lynch	Councillor Andrew Vennard
Councillor Sir Jamie McGrigor	

**Attending:** Kirsty Flanagan, Executive Director and Chief Financial Officer  
Jane Fowler, Head of Customer Support Services  
Fergus Murray, Head of Development and Economic Growth  
Laurence Slavin, Chief Internal Auditor  
Shona Barton, Committee Manager  
Anne Blue, Finance Manager  
Iain Jackson, Governance and Risk Manager  
Sonya Thomas, Performance and Improvement Officer  
Annemarie McLean, Auditor  
Moir Weatherstone, Auditor  
Councillor Sandy Taylor, Chair of Strategic Housing Fund Review Panel  
John Cornett, Audit Scotland  
Gordon McAllister, Audit Scotland

**1. APOLOGIES**

The Chair welcomed everyone to the meeting.

There were no apologies for absence intimated.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTE OF PREVIOUS MEETING HELD ON 16 MARCH 2021**

The minute of the previous meeting of the Audit and Scrutiny Committee, held on 16 March 2021, was approved as a correct record.

**4. COUNCIL 6-MONTH PERFORMANCE REPORT - OCTOBER TO MARCH 2021**

The Committee gave consideration to a report presenting the Council's 6-month Performance Report and Scorecard for October 2020 to March 2021 as agreed by the Senior Management Team (SMT). Information was also provided on planned activity for Performance Management and Reporting during 2021/22 onwards.

Discussion took place in respect of the reduction in staff absence; the adapted process for completing Display Screen Equipment (DSE) assessments to allow for working from home and street lighting. Further discussion was had in relation to UK – EU Post Transition, with the Head of Development and Economic Growth providing information in relation to

the replacement of EU funding and in particular information relating to the Community Renewal fund, the Levelling Up fund and the forthcoming UK Shared Prosperity Fund.

### **Decision**

The Audit and Scrutiny Committee:-

1. reviewed the Council 6-month Performance Report and Scorecard as presented for the purposes of scrutinising the Council's performance;
2. noted that due to Covid-19 demands on staff and resources Performance Management was deprioritised; and
3. noted the planned activity for Performance Management and Reporting during 2021/22 onwards.

(Reference: Report by Chief Executive, dated 4 June 2021, submitted)

### **5. INTERNAL AUDIT AND COUNTER FRAUD SUMMARY OF ACTIVITIES**

Consideration was given to a report providing a summary of Internal Audit activity and progress during quarter one of 2021/22 against the following areas:

#### **Audits Completed**

- Capital Monitoring
- Sickness Absence
- Intercompany Controls
- Charging for Non-residential Care services
- Disaster Recovery Planning(ICT)
- Warden Services
- Workforce Planning

#### **Audit in Progress**

- Land and Asset Disposal

Information was also provided on the progress of the Counter Fraud Team (CFT) and Counter Fraud activity for 2021/22.

### **Decision**

The Audit and Scrutiny Committee agreed to note and endorse the Summary of Activities report.

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted)

### **6. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2020-21**

A report was considered which provided an update on all open actions as at 31 March 2021 including information on actions where the agreed implementation date had been rescheduled.

### **Decision**

The Audit and Scrutiny Committee agreed to endorse the contents of the report.

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted)

### **7. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2020/21**

The Audit and Scrutiny Committee gave consideration to a report containing the action plans in relation to the following seven audits:-

- Capital Monitoring
- Intercompany Controls (LiveArgyll)
- Charging for Non-residential Care Services
- Sickness Absence
- Workforce Planning
- Warden Services
- Disaster Recovery Planning (ICT)

### **Decision**

The Audit and Scrutiny Committee agreed to endorse the summary report and detail contained within each individual report.

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted.)

### **8. INTERNAL AUDIT - ANNUAL REPORT 2020/21**

Consideration was given to a report advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2020/21 and the contents of the Chief Internal Auditor's (CIA) independent annual opinion on the effectiveness of the Council's risk management, internal control and governance processes.

### **Decision**

The Audit and Scrutiny Committee endorsed the content of the report and the associated annual opinion of the Chief Internal Auditor and the Chair recorded his thanks and appreciation of the work of the Chief Internal Auditor and his team.

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted)

The Chair ruled and the Committee agreed to vary the order of business at agenda items 9 (2020/21 Audit Progress Report) and 10 (Annual Audit Plan 2020/21) to allow for colleagues from Audit Scotland to present the Annual Audit Plan before presenting a Progress Report against the Plan.

### **9. ANNUAL AUDIT PLAN 2020/21**

Consideration was given to a report presenting the annual audit plan, which contained an overview of the planned scope and timing of the audit and set out the work required to allow for an independent auditor's report on the annual accounts and the audit of Best Value.

**Decision**

The Audit and Scrutiny Committee agreed to note the content of the report.

(Reference: Report by Audit Scotland, submitted)

**10. 2020/21 AUDIT PROGRESS REPORT**

The Committee gave consideration to a report providing an update on current progress of external audit activity and recent national performance reports which have been published or are due.

**Decision**

The Audit and Scrutiny Committee agreed to note the content of the report.

(Reference: Report by Audit Scotland, dated June 2021, submitted)

**11. SCRUTINY - DEVELOPMENT SESSION**

The Committee gave consideration to a report providing a summary of the Scrutiny development session held on 27 April 2021 which considered an update on the Council's Waste Strategy, future scrutiny topics and amendments to the scrutiny process going forward.

**Decision**

The Audit and Scrutiny Committee:-

1. approved the decision taken at the Scrutiny Development Session that a scrutiny topic focused on the Council's Waste Strategy would not add value at the current time;
2. approved the decision to adopt a more flexible approach to scrutiny with scrutiny topics to be identified by members of the Audit and Scrutiny Committee;
3. approved two new scrutiny topics with those being the Community Asset Transfer process and Fly Tipping;
4. agreed that the Chair, Martin Caldwell would lead on the Community Asset Transfer scrutiny review joined by Councillors Trail and McGrigor and Councillor Lynch would lead on the Fly Tipping scrutiny review joined by Councillors Vennard and Freeman; and
5. noted that the Chief Internal Auditor would amend the Scrutiny Framework and Scrutiny Manual to reflect the changes set out in the report and bring it back to a future meeting of the Committee for approval.

(Reference: Report by Chief Internal Auditor, dated 19 May 2021, submitted)

**12. STRATEGIC HOUSING FUND SCRUTINY REPORT**

Consideration was given to the Strategic Housing Fund Scrutiny Review which was carried out as per the 2019/20 Scrutiny Plan. The Scrutiny Panel consisted of Councillors Sandy Taylor (Chair), George Freeman and Andrew Vennard with support provided by

internal audit officers. The Strategic Housing Fund was chosen for inclusion in the scrutiny priorities, as a review had been approved by the Community Services Committee in December 2018. It was agreed to continue existing funding for RSL's but extend it to community organisations in certain areas, thus reducing the risk of not providing affordable homes in areas that RSL's do not wish to develop.

### **Decision**

The Audit and Scrutiny Committee agreed:-

1. the Draft Strategic Housing Fund Scrutiny Report; and
2. that the Strategic Housing Fund Scrutiny Report be presented to the Environment, Development and Infrastructure Committee for consideration.

(Reference: Report by Chair of the Strategic Housing Fund Scrutiny Panel, dated 15 June 2021, submitted)

## **13. REVIEW OF CODE OF CORPORATE GOVERNANCE**

The Committee gave consideration to a report advising that the Code of Corporate Governance Action Plan 2020/21 has been reviewed and updated along with the content of the code to reflect the governance position within the Council for 2020/21. It also noted that the review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2020/21.

The Governance and Risk Manager advised that the following sentence had been inserted at section 4 of the draft statement, contained within Appendix 4 of the report ahead of it being finalised:

“This work recognises the impact of the pandemic on widening inequalities and acknowledges that longer term social and economic impacts are not yet fully understood.”

### **Decision**

The Audit and Scrutiny Committee:-

1. agreed to note the updates in the Action Plan for 2020/21;
2. considered and approved the content of the Code of Corporate Governance for 2020/21;
3. considered and approved the content of the Action Plan for 2021/22; and
4. considered and approved the draft statement of governance and internal control for 2020/21.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 15 June 2021, submitted)

## **14. UNAUDITED FINANCIAL ACCOUNTS**

The Committee gave consideration to a report presenting an overview of the Unaudited Annual Accounts for 2020-21 and a summary of the significant movements from 2019-20. The report also provided information on the revenue outturn for 2020-21.

**Decision**

The Audit and Scrutiny Committee considered the Unaudited Annual Accounts for the year ended 31 March 2021.

(Reference: Report by Section 95 Officer, dated 11 June 2021, submitted)

**15. WORKPLAN**

In order to facilitate forward planning of reports to the Audit and Scrutiny Committee, Members considered the outline Audit and Scrutiny Committee workplan.

**Decision**

The Audit and Scrutiny Committee agreed to note the outline workplan.

(Reference: Audit and Scrutiny Committee workplan, dated 15 June 2021, submitted)

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**ARGYLL AND BUTE COUNCIL****AUDIT & SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**

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**INTERNAL AUDIT AND COUNTER FRAUD SUMMARY OF ACTIVITIES**

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**1. SUMMARY**

1.1 The objective of the report is to provide the Audit and Scrutiny Committee (the Committee) with a summary of Internal Audit activity and progress during quarter two of 2021/22.

1.2 Core activities together with a progress update statement are shown below:

- **2021/22 Audit Plan progress:** On Track
- **Individual Audits undertaken:** 3 audits have been completed during the period. Three audits have been assessed as providing high assurance.
- **Counter Fraud:** The Counter Fraud team is working well and progress is continuing to rebill council tax accounts and recovery of funds is underway. All other aspects and referrals are being considered and evaluated and the Counter Fraud Team remain vigilant to protect our public purse.
- **Continuous Monitoring Programme Testing:** A number of auditable units are subject to continuous testing. Management have responded to previous quarter notifications and there are no outstanding issues.
- **Performance indicators:** Current status is green / on track.

**2. RECOMMENDATIONS**

2.1 To review and endorse the Summary of Activities report

**3. DETAIL**

3.1 Thee audits have been completed since the previous Committee in June 2021. Four audits are currently in progress and will be reported to a future meeting of the Committee.

**Audits Completed**

- Land and Asset Disposal
- Complaints Handling
- LEADER

**Audit in Progress**

- Purchasing Cards

- Fixed Asset Register
- Child Protection Services
- Contract Management in Roads & Infrastructure Services

3.2 In addition to those already in progress indicative audits planned for Quarter 3 2021/22 are:

### 3.3 **2021/22 Audit Plan**

- Street Cleaning
- Civil Contingencies
- Planning Applications
- School Fund
- Oban Airport

3.4 An audit of HR Project Management has been removed from the 2021/22 audit plan. The audit was to provide assurance that the Payroll Business Process Review (BPR) has been carried out in a robust manner. That BPR has been completed and the Chief Internal Auditor (CIA) has engaged with officers involved in the process and reviewed the outcome of the review and is content that there is limited value in performing this audit. There will be no audit identified as a replacement as there has been a reduction in the total availability of audit resource due to members of the team being seconded to work on the Council's Discretionary Fund.

### **Scrutiny**

3.5 Work has commenced on the 2021/22 scrutiny plan, with the briefing meeting for the review of the Community Asset Transfer process having taken place on 13 August 2021.

3.6 The Strategic Housing Fund report is to be submitted to the Environment, Development and Infrastructure Committee which meets next on 2 September 2021.

### **Counter Fraud**

3.7 The Counter Fraud Team (CFT) is now fully operational utilising desktop investigations to date. Both officers have completed the CIPFA (Chartered Institute of Public Finance and Accountancy) Accredited Counter Fraud Specialist Course and have received digital copies of their certificates.

3.8 There is no CFT update provided in this section as this is a separate agenda item.

### **Additional Updates from Quarter Two**

3.9 Laurence Slavin has taken up a role as Interim Head of Financial Services until September 2022. Moira Weatherstone has agreed to perform the role of CIA, with responsibility for Internal Audit and Scrutiny, for an interim period on a 50% basis with Laurence Slavin maintaining responsibility for the CFT.



- 3.10 Internal Audit continued to lead on the Council's Discretionary Fund to support local businesses impacted by COVID. The fund has now closed to applications. Two members of the Internal Audit team were redeployed to assess applications and have now returned to their roles in Internal Audit bar some work to finalise applications which are still in progress.
- 3.11 Internal Audit work for the Health and Social Care Partnership (HSCP) has commenced with a review of Care Programme Approach now in progress and the Chief Internal Auditor has facilitated a workshop to review the HSCP's Strategic Risk Register.
- 3.12 A sample of data in respect of the Statutory Performance Indicators (SPI's) that are required to be returned by councils as part of the Local Government Benchmarking Framework (LGBF) must be reviewed by Internal Audit for submission to the Improvement Service by 31 August each year. Internal audit carry out this work in collaboration with colleagues in performance management and a separate report will be submitted for review at this committee. Internal Audit was provided with the full set of data from which to select indicators for review on 22 June and as large variances were reported in sickness absence, attendance figures for swimming pools and virtual library visits, these indicators were selected for review. Museum services was also selected for review as a larger impact would have been expected due to the Covid-19 pandemic and additionally payment of invoices was selected as it had not been reviewed since 2017. Errors were identified during the course of the review and amended by the relevant officers. The pro-forma has been updated to reflect the correct figures for submission to the Improvement Service.

**Continuous Monitoring**

- 3.13 Our continuous monitoring programme is generally focused on transactional type activity. Standard audit tests are applied which are relevant to each auditable unit. Control design tests look at whether the controls in place adequately address the potential risk event.

**Table 1: Continuous Monitoring Findings**

Auditable Area	Areas Tested	Issues Identified	Management comment / action
Budgeting – Engagement Logs	Review active cost centre list	<p>The cost centre list is not up to date.</p> <p>Of eight budget holders contacted to ensure engagements had been recorded appropriately, two responded to advise they</p>	<p>The Finance Manager immediately disabled the cost centres that were found to be no longer in use and issued an email to finance management to cascade for action.</p>

		were no longer the contact for that particular cost centre.	
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- 3.14 A follow up process is in place whereby management are advised of continuous monitoring findings and, where appropriate, requested to take remedial action. There are currently no outstanding follow-up points arising from previous testing. Due to the volume of continuous monitoring tests carried out the decision was made to report by exception only.

### National Reports

- 3.15 A follow up process for national reports is in place whereby management are advised of national reports published and asked to confirm what, if any, action is planned as a result of the report. Table 2 details the national reports issued during quarter one 2021/22.

**Table 2: National Reports**

National Report	Issued To	Detail	Management response/ Action taken
Fraud and irregularity 2020-21	Counter Fraud Team	Sets out a range of fraud risks emerging since the start of the Covid-19 pandemic. It also shares information about cases where internal control weaknesses in public bodies have led to fraud and irregularity.	Separate report submitted to this committee.
Best Value Assurance Report: Aberdeen City Council	Chief Executive	Significant improvement in performance while making challenging savings targets and acting to reshape the city's economy. However, improvements need to accelerate in housing and education.	The Council's Executive Leadership Team has made arrangements to visit Aberdeen City Council to learn directly from them.
Local Government in Scotland Overview 2021	Chief Executive	Councils and communities worked well together, but impacts of Covid-19 are unequal. Scotland's councils reacted quickly, working alongside communities and partners, to address the unprecedented challenges created by Covid-19. Many challenges remain significant, made more urgent by the multiple impacts of Covid-19 on communities and services.	This was considered by the Council's Strategic Management Team and no action to be taken.

**National Fraud Initiative (NFI)**

- 3.16 NFI data matching involves comparing computer records held by one body against other computer records held by the same or another body to identify potentially fraudulent claims and payments to be identified. Note though that the inclusion of personal data within a data matching exercise does not mean that any specific individual is under suspicion. Where a match is found it indicates that there may be an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. A reminder process is in place to ensure that matches are reviewed on a timely basis.
- 3.17 Matches are available for review and progress is monitored monthly by the Counter Fraud Team and reported quarterly to the Audit and Scrutiny Committee.

**Table 3: National Fraud Initiative Progress at 09/05/2021):**

<b>Operational Area</b>	<b>Total Matches</b>	<b>Recommended / High Risk Matches</b>	<b>Matches Complete</b>	<b>WIP</b>	<b>Match Description</b>
CT to Elect Register	1000	n/a	0	0	CT records to Electoral Register/ other data sets to ensure discount awarded to only those living alone aged over 18, taking into account disregarded occupants. (CT to other Datasets will not be progressed further due to poor quality data)
CT rising 18s	194	n/a	0	0	
Housing Benefits	29	12	13	1	HB records to records in other authorities / other datasets including student loans, payroll and pensions to identify undeclared income and capital.
Payroll	57	31	0	0	Payroll records to other datasets including other payrolls and pensions to ensure employee is not receiving additional income.
Blue Badges	255	157	204	0	Blue badge records to DWP data to identify deceased claimant with valid badge.
Housing Waiting list	264	42	216	48	Housing waiting list records to other organisations HBCTR and tenant data to identify undisclosed changes in circs or false info.
Council Tax Reduction	398	76	50	0	CTR records with records in other authorities / other datasets including; student loans, payroll and pensions

					to identify undeclared income and capital
Creditors	4839	253	98	0	Analyses Creditors data to identify possible duplicate vendors and payments, VAT errors or fraud and multiple vendors sharing a bank account.

### Overall Summary of Matches

Matches Complete	Work In Progress	Cleared	Frauds	Errors	Total Value £	Recovering	Recovering Value £
640	1	521	0	119	£673.66	1	£673.66

### Internal Audit Development

3.18 The table below details progress against the action points in our Internal Audit development plan. No additional items have been added in quarter one.

**Table 4: Internal Audit Development Key Actions:**

Area For Improvement	Agreed Action	Progress Update	Timescale
VC and conference facility	Progress plan to use former audit room at Whitegates as a video conference facility.  The new facility is well progressed but paused due to the Council's response to the pandemic situation.	Delayed	No current timescale due to ongoing office closures

3.19 Internal Audit scorecard data is available on pyramid. The indicators reported are aligned to those for internal audit in the Financial Services service plan. All indicators are shown as on currently being on track.

Internal Audit Team Scorecard 2021– 22 – FQ1 21/22 (as at July 2021)			
<b>BO115 We Are Efficient And Cost Effective</b>			
Internal Audit Level of Satisfaction	Actual	92%	G ↓
	Target	80%	
Review of Strategic Risk register	Status	Complete	G ↑
	Target	Complete	
Percentage of audit plan completed	Status	100%	G →
	Target	100%	
Percentage of audit recommendations accepted by management	Actual	100%	G →
	Target	100%	

**4 CONCLUSION**

- 4.1 The 2021/22 audit plan has commenced and the Counter Fraud Team is continuing to develop and delivering a positive output for the Council.

**5 IMPLICATIONS**

- 5.1 Policy - Internal Audit continues to adopt a risk based approach to activity
- 5.2 Financial –None
- 5.3 Legal –None
- 5.4 HR – None
- 5.5 Fairer Scotland Duty – None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty – None
- 5.6 Risk – None
- 5.7 Customer Service – None

For further information please contact Internal Audit (01546 604146)

**Moir Weatherstone**

**Interim Chief Internal Auditor**

**14 September 2021**

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**ARGYLL AND BUTE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**

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**INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2021-22**

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**1.0 INTRODUCTION**

- 1.1 Internal and external audit reports include an action plan with a management response establishing the agreed action, timescale and responsible officer. Internal Audit record these in a database and, on a monthly basis, follow them up to ensure they are being progressed.
- 1.2 This report updates the committee on all open actions as at 30 June 2021 including information on actions where the agreed implementation date has been rescheduled.

**2.0 RECOMMENDATIONS**

- 2.1 To endorse the contents of the report.

**3.0 DETAIL**

- 3.1 The two tables below provide a numerical summary of open audit actions with a split between actions due by and due after 30 June 2021.

Table 1 – Actions due by 30 June 2021

DMT/Service	Complete	Delayed/Re scheduled	No Response	Evidence Required	Total
<b>Internal Audit</b>					
CEU - Financial Services	1	0	0	0	1
CEU - Cross Cutting	1	0	0	0	1
DH - Legal & Regulatory Support	1	1	0	0	2
DH - Commercial Services	2	4	0	0	6
DH – Education	5	0	0	0	5
DH - Lifelong Learning & Support	1	1	0	0	2
KF - Roads & Infrastructure Services	1	0	0	3	4
KF - Customer Support Services	1	0	0	0	1
KF - Development & economic Growth	1	0	0	0	1
SW - Adult Care	2	1	0	0	3
LiveArgyll	1	0	0	0	1
<b>External Audit</b>					
CEU - Financial Services	1	0	0	0	1
<b>TOTAL</b>	<b>18</b>	<b>7</b>	<b>0</b>	<b>3</b>	<b>28</b>

Table 2 – Actions due after 30 June 2021

DMT/Service	Complete	Delayed/Re scheduled	No Response	On Course	Total
<b>Internal Audit</b>					
CEU - Financial Services	0	1	0	2	3
CEU - Cross Cutting	0	0	0	3	3
DH - Legal & Regulatory Support	0	1	0	3	4
DH – Education	0	0	0	1	1
KF - Roads & Infrastructure Services	0	6	0	0	6
KF - Customer Support Services	0	0	0	1	1
KF - Development & Economic Growth	1	0	0	0	1
<b>External Audit</b>					
N/A					
<b>TOTAL</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>10</b>	<b>19</b>



3.2 Appendix 1 provides further detail on actions that have either been delayed and rescheduled or for which Internal Audit have received no response from the service to inform this follow up.

#### **4.0 CONCLUSION**

4.1 COVID19 continues to impact on the progress services are making to complete audit action points.

#### **5.0 IMPLICATIONS**

5.1	Policy - None
5.2	Financial - None
5.3	Legal - None
5.4	HR - None
5.5	Fairer Scotland Duty - None
5.5.1	Equalities – None
5.5.2	Socio-Economic Duty – None
5.5.3	Islands Duty - None
5.6	Risk –None
5.7	Customer Service – None

**Moira Weatherstone**  
**Interim Chief Internal Auditor**  
**14 September 2021**

**For further information please contact:**

Moira Weatherstone, Interim Chief Internal Auditor, 01546 604146

#### **APPENDICES**

Appendix 1 – Action Plan Points Delayed & Rescheduled or with No Response

## Appendix 1 - Action Plan Points Delayed & Rescheduled & Evidence Required

Action Plan Points Due by 30 June 2021						
DMT/Service/ Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Appointment of Key Positions The Standard requires the Chief Executive to appoint the Duty Holder in writing and for the Duty Holder to then appoint the FRPs, Deputy Duty Holder and Responsible Persons (Legionella) in writing. None of this has occurred although the Standard does establish an anticipation that the Duty Holder will be the Executive Director with responsibility for Commercial Services and that the FRPs will be Heads of Service.	High	Appointments to be made after appropriate training.	31 Dec 20 31 Mar 21 30 Jun 21 30 Sep 21	Duty holder now appointed – others to flow from that after summer leave periods.  <b>Delayed &amp; Rescheduled</b>	Executive Director with Responsibility for Commercial Services/ Head of Commercial Services
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Staff Resources Significant progress requires to be made to fully appraise staff resources and appoint key staff to undertake	High	Undertake benchmarking exercise and review staff resource, following which provide	31 Dec 20 31 Mar 21 30 Jun 21 30 Sep 21	Benchmarking complete however inconclusive. Gap analysis now being undertaken for consideration by Head of Commercial Services.	Executive Director with Responsibility for Commercial Services/

<b>Action Plan Points Due by 30 June 2021</b>						
<b>DMT/Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
	legionella management tasks within properties.		guidance to FRP's for them to appoint key staff.		<b>Delayed &amp; Rescheduled</b>	Head of Commercial Services
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Risk Based Approach to Legionella A Contractor specialising in water quality undertakes various water hygiene checks on a monthly, quarterly, six monthly and annual basis at 72 of the 327 Council owned properties which have a water supply. The properties selected for Contractor visits were chosen on a risk based approach based on discussions with representatives within the water group and included consideration of users, location, water outlet types rather than a formalised risk based approach informed by the risk	Medium	Review all properties with water and produce a written record of the nature and frequency of tasks that require contractor visits.	31 Dec 20 31 Mar 21 30 Jun 21 30 Sep 21	Due to key staff absence this action has been delayed.  <b>Delayed &amp; Rescheduled</b>	Property Services Manager/Energy & Building Services Performance Manager/Mechanical Services Technician

<b>Action Plan Points Due by 30 June 2021</b>						
<b>DMT/Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
	assessments. In addition flushing is currently being undertaken at 13 properties and again this was based on risk based discussions rather than a formalised risk based approach.					
<b>DH - Commercial Services – Systems Interfaces &amp; Reconciliations</b>	General Ledger Reconciliations There is no reconciliation performed between the source system and the general ledger for ResourceLink, PECOS, Concerto and Tranman and the SEEMIS interface for clothing grants.	Medium	Data in the source system may not be accurately reflected in the general ledger.	31 Mar 21 30 Sep 21	Data transfer between the Concerto Property System and the general ledger is electronic and automatic. There is no manual intervention in data transfer therefore the data in both systems will be identical negating the need for a reconciliation. A further process will be required to complete.  <b>Delayed &amp; Rescheduled</b>	Concerto - Property Design Manager
<b>DH - Legal &amp; Regulatory Support – Business Continuity Planning</b>	Review of Critical Activities A comprehensive review was carried out in 2012 to identify the Council's critical activities. This reduced the number	Medium	A report will be submitted to SMT at the start of each financial year which provides detail of current CARPs. SMT will be given the	31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21 30 Sep 21	Information regarding CARPS completed during 2020-2021 still under consideration, progress being reviewed in July/August 2021.  <b>Delayed &amp; Rescheduled</b>	Governance & Risk Manager

<b>Action Plan Points Due by 30 June 2021</b>						
<b>DMT/Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
	from 110 to 27. Despite there being a number of organisational changes in the Council in the past seven years the assessment of what constitutes a critical activity has never been revisited.		opportunity to identify any other activities that they consider would benefit from having a CARP.			
<b>DH - Lifelong Learning &amp; Support – Additional Support Needs</b>	Format of Child Plans The Council do not use a standard format for child plans however this will be addressed when all plans are recorded on SEEMiS. However sample testing highlighted that plans do not always include a next review date.	Low	As child plans are reviewed over the coming school session 2019-20 they will be converted onto the Well-being App format, this format contains a “Date of Next review “field. Schools will be supported to change all plans to the new format within the Well-being App by Area Principal Teachers. During the year there will be checks to see how	30 Sep 20 31 Dec 20 30 Jun 21 30 Jun 22	Request extended deadline until June ‘22 as a result of the impact of Covid-19 on schools and the resultant workload issues around pupil support.  <b>Delayed &amp; Rescheduled</b>	Education officer

Action Plan Points Due by 30 June 2021						
DMT/Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
			many plans have been converted and to check if the date of review field has been completed.			
<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	<p>Winter Servicing of Machinery and Equipment</p> <p>Annual winter servicing of machinery and equipment does not always take place due to resource pressures resulting in mechanics being asked to assist in other areas of service delivery such as cemetery work and refuse collection.</p> <p>There may be benefit in establishing a programme of prioritisation to ensure that more critical machinery receives the annual service with less critical being serviced less regularly.</p>	Medium	All machinery will be subject to annual maintenance to comply with manufacturing guidelines.	30 Jun 20 31 Mar 21 30 Jun 21	<p>All newly purchased machinery recorded on the Tranman system.</p> <p>The training for horticultural mechanics will be completed on 30th July 2021.</p> <p>Mid-Argyll will go live following that with all other areas going live the following month, once any issues have been dealt with.</p> <p>Annual machinery overhauls have been completed, OLI and MAKI have been input into the system, with Bute and Cowal and Lomond still to be input.</p> <p>Delay has been reported to ICT board departmental meetings, this has been due to Covid-19 and also system assistance from contractor Civica.</p> <p><b>Complete – evidence required</b></p>	Operations Manager

<b>Action Plan Points Due by 30 June 2021</b>						
<b>DMT/Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	<p>Managing Partnership Arrangements</p> <p>The Council has partnership agreements where community councils and other voluntary organisations undertake grounds maintenance work in areas no longer maintained by the Council however there is no formal register of all the partnership arrangements. Additionally there was no evidence that periodic reviews had taken place as outlined within the minute of agreements including those to ensure that public liability and third party risks insurance cover, any permits, licences and permissions etc. were in place.</p>	Medium	Meetings will be held to discuss and review partnership arrangements.	30 Sep 20 30 Jun 21	<p>Register completed, training has taken place with the nominated officer for each area. Register has links installed to ensure visibility of partnership agreements for officers dealing with the respective groups. Discussions ongoing with a number of groups who have changed personnel and this process has highlighted this. Dates of tool box talks and induction training now being recorded.</p> <p><b>Complete – evidence required</b></p>	Operations Manager

<b>Action Plan Points Due by 30 June 2021</b>						
<b>DMT/Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	Partner Training There is no record of the Council delivering toolbox talks to partners upon delivery of the equipment at the start of each season.	Medium	Record of training provided to partners will be maintained	30 Sep 20 30 Jun 21	Dates of tool box talks and induction training now recorded.  <b>Complete – evidence required</b>	Operations Manager
<b>SW - Health &amp; Social Care Partnership – Social Care Contract Management</b>	Call Up Letters Sample testing highlighted situations where services are being provided without a call up letter being in place. This is contrary to Council policy.	Low	Updated call up letters will be issued when providers confirm estimated capacity for year.	31 Dec 20 31 Mar 21 30 Jun 21 31 Dec 21	Final letters for remaining provider will be issued once all individual packages finalised. Projected timescale is within 3 months.  <b>Delayed &amp; Rescheduled</b>	Locality Manager - HSCP

<b>Action Plan Points Due After 30 June 2021</b>						
<b>Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
<b>CEU - Financial Services – Following the Public Pound</b>	Guidance on Following the Public Pound (FtPP) Although the Council has an approved process to manage external funding requests it is limited in detail, is not closely	High	Following the Public Pound guidance will be drafted to provide a consistent approach to managing the award of external funds.	30 Jun 20 31 Dec 20 30 Jun 21 31 Dec 21	FtPP guidance has been drafted however the Council's Asset Management Board are still progressing their work to look at how we review business cases, including how they are scored. It is important that the revised FtPP guidance reflects the conclusions of that work so we	Head of Financial Services



Action Plan Points Due After 30 June 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
	aligned to the Code of Guidance on Funding External Bodies and Following the Public Pound and there is a general lack of awareness amongst officers that it exists. Audit testing identified a number of areas of good practice within the Council and overall compliance with the principles of FtPP however there were examples of inconsistent practice. A more comprehensive guidance document should be established which provides a more standardised and tiered approach providing greater clarity over roles and responsibilities and standardised templates for key stages in the process including funding				are delaying the finalisation of the guidance.  <b>Delayed &amp; Rescheduled</b>	

<b>Action Plan Points Due After 30 June 2021</b>						
<b>Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
	assessments and post award monitoring and reporting. The audit team researched a number of examples of FtPP guidance which had been created by other councils during the planning phase of the audit and can make these available to inform the creation of an Argyll and Bute equivalent.					
<b>DH - Legal &amp; Regulatory Support – Business Continuity Planning</b>	School Relocation Plans Of the ten secondary school CARPs the named alternative location(s) for five appeared to provide insufficient capacity for the current school roll. Furthermore the required equipment identified in the CARPs did not appear to be sufficient.	High	Head Teachers have been requested to complete new CARP template which includes an appendix on relocation availability. The new policy and creation of a testing programme will also address this issue.	31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21 31 Dec 21	This action is dependent on the implementation of the new BC policy, and the CARP testing programme scheduling. Education reviews are scheduled from July-September, and this action will be picked up within the reviews.  <b>Delayed &amp; Rescheduled</b>	Governance & Risk Manager

<b>Action Plan Points Due After 30 June 2021</b>						
<b>Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
<b>KF - Roads &amp; Infrastructure Services – Fleet Management</b>	Driving Hours Compliance Fleet drivers not subject to EU legislation maintain manual driving records which are handed to supervisors on a weekly basis to check and sign. This is a resource intensive process which is subject to human error. There would be clear process efficiency gains and less risk of error if the Council adopted the system already in place for fleet drivers subject to EU legislation and rolled out electronic driver cards to all fleet drivers.	Low	The key officer will ensure that all drivers hold and use tachograph cards to move away from the paper book records.	31 Dec 20 31 Mar 21 30 Jun 21 31 Mar 22	The hardware has been purchased and roll out of the systems and training is being progressed. This has been delayed due to Covid-19.  <b>Delayed &amp; Rescheduled</b>	Procurement/ Technical Officer
<b>KF - Roads &amp; Infrastructure Services – Fleet Management</b>	Management of Pool Cars A high level analysis of the use of pool cars suggests the Council could generate	VFM	The pool car module will be released through Tranman. The pool car module offers a centralised	30 Sep 20 31 Dec 20 30 Jun 21 31 Dec 21	The Fleet System administrators is focused on the small tools and plant module with ICT colleagues. The pool car module will be the next piece of work to be undertaken.	Procurement/ Technical Officer

<b>Action Plan Points Due After 30 June 2021</b>						
<b>Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
	<p>considerable savings through more efficient use of pool cars. Fleet Services should explore this further via a more detailed review which should consider the potential benefits of:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a more centralised approach to the administration and booking of pool cars</li> <li><input type="checkbox"/> better promotion of the use of pool cars</li> <li><input type="checkbox"/> providing greater visibility of bookings and destinations to encourage pool car sharing</li> <li><input type="checkbox"/> implementing or developing a pool car booking system</li> <li><input type="checkbox"/> identifying ways of transferring the balance of pool car usage from shorter journeys to longer ones.</li> </ul>		<p>approach to bookings and visibility. The Council's internal communications department will be contacted to highlight the use of the pool cars. Work will be undertaken to increase usage.</p>		<b>Delayed &amp; Rescheduled</b>	

<b>Action Plan Points Due After 30 June 2021</b>						
<b>Service / Report</b>	<b>Finding</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Dates</b>	<b>Comment</b>	<b>Responsible Officer / Status</b>
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	Procedures/User Manual Procedures/user manuals for the NDR, BACS and Tranman systems do not provide any guidance on logical access controls.	Medium	Tranman – Civica 30 Jun 21 to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21 31 Dec 21	There is a delay due to the small tools project being completed. User log ins required and Civica are required to do further work prior to completion.  <b>Delayed &amp; Rescheduled</b>	Tranman Systems Administrator
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	Password Controls A number of issues were identified where password controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on. <input type="checkbox"/> Tranman o Password changes are not enforced o Password complexity not enforced	Low	Tranman – Civica have advised that there may be an option to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21 31 Dec 21	Civica will be required to conduct further work.  <b>Delayed &amp; Rescheduled</b>	Tranman Systems Administrator

Action Plan Points Due After 30 June 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
	o Password file visible to the systems administrator					
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	<p>Logon Controls A number of issues were identified where logon controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Tranman</li> <li>o User not locked following failed login attempts</li> <li>o No control over inactive users</li> </ul>	Low	Tranman – Civica have advised that there may be an option to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21 31 Dec 21	<p>Civica will be required to conduct further work.</p> <p><b>Delayed &amp; Rescheduled</b></p>	Tranman Systems Administrator
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	<p>User Management Controls A number of issues were identified where user management controls fell short of</p>	Low	Tranman – on 25 august a call was logged with Civica regarding audit trail.	30 Sep 20 31 Jan 21 31 Mar 21 30 Jun 21 31 Dec 21	<p>Link directly to other audit actions, Civica will be required to conduct further work.</p> <p><b>Delayed &amp; Rescheduled</b></p>	Tranman Systems Administrator

**Action Plan Points Due After 30 June 2021**

Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
	<p>good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Tranman</li> <li>o Leaver and change notifications are not always received in a timely manner</li> <li>o No review of user access rights and permission levels</li> <li>o No audit trail is available</li> </ul>		<p>Resolution and timescale will depend on response to logged call.</p>			

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ARGYLL AND BUTE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

FINANCIAL SERVICES

14 SEPTEMBER 2021

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**INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE  
2020/2021**


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**1. EXECUTIVE SUMMARY**

- 1.1 There are 3 audits being reported to the Audit and Scrutiny Committee.
- 1.2 The table below provides a summary of the conclusions for the audits performed. The full reports are included as appendices to this report.

<b>Audit Name</b>	<b>Level of Assurance</b>	<b>High Actions</b>	<b>Medium Actions</b>	<b>Low Actions</b>	<b>VFM Actions</b>
Complaints Handling	High	0	0	0	0
Land and Asset Disposal	High	0	0	1	0
LEADER	High	0	0	0	0

- 1.3 Internal Audit provides a level of assurance upon completion of audit work. A definition for each assurance level is documented in each audit report.

**2. RECOMMENDATIONS**

- 2.1 Audit and Scrutiny Committee to review and endorse this summary report and the detail within each individual report.

**3. DETAIL**

- 3.1 A high level summary of each completed audit report is noted below:

**Complaints Handling:** This audit has provided a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently. The Council implemented a revised Complaints Handling Procedure in advance of the Scottish Public Sector Ombudsman (SPSO) requirement for all councils to adopt one by 1 April 2021. A Complaints Handling Procedure has been implemented which complies with the SPSO model complaints procedure and audit sampling has provided assurance that it is being complied with. Staff and the public have been made aware of the implementation and requirements of complaint handling processes. Reporting mechanisms are in place with reports distributed to relevant officers.

**Land and Asset Disposal:** This audit has provided a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control

designed to achieve the system objectives is in place and being applied consistently. Estates have a comprehensive procedure that outlines the various processes involved for the sale or lease of surplus assets. The process followed by estate officers was found to be consistent with the established policies and procedures. Estate officers prepare appropriate reports for DMT to inform them of the status of asset disposals.

**LEADER:** This audit has provided a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently. No material issues were identified during the audit. Appropriate checklists and procedural documents are in place to ensure that all applications meet both the technical and financial requirements stipulated by the LEADER programme. All projects tested were fully compliant. Access to LEADER records is restricted to appropriate officers via logical access controls.

#### **4. CONCLUSION**

4.1 Management has accepted each of the reports submitted and have agreed responses and timescales in the respective action plans.

#### **5.0 IMPLICATIONS**

5.1 Policy - None

5.2 Financial - None

5.3 Legal - None

5.4 HR – None

5.5 Fairer Scotland Duty - None

5.5.1 Equalities – None

5.5.2 Socio-Economic Duty – None

5.5.3 Islands Duty - None

5.6 Risk - None

5.7 Customer Service – None

**Moira Weatherstone**  
**Interim Chief Internal Auditor**  
**14 September 2021**

**For further information contact:**  
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**APPENDICES**

1. Complaints Handling
2. Land and Asset Disposal
3. LEADER

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Argyll and Bute Council  
Internal Audit Report  
July 2021  
FINAL

# Complaints Handling

Audit Opinion: High

	High	Medium	Low	VFM
Number of Findings	0	0	0	0

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## 1. Executive Summary

### Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Complaints Handling.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

### Background

4. The Model Complaints Handling Procedures (MCHP) were revised in 2019 by the Scottish Public Services Ombudsman (SPSO) in consultation with all sectors. The SPSO issued new guidance for effective complaint handling and required all councils to adopt this by 1 April 2021. As part of this the Council's and the Argyll and Bute Health and Social Care Partnership's (HSCP) Social Work complaints procedures were combined into a single procedure whereas previously they had adopted different procedures.
5. Anyone can make a complaint, either verbally or in writing, including face-to-face, by phone, letter or email. The purpose of the MCHP is to provide a standardised approach to dealing with customer complaints across the local authority sector in Scotland. The document outlines the steps councils need to take to ensure complaints are properly identified, investigated and put right where necessary.
6. The SPSO guidance offers practical, real-world advice and guidance on running a complaints system to ensure it is effective and helps improve our service, including aiming to get it right 'first time'.

### Scope

7. The scope of the audit was to assess the implementation of, and compliance with, the revised SPSO Model Complaints Handling Procedures as outlined in the Terms of Reference agreed with the Head of Legal and Regulatory Support on 8 June 2021.

### Risks

8. The risks considered throughout the audit were:
  - **ORR02:** failure to ensure Council compliance with governance and information management arrangements
  - **Audit Risk 1:** failure to implement and comply with the Model Complaints Handling Procedures

## Audit Opinion

9. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 1 to this report.
10. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

## 2. Objectives and Summary Assessment

11. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

### Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	Policies and procedures which are consistent with the requirements of the Model Complaints Handling Procedures have been established and are being complied with	ORR02 Audit Risk 1	High	A Complaints Handling Procedure (CHP) has been implemented which complies with the SPSO model complaints procedure and audit sampling has provided assurance that it is being complied with
2	Staff and the public have been made aware of the implementation and requirements of complaint handling processes	ORR02 Audit Risk 1	High	Staff were notified of the new CHP by an all staff 'Newsflash.' Information for the public on the CHP is readily available on the Council website. In addition training is available to staff and this has recently been made a mandatory training course
3	Reporting mechanisms are in place with reports distributed to relevant officers	ORR02 Audit Risk 1	High	Reporting mechanisms are in place with reports distributed to relevant officers

12. Further details of our conclusions against each control objective can be found in Section 3 of this report.

## 3. Detailed Findings

Policies and procedures which are consistent with the requirements of the Model Complaints Handling Procedures have been established and are being complied with



13. The Council have implemented a revised CHP in advance of the SPSO requirement for all councils to adopt one by 1 April 2021. The revised Council CHP was presented to the Strategic Management Team (SMT) on the 22 February 2021. The CHP is an internal document which provides guidance to staff on how to handle complaints.
14. In addition the SPSO requires the Council to adopt a 'customer-facing' CHP. The Council have complied with this requirement with a 'customer-facing' CHP' in the format of a leaflet, made available on the Council's website.
15. The SPSO issued a Model Complaints Handling Procedure (MCHP) in the form of guidance and templates that allowed some flexibility to reword according to the governance, structure and staffing arrangements within each organisation. Our review confirmed that the Council's CHP is consistent with the MCHP with only some minor alterations to provide additional guidance to customers.
16. A 5% sample, covering all services, of all complaints received in April and May 2021 was reviewed. The management of each sampled complaint complied fully with the CHP.

#### [Staff and the public have been made aware of the implementation and requirements of complaint handling processes](#)

17. Staff were notified of the new CHP in an email 'Newsflash' to all exchange users on the 9 April 2021. A link to the staff intranet HUB was provided in the email for staff to view the new procedure and all associated documents.
18. In addition the 'Newsflash' advised staff of a new online LEON training module that had been created for complaints handling and a link to the course was provided. The email stated that all employees were required to complete this module. The course provides an overview of the whole complaint procedure. Currently only 6% of employees have undertaken the course. However, following a review of training courses, Complaints Handling is now mandatory for staff.
19. In addition to the LEON training key staff (customer service staff, complaints officers, and investigating officers) within departments have been provided with more detailed training.
20. Information for the public on the new CHP is readily available on the Council's website. This includes who can complain, how to complain and what you can complain about.

#### [Reporting mechanisms are in place with reports distributed to relevant officers](#)

21. Reporting mechanisms are in place with reports distributed to relevant officers including:
  - weekly reports to HSCP Heads of Service on current open complaints
  - weekly reports to the HSCP feedback team of current Stage 2 open complaints and any open HSCP complaints that are with the SPSO
  - monthly reports to Council and HSCP Heads of Service showing complaints performance figures
  - quarterly reports to senior management on performance statistics
  - quarterly performance reports to the Performance and Information Team Manager for the HSCP - showing the quarterly complaints performance figures
  - annual report to the Council's SMT, Audit and Scrutiny Committee, also published on the Council website

- monthly SPSO complaints – new report which was included in the July update. This report is sent to the Chief Executive, Heads of Service, Directors, Chief Officers and Complaints Officers and will show any complaints that are open with the SPSO.

22. In addition there are a number of new reports in progress including:

- improvement action monitoring – report to SMT on a quarterly basis on any improvement actions that have been identified from complaints received
- quarterly SPSO complaints – new report which will be included in the FQ1 report for SMT issued in August 2021

## Appendix 1 – Audit Opinion

Level of Assurance	Definition
<b>High</b>	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
<b>Substantial</b>	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Reasonable</b>	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
<b>Limited</b>	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
<b>No Assurance</b>	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues

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Argyll and Bute Council  
Internal Audit Report  
June 2021  
Final

# Land and Asset Disposal

Audit Opinion: High

	High	Medium	Low	VFM
Number of Findings	0	0	1	0

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## Contact Details

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## 1. Executive Summary

### Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Land and Asset Disposal.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

### Background

4. The Council has a significant property portfolio which is primarily used for the delivery of services, to accommodate its own staff and commercial properties which generate an income.
5. Over time due to changes in service priorities, property rationalisation and population distribution some of the properties are no longer required by the Council and are declared as surplus to its requirements. This is particularly relevant at the current time as the Council considers property rationalisation as a consequence of changes to working practices due to the impact of COVID.
6. In 2018/19 we carried out an audit of Land and Asset disposal focused on assessing whether policies and procedures for land and asset disposal were in place and working well. Whilst the overall audit opinion was "reasonable" the report highlighted a need for more detailed procedures and concluded that "once detailed procedures have been implemented and have been applied to a reasonable body of transactions we will carry out a further audit to assess compliance with them".

### Scope

7. The scope of the audit was to review policies and procedures in place and ensure controls relating to asset disposal are appropriate and working in practice as outlined in the Terms of Reference agreed with the Head of Commercial Services on 19 April 2021.

### Risks

8. The risks considered throughout the audit were:
  - Audit Risk 1: disposals do not comply with Council procedures
  - Audit Risk 2: disposals do not achieve best value
  - Audit Risk 3: status of assets available for lease or sale are not reported to the appropriate body

## Audit Opinion

9. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
10. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

## Recommendations

11. We have highlighted one low priority recommendation where we believe there is scope to strengthen the control and governance environment. This is summarised below:
  - all fields within the information gathering checklist should be completed or marked as 'not applicable' where appropriate.
12. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

## 2. Objectives and Summary Assessment

13. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

### Exhibit 1 – Summary Assessment of Control Objectives

	<b>Control Objective</b>	<b>Link to Risk</b>	<b>Assessment</b>	<b>Summary Conclusion</b>
CO1	The Council has appropriate policies and procedures for asset disposal.	Audit Risk 1	High	Estates have a comprehensive procedure that outlines the various processes involved for the sale or lease of surplus assets. Roles and responsibilities are clearly identified.
CO2	The process followed by officers is consistent with the established policies and procedures.	Audit Risk 1 Audit Risk 2	High	The process followed by Estate officers was found to be consistent with the established policies and procedures. A number of fields within the information gathering checklist for assets sampled had not been completed however this is predominantly a housekeeping issue.
CO3	Appropriate arrangements are in place for the monitoring and reporting of assets both held for sale and sold	Audit Risk 1 Audit Risk 2 Audit Risk 3	High	Estate officers prepare appropriate reports for DMT to inform them of the status of asset disposals.



14. Further details of our conclusions against each control objective can be found in Section 3 of this report.

### 3. Detailed Findings

#### The Council has appropriate policies and procedures for asset disposal

15. Estates have a property team responsible for the sale and marketing of assets. The team consists of a manager, 3.5 FTE estates surveyors, a technician and a clerical assistant. At the time of the 2018/19 audit three surveyors were on temporary contracts however they are now on permanent contracts which provides for greater stability.

16. The 2018/19 audit recommended that more detailed procedures should be prepared that detailed the processes involved in the sale/lease of an asset as previously only a “high” level workflow was available. In response to that Estates have implemented a procedure that outlines the various processes involved for the sale or lease of surplus assets.

17. We reviewed the procedure and concluded it was comprehensive, setting out the various steps involved from the identification of the asset being surplus to its sale or lease. It details:

- confirmation by relevant council officer/DMT/committee the asset is surplus to requirements
- communication, where appropriate, with Community planning partners to ascertain whether they would have an interest in the asset
- comprehensive list of required checks to be carried out prior to marketing the asset
- where appropriate a marketing strategy should be prepared
- closing date and assessment of offers
- evaluation of offers and required reporting to the Departmental Management Team (DMT) and relevant area committee.
- completion of decommissioning of asset checklist.

18. Estates officers are responsible for ensuring that all activities specified within each stage of sale or lease of the asset are carried out where appropriate. Where officers external to Estates are required to carry out tasks those responsible are clearly identified.

19. There is no specific training for Estates officers involved in delivering the new procedures however this isn’t considered an issue as the processes are similar to those previously carried out meaning officers already have the required skills and experience to follow them. There are regular Estates team meetings where issues relevant to the revised procedures are discussed.

#### The process followed by officers is consistent with the established policies and procedures.

20. Four asset disposals were sampled to assess compliance with the revised procedures. These are detailed in Exhibit 2 and Exhibit 3 summarises the requirements of the procedure and results of our compliance testing

#### Exhibit 2 – Sampled Asset Disposals

Asset	Sales Value	Date Sold
Hermitage Park Depot, Helensburgh	£968,250	11/3/2020

Dunclutha Children's Home, Dunoon	£350,000	25/9/2020
Land, Fountainhead, Bunessan	£20,500	31/3/2021
Ardchattan Primary school and schoolhouse	£133,000	22/3/2021

### Exhibit 3 – Compliance Testing Results

Procedure Requirement	Compliance Testing Results	Conclusion
The asset holding service confirms it no longer has a need for it either for its existing use or for an alternative operational use. This can be done through a committee decision, DMT or SMT report or with a departmental business case.	All four assets sampled had been declared surplus via an appropriate pathway.	Satisfactory
Procedure outlines number of consultation processes that should take place prior to an asset being sold/leased. These include consulting with partner and community organisations as to whether they have a requirement for the asset.	All assets for sale/lease are advertised on the Council website including those assets included within the sample. In addition there is a link where for external organisations to complete an "expression of interest" enquiry form.	Satisfactory
Prior to the asset being advertised for sale an Information Gathering Checklist should be completed.	Checklist was completed for all four sampled assets. A review of the checklists noted a number of fields had not been completed. On investigation it was confirmed these fields should have had a 'not applicable' response.	Partially Satisfactory – low priority housekeeping recommendation raised
Where appropriate a marketing strategy should be prepared.	All Council assets are advertised on the Council website and external agents were utilised where appropriate and a closing date had been stipulated.	Satisfactory
An indicative valuation should be made of the asset prior to marketing (where appropriate).	This was carried out for two of the four sampled assets. The remaining two were marketed as "an expression of interest" in order to test the market which is a normal approach for Council assets such as schools, offices and land where there are no comparable valuations available.	Satisfactory
Complete the decommissioning checklist which outlines the actions that should be carried out prior to the asset being transferred.	The checklist has been completed for all four of the assets sampled.	Satisfactory

### Action Plan 1

## Appropriate arrangements are in place for the monitoring and reporting of assets both held for sale and sold

21. The procedure state that for all assets where an offer has been received a report should be prepared and forward to the DMT for approval prior to sale. It also detail the key information that should be available within the report such as the proposed selling price and any conditions associated with the offer. All four sampled assets had a report submitted to DMT with the information detailed within it consistent with the requirements of the procedure.
22. The previous audit had recommended that a 'report on all surplus assets is presented periodically to the DMT which includes the current status of each asset and any issues which may adversely impact on the timeous sale/lease of the asset'. Estates now prepare a quarterly report on the status of each asset for DMT. The report was found to be comprehensive covering all the relevant issues pertinent to the status of the assets.

## Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Low	1	<p><b>Information Gathering Checklist</b></p> <p>A review of four asset disposal information gathering checklists highlighted that a number of fields had not been completed. On investigation it was confirmed these fields should have had a 'not applicable' response rather than this evidencing steps that had not been completed.</p>	There may be a lack of clarity over whether a step was not performed or not applicable.	Estates Manager will clarify the procedure with the team to confirm that all fields should be completed even if 'not applicable' is the response and this will be minuted at the next Estates Team Meeting.	<p>Estates &amp; Property Development Manager</p> <p>30 September 2021</p>

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

## Appendix 2 – Audit Opinion

Level of Assurance	Definition
<b>High</b>	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
<b>Substantial</b>	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Reasonable</b>	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
<b>Limited</b>	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
<b>No Assurance</b>	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

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Argyll and Bute Council  
Internal Audit Report  
August 2021  
Final

**LEADER**

**Audit Opinion: High**

	High	Medium	Low	VFM
<b>Number of Findings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Contact Details

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## 1. Executive Summary

### Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to LEADER.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

### Background

4. A review of Argyll and the Islands LEADER 2014 - 2020 (LEADER) within Development and Economic Growth Service has been planned as part of the 2021-2022 Internal Audit programme. From previous annual audits, this area has provided a substantial or high level of assurance and the audit is included in the plan as part of LEADER programme compliance arrangements at the request of the Economic Growth Service.
5. The overall aim of the Argyll and the Islands LEADER Local Development Strategy is to "support community-led economic growth and sustainable rural development within the Argyll and the Islands Local Action Group (LAG) area."
6. LEADER has a strong history in Argyll and the Islands and has contributed significantly in the past to enabling rural communities to find their own solutions to development issues. Innovation has been a central component of this success, with LEADER providing the opportunity for piloting new approaches to rural development.
7. The LEADER programme seeks, through close and positive partnership working, to support rural communities throughout the area to respond to some of the many development challenges that are still facing them.
8. To be eligible for support from the LEADER programme, a project must meet one or more of the themes and objectives as described in the Argyll & the Islands Local Development Strategy.
9. Argyll and the Islands LEADER has partner representatives from a wide range of public, private and community sector organisations. The Local Action Group are still consulted when projects request a major change requiring their approval.

### Scope

10. The scope of the audit is to review compliance with the requirements of the Argyll and the Islands LEADER 2014 – 2020 Service Level Agreement as outlined in the Terms of Reference agreed with the Economic Growth Manager on 01 August 2021.

## Risks

11. The risks considered throughout the audit were:

- **Audit Risk 1:** Non-compliance with Argyll and the Islands LEADER 2014 – 2020 Service Level Agreement
- **Audit Risk 2:** Procedures are not in place to ensure that all projects are completed and claims verified by 31 December 2021

## Audit Opinion

12. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 1 to this report.
13. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

## 2. Objectives and Summary Assessment

14. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

### Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	There is a Service Level Agreement in place to between the Council and the Scottish Government to support the delivery of the service	Audit Risk 1	High	There is a signed Service Level Agreement (SLA) in place between the Scottish Government (SG) and the Council as LEADER Accountable Body, with appropriate checklists and procedural documents in place to ensure the delivery of the LEADER programme.
2	Current practice is compliant with the requirements of the SLA.	Audit Risk 1	High	All 6 projects sampled were found to be compliant with both Scottish Government and Council procedures. The Council has a LEADER risk register that details the ongoing status of each project. The risk register is submitted to the Scottish Government usually on a monthly basis or as requested.
3	Procedures are in place to ensure that all projects are completed and claims submitted	Audit Risk 2	High	The Scottish Government has prepared a list of actions that all Councils are required to complete by specific dates. The Council has procedures in place to ensure that all projects are completed

	and verified by deadline date of 31 December 2021			and claims submitted and verified by the 31 <sup>st</sup> December 2021. All actions detailed in the Scottish Government's list are expected to be completed by the appropriate date.
4	Documentation is complete, accurate, stored appropriately and is compliant with the data retention policy.	Audit Risk 1	High	Documentation is complete and stored appropriately with records maintained on a shared drive and on the Scottish Government's Leader Actions in Rural Communities (LARCs) document management system. Appropriate access controls are in place and records are maintained in compliance with appropriate record retention requirements.

15. Further details of our conclusions against each control objective can be found in Section 3 of this report.

### 3. Detailed Findings

[There is a Service Level Agreement in place to between the Council and the Scottish Government to support the delivery of the service](#)

16. Due to Covid-19 restrictions the Scottish Government has given an extension to 31<sup>st</sup> December 2021 for completion of all approved projects. A signed SLA (2014-2020) between the Scottish Government and the Council is in place which is comprehensive, covering relevant areas including:

- roles and responsibilities of the Council and the Scottish Government
- performance measures
- counter fraud and compliance activities
- prosecution and litigation arrangements
- monitoring, reporting and management
- financial arrangements
- data retention
- gifts and hospitality

17. A procedure manual entitled “Argyll and the Islands LEADER Project Administrative System – Detail” clearly shows the steps involved to ensure that the grant process complies with the requirements of the SLA. Roles and responsibilities are clearly defined and there is appropriate segregation of duties.

18. For each grant application a number of checklists are completed by the assessor and approved by either the supervisor, programme manager, chair or vice chair. This ensures all applications meet the technical and financial requirements stipulated by the LEADER programme.

19. All successful applicants are provided with procurement guidance which sets out the required procurement process prior to incurring project costs.

20. The Scottish Government periodically carry out an audit of the Council's LEADER processes. The most recent audit report showed that the Argyll and the Islands LEADER Programme had been awarded a "green" indicating limited risk, processes and procedures are effective with no significant issues identified.

### Current practice is compliant with the requirements of the SLA

21. There are currently thirty three live LEADER projects, twenty two have had final claims processed and ten have outstanding claims. No further projects will be considered for the Argyll and the Islands LEADER programme. Of the thirty three live projects, six were sampled to test compliance with the requirements of the LEADER SLA. Testing confirmed that all six projects complied with the requirements of the SLA with the following confirmed:

- technical checklists completed and signed
- scoring worksheets completed
- projects had been approved by the LAG
- grant offers sent and signed by an appropriate council officer
- signed acceptance letters received
- claims checked and paid where appropriate.

22. The Council has a LEADER risk register that details the ongoing status of each project including expected completion date and amounts of claims outstanding. The register is submitted to the Scottish Government usually on a monthly basis. A review of the LEADER risk register noted that one high value project has yet to submit updated timelines for their projects to be completed.

23. For the thirty three approved LEADER grants in progress, £2.6m of claims have been awarded to date with a further £180k outstanding by these projects, with eighty five percent of this figure relating to four high value capital projects. Management has confirmed that all outstanding claims are expected to be completed by the closure date.

### Procedures are in place to ensure that all projects are completed and claims submitted and verified by deadline date of 31 December 2021

24. The Scottish Government has prepared a list of actions that all Councils should ensure are completed by the appropriate dates, including:

- ensuring all project irregularities are recorded and reported as resolved
- report actual project outputs and ensure all outstanding information has been completed, such as monitoring and evaluation
- complete all project documentation on LARCs
- a list of all Local Action Group grant-funded assets required for the running of the programme worth more than £2,500, when first purchased, to be sent to the LEADER delivery team
- the LEADER delivery team is informed of the name and position of a Council (Accountable Body) representative who is able to deal with any post-programme issues.

25. The Council is required to submit a closure declaration by 31<sup>st</sup> December 2021 stating that all the actions stipulated have been completed. Management have confirmed that all actions detailed within the list are currently being progressed and that all actions will be completed by the specified dates.

Documentation is complete, accurate, stored appropriately and is compliant with the data retention policy

26. Documentation is complete with records maintained on a shared drive and on the LARCs document management system. Access to these records is restricted to appropriate officers via logical access controls.
27. Records relating to the current programme are required to be kept for three years following closure, six years from end of the financial year during which final payment is made and ten years where funding contributed to the purchase of heritable property. The shared drive and LARCs have sufficient capacity to support this requirement.
28. The LARCs system is a Scottish Government system. The Scottish Government's IT security policy outlines the requirements for the use of LARCs and will allow councils to access to the system if they:
  - have an Acceptable Use Policy, IT Security and Data Protection (DP) policy
  - have Freedom of Information (Scotland) Act and DP subject access request processes in place.
29. The Council complies with these requirements.

## Appendix 1 – Audit Opinion

Level of Assurance	Definition
<b>High</b>	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
<b>Substantial</b>	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Reasonable</b>	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
<b>Limited</b>	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
<b>No Assurance</b>	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

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**ARGYLL AND BUTE COUNCIL**
**AUDIT AND SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**


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**INTERNAL AUDIT - ANNUAL SELF-ASSESSMENT**


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**1. SUMMARY**

- 1.1 This paper informs the Audit and Scrutiny Committee (the Committee) of the findings from the recent internal self-assessment of the Council's Internal Audit service performed by the a member of the Internal Audit team.

**2. RECOMMENDATIONS**

- 2.1 Members are requested to review and endorse the findings of the assessment including the identified areas for improvement.

**3. DETAIL**

- 3.1 The Public Sector Internal Audit Standards (PSIAS) require the Council's Chief Internal Auditor (CIA) to develop a Quality Assurance and Improvement Programme (QAIP). The purpose of the QAIP is to enable the evaluation of internal audit's conformance to the PSIAS. The QAIP must include annual internal self-assessments with a five yearly external assessment, carried out by an independent assessor.
- 3.2 The Council's last self-assessment was reported to the Committee in September 2020 and concluded that internal audit demonstrated overall compliance with PSIAS with a number of areas of strong practice. It also highlighted three areas for potential improvement which have all been implemented. This assessment was carried out by the Accountant in the Internal Audit team.
- 3.3 In 2021 the CIA asked another member of the Internal Audit team to perform the self assessment to ensure that it was looked at with a 'fresh pair of eyes'. The 2021 self-assessment exercise has been completed and the table below summarises the assessment of the service against each of the fourteen PSIAS assessment areas.

**Table 1: PSIAS Assessment**

	<b>PSIAS Assessment Area</b>	<b>Assessment</b>
1	Mission of internal audit	Fully Conforms
2	Definition of internal auditing	Fully Conforms
3	Code of ethics	Fully Conforms

4	Purpose, authority and responsibility	Fully Conforms
5	Independence and objectivity	Generally Conforms
6	Proficiency and due professional care	Fully Conforms
7	Quality assurance and improvement programme	Fully Conforms
8	Managing the internal audit activity	Fully Conforms
9	Nature of work	Fully Conforms
10	Engagement planning	Fully Conforms
11	Performing the engagement	Fully Conforms
12	Communicating results	Fully Conforms
13	Monitoring progress	Fully Conforms
14	Communicating the acceptance of risks	Fully Conforms

- 3.4 The self-assessment identified a number of areas of good practice as well as some areas for improvement – these are summarised in the table below.

**Table 2: Areas of Good Practice and Improvement**

<b>Good Practice</b>
Comprehensive Internal Audit Charter which is subject to annual review and approval
Procedures are in place to ensure independence and objectivity
CIA regular engagement with senior management
Experienced and qualified team focused on continuous improvement
Robust and structured audit planning
Clear link between identified risks and audit work
Strong audit engagement review and supervision
Full and transparent audit reporting to Senior Management and Committee
Comprehensive follow up process
Regular progress reporting to Committee
Annual assurance mapping
Very positive feedback from services on audit approach and outputs
<b>Area for Improvement</b>
Consider arrangements to provide greater independence of CAE
Consider rotation of duties regularly carried out by one member of staff on an annual basis.

- 3.5 The two identified areas for improvement were built into the team's QAIP and one has been completed. The Interim Head of Financial Services has appointed an Interim Chief Internal Auditor until 31 December 2021 with an option to extend to September 2022 when the Interim Head of Service appointment ends. There has also been some dialogue with other Councils to investigate the possibility of a shared service solution.

- 3.6 In addition to completing the self-assessment programme a stakeholder questionnaire was issued to all members of the Committee and the Council's Senior Management Team to ensure their views on the internal audit service were considered. Of the twelve invited to respond responses were received from eight. The responses are consolidated in the table below:

**Table 3: Stakeholder Feedback**

No	Partly	Yes	No comment
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<b>Purpose, Authority and Responsibility</b>				
Does the internal audit plan focus on areas that matter to the council?			8	
Are internal audit findings and recommendations valued by stakeholders and help the council achieve its objectives?			8	
Is internal audit considered a key strategic partner with a high profile within the organisation?		1	7	
Does internal audit demonstrate compliance with the four key internal audit principles of integrity, objectivity, confidentiality and competency?			8	
Have you had sight of the Internal Audit Charter?	1		6	
<b>Independence and Objectivity</b>				
Does the Chief Audit Executive have direct and unrestricted access to the Chief Executive and Chair of the Audit Committee (or equivalent)?			8	
Is the internal audit service fair, impartial and unbiased?			8	
<b>Proficiency and Due Professional Care</b>				
Does the Chief Audit Executive demonstrate they have sufficient knowledge and experience?			8	
Do you believe internal audit collectively possess the knowledge and competencies required to perform its responsibilities and exercise due professional care?			8	
<b>Managing the Internal Audit Activity</b>				
Do you believe internal audit adds value to the council?			8	
Do you believe internal audit contributes to the efficiency and effectiveness of the council's arrangements for governance, risk management and internal control?			8	
Are you given the opportunity to feed in to the internal audit planning process? e.g. through formal/ informal engagement with the Chief Audit Executive.			8	
Do you believe internal audit's plan takes account of the council's risk management framework, and/or the Chief Audit Executive's own assessment of risk?			8	
<b>Communicating Results</b>				
Are internal audit reports accurate, objective, clear, concise, constructive, complete and timely?			8	
Are you comfortable that internal audit reports include all significant and relevant information and observations to support conclusions and recommendations?			8	
Are all internal audit reports, whether in full or abridged, reported to key stakeholders including the Audit Committee?			8	
<b>Overall assessment</b>				
In overall terms, do you believe that the			8	

internal audit service adds value to the council, leading to improved organisational processes and operations?

3.7 Feedback from respondents was very positive and was further supported by a free text field in the returned questionnaire which made positive comments about internal audit's work, effectiveness and clarity of communication. Comments included that Internal Audit adds value to the work of the Council, is delivered by a competent professional team who are continuously improving and performed particularly well through the Council's response to the Covid-19 pandemic.

#### 4. CONCLUSION

4.1 The Internal Audit service has been self-assessed as fully conforming with PSIAS in 13 of the 14 assessment areas, The area where they have been self-assessed as 'Generally Conforming' is due to the identification of areas for improvement which are minor in nature.

Overall the CIA is of the view that this is a positive self-assessment which reflects well on the team and their ongoing commitment to improvement. This is supported by the feedback received from members of the Committee and the Council's SMT.

#### 5. IMPLICATIONS

- 5.1 Policy - None
- 5.2 Financial -None
- 5.3 Legal -None
- 5.4 HR - None
- 5.5 Equalities - None
- 5.6 Risk – None
- 5.7 Customer Service - None

**For further information contact:**

Moira Weatherstone, Interim Chief Internal Auditor (01546 604146)

**Moira Weatherstone  
Interim Chief Internal Auditor  
14 September 2021**

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**ARGYLL AND BUTE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**

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**COUNTER FRAUD TEAM 2021 ANNUAL REPORT**

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**1.0 INTRODUCTION**

- 1.1 This report updates the Audit and Scrutiny Committee (the Committee) on the progress of the two year pilot Counter Fraud Team (CFT) established in September 2020.

**2.0 RECOMMENDATIONS**

- 2.1 Endorse the 2021 CFT Annual Report setting out the progress of the CFT since its inception in September 2020.
- 2.2 Note that the 2022 CFT Annual Report will be presented to the Committee upon the expiry of the two year pilot in September 2022.

**3.0 DETAIL***Background and Costs*

- 3.1 In December 2019 the Strategic Management Team approved the formation of a CFT for a trial 2 year period from 1 April 2020 with an annual fraud report to be provided to inform a future decision on whether the CFT should become a permanent part of the Council's establishment.
- 3.2 The establishment of the CFT was delayed by the COVID pandemic with the Team Leader and Lead Investigator not appointed until September and October 2020 respectively. On that basis the two year pilot will end in September 2022.
- 3.3 The two roles (an LGE 9 and LGE 8) incur annual staff costs of £73k in total (including oncosts). The CFT is "spend to save" pilot meaning the amount billed and recovered will need to match, and preferably exceed the staff costs incurred. However it should be noted that the value of the CFT to the Council is more than just the monetary aspect. They also provide a deterrent to fraud being perpetrated in the first place and can also protect staff against malicious accusations of alleged fraud.
- 3.4 In addition to these staff costs both the Team Lead and Lead Investigator underwent the CIPFA Accredited Fraud investigators course, having started in October 2020, and concluded their studies in January 2021. Both members passed and have received digital copies of their certificates so are now

accredited fraud investigators. This cost £3,000 in total and is a one off cost. There are no annual membership fees in relation to this. There was also a one off cost of £1,480 for software licenses and £938 for laptops which would only be incurred every 3 to 5 years.

*Activity To Date – Referrals Regarding Council Officers*

- 3.5 Between October 2020 and June 2021 the CFT received four referrals alleging fraud against Council employees. These, the conclusions of the investigations, and current status are summarised in the table below.

	<b>Allegation</b>	<b>Allegation Conclusion</b>	<b>Comment</b>
1	Council officer working for another employer during period of sick leave.	Not upheld	No evidence to substantiate any wrong doing. Officer was a part time employee on sick leave due to work related stress. CFT confirmed he was volunteering for local COVID relief activities.
2	Council officer inappropriately using stock from a service yard	Upheld	Sufficient evidence to substantiate the allegation. Officer was dismissed on grounds of gross misconduct. Appeal to Head of Service was rejected. Further appeal to elected members was upheld and officer was reinstated with no sanctions.
3	Council officer falsely claiming single person discount for Council Tax.	Upheld	Sufficient evidence to substantiate the allegation. Accused has provided full admission. Report passed to Council's Monitoring Officer as per requirement of Council's Public Interest Disclosure Policy. Value of the fraud is £2,408 (3 years backdated single person discount).
4	Council officer obtained funds fraudulently from care home resident's bank account	Not upheld	The review concluded there was no prima facie evidence of fraud being perpetrated by a Council/HSCP officer when carrying out their duties as an employee.

*Activity To Date – Revenues and Benefits Related Work*

- 3.6 A large element of the work of the CFT focuses on maximizing the Council's revenue streams by reducing the amount of benefit fraud (deliberate and 'accidental')
- 3.7 The primary way this is achieved is through being proactive and performing reviews of specific categories of benefits where cumulative knowledge and

experience indicates a higher chance of a successful outcome due to them being areas where either fraud or out of date information may be leading to the Council not recognising the appropriate level of revenue. Some examples are single person discounts, student exemptions, second homes, long term empty properties, and bi-annual reviews for penalty charges and reviews of residential properties used as places of employment. The table below summarises some examples of this proactive work

	<b>Situation</b>	<b>Conclusion and Status</b>
1	Retired doctor still claiming job related dwelling exemption	Rebilling of £2,485 – paid in full
2	Retired dentist still claiming job related dwelling exemption	Rebilling of £1,463 – paid in full
3	Claimant receiving discount as home classified as for sale. This exemption had expired and the house should be classified as an empty home with double charge levied.	Rebilling of £5,295 - £3252 recovered to date.
4	Empty home identified which was not subject to the double charge	Rebilling of £3,500 - recovery in progress
5	Bi-annual large scale reviews of hundreds of accounts with reliefs such as single person discount, student exemptions and penalty charges.	2019-2020 - rebilling of £5,478 for penalty charges  2020-2021 - rebilling of £25,757 for penalty charges  £13,819 for Student Exemption.  £12,000 for Student Discounts.  Recovery in progress
6	A removal of exemption due to occupation. Repossession taken back by owner.	Rebilling of £16,093 - recovery in progress
7	Empty home identified which was not subject to the double charge	Rebilling of £8,890 - recovery in progress
8	Fraudulent application of Business Support Grant. CFT became involved when Rates Team asked for advice. CFT investigated the business	Refusal of £6,000 grant.

- 3.8 Reactive work is also an important part of the work to reduce benefit fraud. The CFT continue to receive referrals of alleged council tax fraud which have resulted in comprehensive investigatory work. Through the investigations most allegations are not supported by evidence however, we welcome referrals as it continues to make us accountable to our constituents, and elected members and also helps raise the profile of the team. The table summarises the referrals received in 2020/21 (from October 2020 to March

2021) and 2021/22 up until June 2021.

3.9

<b>Referrals 2020/2021</b>	<b>Totals</b>	<b>Information</b>
Tax	28	Investigative work has confirmed that there is evidence of fraud in eight referrals. Measures are being put in place to recover the associated underpayment of Council Tax.
Benefits	1	Passed to DWP
Blue Badge	1	Passed to blue badge team.
Employee	3	One dismissal subsequently appealed successfully, one investigation – no further action taken, one no offence.
Other	1	Intelligence passed to police
<b>Total</b>	<b>34</b>	

<b>Referrals 2021/2022</b>	<b>Totals</b>	<b>Information</b>
Tax	21	Investigative work has confirmed that there is no evidence of fraud to date in relation to these referrals although: <ul style="list-style-type: none"> <li>• Two cases referred to the Valuation joint Board for further investigation</li> <li>• One referred to social work for assessment of possible care need.</li> <li>• One refers to ACHA and Anti-social Behaviour Team</li> </ul>
Benefits	8	Passed to DWP
Blue Badge	1	No offence found
Employee	1	Employee Admission of Fraud. Currently with Monitoring Officer
Other	7	<ul style="list-style-type: none"> <li>• One general query</li> <li>• One relating to a Council laptop – reported to Council's Governance &amp; Risk Manager and IT Department</li> <li>• Two in relation to COVID grants.</li> <li>• Two in relation to NDR</li> <li>• One resulting in Phishing Email awareness.</li> </ul>
<b>Total</b>	<b>38</b>	

*Activity To Date – Total Billing vs Costs*

- 3.10 The CFT incurred costs of £42,706 from October 2020 to March 2021 (including one off costs). Thereafter an annual cost of £73k (£18,250 per quarter). The table below summarises the total costs of the team to date, the amount rebilled as a direct consequence of their work and the amount of rebilling that has been recovered to date.

	<b>Cost (£)</b>	<b>Rebilled (£)</b>	<b>Recovered to Date (£)</b>
2020/2021	42,706	18,032	13,654
2021/2022 (Q1 & Q2)	36,500	176,905	18,531
<b>Total</b>	<b>79,206</b>	<b>194,937</b>	<b>32,185</b>

- 3.11 The CFT are working with colleagues in Revenue and Benefits to refine how to more robustly track the amount of rebilling that ultimately results in recovery. Where it is a single referral (for example those in the table at paragraph 3.7 relating to job related dwelling exemption) it is fairly straight forward to track the repayment coming in. However it can be more complicated if readjusted bills are subject to repayment plans or have been rolled into current year bills and also where revised bills remain in recovery stage as they will pass to debt recovery agents or simply the account holder will refuse to pay.
- 3.12 The Council's previous CFT averaged 71.5% recovery over a similar two year period. If that was applied to the £194,937 in the table at paragraph 3.10 we would recover £139,379 which comfortably exceeds the £79,206 cost to date.

#### *Other Activity*

- 3.13 In addition to the proactive and reactive work detailed above the CFT have progressed a number of other initiatives to further the Council's approach and awareness of fraud matters. These include:
- Raising awareness through presenting to the Audit And Scrutiny Committee, full SMT and Financial Services Management Team
  - Developed a LEON training course.
  - Reviewing and proposing changes to the Council's Anti-Fraud Strategy and Public Disclosure Policy.
  - Regular engagement with colleagues in Internal Audit to share lessons learned and identified process weaknesses.

#### *Next Steps*

- 3.14 *Revenues and Benefits Related Work*

Autumn 2021 - A pilot review focusing on Bute. Bute has a high volume of empty home exemptions. Once COVID restrictions are lifted the CFT plan to

carry out home visits to confirm tenancies. If the pilot proves to be successful it will be rolled out to other major towns.

- 3.15 As per paragraph 3.11 further work is required to be able to accurately track the extent to which additional billing translate into cash recovery. The CFT will continue to explore ways to track this.

#### **4.0 CONCLUSION**

- 4.1 The CFT is progressing well with both team members now fully CIPFA accredited fraud investigators. Further work is required to be able to accurately track the full income recovered from the team's work however based on the amount of additional billing, even accounting for a degree of non-recovery, the indications are that they are exceeding the target to break even. In addition they are raising awareness of the Council's zero tolerance to fraud and this will act as a deterrent to fraud being perpetrated in the first place.

#### **5.0 IMPLICATIONS**

- 5.1 Policy - None
- 5.2 Financial – The output of the work of the CFT is resulting in increased revenue to the Council
- 5.3 Legal – No legal issues as a direct consequence of this report however the CFT engage with Legal Services, where appropriate, during fraud reviews.
- 5.4 HR - No HR issues as a direct consequence of this report however the CFT engage with HR, where appropriate, during reviews relating to Council Officers.
- 5.5 Fairer Scotland Duty - None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty - None
- 5.6 Risk – An active CFT will reduce the Council's exposure to fraud risk.
- 5.7 Customer Service - None

**Laurence Slavin**  
**Interim Head of Financial Services**  
**14 September 2021**

**For further information contact:**

Colin Rae, Counter Fraud Team Lead (01436 657685)



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**ARGYLL AND BUTE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****CHIEF EXECUTIVE****14 SEPTEMBER 2021**

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**STRATEGIC RISK REGISTER**

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**1.0 INTRODUCTION**

- 1.1 This report provides members with an update on the Council's Strategic Risk Register (SRR).

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Audit and Scrutiny Committee endorse the updated SRR (Appendix 1).

**3.0 DETAIL**

- 3.1 The Council's Constitution requires the Chief Executive to attend one meeting of the Audit and Scrutiny Committee per annum to report on how the Council is addressing its key strategic risks and other matters of interest. Douglas Hendry, Executive Director will present the update on behalf of the Chief Executive.
- 3.2 The format of the SRR and the Operational Risks Registers (ORR) and the processes to monitor and update them were revised in 2018 and subsequent internal audit reviews have confirmed compliance with these procedures.
- 3.3 The Council's SRR continues to be updated by the SMT on a bi-annual basis on dates agreed with the Chief Internal Auditor (CIA) however it will also be updated if and when the Strategic Management Team (SMT) feel there is a specific requirement.
- 3.4 As required by the revised risk management manual, the SMT also review all risks in the ORRs which have been classified as 'red' by the Departmental Management Teams (DMT) to determine whether they should be escalated to the SRR.
- 3.5 The CIA performs an annual strategic risk register assurance mapping exercise which enables the Committee to assess the levels of assurance it can take over the activity undertaken by the Council to manage its strategic risks. This, alongside the annual Internal Audit plan including a three year cycle providing audit coverage across all the identified risks, provides assurance that the Council continues to proactively manage its risks.

- 3.6 Appendix 1 to this paper provides a copy of the current SRR and demonstrates how the Council are treating the identified risks in terms of the mitigations currently considered to be in place and the action being taken to further reduce the residual risk

#### **4.0 CONCLUSION**

- 4.1 The SRR is subject to regular review by the SMT as are the red risks highlighted in ORRs by the DMTs. Risks are actively managed to reduce their impact upon the Council and the likelihood of them being realised.

#### **5.0 IMPLICATIONS**

- 5.1 Policy – None  
5.2 Financial - None directly from this report however effective risk management assists with effective governance and stewardship of Council resources  
5.3 Legal – None  
5.4 HR - None  
5.5 Fairer Scotland Duty - None  
5.5.1 Equalities – None  
5.5.2 Socio-Economic Duty – None  
5.5.3 Islands Duty - None  
5.6 Risk – The report sets out the strategic risks facing the Council  
5.7 Customer Service - None

**Pippa Milne**  
**Chief Executive**  
**14 September 2021**

**For further information please contact:**

Moira Weatherstone, Interim Chief Internal Auditor (01546 604146)

**Appendices:**

- 1. Strategic Risk Register**

**STRATEGIC RISK REGISTER**

**NEXT REVIEW DATE 15/11/2021**

No	Risk	Corporate Outcome	Consequences	Gross Risk			Current Mitigation	Residual Risk			Approach	Key Actions and Deadlines	Last Reviewed	Risk Owner
				Imp	Lik	Sc		Imp	Lik	Sc				
1	<p><b>Population and Economic Decline</b></p> <p>Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.</p>	Our Economy is diverse and thriving	<p>Population decline reduces available funding impacting on Councils capacity to deliver services.</p> <p>A circle of decline with reduced employment, lower earning and failing businesses and poor perception of the area.</p> <p>Combined population and economic decline may increase the need for and cost of services.</p> <p>Insufficient people of working age with appropriate skills and experience to fill vacancies across CPP</p>	5	4	20	<p>1. Local outcome improvement plan targets population and economic recovery</p> <p>2. Maximise external funding opportunities</p> <p>3. Economic Strategy</p> <p>4. Strategic infrastructure plan</p> <p>5. Area economic development action plans</p> <p>6. Promote and Market Argyll and Bute</p> <p>7. Maximise social-eco benefits via effective partnership working</p> <p>8. Single Investment Plan</p>	4	4	16	Treat	<p>1. Lobbying activity in pursuit of regional immigration policies and related strategies</p> <p>2. Rural Growth Deal Outline Business Cases and Final Business Cases to be developed in 2021/22 and Deal to be signed Summer 2022</p> <p>3. Preparation of bid to Levelling Up Fund – preparing for Jan/Feb 2022 in time for submission expected Spring 2022</p> <p>4. Preparation of a pipeline of projects across Argyll and Bute in order to be able to react to any other bid funding as and when it is announced.</p>	SMT 26 July 2021	Kirsty Flanagan
2	<p><b>Condition and suitability of Infrastructure &amp; Asset Base</b></p> <p>Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.</p>	Our Infrastructure supports sustainable growth	<p>Infrastructure and asset base does not support or is not aligned to business outcomes and does not aid effective service delivery.</p> <p>Infrastructure and asset base is allowed to deteriorate resulting in cost, lost opportunities and wasted resource.</p>	4	4	16	<p>1. Asset management board</p> <p>2. Robust capital planning and monitoring</p> <p>3. Asset management work plan</p> <p>4. Business case modelling including sustainability, development and strategic change</p> <p>5. Intelligence and best practice sharing via Heads of Property Group.</p> <p>6. Community Empowerment and Community Asset Transfer – Arrangements in place to evaluate and determine requests.</p> <p>7. Roads Asset Management Plan</p> <p>8. Status and Options Report</p> <p>9. R&amp;A Services control hub and joint operations team</p> <p>10. One Council Property Approach</p>	4	3	12	Treat	<p>1. Development of capital strategy (October 2021)</p> <p>2. 'Modern Workspace Programme will review, engage and rationalise property portfolio for future needs of the Council. Changes will take place on phased and town by town basis. Programme will be running for 3 years - April 2024</p>	SMT 26 July 2021	Kirsty Flanagan and Douglas Hendry
3	<p><b>Financial Sustainability</b></p> <p>Insufficient resource to meet current and future service requirement. Budget not aligned / does not support business outcomes.</p>	Enablers	<p>Unable to deliver Local outcome improvement plan.</p> <p>Reduction in performance.</p> <p>Reputational damage.</p>	4	4	16	<p>1. Longer term financial planning and financial strategy</p> <p>2. Income generation activity</p> <p>3. Robust budget preparation and budget monitoring protocols</p> <p>4. Maintaining adequate contingency with reserves.</p> <p>5. Digital transformation</p> <p>6. Effective workforce planning model</p> <p>7. Business Outcomes</p> <p>8. Financial Services resilience building project including knowledge sharing and development of guidance notes</p>	4	3	12	Treat	<p>1. Further progress medium to longer term savings options through themed reviews – February 2022.</p> <p>2. Rural Growth Deal Outline Business Cases and Final Business Cases to be developed in 2021/22 and Deal to be signed Summer 2022</p>	SMT 26 July 2021	Kirsty Flanagan

4	<p><b>Governance and Leadership</b></p> <p>Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.</p>	All Corporate Outcomes	<p>Poor decision making, lack of strategic direction.</p> <p>Lack of operational direction.</p> <p>Confidence in, and reputation of, the Council harmed.</p> <p>Deterioration in performance</p>	4	4	16	<ol style="list-style-type: none"> <li>Administration in place with working majority</li> <li>Members Seminar programmes</li> <li>Mentoring and Coaching Support for policy leads and Senior Management</li> <li>Priorities agreed by Council</li> <li>Corporate Plan sets out objectives</li> <li>Performance Improvement Framework and Service Planning.</li> <li>Leadership development programme.</li> <li>Council constitution regularly reviewed and updated.</li> <li>Established partnership governance arrangements</li> <li>Scrutiny arrangements in respect of Police, Fire and Health.</li> <li>Governance arrangements for scrutiny established</li> </ol>	4	2	8	Treat	1. Monitor delivery of BV action plan (ongoing date)	SMT 26 July 2021	Pippa Milne
5	<p><b>Engagement and Understanding the needs of the Community</b></p> <p>The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.</p>	<p>People live active, healthier and independent lives</p> <p>Enablers</p>	<p>Prioritisation of services may not be aligned to community needs/views</p> <p>Gaps between community needs and Council services.</p> <p>Ineffective partnership working</p> <p>Services not configured to meet user/citizen requirements</p>	3	4	12	<ol style="list-style-type: none"> <li>Community Planning partnership</li> <li>Community Engagement Strategy</li> <li>Customer Service Board</li> <li>Operation and development of panels and forums. Young people's plan, citizens panel</li> <li>Budget Consultation</li> <li>Comprehensive Complaints Protocols</li> <li>Demographic and end user analysis</li> <li>Conducted future of public services roadshows Summer 2018</li> </ol>	3	3	9	Treat	1. Deliver agreed actions in BV3 action plan relating to Work with Communities and Community Groups to improve engagement - March 2022	SMT 26 July 2021	Pippa Milne
6	<p><b>Service Delivery</b></p> <p>Insufficient resources to ensure effective service delivery</p>	Enablers	<p>Services fail to achieve agreed performance levels and as a result are not contributing fully to Council objectives</p> <p>Resources are poorly managed with result that agreed outcomes and objectives are not fully achieved.</p> <p>Unable to achieve continuous improvement and improve effectiveness and efficiency</p>	3	3	9	<ol style="list-style-type: none"> <li>Performance Improvement Framework</li> <li>Service Improvement plans</li> <li>Argyll and Bute Manager programme</li> <li>Customer needs analysis Protocols</li> <li>Demographic and end user analysis</li> <li>Workforce Planning</li> <li>Internal and External Scrutiny Arrangements</li> <li>Complaints process</li> </ol>	3	2	6	Treat	1. Monitor progress of performance mgt project and implement recommendations (Ongoing from Oct 2020 to June 2022)	SMT 26 July 2021	Kirsty Flanagan and Douglas Hendry
7	<p><b>Health and Social Care Partnership</b></p> <p>Failure to deliver strategic objectives and integrate Health and Social Care services in an efficient and effective manner exposes the Council, as a key partner, to unacceptable financial and reputational risk.</p>	<p>People live active, healthier and independent lives</p>	<p>Partnership viewed as having failed or not achieved strategic objectives Partnership Failure or weakness exposes Council to significant Financial liability</p> <p>Confidence in, and reputation of, the Council harmed</p>	5	4	20	<ol style="list-style-type: none"> <li>HSCP integration scheme approved by Scottish government</li> <li>Strategic Plan in place</li> <li>Performance and Financial reporting arrangements in place</li> <li>Independent audit arrangements in place.</li> <li>Integrated Joint board with elected member representation including Council Leader</li> <li>Chief Officer member of ABC Senior Management Team with co-location of officers</li> <li>Tripartite leadership agreement</li> <li>Monitoring of HSCP financial position.</li> </ol>	5	3	15	Treat	1. Develop options to deliver sustainability of future years budgets (March 2020 and ongoing) 2. Engage with HSCP CFO to consider HSCP forecast outturn and possible recovery plan (Sept 2021)	SMT 26 July 2021	Fiona Davies

8	<b>Civil Contingency &amp; Business continuity</b> arrangements are not effective.	People live in safer and stronger communities	Ineffective management of major emergencies affecting Council services and communities in Argyll and Bute.  Incident and recovery phase of an emergency lead to greater inconvenience and hardship and a longer timescale for return to normal.  Council unable to effectively deliver its own services	2	4	8	1. Emergency Planning Test events 2. Critical Activity Recovery Plans 3. Roll out of Community resilience partnership programme 4. Peer review of major exercises undertaken to provide external validation of planning process 5. West of Scotland local resilience partnership 6. Cross sector expertise and partnership working 7. Emergency Management Support Team (EMST) meetings 8. Training 9. EU Withdrawal Tactical Working Group with arrangements for reporting to the West of Scotland Resilience Partnership	2	3	6	Treat	1. 'Develop long term test schedule for DRPs to be presented to the SMT (December 2021)	SMT 26 July 2021	Douglas Hendry
9	<b>Welfare Reform</b> Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis	People live active, healthier and independent lives	Financial crisis and hardship for individuals  Increase in demand or costs for Council Services	4	3	12	1. Welfare reform group established. 2. Joint working with DWP, CPP and other agencies.	3	2	6	Tolerate		SMT 26 July 2021	Douglas Hendry
10	<b>Waste Management</b> Unable to dispose of waste in landfill sites due to the implications of the biodegradable municipal waste (BMW) landfill ban in 2025	Our Infrastructure supports sustainable growth	Alternative delivery models would be more expensive than the current one which would result in cost pressures having to be accommodated by other services and service provision reduced	5	4	20	1. Helensburgh and Lomond waste solution available via third party off-takers 2. Waste strategy	4	4	16	Treat	1. Progress on developing delivery models to be reported to EDI Committee (ongoing)	SMT 26 July 2021	Kirsty Flanagan
11	<b>Service Delivery - Cyber Security</b> Unable to deliver services to customers because of failure of ICT systems following major cyber security breach	Our Economy is diverse and thriving	Data corruption of ICT system caused by malware and/or loss of confidential data.  ICT Systems unavailable for considerable period whilst recovery from uncorrupted backups takes place.  Meanwhile Services fail to achieve agreed performance levels and as a result are not contributing fully to Council objectives.  Reputational damage to Council and potential financial losses (fines, loss of income).	5	4	20	1. ICT Security & compliance officer in post, producing weekly threat analyses, member of CISP 2. PSN and Cyber Essentials Plus accreditations for corporate network 3. Regular patching regimes in place 4. ICT Disaster recovery plans tested regularly 5. All critical activities have recovery plans developed (CARP's)	5	3	15	Treat	1. Review all contingency plans with updated knowledge from SEPA and UHI Cyber Attacks. 2. Work with Scottish Government Cyber Resilience Team to test ICT response 3. Issue regular communications to raise awareness of importance of cyber security and awareness 4. Enforce password changes when found to be weak 5. Prepare for SMT and HoS cyber resilience exercise with Civil Contingencies Team and SG 6. Continued close review of disaster recovery plan and associated tests, finalise and test incident response procedure, and review of mirroring between the 2 data centres (monthly at ITMT) and backup 7. Review and progress requirements for Education Network to achieve CE+ accreditation	SMT 26 July 2021	Kirsty Flanagan

12	<p><b>Withdrawal from the EU</b></p> <p>Insufficient preparedness for exit from the European Union</p>	<p>Our Economy is diverse and thriving</p>	<p>A. Potential changes to legislation which may impact on the way the Council delivers services and the resource required to deliver them - there are particular risks in relation to the delivery of nregulatory services.</p> <p>B. Disruption of flow of goods, services and supply chains, in particular energy supplies, fuel and medical supplies</p> <p>C. Adverse impact on communities with regards to economy and population.</p> <p>D. Potential loss of intervention funding (current EU funding programmes).</p> <p>E. State Aid; lack of robust protection against distortion of markets.</p> <p>F. Disruption to the flow of information and data sharing due to impact of new/revised legal requirements.</p> <p>G. Detrimental impact on workforce including potential for Scotland wide job losses and shortage of skilled and unskilled workers in key areas</p>	3	5	15	<p>1. Establishment of tactical team with direct reports to Chief Executive as Strategic Lead</p> <p>2. Regular reporting to the Strategic Management Team and the Industry and Regional Development Sounding Board as the strategic group.</p> <p>3. Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</p>	2	5	10	Treat	<p>1. Development and regular review of dedicated risk register with input from representatives across the organisation and the Health and Social Care Partnership.</p>	SMT 26 July 2021	Pippa Milne
13	<p><b>Impact of COVID -19</b></p> <p>The Council are unable to deliver core services as a result of the Covid 19 virus with adverse impact to community and the economy</p>	<p>Our Economy is diverse and thriving</p>	<p>1. Unable to meet national and Scottish Government guidance in terms of control of the virus</p> <p>2. Inability to deliver core services</p> <p>3. Not engaged in national and regional resilience groups with partner agencies</p> <p>4. Disruption of flow of goods, services and supply chains</p> <p>5. Adverse impact on workforce, communities with regards to economy and population.</p>	5	5	25	<p>1. Establishment of Strategic and Tactical Groups with links to HSCP, NHS and national/regional resilience groups</p> <p>2. Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</p> <p>3. Development and delivery of an integrated approach to deliver decisions and mitigations</p> <p>4. SITREP reporting thorough contingency planning structures in place</p> <p>5. Standing item on SMT agenda</p> <p>6. Working towards "ready" status on the Regional Resilience Dashboard</p>	4	3	12	Treat	<p>1. Development and regular review of Economic Recovery workstream with input from representatives across the organisation and the Health and Social Care Partnership.</p>	SMT 26 July 2021	Pippa Milne

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**ARGYLL AND BUTE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**

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**STRATEGIC RISK ASSURANCE MAPPING**

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**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to set out Internal Audit's assessment of the sources of assurance for the Audit and Scrutiny Committee (the Committee) on the management of the Council's strategic risks.
- 1.2 Appendix 1 highlights the overall assessment against each of the strategic risks. It should be noted that the assessment is based on the level of assurance that the Committee can rely on. A 'red' assessment therefore highlights where there are gaps in evidence of active/targeted actions/activity rather than an assessment on the management of that risk.

**2. RECOMMENDATIONS**

- 2.1 To note the risk assurance map at appendix 1.
- 2.2 To consider the implications for audit or scrutiny coverage in the respective audit and scrutiny annual plans in 2022/23 plan and/or beyond. In particular to request an update on the Council's progress against the Best Value Action Plan in March 2022 with further annual updates reported in March of each year until the plan is fully delivered.

**3. DETAIL**

- 3.1 Internal audit has a key role in relation to the Council's governance to provide assurance over the effective management of risk. In September 2019 the Committee agreed that the CIA would perform an annual strategic risk assurance mapping exercise with this replacing a previous annual requirement for a risk management report.
- 3.2 In addition the Chief Executive presents the Strategic Risk Register (SRR) to the Committee on every September which provides the Committee the opportunity to scrutinise the register and seek assurance from the Chief Executive that risks are being managed appropriately. In 2021 the SRR is being presented by Executive Director, Douglas Hendry as he is deputizing for the Chief Executive due to prior commitments,
- 3.3 Appendix 1 provides a summary of the Council's strategic risk assurance map which is based on the 'three lines of defence' model.
1. The first line of defence is the '*functions that own and manage risks*'. It is the control environment established by day to day business operations and risk management processes. It is formed by managers and staff who are responsible for identifying and managing risk as part of their accountability for achieving objectives. This requires an understanding of the Council, its objectives, the environment in which it

operates, and the risks it faces. It includes things such as:

- identifying risks and improvement actions
  - implementing controls
  - reporting on progress
2. The second line of defence is the ‘*functions that oversee or who specialise in compliance or the management of risk*’. This provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line, conducts monitoring to judge how effectively they are doing it, and helps ensure consistency of definitions and measurement of risk. The Council’s various committees and Strategic Management Team are key functions in delivering this.
  3. The third line of defence is the ‘*functions that provide independent assurance*’. This is provided by internal and external audit and any other scrutiny or regulatory body who offer independent challenge and provide an evaluation, through a risk-based approach, on the effectiveness of the Council’s governance, risk management, and internal control.

3.4 The table below summarises the assessment against each Strategic Risk.

Strategic Risk	Risk Score (Sept 2021)	Assurance Assessment
1. Population and economic decline	Red 16	Green
2. Condition and suitability of infrastructure and asset base	Amber 12	Green
3. Financial sustainability	Amber 12	Green
4. Governance & leadership	Amber 12	Green
5. Engagement and understanding the needs of the community	Green 6	Amber
6. Service delivery	Green 6	Amber
7. Health & Social Care Partnership	Red 16	Green
8. Civil contingency and business continuity arrangements are not effective	Green 6	Amber
9. Welfare reform	Green 6	Green
10. Waste management	Red 16	Amber
11. Service delivery – Cyber Security	Red 15	Amber
12. Withdrawal from the EU	Amber 10	Green
13. Impact of COVID -19	Amber 12	Green

3.5 The assurance map has not identified any areas where there is a ‘red’ mismatch between the level of risk identified and the assurances that the Committee can take over the management of the risk

3.6 For the remaining areas where assurance has been assessed as amber the CIA’s recommendation is:

- **Engagement and understanding the needs of the community** – the amber is predominately due to issues raised in the Council’s Best Value Assurance Report. There is an ongoing piece of scrutiny work focused on issues in the Council’s BV action plan which relate to the Council’s Community Asset Transfer Process. This will enable the Committee to determine whether they are content with the progress being made to address the issues flagged in the BV report.



- **Service delivery** – Also predominately due to issues raised in the Council’s Best Value Assurance Report. There is an ongoing project to review the Council’s Performance Management Framework as part of the Council’s BV Action Plan – this is scheduled to run from October 2020 till June 2022.
- **Civil contingency and business continuity arrangement are not effective** – Recent Internal Audit reviews of Business Continuity (2019/20) and Disaster Recovery Planning (2020/21) highlighted issues regarding Critical Activity response Plans and testing of Disaster Recovery Plans. Improvement actions were agreed in relation to these issues and these are ongoing. An audit of Civil Contingencies is included in the 2021/22 internal audit plan. Follow up audits of Business Continuity and Disaster Recovery Plans may be considered in the next 2-3 years. This will be factored into the annual audit planning process.
- **Cyber Security** - Same reason as detailed above for ‘**Civil contingency and business continuity arrangement are not effective**’
- **Waste Management** - Assurances over this risk are currently moderate due to the Council’s Waste Strategy being in its infancy and the full impact of the BMW ban still to be realised. On 27 April 2021 the Head of Roads and Infrastructure Services provided a presentation to the Committee regarding the Council’s Waste Strategy followed by a question and answer session. Following the presentation the Committee agreed they were assured that appropriate progress was being made in relation to the Council’s waste strategy and that inclusion of a specific scrutiny topic focusing on the Strategy would not add value at this time. The Committee agreed that the EDI Committee was the appropriate body to monitor progress and that the A&SC should maintain a watching brief.

3.7 The Strategic Risk Assurance Mapping Report presented to Committee in September 2020 recommended that an appropriate officer attend the Committee in March 2021 to provide an update on progress against Council’s BV Improvement plan to provide Committee the opportunity to scrutinise progress and pace of delivery. This took place with a report presented by the Chief Executive. It is recommended that a further update is provided to Committee in March 2022 with further updates scheduled on an annual basis.

#### 4.0 CONCLUSION

4.1 This exercise has confirmed that for all the risks in the Council’s strategic risk register there are either sufficient assurances in place or internal audit currently have scheduled work to fill identified gaps. Given the ongoing work by the Council to progress the actions in the Council’s BV Action Plan it would be considered beneficial for the Committee to receive an update on progress against the Council’s BV Action Plan in March 2022 with further annual updates scheduled for March of each year until the plan is fully delivered.

#### 5.0 IMPLICATIONS

- 5.1 Policy – None
- 5.2 Financial - None
- 5.3 Legal – None

- 5.4 HR - None
- 5.5 Fairer Scotland Duty - None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty - None
- 5.6 Risk – The assurance mapping exercise has provided assurance that the Council is managing and monitoring its strategic risks effectively
- 5.7 Customer Service - None

**Laurence Slavin**  
**Interim Head of Financial Services**  
**14 September 2021**

**For further information contact:**

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**APPENDICES**

Appendix 1 – Strategic Risk Assurance Map

**APPENDIX 1: Strategic Risk Assurance Map**

No	Risk	Risk Score	First Line of Defence	Second Line of Defence	Third Line of Defence	Assessment
1	<p><b>Population and Economic Decline</b></p> <p>Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.</p>	<p><b>Red 16</b></p>	<ul style="list-style-type: none"> <li>• Service planning linked to Corporate Outcomes and the A&amp;B Outcome Improvement Plan (ABOIP)</li> <li>• Community and multi-agency links through Community Planning Partnership</li> <li>• Parliamentary forum</li> <li>• Argyll, Lomond and Islands Rural Regeneration Initiative</li> <li>• Argyll and the Isles Strategic Tourism Partnership</li> <li>• Promotion and marketing of Argyll &amp; Bute (ABplace2B campaign)</li> <li>• Business Gateway Service focused on helping local businesses grow</li> <li>• Council Leader engaging with leaders of other west coast councils suffering population decline</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Strategy and Action Plan monitored by ED&amp;I Committee</li> <li>• CPP report on the progress being made against the outcomes and vision of the ABOIP and issue annual reports.</li> <li>• Monitoring of CPP plan and performance at CPP Management Committee.</li> <li>• Area Community Action Plans progress reported to Community Planning Groups</li> <li>• ABOIP targets population and economic recovery</li> <li>• Performance reports considered by A&amp;SC, strategic committees and area committees</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Rural Growth Deal to be signed Summer 2022</li> <li>• Preparation of bid to Levelling Up</li> </ul>	<p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Best Value Assurance Report (May 2020) highlights Council's and CPP partners commitment to a shared vision and that they recognise the challenges including the declining and aging population</li> </ul> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>• Economic Strategy (2019/20)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence.</p>

				<p>Fund – preparing for Jan/Feb 2022 in time for submission expected Spring 2022</p> <ul style="list-style-type: none"> <li>• Preparation of a pipeline of projects across Argyll and Bute in order to be able to react to any other bid funding as and when it is announced.</li> </ul>		
2	<p><b>Condition and suitability of Infrastructure &amp; Asset Base</b></p> <p>Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.</p>	Amber 12	<ul style="list-style-type: none"> <li>• R&amp;A Control Hub and Joint Operations Team</li> <li>• Operational risks monitored quarterly</li> <li>• Strategic Asset Mgt Board</li> <li>• Corporate Asset Management Strategy and Corporate Asset Management Plan</li> <li>• Service Asset Management Plans</li> <li>• Community Empowerment and Community Asset transfer arrangements in place</li> <li>• Roads Asset Management Plan</li> <li>• One Council Property Approach</li> <li>• Routine inspections of roads infrastructure to deal with potential weak areas</li> <li>• Revised capital management</li> </ul>	<ul style="list-style-type: none"> <li>• D&amp;I performance reporting to ED&amp;I Committee</li> <li>• Asset Mgt Plans reviewed annually by Council as part of the budget setting process</li> <li>• Status and Options reports to ED&amp;I Committee</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Community Empowerment Act (2018/19 - High)</li> <li>• Capital Monitoring (2020/21 - Substantial)</li> <li>• Management of Property Contracts (2020/21 - Reasonable)</li> <li>• Land &amp; Asset Disposal (2021/22 - Substantial)</li> </ul> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>• Roads Maintenance (2018/19)</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Scrutiny – Community Asset Transfers (2021/22)</li> <li>• Internal Audit – Fixed Asset Register (2021/22)</li> </ul>	There is a range of assurance sources across the three lines of defence.

			<p>procedures</p> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>Modern Workspace Programme to review, and rationalise property portfolio for future needs of the Council. Changes on phased and town by town basis. Programme will be running for 3 years - April 2024</li> </ul>			
3	<p><b>Financial Sustainability</b></p> <p>Insufficient resource to meet current and future service requirement.</p> <p>Budget not aligned / does not support business outcomes.</p>	Amber 12	<ul style="list-style-type: none"> <li>Budget preparation and monitoring</li> <li>Medium term financial strategy with worst case, mid case and best case scenario planning</li> <li>Treasury Mgt Policy</li> <li>5 year budget outlook updated quarterly</li> <li>Financial Services Team aligned to service delivery</li> <li>Regular engagement between budget holders and appointed finance contact</li> <li>Reserve balances monitored throughout year</li> </ul>	<ul style="list-style-type: none"> <li>Financial monitoring and financial risk monitoring to P&amp;R/BCC Committee</li> <li>Budget and budget working papers considered by full Council</li> <li>Financial Strategy reported to P&amp;R Committee</li> <li>5 year budget outlook to P&amp;R Committee</li> <li>Treasury Mgt Annual Report to P&amp;R Committee and A&amp;SC</li> <li>Joint SMT/Policy Leads meetings include discussions around financial issues</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Continuous Monitoring</li> <li>Financial Planning (2018/19 - Substantial)</li> <li>Capital Monitoring (2020/21 - Substantial)</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>Assessment of financial mgt via annual audit</li> <li>Best Value Assurance Report (May 2020) highlights Council has good financial planning arrangements in place but could take steps to enhance its long-term strategy. (Strategy revise in 2021)</li> <li>Assessment of budget monitoring arrangements</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>Internal Audit – Fixed Asset Register (2021/22)</li> </ul>	There is a range of assurance sources across the three lines of defence.

4	<p><b>Governance and Leadership</b></p> <p>Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.</p>	<p><b>Amber 12</b></p>	<ul style="list-style-type: none"> <li>• Corporate Governance Improvement Plan</li> <li>• Ongoing member development</li> <li>• Mentoring and coaching for SMT</li> <li>• Leadership development programme</li> <li>• Chief Exec Bilaterals</li> <li>• A&amp;B Manager’s Course</li> <li>• Established partnership governance</li> <li>• Effective internal audit function</li> <li>• Scrutiny function</li> <li>• Performance Improvement framework</li> <li>• Council constitution</li> <li>• Codes of conduct for staff and members</li> <li>• Code of Corporate Governance and Annual Action Plan</li> <li>• Scrutiny framework and scrutiny plan</li> <li>• Risk management embedded</li> <li>• Policy lead meetings</li> <li>• Area Committee Business Days</li> </ul>	<ul style="list-style-type: none"> <li>• Oversight provided by Audit &amp; Scrutiny Committee</li> <li>• Decision making committees open to public</li> <li>• Constitution updated and approved annually by Council</li> <li>• IA reports and follow up to DMT and SMT</li> <li>• Annual assurance statements</li> <li>• Fortnightly DMTs – weekly ELT and monthly SMTs</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Continuous Monitoring</li> <li>• Organisational Culture (2018/19)</li> <li>• Performance Mgt (2018/19 - High)</li> <li>• Member Support (2018/19 - Substantial)</li> <li>• Risk Mgt 2018/19 – Substantial)</li> <li>• Following The Public Pound (2019/20 - Reasonable)</li> <li>• Annual self-assessment of PSIAS – external peer review every 5 years</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Ongoing independent assurance reported in AAR</li> <li>• Best Value Assurance Report (May 2020) recognises improvements in relationships between members and senior officers and more constructive and focused decision making</li> </ul>	<p>There is a range of assurance sources across the three lines of defence</p>
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5	<p><b>Engagement and Understanding the needs of the Community</b></p> <p>The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.</p>	<p><b>Green</b> <b>6</b></p>	<ul style="list-style-type: none"> <li>• Annual budget consultation</li> <li>• Complaints process</li> <li>• Community Engagement Strategy</li> <li>• Customer Service Board</li> <li>• Various user feedback (i.e. Refugee Resettlement, commissioned services, community council surveys)</li> <li>• Parental engagement strategy</li> <li>• Outreach service</li> <li>• Democracy matters consultation</li> <li>• Development Mgt user forums</li> </ul>	<ul style="list-style-type: none"> <li>• Community Planning Partnership</li> <li>• Service Committees</li> <li>• Area Committees</li> <li>• DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Community Empowerment Act (2018/19 - High)</li> <li>• Complaints Handling (2021/22 – High)</li> </ul> <p><b>Other Agencies</b></p> <ul style="list-style-type: none"> <li>• Education Scotland and Care Inspectorate seek views of service users</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Best Value Assurance Report (May 2020) highlights that Council has made good progress with the Community Empowerment Act, but needs to make processes easier to follow and accessible to all communities. Also scope to improve community engagement to make the approach more inclusive, achieve wider representation and build capacity to enable communities to take more ownership of decision-making.</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Scrutiny – Community Asset Transfers (2021/22)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence however BV report flagged scope for improvement in relation to community engagement – this is currently being considered by a Scrutiny topic.</p>
6	<p><b>Service Delivery</b></p> <p>Insufficient resources to ensure effective service delivery</p>	<p><b>Green</b> <b>6</b></p>	<ul style="list-style-type: none"> <li>• Performance Improvement Framework</li> <li>• Rolling out programme of service self-assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Performance reporting to A&amp;SC, Service Committees and Area Committees</li> <li>• LGBF Review to</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Performance Mgt (2018/19 - High)</li> <li>• Complaints Handling (2021/22 – High)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence however BV report has</p>

			<ul style="list-style-type: none"> <li>• Service improvement plans</li> <li>• Workforce planning</li> <li>• Complaints process</li> <li>• Use of LGBF</li> <li>• Strategic Plans with Success Measures aligned to Business Outcomes</li> <li>• Performance Improvement Officers</li> </ul>	<p>A&amp;SC, Service Committees and Area Committees</p> <ul style="list-style-type: none"> <li>• Self-Assessments reported to SMT and A&amp;SC</li> </ul>	<ul style="list-style-type: none"> <li>• IA annual plan is risk based but also designed to provide annual coverage of all Heads of Service</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Best Value Assurance Report (May 2020) highlights that there is limited evidence of the Council using performance information to drive improvement and that Council's performance reporting makes it difficult to conclude what progress has been made against its six corporate outcomes</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Review of Council's Performance Mgt Framework being carried out by CE Unit</li> </ul>	<p>highlighted performance management as an area for improvement – there is an ongoing project to review the Council's PM framework (Oct 2020 – June 2022).</p>
7	<p><b>Health and Social Care Partnership</b></p> <p>Failure to deliver strategic objectives and integrate Health and Social Care services in an efficient and effective manner exposes the Council, as a key partner, to unacceptable financial and reputational risk.</p>	<p><b>Red 15</b></p>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Integration Scheme</li> <li>• IJB has elected member representation including Council Leader</li> <li>• Elected member representation on IJB Audit Committee (inc Vice Chair)</li> <li>• Council's CIA regularly attends IJB Audit Committee</li> <li>• Regular engagement between Council CFO and HSCP CFO</li> </ul>	<ul style="list-style-type: none"> <li>• Performance and financial monitoring and reporting in place and reported to IJB Board</li> <li>• HSCP Chief Officer sits on Council's ELT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• The IJB has their own IA function provided by the Council's IA function (Contract started 1 April 2021)</li> <li>• Council's IA function also provide assurance over social work services on an annual basis</li> <li>• Internal Audit - Charging for Non-Residential Services (2020/21 – Substantial)</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• IJB's external auditors are</li> </ul>	<p>There is a range of assurance sources across the three lines of defence</p>



					<p>Audit Scotland</p> <p><b>Future Internal Audits</b></p> <ul style="list-style-type: none"> <li>• Child Protective Services (2021/22)</li> <li>• Adult Protective Services (2021/22)</li> <li>• Care Programme Approach (2021/22)</li> <li>• Complaints handling (2021/22)</li> <li>• Workforce Planning (2021/22)</li> </ul>	
8	<p><b>Civil Contingency &amp; Business continuity arrangements are not effective.</b></p>	<p><b>Green</b> <b>6</b></p>	<ul style="list-style-type: none"> <li>• Critical activity recovery plans</li> <li>• Emergency planning test events</li> <li>• West of Scotland local resilience partnership</li> <li>• Community resilience plans</li> <li>• EU withdrawal tactical group</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Mgt Support Team</li> <li>• EU tactical group progress reported to SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Business Continuity (2019/20 - Reasonable)</li> <li>• Internal Audit - Disaster Recovery Planning (2020/21 - Limited)</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Internal Audit – Civil Contingencies (2021/22)</li> </ul>	<p>Limited third level of defence assurance at current time. 2019/20 and 2020/21 audits highlighted issues regarding how robust CARPs were and a need for testing of DRPs. This is an area that will merit a follow up audit in the medium term future.</p> <p>However assurance can be taken from the Council's response to COVID which was fast paced and has proven to be effective.</p>

9	<p><b>Welfare Reform</b></p> <p>Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis</p>	<p><b>Green</b> <b>6</b></p>	<ul style="list-style-type: none"> <li>Welfare Reform Working Group (WRWG)</li> <li>Joint working with DWP and CPP</li> <li>Rent aligned with local Housing Allowance to increase affordability.</li> </ul>	<ul style="list-style-type: none"> <li>WRWG report to SMT</li> <li>SMT monitor of risk and consider high and medium hardship cases</li> <li>Anti-poverty strategy approved by Council</li> <li>Child poverty action planning monitored by WRWG</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>HB &amp; CTR (2018/109 – Substantial)</li> <li>Internal Audit - Scottish Welfare Fund (2020/21 - Substantial)</li> <li>Internal Audit - Welfare Rights (2020/21 - Substantial)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence</p>
10	<p><b>Waste Management</b></p> <p>Unable to dispose of waste in landfill sites due to the implications of the biodegradable municipal waste (BMW) landfill ban in 2021</p>	<p><b>Red</b> <b>16</b></p>	<ul style="list-style-type: none"> <li>Council rolling out new waste strategy</li> <li>Using education and publicity to increase recycling</li> </ul>	<ul style="list-style-type: none"> <li>Performance reporting to EDI Committee</li> <li>Progress monitoring by DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Waste Mgt (2018/19 - Limited)</li> </ul> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>Waste Mgt Strategy (2020/21) - On 27 April 2021 the Head of Roads and Infrastructure Services provided a presentation to the A&amp;SC regarding the Council's Waste Strategy followed by a question and answer session. Following the presentation the A&amp;SC members agreed they were assured that appropriate progress was being made in relation to the Council's waste strategy and that inclusion of a specific scrutiny topic focusing on the Strategy would not add value at this time</li> </ul>	<p>Assurances over this risk are currently moderate due to the Council's Waste Strategy being in its infancy and the full impact of the BMW ban still to be realised. However full implementation is not till 2025. The A&amp;SC determined they are content that progress is reported to the EDI Committee and that the A&amp;SC will maintain a watching brief.</p>

11	<p><b>Service Delivery - Cyber Security</b></p> <p>Unable to deliver services to customers because of failure of ICT systems following major cyber security breach</p>	<p><b>Red</b> <b>15</b></p>	<ul style="list-style-type: none"> <li>ICT Security &amp; compliance officer in post, producing weekly threat analysis.</li> <li>Regular patching regimes in place</li> <li>ICT Disaster recovery plans tested regularly</li> <li>Critical activities have recovery plans developed (CARP's)</li> </ul>	<ul style="list-style-type: none"> <li>Progress monitoring by DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Business Continuity (2019/20 - Reasonable)</li> <li>Disaster Recovery Planning (2020/21 - Limited)</li> </ul> <p><b>Other Agencies</b></p> <ul style="list-style-type: none"> <li>PSN and Cyber Essentials Plus accreditations for corporate network (doesn't cover education network)</li> </ul>	<p>Assurances over this risk are currently moderate due to audits highlighting issues regarding how robust CARPs were and a need for testing of DRPs. This is an area that will merit a follow up audit in the medium term future.</p>
12	<p><b>Withdrawal from the EU</b></p> <p>Insufficient preparedness for exit from the European Union</p>	<p><b>Amber</b> <b>10</b></p>	<ul style="list-style-type: none"> <li>Establishment of tactical team with direct reports to Chief Executive as Strategic Lead</li> <li>Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</li> <li>Risk register and action plan in place and monitored regularly by Tactical Group</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting to the SMT and the Industry and Regional Development Sounding Board as the strategic group.</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Ongoing assurance – CIA sits on EU withdrawal tactical team</li> </ul>	<p>There is a range of assurance sources across the three lines of defence.</p>
13	<p><b>Impact of COVID - 19</b></p> <p>The Council are unable to deliver core services as a result of Covid-19 virus with adverse</p>	<p><b>Amber</b> <b>12</b></p>	<ul style="list-style-type: none"> <li>Establishment of Strategic and Tactical Groups with links to HSCP, NHS and national/regional resilience groups</li> <li>Tactical team via the Civil Contingencies</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting to the ELT/SMT</li> <li>Economic Recovery Plan and wider economic activity reported</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>CIA contributes to Strategic Group through role as Interim Head of Financial Services and also sits on the Development and Economic Growth</li> </ul>	<p>There is a range of assurance sources across the three lines of defence.</p>

	<p>impact to community, the economy</p>		<p>Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</p> <ul style="list-style-type: none"> <li>• Development and delivery of an integrated approach to deliver decisions and mitigations</li> <li>• Development and Economic Growth Recovery Working Group established</li> <li>• Economic Recovery Plan approved</li> <li>• Return from lockdown group established which served its purpose and was superseded by Recovering Council Group to take more strategic and longer term view of re-establishing Council Services</li> </ul>	<p>to BCC</p> <ul style="list-style-type: none"> <li>• Throughout peak of COVID weekly updates from Tactical Group to Strategic Group with key activity and decisions reported on to Leadership Group</li> </ul>	<p>Recovery Working Group</p>	
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**ARGYLL AND BUTE COUNCIL**
**AUDIT & SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**


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**AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2020/21**


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**1. SUMMARY**

- 1.1 The purpose of this report is to provide the Chair of the Audit and Scrutiny Committee's (the Committee) annual overview of the Committee's activity during the financial year 2020/21 and a summary of key developments since the commencement of 2021/22. It sets out how the Committee has fulfilled its remit and provides assurances to the Council.

**2. RECOMMENDATIONS**

- 2.1 Review and endorse the Chair's Annual Report.
- 2.2 Agree that the Chair presents the report to a future meeting of the Council at a date to be confirmed.

**3. DETAILS**

- 3.1 It is important that the Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Council. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition which incorporates CIPFA's Position Statement: Audit Committees in Local Authorities and Police. This sets out CIPFA's view of the role and functions of an Audit Committee. The CIPFA Audit Committees Guidance includes the production of an annual report on the performance of the Audit Committee against its remit for submission to the Council.

**4. CONCLUSION**

- 4.1 The Audit and Scrutiny Committee Annual Report 2020/21, which is appended to this report as Appendix 1, provides assurance to full Council over the activity of the Committee

**5. IMPLICATIONS**

- |       |                       |      |
|-------|-----------------------|------|
| 5.1   | Policy:               | None |
| 5.2   | Financial:            | None |
| 5.3   | Legal:                | None |
| 5.4   | HR:                   | None |
| 5.5   | Fairer Scotland Duty: | None |
| 5.5.1 | Equalities:           | None |
| 5.5.2 | Socio-Economic Duty:  | None |

5.5.3	Islands Duty:	None
5.6	Risk:	None
5.7	Customer Service:	None

For further information please contact Internal Audit (01546 604146)

**Moira Weatherstone**  
**Interim Chief Internal Auditor**  
**14 September 2021**

**Appendices:**

- 1. Audit and Scrutiny Committee Chair Annual Report 2020/21**

## **Appendix 1 - Audit and Scrutiny Committee Chair Annual Report 2020/21**

### **Introduction by the Chair of Audit and Scrutiny Committee**

This report provides an overview of the Audit and Scrutiny Committee's (the Committee) activity during the financial year 2020/21 and a summary of key developments since the commencement of 2021/22.

In 2020/21 the Committee met quarterly online with the following as appointed members:

Martin Caldwell (Chair)	George Freeman	Richard Trail
Sandy Taylor (Vice Chair)	Sir Jamie McGrigor	Andrew Vennard
Jim Findlay	Alan Reid	

Committee meetings were also attended by appropriate representatives of the Council including the Chief Internal Auditor (CIA) both in his substantive post and also in his capacity acting up on a 50% basis as the Interim Head of Financial Services. Audit Scotland also attend as do other Council Officers as and when appropriate including the Chief Executive and the Head of Customer Support Services who attends regularly to advise the Committee on issues relating to performance management.

Since January 2020 the CIA, at the request of the Chief Executive, has been acting up as the Head of Financial Services on a shared basis with the Council's Finance Manager and the Council's Revenues and Benefits Manager. I am satisfied that appropriate arrangements were put in place to split the role in such a manner that, in conjunction with other appropriate arrangements, the CIA and the Internal Audit team, operated throughout 2020/21 with no impairments or restrictions in scope or independence. As of June 2021 the CIA has taken up the post of Interim Head of Financial Services on a 100% basis until September 2022 with Moira Weatherstone taking on the CIA role on an interim basis.

At the end of March 2021 Councillor Sandy Taylor stepped down from the Committee. I would like to express my appreciation for his support and commitment to the Committee in his role as Vice Chair since December 2017. I would also like to wish Sandy all the very best in the future.

In looking forward to 2021/22 and beyond, the Council will need to continue to respond to the medium to longer term effects of the COVID-19 pandemic on both the Council itself but also the wider Argyll and Bute community.

**Martin Caldwell - Chairperson**

**14 September 2021**

## **1. Audit and Scrutiny Committee's Effectiveness and Impact**

- 1.1 The Committee's role is to ensure that the Council's internal control framework and governance arrangements are operating effectively. In order to fulfil this role a range of reports are provided to the Committee during the year. I am satisfied that the frequency, content and detail of reports provided to the Committee allow myself and fellow members to adequately fulfil this role.
- 1.2 In March 2020 both Audit Scotland and Internal Audit presented their annual audit plans setting out their respective approaches to the 2020/21 audit of the Council, reflecting their statutory duties and risk based approach. The audit plans were considered by the Committee and accepted.
- 1.3 During 2020/21 the CIA has continued to develop our approach to audit and scrutiny. Particular developments in the past 12 months which have furthered the effectiveness of both Internal Audit and the Committee are:
- The establishment of a Counter Fraud Team in September 2020 for a trial two year period.
  - Continued development of the approach to Scrutiny including consideration of a lessons learned report in March 2020.
  - The CIA engaged with members of the Committee as part of the planning process for the 2020/21 audit plan.
  - Rotating the performance of Internal Audit's self-assessment against compliance with PSIAS within the team to ensure it was looked at with a 'fresh pair of eyes'. The self-assessment identified a number of areas of good practice as well as some areas for improvement.

## **2. Assurances**

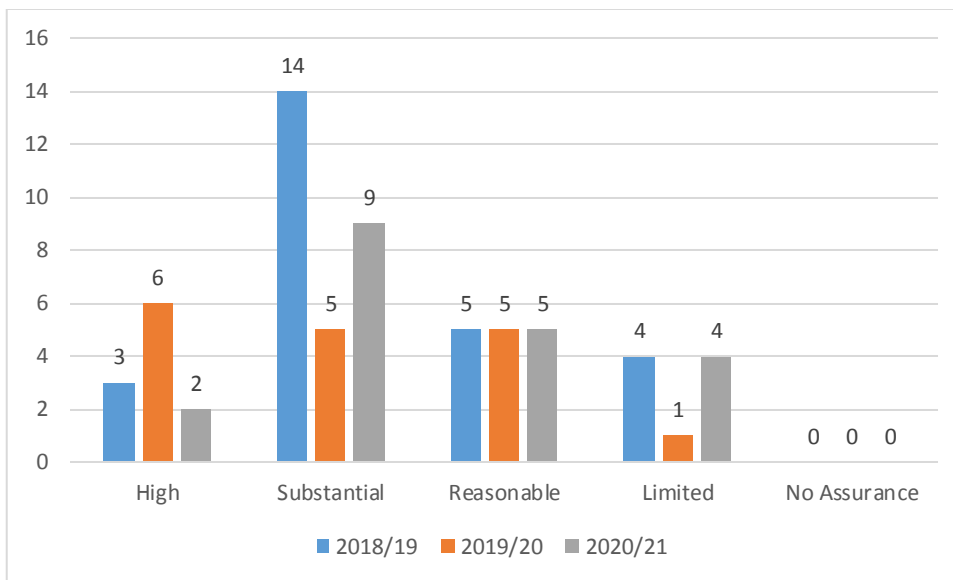
### **Internal Audit Assurance**

- 2.1 Internal Audit is a key source of assurance for both members and management on the effectiveness of the control environment. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance. The COVID-19 pandemic meant the 2020/21 audit plan could not be completed in its entirety due to a need to redeploy audit resource to priority tasks required to support the Council's response to the pandemic. However I am content that appropriate action has been taken to revise the 2020/21 audit plan to accommodate the impact of this redeployment and I am content with the assurance provided by the CIA that sufficient work has been undertaken to allow him to provide an opinion on the Council's systems of governance and internal control. Throughout the year, in my opinion, clear assurance judgements are provided, underpinned by an appropriate evidence base and, where appropriate, include sound management advice and guidance.
- 2.2 The Committee has received regular reports and information from the CIA including:
- risk based internal audit annual plan
  - regular progress reports
  - annual report, in line with PSIAS, which provided the CIA's independent annual opinion on the effectiveness of the Council's risk management, internal control and governance processes.



2.3 Exhibit 1 shows an analysis of assurance opinions provided by internal audit in the three year period 2018/19 – 2020/21. There has been a decrease in the number of audits classified as providing a high level of assurance in 2020/21, with an increase in the number of audits classified as providing a substantial level of assurance. There was four classified as being limited. The limited assurance reports focused on Legionella Management, Disaster Recovery Planning, Warden Services and School Funds. For this, and all other audit reports, management have accepted 100% of audit recommendations and action plans have been agreed with a robust follow-up system in place with progress presented to the SMT on a quarterly basis and to the Committee as a standard agenda item.

Exhibit 1 – Audit Assurances (2018/19-2020/21)



2.4 The Committee has a clear role in relation to oversight of the internal audit function; specifically in relation to overseeing its independence, objectivity, performance and professionalism. I am pleased to advise, as Chair of the Committee, that I am satisfied that internal audit is effective and activity is undertaken in accordance with relevant standards.

**External Audit Assurance**

2.5 External Audit is an essential part of the process of accountability and assurance for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management. Working closely with Internal Audit, the external audit programme ensures that statutory responsibilities are delivered, without the duplication of audit work. The Council’s external auditors are Audit Scotland.

2.6 The audit of the Council’s financial statements is still ongoing at the time I wrote this report and the Council is still to receive its 2020/21 annual audit report. Consequently this reduces the assurance we can take at the current time from external audit’s work however the Council were subject to a Best Value review in 2019/20 which highlighted good progress made by the Council since the last inspection in 2015, specifically the significantly improved relationships amongst elected members and between members and officers, the Council’s sound approach to financial planning. It also

identified areas for the Council to focus its continued improvement upon, such as community engagement, performance management, more significant transformation and redesign of services and better engage staff in planning and implementing change. I am pleased that the Council has responded positively to these messages and have agreed an action plan to help address the issues highlighted. It is also worth highlighting that Audit Scotland attend all meetings of the Committee and provide written and verbal updates on progress against their audit and any emerging audit issues. This helps provide the Committee with ongoing assurance.

### **3. Risk Management**

- 3.1 The CIA performs an annual strategic risk register assurance mapping exercise which enables the Committee to assess the levels of assurance it can take over the activity undertaken by the Council to manage its strategic risks. This is complemented by the Chief Executive presenting the Strategic Risk Register to the Committee on an annual basis to allow the Committee to further scrutinise the approaches being taken to manage risk.

### **4. Independence**

- 4.1 To assist in preserving the Committee's independence measures are in place including:
- the appointment of an independent chair
  - observation of the Internal Audit Charter which specifies the independence of the CIA and the wider audit team
  - the non-political approach of the committee
  - the active involvement of the external auditors
  - clear terms of reference aligned to CIPFA's Role of the Audit Committee Guidance

### **5. Scrutiny**

- 5.1 During 2020/21 the Committee has continued to develop its approach to Scrutiny including consideration of a lessons learned report in March 2020 which highlighted a number of areas for improvement and development both in terms of process learning for Committee members and administrative learning points for the internal audit team.
- 5.2 The March 2020 Lessons Learned report reflected on ongoing discussions that have been held during Committees about alternative ways the Committee could perform scrutiny that would complement the current Scrutiny Panel approach. For example by inviting council officers to brief the Committees on topics of specific interest. This is an approach that has been adopted with the Chief Executive briefing the Committee on the Council's Best Value Review on 22 September 2020 and a further briefing on progress against the Best Value Action Plan at the March 2021 Committee.
- 5.3 As with the audit work the delivery of scrutiny work was put on hold during the Council's response to the COVID-19 however I am pleased to say it has restarted and we recently completed our review of the Council's Economic Strategy and have commenced a review focused on the Council's Community Asset Transfer process.
- 5.4 Our scrutiny panels, like most other Council, work has adapted to new ways

of working as a consequence of COVID with members, Council officers and external experts sharing insights virtually.

## **6. Counter Fraud Team (CFT)**

- 6.1 In December 2019 the Strategic Management Team approved the formation of a CFT for a trial two year period from 1 April 2020 with an annual fraud report to be provided to inform a future decision on whether the CFT should become a permanent part of the Council's establishment. The establishment of the CFT was delayed by the COVID pandemic with the Team Leader and Lead Investigator not appointed until September and October 2020 respectively. The CFT is now fully operational with both officers having completed the CIPFA (Chartered Institute of Public Finance and Accountancy) Accredited Counter Fraud Specialist Course meaning they are fully accredited counter fraud investigators. This is a welcome development and further strengthens the Council's commitment to protecting the public purse.

## **7. Looking Forward**

- 7.1 In 2021/22 Councillor Sandy Taylor stepped down as Vice Chair of the Committee and I look forward to working with our new Vice Chair, Councillor Jim Lynch.
- 7.2 A scrutiny development session was held in April 2021 which considered an update on the Council's Waste Strategy, future scrutiny topics and amendments to the scrutiny process going forward. As a Committee we will continue to implement and further develop our scrutiny approach to reflect the changes agreed at the April 2021 meeting and we will further explore different approaches to carrying out scrutiny.
- 7.3 This focus on continuous improvement is equally applicable to the audit element of the Committee and we will continue to work with the CIA and, where appropriate, our colleagues in Audit Scotland, to identify opportunities to further develop the skillset and expertise of both the Committee and the internal audit department to facilitate effective challenge and scrutiny.
- 7.4 The Council submitted a tender bid for the provision of audit services to the HSCP and were awarded the contract for a period of three years commencing 1 April 2021. A formal service level agreement was signed on 28 January 2021 to reflect the new contract.
- 7.5 Laurence Slavin has taken up a role as Interim Head of Financial Services until September 2022 and I would like to thank him for his work within the Internal Audit team and his support to the Committee. Moira Weatherstone has agreed to perform the role of CIA, with responsibility for Internal Audit and Scrutiny, for an interim period on a 50% basis with Laurence Slavin maintaining responsibility for the CFT.
- 7.6 We will continue to develop and progress further the role of the CFT, providing regular updates and reports to the Committee.

## **8. Conclusion**

- 8.1 Based on the reports received and reviewed by the Committee, I am in agreement with the CIA's annual audit report which confirms that reasonable

assurance can be placed upon the adequacy and effectiveness of the Council's internal control system in 2020/21. I am satisfied that active monitoring and follow up of recommendations is in place in respect of agreed management action. This follow up process is further enhanced by the continuous monitoring programme carried out by internal audit which provides ongoing assurance over the Council's core transactional based systems.

Local government in Scotland

# Overview 2021



ACCOUNTS COMMISSION 

Prepared by Audit Scotland  
May 2021

# Who we are

## The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services. Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website:

[www.audit-scotland.gov.uk/about-us/accounts-commission](http://www.audit-scotland.gov.uk/about-us/accounts-commission)

# Chair's introduction

In 2020, Covid-19 changed the world and will have a profound impact on our lives in the years ahead. The public services we all receive and many of us depend on each and every day have adapted, in some cases transformed and will certainly continue to change.

Covid-19 has laid bare and exacerbated existing **inequalities** such as health, work, income, housing and education across Scotland's communities. The multiple impacts of these inequalities have affected the most vulnerable, minority groups and women.

Reporting on how inequalities are being tackled is, and will be, a core priority for the Accounts Commission in our future reporting. The recovery from Covid-19 isn't going to be quick, again exacerbating the impact on the lives of those already most affected. The recovery plans and priorities need to recognise this.

Councils must put robust and realistic plans in place and work alongside partner organisations best placed to help. They must work with and for their communities, focusing on the needs of local people.

This will have to be achieved against an increasingly challenging **financial outlook**. There is rarely financial certainty for councils beyond the current financial year. For many years the Commission has reported on the importance of long-term financial planning for our councils and they need the certainty of a multi-year financial settlement to do this. Without this Scotland is faced with a clear risk to the financial sustainability of our councils. During the last few years we have seen increasing amounts of funding provided by the Scottish Government being ring-fenced for specific purposes and this limit on local flexibility

has also emerged through the funding arrangements for Covid-19. Councils have also been impacted by the significant loss of income and additional costs caused by Covid-19 which will have a consequential impact in the coming years. Support for councils will be needed to allow them to take a comprehensive and holistic approach as they look to stimulate economic recovery, address inequalities and build back communities.

Of course, this complex and difficult set of circumstances will, inevitably, mean that councils must make difficult decisions about the services they deliver, and indeed how these services are delivered.

A key issue will therefore be reaching agreement between the Scottish Government and COSLA to achieve a funding model for local government that targets and supports those most in need.

Throughout 2020 and beyond, the ways in which councils and communities have worked together to deliver services and support the most vulnerable has been incredible. Many communities and individuals continue to step in to provide crucial local services, empowered to do so by councils. Those local areas where partnership working was already strong and embedded were able to respond and react more quickly to the developing needs caused by Covid-19. This brought into focus the value and importance of **partnership working** and empowering communities to deliver services that meet very local needs.

## Chair's introduction continued

The Accounts Commission will look to ensure that the significant amounts of funding given to councils to deliver and provide support to mitigate the impact of Covid-19 achieved value for money. **Following the 'pandemic pound'** will be central to our future work.

Our audit work has already seen so much positive work in councils, not least the swift and vital move to delivering services remotely and digitally. This new way of working needs to be harnessed and consolidated, with **lessons learned, shared and improved upon**. It is vital that councils do not default to previous ways of working in areas where new approaches are having positive outcomes.

This latest Local Government Overview is the first in a series of reports that will reflect on the evolving and long-term nature of the impact of Covid-19. Here we consider the initial response of councils. And our future reporting will give a more detailed analysis of the impact and lessons learned from the pandemic, including an assessment of progress being made in early phases of recovery in 2022 before looking ahead to how councils have supported their local communities to begin recovering.

### Elma Murray

Interim Chair of the Accounts Commission



# Key messages



**Communities  
and people**



**Service delivery  
and partnership  
working**



**Resources and  
governance**



## 1. The Covid-19 pandemic is having a profound impact on all aspects of society, including the economy, jobs, and the physical and mental health of the public

The negative impacts have been greater for those already experiencing socio-economic disadvantage, and existing inequalities have intensified. Councils have been at the centre of the response to the pandemic, supporting communities through these difficult times. They responded quickly and put their initial focus on maintaining service delivery and protecting communities.



## 2. Relationships with communities have been vital

Councils and communities have worked well together to manage local responses to Covid-19. These included supporting initiatives to promote wellbeing and support people who were shielding and facilitating community support hubs. Existing partnerships that were stronger before the pandemic made a smoother transition into the response phase, as there were fewer barriers. Moreover, some communities were able to offer a faster and more targeted response and deliver some vital services as a result of having fewer formal decision-making structures. In some cases, Community Planning structures have been strengthened and community groups have been able to work more flexibly, demonstrating the value of community empowerment.



## 3. Levels of service disruption have varied

Services such as education, social care and culture and leisure were badly affected, while other core services continued on a reduced basis. Services that could be delivered by people working from home were most resilient. The disruption to services had significant negative impacts on vital areas and on some client groups. These included carers who lacked access to respite care, people with learning disabilities who lacked access to important services and wider support, and school children, who experienced significant disruption to their education. Communities experienced significant service disruptions alongside the wider impact of the pandemic. This created further challenges including job losses and increased economic uncertainty, the impact on people's mental health, and increased child protection risks during lockdown.

## Key messages continued



### 4. Some services were delivered virtually

For example, education continued where students were able to access learning materials online. Councils worked fast to enable homeworking for staff and to provide innovative IT (information technology) solutions. There were challenges for some councils in the early days of the move to homeworking, including limited internet connectivity and insufficient supplies of IT equipment to enable the required numbers of staff to work remotely.



### 5. The workforce demonstrated the versatility to take on new roles

Staff were redeployed from services that were closed or reduced into services facing increased pressure while working at pace under challenging circumstances. There will be an increased need in future for staff to be agile as services continue to evolve in line with the pandemic and the recovery phases. Councils must also manage the pressures on staff to ensure their people are not put at risk of burnout as the pandemic continues.



### 6. There were significant changes in council governance structures and processes

At the onset of the crisis, councils suspended or revised their meeting schedules, and adopted different approaches to decision-making. Virtual meetings were established in growing numbers of councils, and all councils now hold remote meetings. There is now less reliance on delegation to officers or emergency committees than in the early stage of the pandemic, but councils must continue to balance the need for urgent decision-making with transparency.

## Key messages continued



### 7. Councils continue to face significant financial challenges, and these have been exacerbated by the pandemic

The Convention of Scottish Local Authorities (COSLA) estimated that the total net financial impact of Covid-19 in 2020/21 would be £767 million. This includes forecast financial pressures of £855 million, with loss of income accounting for around £400 million of this total. The financial pressures have been offset slightly by estimated cost reductions of £88 million from a range of areas such as lower property costs and reduced school meal costs.



### 8. The Scottish Government has provided substantial additional financial support, but the nature and timing of funding has created further challenges for councils

Funding announced by the Scottish Government by February 2021 is likely to support councils in covering the net financial impact of the pandemic for 2020/21. This additional funding includes a significant element of one-off grant funding, therefore this may present financial sustainability risks for some councils in future years. Furthermore, funding announcements have been frequent but not regular, and in some cases specific conditions are attached. This has created an additional administrative burden for the Scottish Government and councils arising from awarding and accepting grants and completing the related reporting requirements.

## Key messages continued



### 9. Councils have started to plan for longer term recovery from the crisis

While restarting services is led largely by national guidance, and the response to a second wave of Covid-19, councils are beginning to think about how to rebuild local economies and support communities in the long term. Councils will play a pivotal role in this, and as they progress through the recovery phases, there must be recognition that a return to 'business as usual' will not be possible and that the negative impacts of the pandemic will be felt for years to come. Councils' recovery plans have signalled this kind of thinking, focusing on areas that were already priorities before the pandemic, such as digital, tackling inequalities and climate change. We are still learning about the significant long-term challenges, and councils' recovery and renewal plans should address the longer-term implications of the pandemic for local economies, communities and individuals. Recovery plans must also recognise the longstanding issues of inequality that exist and set out actions to address the differential impact of Covid-19 on different groups.



### 10. There has been some ongoing learning resulting from the emergency response to the pandemic

Councils' service delivery arrangements and working practices changed at an unprecedented pace and on a scale that would have been considered impossible in the past. The need to respond quickly with simplified procedures has allowed councils to operate more flexibly and achieve outcomes that would previously have taken much longer. For example, the use of digital technology, to support changes to service delivery and councils' governance arrangements, has accelerated at a greater pace than many councils had planned for or thought achievable. It is important that councils now consolidate and build on the factors that allowed this level of change and innovation to take place so quickly. Councils should also identify the positive developments to take forward into renewal planning to maintain this momentum. It is also important for councils to avoid the risk of reverting to 'business as usual' in areas where new ways of working are having positive outcomes, for example flexible working and an increase in digitally enabled services. We will consider further lessons learned in more detail in future local government overview reports.

# About this report

Our local government overview this year is taking place amidst the Covid-19 pandemic, which has created an unprecedented set of issues and challenges for councils, their partners and for communities. The shape of the recovery and renewal curve is not yet clear, nor are many of the longer-term impacts on the economy, communities, and public services.

## This report

- is the first in a series of reports that reflects the evolving and long-term nature of the impact of Covid-19
- considers the initial response phase of the pandemic from March 2020, and includes financial data correct as at the end of February 2021
- provides case study examples of council responses to new challenges.

## Future reporting

- will give a more detailed analysis of the impact of the pandemic and lessons learned from it, including an assessment of progress being made in early phases of recovery in 2022
- will cover further progress, with renewal and recovery reported on in 2023.

# Timeline of key events

**18th** - £350m funding announced for councils, the third sector, and community groups

**20th** - Closure of schools

**24th** - Scotland goes into 'lockdown'

**30th** - The Scottish Gov. announce that local authorities' August 2020 deadline to deliver 1140 funded hours of Early Learning and Childcare will be removed

**6th** - Coronavirus (Scotland) Act receives royal assent

**20th** - Covid-19 deaths peak in Scotland

**5th** - Scottish Gov. announce that £155m in Barnett Consequentials will be passed to Local Government

**7th** - Announcement of the 'Connecting Scotland' Initiative

**29th** - Scotland enters phase 1 of Scottish Gov. route map

**16th** - Summer provision of free school meals announced

**19th** - Phase 2 of Scottish Gov. route map begins

**23rd** - £257.6 million of additional funding for councils to help tackle Covid-19 is approved (includes £155m consequentials)

**10th** - Phase 3 of Scottish Gov. route map begins

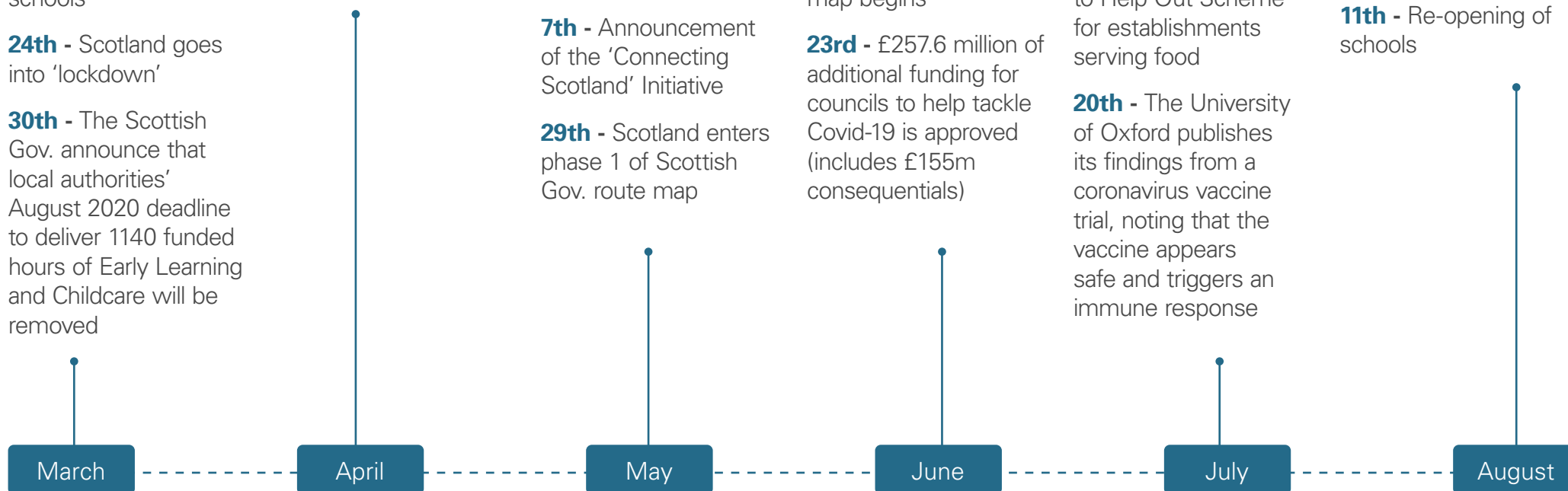
**13th** - UK Government announce the Eat Out to Help Out Scheme for establishments serving food


**20th** - The University of Oxford publishes its findings from a coronavirus vaccine trial, noting that the vaccine appears safe and triggers an immune response

**5th** - Local restrictions in Aberdeen following rise in infections

**4th** - Scottish pupils receive SQA results

**11th** - Re-opening of schools



 Initial response phase, March to August 2020

# Timeline of key events

**1st** - New restrictions introduced in the West of Scotland

**22nd** - New national restrictions and hospitality curfews introduced

**24th** - Scottish Gov. publish 2020/21 Autumn Budget revision. Covid-19 guaranteed consequentials reach £6.5bn

**7th** - Further temporary restrictive measures for hospitality, particularly in the central belt

**20th** - Further funding announced for free school meals and additional flexibility for councils to use the £20 million welfare fund

**2nd** - Local Authority protection levels take effect

**5th** - UK Gov. announce furlough extended to March

**20th** - 11 local authorities move into Level 4

**24th** - UK wide relaxation of restrictions over Christmas announced

**8th** - Covid-19 vaccination programme commences

**14th** - It is confirmed that the ELC expansion deadline has moved to August 2021

**19th** - The Scottish Gov. announce tightening of festive period restrictions

**26th** - National lockdown in Scotland begins

**5th** - Mainland Scotland goes into lockdown with a new legal requirement forbidding anyone from leaving their home except for essential purposes.

**11th** - The rollout of the Oxford/Astrazeneca coronavirus vaccine begins

**29th** - Scottish Gov. announce the Western Isles will move to Level 4 due to rise in cases

**22nd** - Children in early learning and childcare and primaries 1 to 3 return full-time to classrooms

**25th** - Scottish Gov. announce Scotland's vaccination programme has delivered first doses of the Covid-19 vaccine to a third of those eligible

**28th** - Scottish Gov.t announce three cases of a Covid-19 Variant of Concern first identified in Brazil, have been identified in Scotland



Initial response phase, September 2020 to February 2021

# Key facts/Context

## About local government

Councils in Scotland operate in a complex and challenging landscape. The scale of Covid-19 has created an unprecedented set of issues and challenges for councils, their partners, and communities. These include unprecedented economic and social impacts, additional financial pressures and increased service demand, the need for new service delivery models and negative impacts across communities and groups, particularly those who were already vulnerable. For several years, councils have been dealing with increasing challenges and uncertainty while continuing to address the needs of local people and national priorities. The Covid-19 pandemic has put into clear focus the pivotal role of councils in delivering not only the day-to-day services that communities rely on, but also in responding to risks. It emphasises the essential importance of effective leadership, good governance and good financial management for all councils.

### Additional Covid-19 actions and responsibilities

- support to communities
- business support grant administration and distribution
- infrastructure amendments
- advice services
- staff redeployment
- virtual service delivery

## 32 councils



**£12.6bn** net expenditure budget in 2019/20



Workforce of **206,000** local government staff



Providing services to **5,463,300** people in Scotland

**431,000**

claims for the Self-employment Income Support schemes

**£0.8bn**

estimated additional Covid-19 costs in 2020/21

**180,000**

people shielding in Scotland

**£0.4bn**

estimated loss of income in 2020/21

**9,000**

households receiving kit through 'Connecting Scotland'

**£1.02bn**

administered in business support grants

[Our Local government in Scotland: Financial overview 2019/20 and Digital in Local Government](#) reports explore some of these issues in more detail.



# Key characteristics of the response

We have organised our analysis of the local government response to the pandemic and the wider risks that have emerged under the following themes. Early lessons learned relating to each theme are highlighted in the following sections of the report.

Each characteristic can be navigated to by the tabs at the top of the pages.



## Communities and people

Community wellbeing and the role of communities in responding to the crisis

- differing impacts of Covid-19 on demographic groups
- the impact of the pandemic on inequalities
- communities' contributions in responding to the crisis



## Service delivery and partnership working

The adaption of service provision and working with partners

- reduced service provision and prioritised services
- innovation and digital delivery
- enhanced collaboration and more positive working relationships



## Resources and governance

The financial impact of responding to Covid-19, use of resources and changes to governance arrangements

- challenging financial outlook– additional spending and lost income
- new funding and financial flexibilities
- staff redeployed to fulfil essential roles
- virtual decision-making
- changes to governance arrangements



# Communities and people

The adverse effects of the Covid-19 pandemic on different communities will last for years to come. Some people have faced greater hardship than others, and inequalities have increased in areas such as health, deprivation, employment and digital access. Communities have been integral in supporting councils and their partners' responses to the pandemic. Covid-19 recovery planning needs a sustained focus on addressing inequalities with community empowerment at its heart.

## Covid-19 has had a profound impact on society and the economy

- The impact of Covid-19 on society has been hugely disruptive. Social distancing measures have markedly changed people's daily lives and, for many, have had a detrimental impact on mental health and wellbeing.
- Covid-19 has created significant uncertainty for many sectors of the economy. The national restrictions have forced many industries to shut down completely, resulting in substantial job losses and reliance on the national furlough scheme. At November 2020 the unemployment rate was 4.4 per cent, compared with 3.8 per cent for the same period in 2019.<sup>1</sup> The Improvement Service has created a Covid-19 economic impact dashboard<sup>2</sup> which shows the current uptake of government support at a Scottish local authority level. This uses publicly available data and includes details of the types of employment furloughed, the Self-Employment Income Support Scheme, unemployment benefit claims, and the Covid-19 Business Support Fund Grant Scheme.
- Covid-19 will also bring longer-term impacts on the economy and labour market, potentially leading to structural changes and the risk of long-term scarring for those exposed to extended periods of unemployment. The pandemic has created unequal effects on the economy so far, with digital and tech industries thriving whereas retail, hospitality, tourism, and creative industries have been the worst affected. Many of the workers within these worst affected industries are among the lowest paid and include groups such as young people, women, those with disabilities, and minority groups. This creates a risk that existing social and economic inequalities will be exacerbated. There is also the potential for some areas to be disproportionately affected, for example in economies surrounding city centres relying on footfall and in rural economies relying on tourism. The Improvement Service comments on these issues in more detail in its Covid-19 Supplement to the Scottish Local Authorities Economic Development Group (SLAED) Indicators Report 2019-20.<sup>3</sup>

1. [Labour marker in the regions of the UK](#): Office for National Statistics, March 2021

2. [COVID Economic Impact dashboard \(shinyapps.io\)](#)

3. [Covid-19 Supplement to SLAED Indicators Report 2019-20](#)

## Covid-19 had a significant impact on children and young people

- Significant disruption to education has had an adverse effect on children and young people. The move to home learning has been challenging for many families and has led to loss of learning and loss of school experiences. Our report [Improving outcomes for young people through school education](#) looks at these issues in more detail and notes that the negative impacts of the pandemic may affect children and young people across a range of outcomes, and has had a detrimental effect on mental health and wellbeing.
- Covid-19 has also had a significant impact on young carers, many of whom have had to take on additional caring responsibilities during lockdown. These young people provide essential care for their families, often 24 hours a day, and this can lead to challenges in maintaining their social, educational, and economic wellbeing, as well as their physical and mental health. The pandemic and associated lockdown restrictions and social distancing measures have had far-reaching implications for young carers. These include increases in the complexity of the care provided, the withdrawal of some aspects of external support, difficulties associated with home learning and increased stress and anxiety levels as care loads grow.

## Covid-19 has had a disproportionate impact on some communities and groups in society

- Covid-19 has had disproportionate effects on peoples' health, particularly those with existing health conditions, but the pandemic and society's response to it is also having an unequal impact on disadvantaged and vulnerable people and communities.
- Those living in areas of high deprivation in Scotland are twice as likely to die from Covid-19,<sup>4</sup> and structural inequalities, for example poor access to good-quality education, employment, health and housing, place black and minority ethnic groups at much higher risk of becoming severely ill with Covid-19.<sup>5</sup>
- One-third of 18-24-year-olds have been furloughed or lost their job, in contrast to just over one-sixth of working-age adults overall. A cause for concern is prompted by further analysis by the Resolution Foundation which suggests that those currently on furlough have an increased risk of later unemployment when the job retention scheme ends.<sup>6</sup>
- The financial impact of Covid-19 has been substantial for many individuals and families. Over half of families in receipt of Universal Credit or Child Tax Credit in Scotland have had to borrow money since the start of the crisis.<sup>7</sup> The economic impact has also affected some groups to a greater degree than others, for example young people and women in low-paid job sectors that have faced service closures. Women have historically been exposed to labour market inequality, through comprising more underpaid and undervalued work and are also more likely to have caring responsibilities, making it harder to balance work and care commitments. These issues have been heightened through the response to Covid-19, as women have been disproportionately affected by job disruption and the need for more unpaid care.<sup>8</sup>
- In addition, digital exclusion has been exacerbated, resulting in reduced access to information, goods, and services for some. In the 20 per cent most deprived areas in Scotland, 82 per cent of households have access to the internet, in comparison with 96 per cent in the 20 per cent least deprived areas.<sup>9</sup>

4. [Deaths involving Coronavirus \(COVID-19\) in Scotland, National Records of Scotland, December 2020](#)

5. [Supporting community recovery and resilience in response to the COVID-19 pandemic: a rapid review of evidence, Glasgow Centre for Population Health, May 2020](#)

6. [Getting Britain working \(safely\) again, The next phase of the Coronavirus Job Retention Scheme, May 2020](#)

7. [A stronger Scottish lifeline in the economic storm, Joseph Rountree Foundation, July 2020](#)

8. [The impact of COVID-19 on women's labour market equality, Close the gap: Disproportionate disruption May 2020](#)

9. [Scottish Household Survey 2019: annual report](#)

## New vulnerabilities have also emerged as a result of Covid-19

- Covid-19 has created new vulnerabilities and exacerbated existing inequalities and exposure to risk factors.<sup>10</sup> The response to the pandemic has had a huge impact on vulnerable adults and children, for example through care services being removed from people with disabilities and elderly people, children with additional support needs having reduced educational support, and increased child protection risks as a result of children being less visible to support services.
- These services provide important streams of both practical and social support for those in need. The reduction or cessation of services has had a significant impact. For example, the Care Inspectorate found that children and young people, whose school education and building-based social activities had been suspended, were particularly adversely affected.<sup>11</sup> Similarly, parents in some situations became quickly exhausted. The Care Inspectorate also note the risk of hidden harm being a concern.
- The disproportionate impact has also been reflected in the challenges for those with caring responsibilities, including carers who have faced reduced access to support services and respite care.

### Case study 1

#### East Renfrewshire Council



#### [East Renfrewshire Council's multi-layered approach to shielding.](#)

The council contacted those on the shielding list to assist with essential tasks such as delivering food and medicine. Further support was provided to other groups by cross matching the shielding list with the lists of those accessing other services, such as homecare, telecare, housing, learning disability, food hubs and young mums' services. This allowed the council to co-ordinate various elements of support and contact people who had not used services before. It also helped to identify wider issues that were emerging during the pandemic, such as communities being at risk of food poverty.

10. [A brief summary of some issues and potential impact on those living in socio-economic disadvantage, The Improvement Service: Poverty, Inequality and Covid-19](#)

11. [Delivering care at home and housing support services during the COVID-19 pandemic, September 2020](#)

# Councils were innovative and worked at pace to provide support to those most at risk

- In the initial phases of the pandemic, councils identified vulnerable people using sources such as databases of those accessing food banks, households receiving free school meals and people on the shielding list. This allowed for a targeted response to those at greatest risk.
- Councils have been at the forefront in adapting services and providing support to communities. Diverse approaches were taken to respond to the changing circumstances and to support the most vulnerable. For example, innovative solutions to provide accommodation for homeless people were established. The rapid response to housing the homeless, through additional funding and using private sector resources, is unprecedented.
- Councils are also contributing to national efforts to minimise the negative effect of digital exclusion on vulnerable communities, working with the Scottish Government and third sector to distribute digital devices through the 'Connecting Scotland' initiative.

## Case study 2

### The City of Edinburgh Council



#### The City of Edinburgh Council private sector leasing scheme to tackle homelessness.

The council increased its provision to homeless people by using private sector resources, such as hotels, B&Bs and rented accommodation through the private sector leasing scheme. Working with Link Housing, the council is looking to enhance the scheme in the longer-term, where landlords can lease their properties to the council for up to ten years at guaranteed rents. The council began a new contract for the scheme in April 2020 and, despite the challenges of Covid-19, the scheme has increased by 89 properties, and 321 new tenancies were established between 1 April and 6 November 2020.



## Councils were innovative and worked at pace to provide support to those most at risk

### Case study 3

#### Scottish Borders Council



#### Scottish Borders Council's 'Inspire Learning' programme:

'Inspire Learning' is an ambitious digital learning programme developed in July 2019, through which all secondary pupils and teachers received their own iPad. A range of partners have contributed to the programme's success by adopting a 'one vision' approach. The initial phase was completed six months ahead of schedule in March 2020, providing an invaluable tool for remote learning in response to Covid-19. In the first week of home learning, over 90 per cent of secondary pupils were using their iPads at home. The programme has also now been extended to all primary pupils in P4 and above and primary teaching staff. It also aims to aid collaboration between schools, enhance delivery of the curriculum, and address future employment challenges, by teaching young people digital skills such as coding, working with Apple's education initiative.

## Councils will continue to play a significant role in addressing future inequalities

- The Convention of Scottish Local Authorities (COSLA) has recently prepared a [Blueprint](#), based on the empowerment of people and communities, that outlines the steps local government needs to take to overcome inequalities which increase the chances of contracting Covid-19, and longer-term impacts of the virus. However, it is too early to assess councils' progress in applying the blueprint or to understand the full impact of the pandemic on inequalities.
- Councils will play an integral role in Scotland's recovery from Covid-19 and putting communities at the centre of recovery will be vital. As well as managing the specific impacts of the pandemic, councils will also need to address the challenges that existed before the pandemic, many of which have been heightened.
- The impact of the crisis will require targeted interventions to ensure that people can be supported to overcome its damaging social and economic effects. Councils have demonstrated early signs of this kind of thinking, for example by developing virtual skills programmes for young people, and job-matching websites to help people find employment.

### Case study 4

#### Falkirk Council



#### [Falkirk Council's Employment and Training Unit.](#)

The council's Employment and Training Unit has ensured that more than 800 people could continue to develop employability skills during Covid-19 by providing virtual support, replacing typical face-to-face learning. The team supports young people in Falkirk who wish to develop skills outwith traditional higher or further education settings. The service offers a range of support, from specific training and qualifications to wider life skills in wellbeing, health, and finance. The team has signposted people to other services to help with challenges arising from Covid-19. It has been successful in securing jobs for some despite the fragile employment market, in areas such as health and social care, retail, food and administration.

### Lessons learned

**The impact of Covid-19 has been extremely detrimental for many of Scotland's most vulnerable people and communities. The impact will be long-lasting and will significantly increase inequalities. Recovering from the pandemic will require tackling inequalities to be a priority.**

**As councils may look to embed longer-term changes to service provision as seen during the pandemic, it is important that they are adaptable in their approach, to ensure that services are reaching communities in the right way. Councils need to understand the needs of those experiencing digital exclusion and put**

**a strategy in place to ensure equal access to services for all citizens and communities.**



## Communities were an asset in councils' response to the pandemic

- As councils worked at pace to adapt service provision and provide additional support to vulnerable people, community groups made significant contributions, for example local people helping to coordinate the shielding response.
- Community-led responses were delivered through initiatives such as Community Planning Partnerships and third sector volunteering. Communities made important contributions to delivering these support systems.
- The establishment of community hubs was a common approach to coordinating local support by providing emotional support and services such as deliveries of food and medicines.

### Case study 5

#### North Ayrshire Council



#### [North Ayrshire Council's 'Three Towns' Community Hub.](#)

The council established community hubs around its localities, one being the three towns of Saltcoats, Stevenston, and Ardrossan. Existing community engagement work provided a robust base for developing a collective response from different services, and from community groups that acted as volunteers.

The hub linked together expertise from the community, health, social work, libraries, community development and voluntary organisations. The hubs provided a local telephone point of contact for community need arising as a result of Covid-19, also helping to distribute food, medicine, mental health support, and books. Holistic working provided an efficient response to serving communities with various services 'under one roof'.

## Communities experienced increased levels of activity and collaboration

- As a result of reduced levels of governance and decision-making protocols, communities embraced the opportunity to take charge in responding to the crisis. For example, communities quickly organised themselves to help councils to provide essential supplies to vulnerable people, often in a matter of days.
- Before the pandemic, this type of innovation and activity from local people faced barriers, including limited opportunities to influence or take control of decision-making processes, poor relationships and a lack of trust between communities and the public sector, continued financial pressures and austerity measures, and leadership and cultural challenges. However, the need for more streamlined processes allowed communities to make significant contributions in response to the pandemic. Our report [Principles for community empowerment](#) outlines the benefits of community empowerment in more detail.
- Collaboration was more effective where pre-existing relationships with communities were strong. Shared values and trust were important in helping councils to target support and achieve buy-in from community groups.

### Case study 6

#### East Lothian Council



#### [East Lothian Council Connected Communities Resilience Bases.](#)

The council established six bases (one in each ward) across the local authority area to support vulnerable people or those who are self-isolating and have no other local support. Staff coordinated the despatch of essential goods including food, sanitary products, and hearing aid batteries. They proactively contacted those on the shielding list and worked with community groups to tackle concerns over wellbeing and isolation.

### Lessons learned

**Action taken by communities has been vital in supporting councils and their partners to deliver an emergency response. Partnerships that were well-established before the pandemic had a smoother transition into the response phase and acted more quickly than others.**

**The importance of strengthening relationships with communities has been apparent. Greater flexibility in decision-making structures has been an effective tool for communities, empowering them while allowing the council to operate more efficiently. Giving communities**

**more scope to use initiatives like this will be important in the future but must be balanced with the return of robust governance arrangements and continued openness and transparency in decision-making.**



# Service delivery and partnership working

Councils were central to the national Covid-19 pandemic response to supporting communities and vulnerable groups, alongside partners in health and social care and voluntary sectors. They responded quickly to the pandemic, placing their initial focus on maintaining essential services and protecting communities. Levels of service disruption varied during the early stages of the spring 2020 lockdown. Some councils worked well with their communities to respond to the challenges.

## Councils proved agile in adapting service provision, by redirecting resources and using digital technology

- In their initial response to the national lockdown in March 2020, councils had to take quick decisions on their priorities to maintain key services while changing the way they delivered services and pausing some altogether.
- Generally, the most resilient services were those that were able to embrace home working, particularly administrative, support and processing functions.
- The impact of the pandemic and disruption to services varied. Services such as education, social care, culture and leisure, and housing repairs were significantly disrupted, and it is likely that these impacts will have longer-term consequences for communities and councils.
- Our report [Improving outcomes for young people through school education](#) found that those involved in planning and delivering school education and their partners had developed a strong foundation of working together before the pandemic. That foundation helped them deliver a quick response to the crisis. However, the move to home learning was less effective for children and young people living in already challenging home circumstances. This has exacerbated learning and development inequalities among pupils.

### Case study 7

#### Aberdeen City and East Dunbartonshire



**Councils including [Aberdeen City](#) and [East Dunbartonshire](#) distributed digital equipment to school pupils.**

Aberdeen City Council's Education Service provided laptops and internet access for children and young people to support their access to the curriculum and continuing their studies at home. Teachers came up with interactive ways to provide more engaging learning for students. Guidance on delivering a digital curriculum was also issued to parents and staff.

- The pandemic impacted on councils' ability to carry out their social care functions, and the Coronavirus (Scotland) Act 2020 temporarily relaxed many of the usual statutory requirements on councils. These changes had significant negative impacts on some vulnerable groups and communities. In its review of care at home services, the [Care Inspectorate](#) found that health and social care partnerships effectively prioritised support for people with critical needs; but the impacts of this prioritisation on other people using services was very variable across the country.
- The suspension of day care and respite services had a particular impact on children and young people with additional support needs, learning disabilities or challenging behaviours. Children and young people whose school education and social activities had been suspended were particularly adversely affected.
- The Care Inspectorate also found that social isolation, disruption of daily activities, limitations on physical activity and the suspension of reablement services had an adverse impact on the health and wellbeing of people who experience care and carers.
- All councils and partner providers closed their leisure centres, libraries, museums, and cultural centres to the public.
- Councils initially restricted housing repairs to emergencies and essential repairs only, and the right to repair timescales were suspended in cases where landlords and contractors could not meet them because of the disruption caused by Covid-19.

## Case study 8

### Midlothian Council



**Midlothian Council's Registrations service moved to a seven-day service, to make sure that deaths would be registered on time, and in line with social distancing requirements.**

The service adapted to enable remote digital registrations, coordinating the early stages of each registration before completing it in the office. The council's library support team provided administrative assistance to the registrations team.

- Other services such as waste collection and administration functions continued on a reduced basis in the early stages of the spring 2020 lockdown. For example, in waste management, most councils continued kerbside bin collections, but recycling centres were temporarily closed. Most planning services were moved online with site visits suspended and a focus on responding to urgent matters.
- Councils made creative use of digital technology, responding to challenges across services. For example, school pupils were given access to learning materials online while learning at home (the 2021 report [Improving outcomes for young people through school education](#) looks at councils' responses to the pandemic and their impacts in detail). In addition, fitness classes and library collections moved online; some care homes provided virtual visiting for residents; and some councils live-streamed funeral services privately for family and friends.
- The [Digital progress in local government report](#) found that the pandemic has had a huge impact on council workforces, resulting in a large-scale shift to homeworking and remote working. Getting the right technology, skills, and support in place to give staff the confidence to use new cloud-based tools has been a key challenge. Councils' digital and information communication technology (ICT) teams have responded with unprecedented speed, agility, and resilience.

## Case study 9

### Perth and Kinross Council



[Perth and Kinross Council live streamed funeral services from Perth Crematorium, to allow families to say goodbye to their loved ones safely while following social distancing guidelines.](#)

The webcam service was made available privately to relatives, and the feedback received from families has been overwhelmingly positive.



## Councils rapidly changed service delivery arrangements

- Councils reacted quickly to take on new responsibilities brought about by the pandemic, including distribution of business support grants ([see Resources and governance section](#)) and involvement in the shielding response.
- Councils have also experienced an impetus for digital change from the challenges of the pandemic, with some taking the opportunity to accelerate their digital transformation plans by, for example, adopting online meetings and reducing staff travel. [The Digital progress in local government report](#) provides more details on how councils met these challenges.
- Data sharing between councils and partners enabled resources to be directed to those in need. [The Digital progress in local government report](#) highlighted the example of the Helping Hands platform which councils and third sector partners jointly developed to coordinate support for citizens who were shielding or otherwise vulnerable. This allowed councils and partners to identify and support those at greatest risk. However, the Improvement Service found that a lack of data sharing in some cases created challenges, for example relating to councils and Public Health Scotland sharing Test and Protect data from households required to isolate.
- Our review of the 32 council websites found that councils took similar approaches to communicating with the public and staff through their websites by providing periodic updates on most services. But some councils' websites had gaps in information on key services such as homelessness and social care in the early stages, creating the risk of people not being kept fully informed about the services they needed.

### Case study 10

#### Perth and Kinross Council



[Perth and Kinross Council staff such as parking attendants worked with NHS Tayside to collect and deliver prescriptions and other medical equipment to patients.](#)

This followed the suspension of parking charges, to allow key workers to get to their places of work more easily. The council's Public Transport Unit also worked with businesses that normally take pupils to school to instead take key workers to and from work back home.

## Council workforces demonstrated versatility by adapting quickly, taking on new roles and working under pressure to maintain key services

- Councils redeployed staff from closed or reduced services to services that faced increased demand or pressures. Staff have had to work at pace and under significant pressure.
- Homeworking and staff redeployment have created challenges for council workforces. The additional pressures created by new and changed ways of working reinforce the need for the workforce to be versatile now and in the future.
- The impact of the pandemic on staff wellbeing and mental health means that there is an increased need for leaders to be aware of staff wellbeing and their role in supporting staff, as well as ensuring the effectiveness and accuracy of councils' workforce data and planning. These challenges have been highlighted by the [Improvement Service Organisational Development Local Authority Network \(ODLA\)](#).
- There is an increasing and ongoing need for council workforces to be agile as services continue to adapt to the impact of Covid-19, and as recovery moves into renewal. But councils must also manage the pressures on their staff to ensure their people are not at risk of burnout as the pandemic continues.

### Case study 11

#### North Ayrshire Council



#### [North Ayrshire Council redeployed staff to its community support hub network to work with volunteers in supporting local communities.](#)

The hub network was established in March 2020 providing services including support to vulnerable residents and people in isolation to access emergency food supplies, and connecting with people struggling with money worries, social isolation, and poor mental health. The links to a wide range of disciplines allowed the hub to respond quickly in the initial phases of lockdown by taking a multi-agency approach. In one week, the hubs answered over 2,200 calls, carried out 2,153 food deliveries and 746 prescription drop-offs, and provided advice and signposting to over 400 residents to key statutory services.

## Lessons learned

**Councils must closely monitor the impacts of service changes and disruptions on people and communities. There are growing concerns about the effects of service disruptions on different groups, for example the impacts of moving school education into homes and online on disadvantaged and vulnerable children**

**and young people, and of reduced or paused care services on people who rely on them and their carers. Councils must develop targeted responses to tackle both the immediate negative impacts of the pandemic and the long-term inequalities that have been exacerbated.**

**As councils embrace longer-term digital service provision, they must balance the efficiencies digital services bring against the needs of communities and the workforce. Citizens must be at the heart of decisions about the services they rely on.**

## Councils have worked effectively with community partners to respond to the impacts of Covid-19. Partnerships between councils and community partners have developed and strengthened in some areas

- Councils play a key role in leading and coordinating partnerships focused on supporting and improving the lives of people in their communities. This role has been crucial as councils have coordinated and managed local responses to the pandemic. There have been many positive examples of these partnerships - including in mandatory Local Resilience Partnerships, through data-sharing responses to support shielding - and community resilience responses.
- During the early stages of the spring 2020 lockdown, it was not always clear how councils identified those in need of additional support. Some councils outlined their approaches on their websites, for example in providing additional support to individuals and families by coordinating data on those accessing other support such as food banks, households receiving free school meals, and those on the shielding list. Not all councils detailed their approaches publicly. This created a risk that people were not fully informed about the services they could access and were entitled to, particularly those in vulnerable groups, or about the council's response to Covid-19 in their local area.
- Partnerships with the third sector and communities have been particularly important in protecting people's wellbeing and supporting community hubs. As noted in the [Communities and people](#) section, partnerships that were well established before the pandemic had a smoother transition in the response phase. Many councils set up community hubs, and some communities were able to offer a faster and more targeted response to deliver vital services as a result of having fewer formal decision-making structures.



- Councils played an active role in national initiatives such as [Connecting Scotland](#), working with the Scottish Government and third sector to distribute digital devices to people in need.
- Collective action from Community Planning Partnerships (CPPs) had a significant positive impact. CPPs provided a much-needed way of coordinating local support activities and communications. Work carried out by the Improvement Service highlighted how CPPs have added value, through emergency resilience planning and by providing an immediate response involving key partners and communities.
- CPPs' impacts highlighted the value of Community Planning, in coordinating local and national responses, mobilising communities to take charge of supporting vulnerable people, developing existing relationships within Community Planning, and marshalling third sector resources. Following this initial reactive phase, there is evidence of CPPs now looking to join councils' efforts in recovery planning.

## Case study 12

### East Renfrewshire Council

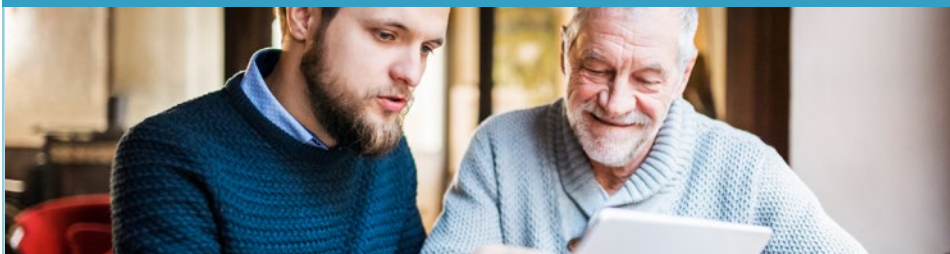


[East Renfrewshire Council](#) contacted the 2,500 people on the shielding list to check whether they needed any assistance, for example in obtaining food and medicine provision, digital support, or financial help.

The council also carried out a social care needs assessment at that point to determine what support was already in place, for example district nursing or home care, and then worked with Voluntary Action East Renfrewshire to meet the additional needs.

## Case study 13

## Fife Council



**Fife Council worked with Fife Voluntary Action to deliver the Helping Hands initiative.**

This aims to support local communities across Fife, providing a range of essential services, including delivery of shopping and prescriptions, and providing transport and befriending services. There are eight active community resilience groups in Fife, six of which were established before the pandemic. These linked directly with the Emergency Resilience Team which provides advice on and support for developing local resilience arrangements and community-led responses. The groups have been key to providing a foundation for building capacity and additional resources to respond to the impacts of Covid-19 and support communities.

- The Improvement Service has worked with COSLA and the Society of Local Authority Chief Executives (SOLACE) to develop a local government Covid-19 dashboard, to help councils to coordinate and draw insights from the significant volume of Covid-19 data they hold. The dashboard has been created to put greater focus on evidence-based service arrangements and to help councils use timely data to inform their decision-making. It is too early to assess the overall effectiveness of the dashboard, but the early signs are positive, and councils now have access to current data on key figures and emerging trends analysed nationally and at family grouping level. Further consideration will be given to the dashboard in future local government overview reports.
- More broadly the Improvement Service has played a key role in sharing good practice examples of effective ways of working by councils during the pandemic, preparing a paper on the role of Community Planning in the response to the crisis and producing economic dashboard outputs on its website to show differences in councils' uptake of the furlough schemes. COSLA's Recovery Special Interest Group is currently reviewing lessons learned and developing policy on the national recovery from Covid-19. The group is chaired by the COSLA vice-president and includes COSLA's president and five policy spokespersons. Its aim is to develop political direction from local government to shape the medium- to longer-term recovery work.

## Councils' approaches to restarting paused services have varied, but they have been guided by the Scottish Government's national guidance

- As well as recovery planning, early action has already been taken in some councils to address the profound and immediate economic and social consequences of the pandemic. Some councils are working with partners to develop skills programmes to tackle future employment issues and using place-based approaches to address wider economic challenges.
- Councils have also maintained their focus on key challenges that they faced before the pandemic, and progress has been made in some areas despite the unprecedented pressures that emerged. For example, in March 2021, the Improvement Service<sup>12</sup> noted that data returned by local authorities indicated that 114,222 children were accessing funded early learning and childcare services as at the end of February 2021. Of these, 98,474 children (86 per cent) were accessing more than the statutory entitlement of 600 hours, and 74,096 children (65 per cent) were accessing 1,140 hours, despite the legal obligation to do so being suspended for a further 12 months.
- But there are significant challenges facing councils as they move from the response to recovery from the pandemic. As we highlighted earlier in this report, there are longstanding and wide-ranging inequalities in children's and young people's education outcomes that have been exacerbated by the impacts of and actions taken in response to Covid-19. The impacts of reduced services for pupils and for care service users for example, may not be known for some time and will require long-term efforts to address them.
- Services that were paused or reduced during Covid-19 restrictions will have built up backlogs of demand that may take some time to become clear. Councils' responses to these backlogs and the restarting of services will need to be effectively resourced and managed.
- Looking to the medium and longer term, councils recognise the challenges of repairing the damage to communities caused by Covid-19. Recovery planning began in many councils early in the pandemic, primarily focusing on recovery and renewal. The priorities that demanded councils' attention before the pandemic have become even more pressing, such as tackling inequalities, improving outcomes for young people, and tackling climate change.

12. [Early Learning and Childcare Expansion Delivery Progress Report, March 2021](#)

## Case study 14

## Glasgow City Council

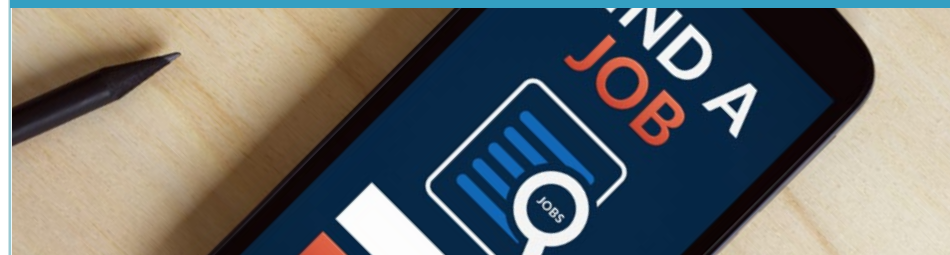


Glasgow City Council acted promptly in establishing its Covid-19 Recovery Group to tackle the economic and social consequences of the pandemic by looking at economic impact data.

At the end of this process, the group will publish a report containing recommendations on the actions that will guide the economic recovery of the city and city region. The group consists of members of the Glasgow Economic Leadership, the Glasgow Partnership for Economic Growth, the Glasgow Economic Commission, and some external advisers. Members include representatives from the public sector, academia, the voluntary sector, and the tourism, retail, financial services, and energy sectors.

## Case study 15

## Edinburgh and South East Scotland



Edinburgh and South East Scotland City Region Deal partners, through the Integrated Employer Engagement workstream of the Integrated Regional Employability and Skills programme, launched a new job matching website, c19jobs, as a rapid response to promote key worker roles and to help reduce unemployment caused by the pandemic impacts.

The site offers vacancies in key sectors such as the NHS, supermarkets, and take-away services. The site also provides information and guidance for both employers and employees.

## Case study 16

## North Ayrshire Council



[North Ayrshire Council launched its Community Wealth Building Strategy in May 2020 which is the first of its kind in Scotland.](#)

The strategy underlines how the council and other 'anchor' organisations – including NHS Ayrshire and Arran, Ayrshire College, and wider partners - will support more local business to bid for public sector contracts. The council seek to continue to enhance its strategy, recognising that Covid-19 has had a negative impact on inequalities to ensure that the recovery is strong, resilient, and fair. It aims to 'keep wealth local' and provide more sustainable solutions to tackle Climate Change.

### Lessons learned

Councils and their staff have been at the centre of unprecedented efforts to protect and support people and communities through the Covid-19 pandemic. Demands on people have been intense, and both council staff and the citizens they serve will need continued targeted support through the move to recovery and renewal. Councils' recovery and renewal efforts must be informed by comprehensive understanding of the issues that affect all those who live and work in their communities, and the positive partnerships built on during their initial response should be a core element in this.

The impacts of the pandemic, particularly its unequal impacts on groups in society and the awareness it has raised of issues of fairness and equality, the importance of community and the value of local services are all key to deciding future priorities for public services and what 'building back better' might mean for communities.





## Resources and governance

Councils have been dealing with the unprecedented economic and fiscal consequences of the Covid-19 pandemic alongside other challenges. Significant changes were also required to governance arrangements in the early stages of the pandemic.

### Councils face significant financial challenges as a result of the pandemic

- Our [Local government in Scotland: financial overview 2019/20](#) report explains how the Covid-19 pandemic and associated lockdown has affected many aspects of councils' finances and created significant financial challenges and uncertainty.
- As part of COSLA's cost collection exercise carried out in July 2020, councils estimated that the total 2020/21 net financial impact of Covid-19 would be £767 million. This includes financial pressures totalling £855 million, offset by cost reductions of £88 million from a range of areas such as lower property costs and reduced school meal costs. Loss of income accounted for around £400 million of the forecast financial pressures. Other areas forecast to come under increased pressure include the costs associated with delaying capital projects, underachievement of savings and the additional costs associated with delays in the redesign and reconfiguration of services.
- The closure of sport and leisure facilities is likely to result in a significant loss of income for councils. In summer 2020, COSLA estimated that this could be around £75 million for 2020/21, however this was based on assumptions in line with the Scottish Government's route map out of lockdown at that time. It is likely that the further lockdown restrictions implemented in December 2020 will exacerbate this challenge, resulting in a greater loss of income than first anticipated. This also applies to other areas of lost income for councils, including from the closure of other buildings and services, reductions in fees and charges and the impact of school closures on income from food and drink. In addition, the council tax reduction scheme and loss of council tax revenue continues to put significant pressure on revenues, alongside similar challenges faced by councils in collecting housing rent payments. Councils also projected that they will miss out on over £50 million in savings as a result of opportunities forgone and the pressures faced in response to Covid-19.
- Councils' auditors also reported wider financial consequences of Covid-19 in the 2019/20 annual audit reports. These include the suspension of capital programmes, delays in bad debt collection and the uncertainty of capital receipts.

## Case study 17

**Projected loss of income – ALEOs**

Several large urban councils have arm's-length external organisations (ALEOs) that were set up to manage commercial activities and provide income back to councils. These include conference facilities and transport services.

Councils' projected loss of income from these organisations in 2020/21 is £39 million. This includes Lothian Buses, Edinburgh Trams, the Scottish Exhibition and Conference Centre and the Aberdeen Exhibition and Conference Centre.

# The UK and Scottish governments have provided substantial additional funding to support the pandemic response

- Scotland has had guaranteed additional funding from the UK Government of £8.6 billion. As at February 2021, over £2 billion of Scottish Government Covid-19 support for councils had been either allocated or announced. This includes the following:
  - **£800 million of non-ringfenced revenue support, including £200 million (estimated) of dedicated funding to compensate councils for loss of income**
  - **£267 million to support education recovery**
  - **£255 million to support individuals, families and communities**
  - **£434 million of NHS funding to be passed on to health and social care partnerships**
  - **£63 million of capital support for Regeneration Capital Grant Fund, Town Centres Capital Fund, School transport support and Digital Inclusion funding.**
- As part of their new responsibilities resulting from the impact of the pandemic, councils have administered funding of over £1 billion under the Covid-19 Business Support Fund Grant Scheme. These grants are administered by councils on behalf of the Scottish Government, and funding is made available to councils to finance the costs incurred. Councils reported that over 106,000 applications were received for the Small Business Grant Scheme and the Retail, Hospitality and Leisure Business Grant Scheme across Scotland. Of the applications received, over 90,000 were successful with grants of over £1 billion awarded by December 2020.<sup>13</sup>

## Covid-19 Business Support Fund Grant Scheme (December 2020)

- Total number of applications: **106,662**
- Number of grants awarded: **91,258**
- Value of grants awarded: **£1,019,526,016**

13. [Coronavirus \(COVID-19\): business support fund grant statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot)



## More councils added to their revenue reserves in 2019/20. Further increases may occur in 2020/21 as a result of carry-forward of late grant funding and allocations of cash from the Scottish Government

- In 2019/20, 22 councils reported increases in their revenue reserves balance (13 in 2018/19), with a net increase of £65 million (or three per cent) across all councils. Reserves play an important role in effective financial management. They provide a working balance to smooth out uneven cashflows, protect against the financial impact of unexpected events, and enable funds to be built up for known future commitments. With continued uncertainty around available funding and additional costs resulting from Covid-19, increases in revenue reserve balances may help councils to deal with short-term cash-flow challenges in 2020/21.
- Some elements of funding announced by the Scottish Government in late 2020/21 may need to be carried forward by some councils. This, along with late allocations of cash that are unlikely to be spent before the year-end, is likely to have an impact on councils' year-end reserves. Although an increase in revenue reserves would provide some additional flexibility for councils at a time of significant financial challenges, this is more likely to reflect the timing and nature of funding allocated rather than favourable financial positions resulting from strategic decisions made by councils. Late funding carried forward from 2020/21 is also likely to be earmarked for specific purposes rather than being available for general use. It is important that councils continue to recognise the sustainability challenges of using reserves to fund recurring expenditure, particularly as the impact and challenges of Covid-19 continue to develop.

## COSLA is working closely with the Scottish Government to obtain additional financial support for councils

- Discussions continue around an additional package of spending powers and financial flexibility that the Scottish Government claims could be worth up to £600 million for councils. This figure would apply if all councils were able to use all the new flexibilities, but COSLA does not consider this to be a likely scenario. Councils will need to consider the increased costs that may arise in future years and the impact that Covid-19 may have on some areas, for example expected capital receipts. The additional spending powers being discussed apply to Covid-19-related pressures only and to the years 2020/21 and 2021/22 and include:
  - enabling the use of capital receipts to meet one-off revenue funding pressures, including Covid-19 related costs
  - extending debt repayment periods over the life of the asset rather than the contract period
  - allowing councils to take a repayment holiday in either 2020/21 or 2021/22 to defer internal loan fund repayments.
- The Scottish Government has also provided flexibility in its guidance on how councils use specific education and early learning and childcare funding. This includes Pupil Equity Funding and deploying early learning and childcare funding flexibly to deliver critical services for children and families. The extent of how these individual flexibilities may be used by each council is as yet unclear. Each council will need to consider the flexibilities available and decide how funding is used. This may depend on the extent of unavoidable commitments already made, for example in early learning contract commitments to parents.

## The total net cost of Covid-19 in 2020/21 will be challenging for councils but is likely to be managed through savings, use of reserves and additional funding provided by the Scottish Government. Nevertheless, significant uncertainty remains around future financial planning and support

- The report [Local government in Scotland: Financial overview 2019/20](#) estimated that funding announced by the Scottish Government by November 2020 would meet 60-70 per cent of the revenue cost pressures identified by councils, with total costs and funding still uncertain. Councils have taken steps to manage this position in-year through delivery of savings and use of reserves. Subsequent announcements of additional funding by the Scottish Government at the end of February 2021 indicate that the total net cost of Covid-19 in 2020/21 may now be fully covered. However, a significant element of this additional funding is non-recurring and ringfenced for specific purposes. Councils may still have cost pressures in other separate areas, including in core services, which may not be met by this specific funding. This therefore puts increased pressure on councils to identify ways to close remaining budget gaps with limited flexibility in some of the funding allocated.
- Funding of councils beyond 2021/22 remains uncertain. Currently, funding is being provided incrementally, and this presents challenges for councils in planning effectively. Significant levels of grant support have been provided by the Scottish Government in 2020/21, but it is not yet clear whether this will continue in future years as the impact of the pandemic develops. COSLA anticipates that the impact on council finances will be felt for years to come, particularly in relation to recovery of income streams and collection of council tax debt. Furthermore, the flow of funding in late 2020/21 has created an additional administrative burden for the Scottish Government and councils in awarding and accepting grants and completing the related reporting requirements. This may have an adverse impact on councils' ability to respond to local needs should a large proportion of future funding come with similar conditions.

## Lessons learned

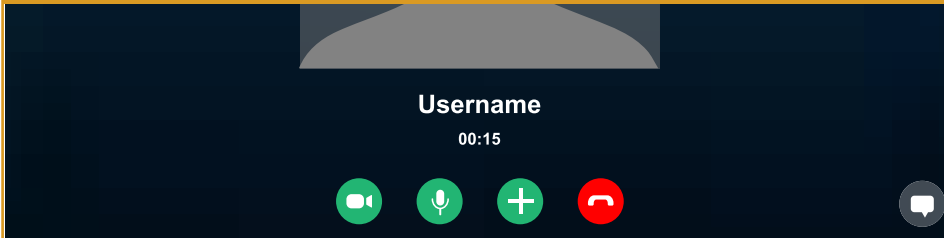
The timing and nature of funding for local government is creating pressure and uncertainty for councils beyond the current financial year. Funding is being provided incrementally and the lack of certainty regarding future budgets makes effective short- and medium-term planning very difficult for councils. Covid-19 will have long-term impacts on councils and the communities that they serve. Councils are likely to require additional support to address the challenges of remobilising services, and supporting social and economic recovery. If additional funding is provided with specific conditions or is ring-fenced for specific purposes councils will then be forced to make difficult prioritisation decisions with potential negative impacts on other services. A lack of flexibility in future funding may lead to a differential impact on service delivery and exacerbate existing financial sustainability risks.

As reported in Local government in Scotland: Challenges and performance 2018, services such as planning, cultural services, environmental health and roads have borne the brunt of service cuts in recent years. The trend has been one of larger reductions to relatively smaller service areas with no change in real terms to social care and education spending. The increased financial constraints created by Covid-19 are likely to create a further risk to recovery should smaller services face further cuts. This will adversely affect councils' ability to provide importance services that people and communities rely on.

## Councils made swift changes to governance arrangements

- Councils moved quickly to a revised/suspended schedule of meetings. Many councils held only meetings dealing with urgent business, while some councils maintained other committees. Several councils established a Covid-19 committee, which was helpful in providing key information and updates in relation to council business during the pandemic.
- Some councils have since moved to virtual committee meetings, while others have operated blended or socially distanced meetings. There was some initial inconsistency in how councils made decisions, with some establishing 'emergency' or 'special' committees to take key decisions that would otherwise have been taken by other committees, and others delegating key decisions to senior officers. All 32 councils now have arrangements in place for remote meetings and are not relying on delegation to officers or emergency committees to the extent seen early in the pandemic.
- The Improvement Service notes in its November 2020 paper ['Transitioning to the new normal: Political Governance'](#) that around half of councils are now livestreaming meetings or allowing members of the public to participate. Many of the councils that do not currently livestream or allow the public to participate are exploring options for doing so. Microsoft Teams is the most popular platform, and some councils are using it in conjunction with other technology. Although not in breach of the provisions in the Coronavirus (Scotland) Act 2020, a lack of public participation restricts the openness and transparency of decision-making.
- The new governance arrangements introduced by councils have created greater flexibility and safer conditions for officers, elected members, and the public. However, councils will be required to decide on the longer-term sustainability of these arrangements. Some feedback gathered by the Improvement Service notes that remote meetings are taking longer and need additional support staff to facilitate them, placing greater strain on resources. Councils will face difficult decisions in resourcing governance arrangements that are flexible and safe but that also enable effective scrutiny and decision-making.

## Case study 18

**Aberdeenshire Council**

**Aberdeenshire Council** was able to ensure minimal disruption to democratic processes from the beginning of the pandemic as it already had the technology in place.

This enabled a smooth transition to virtual meetings by Skype and remote working – ahead of other councils. One committee meeting was postponed, but otherwise all council meetings continued as scheduled. The council produced guidance for elected members, chairs, committee officers and board members to ensure proceedings ran as smoothly as possible. Guidance was also available to help the public understand how meetings would be conducted and recorded, and how they could participate in meetings and access those recordings.

**Lessons learned**

Councils have reacted well to the changing environment and have acted quickly to implement new governance arrangements that are safe and flexible. Although delegation to officers and emergency committees was undertaken at some councils in the early stages, it is welcome that all 32 councils now have arrangements in place to support remote meetings. It is likely that the requirement for remote meetings will continue for some time, therefore all councils should ensure that public participation is facilitated as soon as possible to provide openness and transparency in decision-making.

# The pandemic created significant challenges for councils in financial planning and reporting

- There was inconsistency in the pace at which councils prepared financial updates during the initial response phase of the pandemic. Early monitoring of councils' websites found limited reporting of financial considerations. A few councils prepared detailed financial analysis papers in the early months of the pandemic, but most were slower to make this information available to the public. There has since been an improvement in the pace at which councils are providing financial updates, but the cost projections and assumptions included remain uncertain as the situation continues to develop.
- Councils will need to revise their medium-term financial plans. The wide range of financial and service demand pressures councils faced before the pandemic still exist, alongside a new set of future challenges created by the pandemic. These include restarting services and dealing with backlogs, developing new services and strategies to address the long-term harm caused to communities by the pandemic. In 2019/20, auditors reported greater uncertainty in current financial planning arrangements at councils due to Covid-19. Medium-term financial plans will now need to be revised by all councils to consider additional financial pressures and updated funding arrangements, as well as updated savings requirements and financial assumptions.
- The strategic uncertainties around Scotland's public finances and fiscal plans may also create challenges for councils in updating their own financial plans. Prioritising services such as the NHS may have an adverse impact on local government funding levels. In the [Local government in Scotland: Financial overview 2019/20](#), we reported that between 2013/14 and 2019/20, local government funding underwent a larger reduction than the rest of the Scottish Government budget over the same period. The Scottish Government will have to make difficult fiscal decisions in response to the pandemic and this may exacerbate the financial uncertainty challenge for councils.
- The differential impact of Covid-19 on some groups and communities has implications for the Scottish Government's approach to the distribution of funding. It needs to be targeted to those most in need. As reported in the [Local government in Scotland: Financial overview 2017/18](#), we recognise that a review of funding distribution is difficult in times of reduced budgets and financial challenges, as there will inevitably be some councils that end up with smaller allocations of funding, putting further strain on already tight budgets. Nevertheless, as the effects of the Covid-19 pandemic develop it is increasingly important that the Scottish Government and COSLA assure themselves that the funding formula remains fit for purpose.

## Case study 19

**Inverclyde Council**

Inverclyde Council prepared a 'Covid-19 Financial Considerations' paper in late March 2020.

This paper was used to highlight the financial pressures and supports relating to Covid-19 and to seek delegated powers where required to release funding. All councils are now preparing regular Covid-19 related financial updates for elected members and the public.

**Lessons learned**

**Councils' medium-term financial plans will need to be updated to reflect the significant financial impact of the Covid-19 pandemic. Although considerable challenge and uncertainty still exists, it is important that councils have a plan in place that identifies medium-term impacts so that steps can be taken to manage risk and plan effectively. Good medium-term financial planning, based on modelling various future scenarios and focusing on clear priorities, is more important now than ever.**



# Local government in Scotland: Overview 2021

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**ARGYLL AND BUTE COUNCIL**

**AUDIT AND SCRUTINY COMMITTEE**

**CUSTOMER SUPPORT SERVICES**

**14 SEPTEMBER 2021**

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**LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2019/20 – ANALYSIS  
AND COMMENTARY**

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**1.1. EXECUTIVE SUMMARY**

**1.2.** This paper presents the final Local Government Benchmarking Framework (LGBF) 2019/20 data for Argyll and Bute which includes our 'How We Performed' and 'Expected Future Performance and Impact Of Policy Decisions' commentary from Heads of Service.

**1.3.** It is recommended that the Audit and Scrutiny Committee:

1.3.1. Considers the contents of the report for scrutiny activity and performance reporting purposes.

1.3.2. Notes that the completed LGBF 2019/20 is published on our website as part of the Council's statutory Public Performance Reporting duty.

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**ARGYLL AND BUTE COUNCIL**

**AUDIT AND SCRUTINY COMMITTEE**

**CUSTOMER SUPPORT SERVICES**

**14 SEPTEMBER 2021**

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**LOCAL GOVERNMENT BENCHMARKING FRAMEWORK (LGBF) 2019/20**

**ANALYSIS AND COMMENTARY**

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**2.0 INTRODUCTION**

- 2.1** This paper presents a selection of indicators from the Local Government Benchmarking Framework (LGBF) 2019/20 and the Council's performance.
- 2.2** The indicators for analysis have been identified by the Strategic Management Team (SMT) for analysis. The analysis includes 'How We Performed' and 'Expected Future Performance and Impact Of Policy Decisions' commentary from Heads of Service. The completed LGBF 2019/20 is published on our website as part of the Council's statutory Public Performance Reporting duty.

**3.0 RECOMMENDATIONS**

It is recommended that the Audit and Scrutiny Committee:

- 3.1** Considers the contents of the report for scrutiny activity and performance reporting purposes;
- 3.2** Notes that the completed LGBF 2019/20 is published on our website as part of the Council's statutory Public Performance Reporting duty.

**4.0 DETAIL**

- 4.1** All Scottish Councils participate in the Local Government Benchmarking Framework (LGBF) which is managed and produced by the Improvement Service (IS). The purpose of the LGBF is to improve performance through Benchmarking and sharing good practice between councils.
- 4.2** The final data is normally received at the end of March / early April each year. Since then the data has been analysed and is now presented in a more user friendly way. It should be noted that the base year differs for some indicators.
- 4.3** The Framework consists of 97 indicators which this year includes 7 new indicators to cover Financial Sustainability (5) and Climate Change (2). The data is collected through various means during the year. For example directly to the IS, CIPFA, the Scottish Government or the Scottish Household Survey (SHS). Many of the indicators have data from 2010/11.
- 4.4** The LGBF is a key element of our Performance and Improvement Framework (PIF). The PIF enables the Council to deliver its statutory duty to 'make arrangements to secure Best Value (continuous improvement in the performance

of functions)' as required by the Local Government in Scotland Act 2003. In the past the LGBF has been criticised for using measures that many councils felt were not relevant, or the SHS size was too small a sample. We actively engage with the IS and other Scottish Councils to improve and strengthen the measures to support a more strategic use of the LGBF and for the framework to be more outcome focused.

- 4.5** Geography and demography impact on indicators in a variety of ways. For some we recognise we cannot change the performance and will always be for example, high in cost, which in turn impacts on the performance of particular LGBF indicators, such as the cost of primary and secondary school pupils.

However, the indicators that we can influence through improvements and those that matter to our communities have been identified for detailed analysis and are directly mapped to our Corporate Outcomes.

- 4.6** To help put performance into context and support improvement the LGBF groups Councils with similar characteristics into two sets of Family Groups

The characteristics for Family Groups are the type of population that they serve (e.g. relative deprivation and affluence) and the type of area in they cover (e.g. urban, semi-rural, rural).

The two sets of Family groups are centred around:

- People's Services: Children; Social Work and Housing.
- Corporate Services: Environment; Culture & Leisure, Economic Development; Corporate and Property.

Our membership of these two sets of family groups are different.

Within People's Services we are part of a family group with: Angus; East Lothian; Highland; Midlothian; Moray; Scottish Borders; Shetland.

Within Corporate Services we are part of a family group with: Aberdeenshire; Dumfries and Galloway; Eilean Siar; Highland; Orkney Islands; Scottish Borders; Stirling.

- 4.7** In March 2021 the SMT identified 58 indicators for analysis. Analysis was performed on 52 indicators as data was not available for 6 of the identified indicators. Where possible these have been linked by subject matter. Analysis has been performed on our Family Group of councils and are presented in Appendix 1 by Corporate Outcome in the following order:

- People Live Active, Healthier And Independent Lives
- People Will Live In Safer And Stronger Communities
- Children And Young People Have The Best Possible Start
- Education, Skills And Training Maximise Opportunities For All
- Our Economy Is Diverse And Thriving
- We Have An Infrastructure That Supports Sustainable Growth
- Getting It Right

This mapping is part of our performance improvement activity, which seeks to better align the measures that we report on for scrutiny purposes to our Corporate Outcomes. The full list of LGBF 2019/20 indicators with the 58 identified for analysis is presented in Appendix 2. It should be noted that the order of presentation is that of the LGBF and not by Corporate Outcome.

- 4.8** Some of the LGBF indicators are used strategically in our Service Plans and Scorecards while others are used operationally for Benchmarking.

The following LGBF indicators are used within our Service Plans and therefore directly mapped to our Corporate Outcomes.

- CHN 21: Participation Rate for 16-19-year olds
- CORP 8: Percentage of invoices sampled that were paid within 30 days
- CORP ASSET 1: Proportion of operational buildings that are suitable for their current use
- ENV 7b: % of adults satisfied with street cleaning services
- CORP 7: Percentage of income due from Council Tax received by the end of the year

However, we do not just use the LGBF to monitor and present our performance or aid our improvement journey. It is important to note that other indicators which are similar to those in the LGBF are used and mapped to our Corporate Outcomes, for example:

- RIS113\_02: The percentage of roads in need of maintenance as defined by the annual survey. (This captures and presents the overall condition of all our road network).
- RIS114\_02: The number of tonnes of waste sent to landfill. (This captures all landfill waste, not just domestic)
- EDU106\_01: Increase positive destinations for our looked after children in Argyll and Bute. (We work to ensure that our looked after young people have the best transitions possible to equip them for post school life).

- 4.9** The LGBF uses a rank structure to illustrate performance, from 1<sup>st</sup> to 32<sup>nd</sup> with the Scotland average also shown. The rank structure should only be used in context of the actual performance. For example, our performance may have improved but our rank position has worsened, this can occur if other Councils have also improved. The rank structure is not made public by the Improvement Service, therefore this approach has been maintained for the purposes of this report.

- 4.10** To illustrate our performance for all of the LGBF indicators analysis by quartile has been performed on 83 indicators that there is data for. This is excluding the 5 Housing and 9 indicators with no data. This is presented as follows:

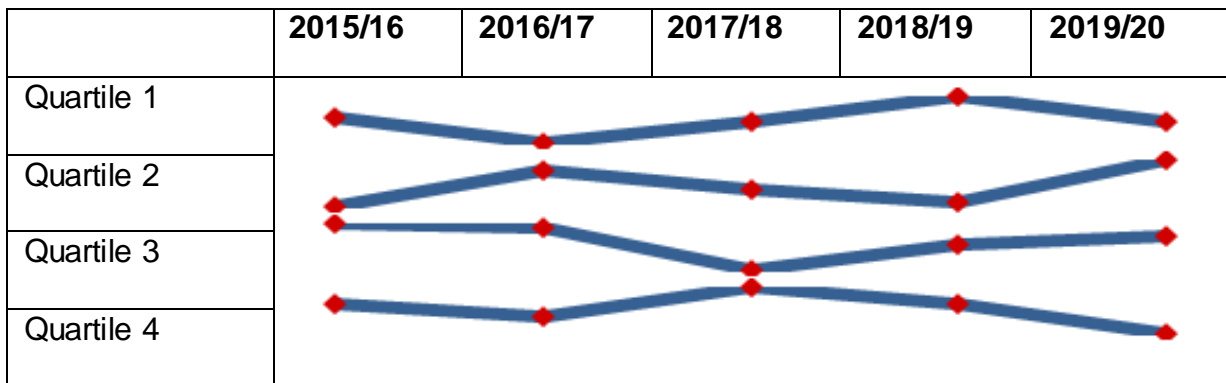
**Table 1.** Presents analysis of 83 indicators by quartile and as a percentage.

	<b>83 Indicators</b>
Quartile 1 (Best)	17%
Quartile 2	31%
Quartile 3	25%
Quartile 4	27%

**Table 2.** Presents our performance over the past 5 years of the LGBF analysis by quartile as a percentage has been performed. It should be noted that the LGBF dataset has grown over the years and for the 2019/20 dataset 9 indicators have no data. Although a direct year-on-year comparison cannot be made it provides an indication of our performance.

	2015/16	2016/17	2017/18	2018/19	2019/20
Quartile 1	18%	13%	17%	22%	17%
Quartile 2	17%	28%	22%	18%	31%
Quartile 3	29%	28%	18%	24%	25%
Quartile 4	36%	32%	42%	36%	27%

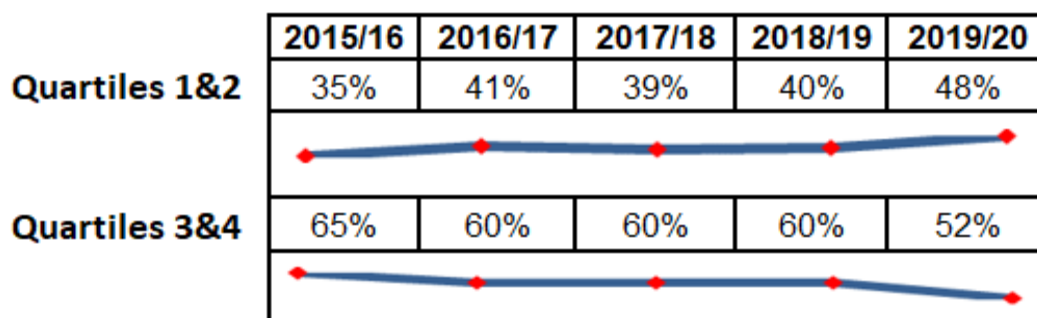
**Table 3.** Presents our past 5 years of LGBF performance by quartile as above as a simple trend line.



**4.11** To further help present a simple overview of our performance over the past years' Quartiles have been combined to present the trend in our performance by the Top 50% of performance and the Bottom 50% of performance.

As can be seen in Table 4 the percentage of all indicators within the top two quartiles over the past 5 years has improved, while the percentage of all indicators within the bottom two quartiles has decreased.

**Table 4.** Illustrates overall trend in performance for Quartiles 1&2 combined and Quartiles 3&4 combined over the past 5 years.



**4.12** HROD have analysed the data, this is presented in the 'How We Performed' section. Rather than simply analyse the data Heads of Service have added narrative that helps us understand future performance. This is presented in the 'Expected Future Performance and Impact Of Policy Decisions'. The Head of Service narrative can put into perspective some of the challenges and achievements that have occurred, align policy decisions to performance and any expected impact on delivery which helps address the findings from Audit Scotland in our recent Best Value 3 audit.

**4.13** Points for noting that relate to the complete LGBF 2019/20 report are:

- The Mid-Year Population Estimates (MYE) used for this LGBF 2019/20 report are 2019. For 2019 MYE for Argyll and Bute was 85,870
- Detailed analysis was performed on the reduced suite of indicators from our Family Group and Scotland rather than all Scottish Councils.
- We are not reporting the indicator Rankings. This is in line with the Improvement Service practice whereby they do not publish the Ranking data.
- Of the 97 indicators in total in the LGBF, 5 refer to Housing which we do not submit data for; due to Covid current data is not available for 9 of the indicators. Where these are for indicators identified for analysis this is noted individually.
- Of the indicators identified for detailed analysis five are survey satisfaction measures. This Data comes from the Scottish Household Survey. The surveys cover a mixture of periods varying from a 3 year period to annual however, for most indicators the period is 2017-20. The data is a rolling 3-year average with a 5.5% confidence tolerance.

The sample and response sizes are both very small, these should be borne in mind when reviewing the satisfaction results.

To complement these findings a local survey is planned for 2021/22. The findings will be presented once available.

**4.14** The LGBF is also a key element in our Performance Excellence Project (PEP). Following the outcome of our 2019 BV3 audit the PEP has been exploring ways to improve our performance management, reporting and scrutiny.

The PEP has a desired outcome of improved performance engagement and scrutiny by Officers, Elected Members and the Public. There has been engagement with elected members, Strategic Management Team, Heads of Service and Managers. The process has been facilitated by an external expert and has taken a root and branch review of our approach.

Recommendations based on this engagement will be brought to the Policy and Resource Committee on 30th September 2021. Consideration for future presentation options based on the decisions taken in September will be taken forward during the course of 2021/22 for implementation for 22/23.

A regular update on all Performance Improvement Framework (PIF) activity which includes the PEP, is included in the Council 6-Month Performance Report at the December 2021 Audit and Scrutiny Committee meeting.



**4.15** The LGBF is a large piece of work with a desired outcome of improved performance engagement and scrutiny by Officers, Elected Members and the Public.

**4.16** The IS hold a series of Learning and Benchmarking events throughout the year. The purpose of these is to work with councils to further improve the appropriateness of the indicators. As a result of Covid these are now being held online which gives us the opportunity to attend more than has been possible in the past. We are fortunate that the Chief Executive Pippa Milne is a member of the Board of the LGBF, which supports our engagement going forward.

## **5.0 CONCLUSION**

**5.1** The Audit and Scrutiny Committee considers the contents of the report for scrutiny activity and performance reporting purposes.

**5.2** Notes that the completed LGBF 2019/20 is published on our website as part of the Council's statutory Public Performance Reporting duty.

## **6.0 IMPLICATIONS**

**6.1** Policy None

**6.2** Financial None

**6.3** Legal Publication forms part of our statutory Public Performance Reporting duty

**6.4** HR None

**6.5** Equalities None

**6.6** Risk Engaging with the LGBF is a key element in our Performance Excellence Project which aims to improve our performance management, reporting and scrutiny.

**6.7** Customer Service None

**Ex. Director Kirsty Flanagan with responsibility for Customer Support Services**  
29 July 2021

### **For further information contact:**

Jane Fowler, Head of Customer Support Services

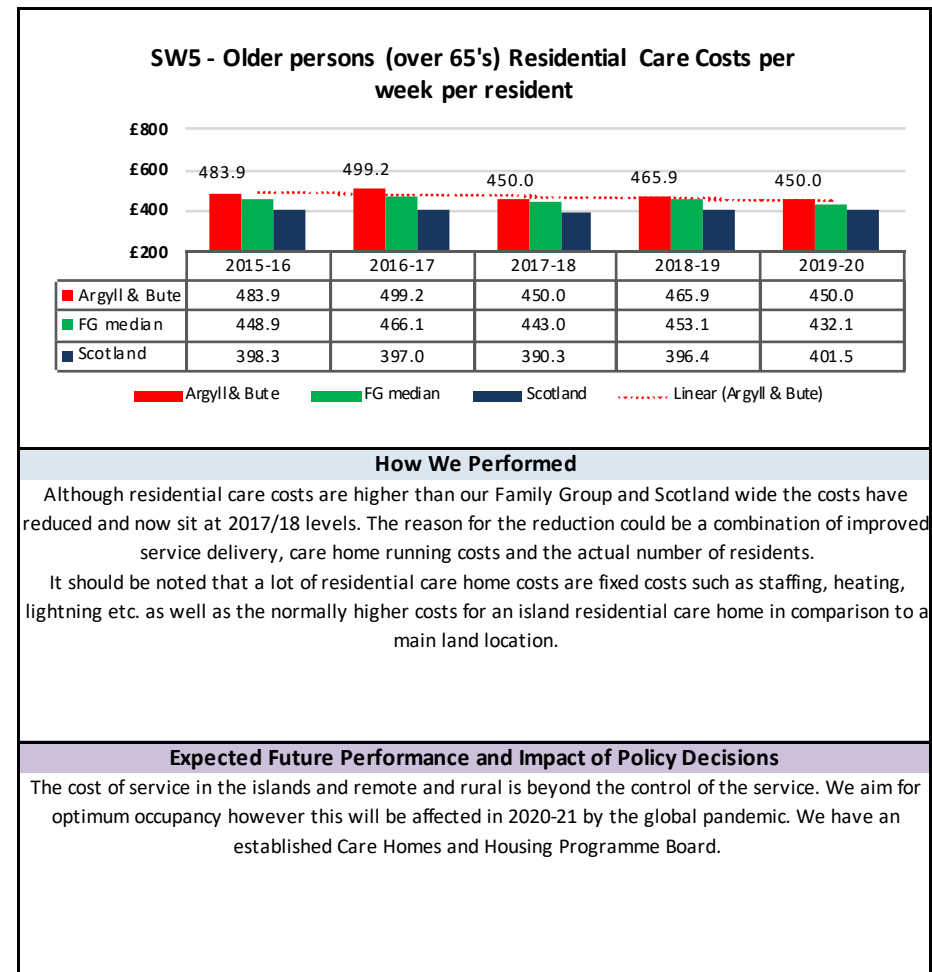
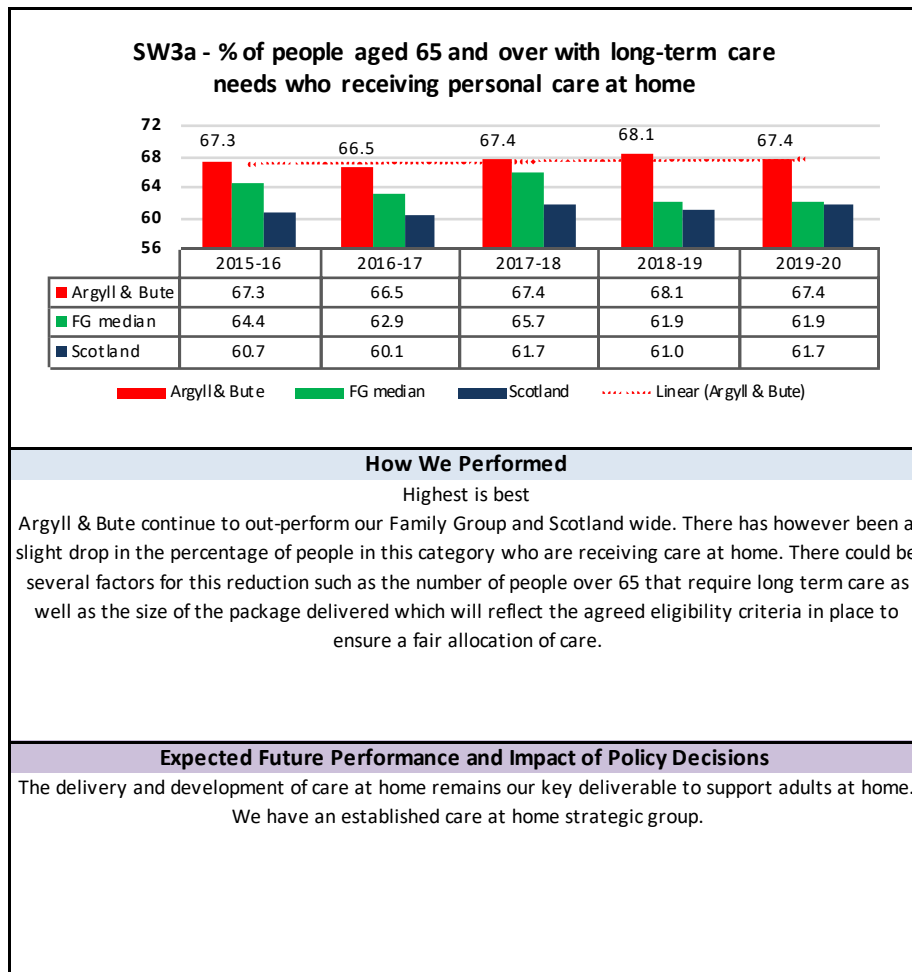
Sonya Thomas, Performance and Improvement Officer

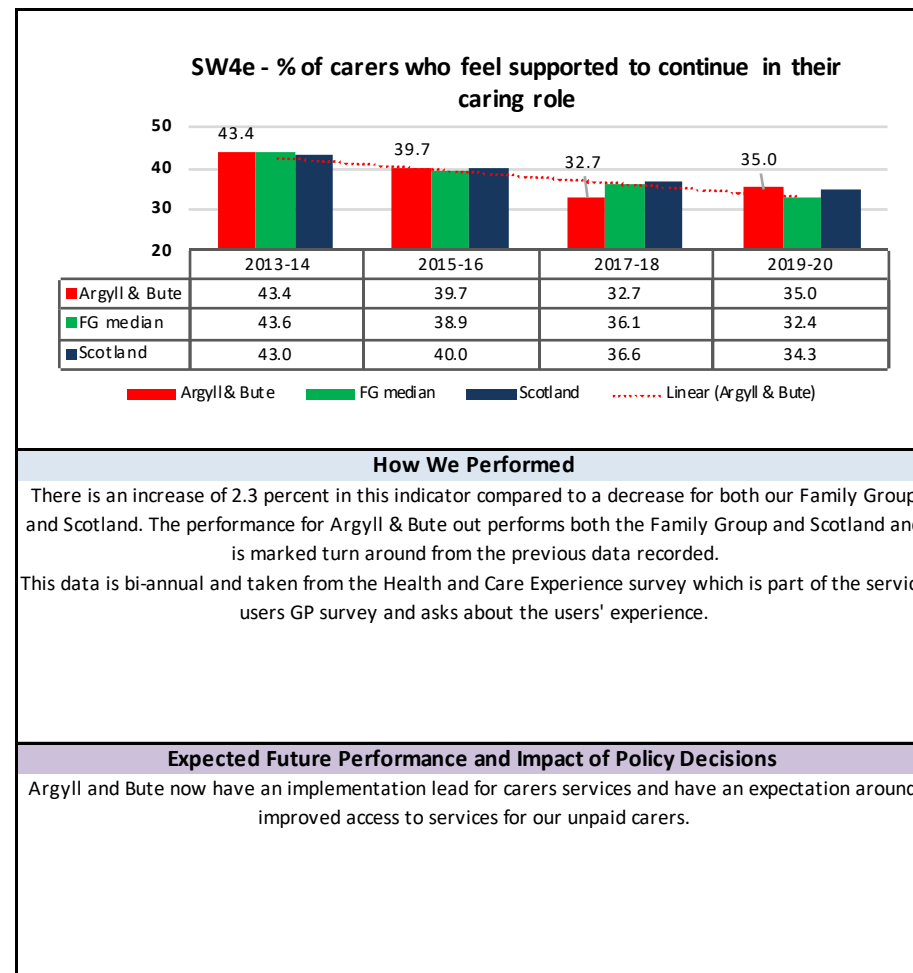
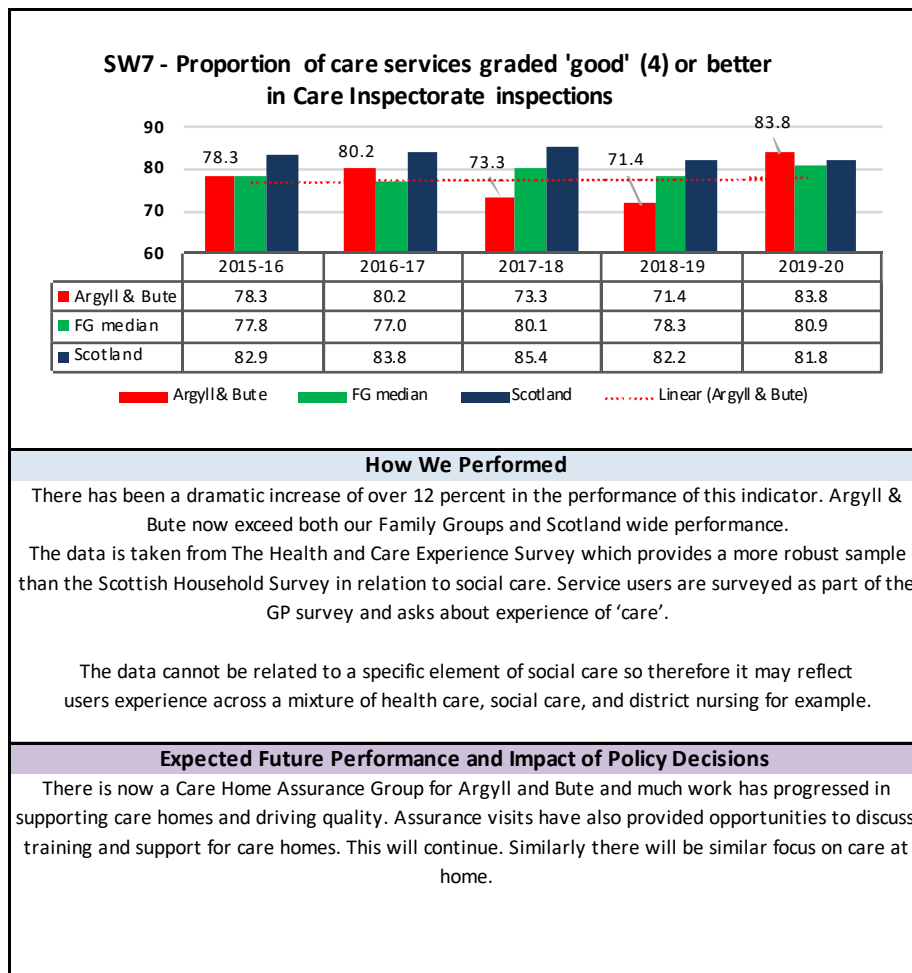
### **Appendices**

Appendix 1 – LGBF 2019/20 by Corporate Outcome

Appendix 2 – LGBF 2019/20 – All Indicators

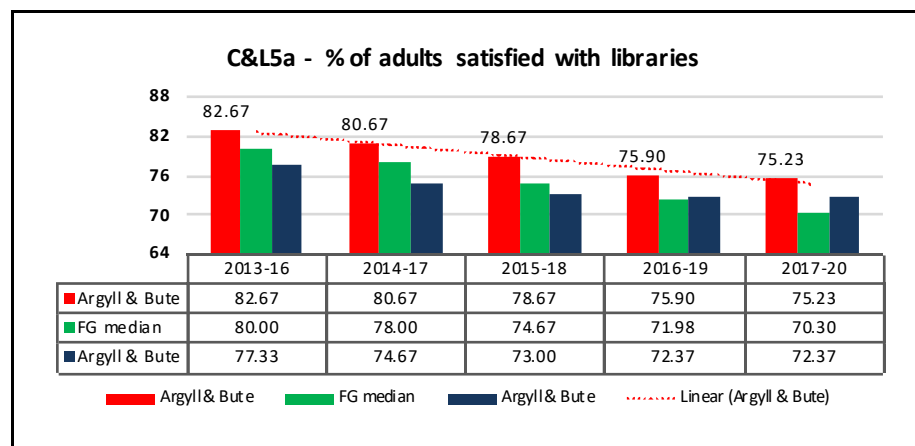
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ADULT CARE

<p><b>SW4b - % of adults supported at home who agree their care had a positive impact on improving or maintaining their quality of life (C&amp;E survey)</b></p> <table border="1"> <thead> <tr> <th></th> <th>2013-14</th> <th>2015-16</th> <th>2017-18</th> <th>2019-20</th> </tr> </thead> <tbody> <tr> <td>Argyll &amp; Bute</td> <td>86.3</td> <td>86.9</td> <td>74.2</td> <td>76.5</td> </tr> <tr> <td>FG median</td> <td>82.9</td> <td>86.3</td> <td>77.7</td> <td>77.7</td> </tr> <tr> <td>Scotland</td> <td>85.0</td> <td>84.0</td> <td>80.0</td> <td>80.0</td> </tr> </tbody> </table>		2013-14	2015-16	2017-18	2019-20	Argyll & Bute	86.3	86.9	74.2	76.5	FG median	82.9	86.3	77.7	77.7	Scotland	85.0	84.0	80.0	80.0	<p><b>SW4c - % of adults supported at home who agree that they are supported to live as independently as possible</b></p> <table border="1"> <thead> <tr> <th></th> <th>2013-14</th> <th>2015-16</th> <th>2017-18</th> <th>2019-20</th> </tr> </thead> <tbody> <tr> <td>Argyll &amp; Bute</td> <td>85.8</td> <td>78.6</td> <td>79.5</td> <td>79.9</td> </tr> <tr> <td>FG median</td> <td>82.3</td> <td>80.9</td> <td>82.9</td> <td>80.6</td> </tr> <tr> <td>Scotland</td> <td>82.8</td> <td>82.7</td> <td>81.1</td> <td>80.8</td> </tr> </tbody> </table>		2013-14	2015-16	2017-18	2019-20	Argyll & Bute	85.8	78.6	79.5	79.9	FG median	82.3	80.9	82.9	80.6	Scotland	82.8	82.7	81.1	80.8	<p><b>SW4d - % of adults supported at home who agree that they had a say in how their help, care or support was provided</b></p> <table border="1"> <thead> <tr> <th></th> <th>2013-14</th> <th>2015-16</th> <th>2017-18</th> <th>2019-20</th> </tr> </thead> <tbody> <tr> <td>Argyll &amp; Bute</td> <td>86.4</td> <td>79.0</td> <td>76.1</td> <td>72.5</td> </tr> <tr> <td>FG median</td> <td>82.9</td> <td>79.1</td> <td>74.3</td> <td>74.6</td> </tr> <tr> <td>Scotland</td> <td>83.1</td> <td>78.8</td> <td>75.6</td> <td>75.4</td> </tr> </tbody> </table>		2013-14	2015-16	2017-18	2019-20	Argyll & Bute	86.4	79.0	76.1	72.5	FG median	82.9	79.1	74.3	74.6	Scotland	83.1	78.8	75.6	75.4
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<p><b>How We Performed</b></p> <p>There has been an increase of 2.3 percent in this indicator. Performance for Argyll &amp; Bute remains below that for our Family Group and Scotland.</p> <p>This data is bi-annual and taken from the Health and Care Experience survey which is part of the service users GP survey and asks about the users' experience.</p>	<p><b>How We Performed</b></p> <p>Argyll &amp; Bute shows a steady improvement in this indicator although performance remains below that for our Family Group and Scotland.</p> <p>This data is bi-annual and taken from the Health and Care Experience survey which is part of the service users GP survey and asks about the users' experience.</p>	<p><b>How We Performed</b></p> <p>Performance in this indicator has dropped by 3.6 percent and is now lower than our Family Group and Scotland wide performance. This is a reversal on the previous data where Argyll &amp; Bute out-performed both our Family Group and Scotland.</p> <p>This data is bi-annual and taken from the Health and Care Experience survey which is part of the service users GP survey and asks about the users' experience.</p>																																																												
<p align="center"><b>Combined 'Expected Future Performance' Commentary by Head of Service</b></p> <p align="center">Choice, control and independence are at the centre of the services we provide. We are developing our focus on home first to support people at home. Choice of service can be limited by lack of service options in remote, rural and island populations.</p>																																																														



#### How We Performed

Satisfaction with Argyll & Bute libraries remains high at over 75%, and above that of our Family Group and Scotland, however, overall satisfaction has seen a steady decrease over the years for all three groups.

The satisfaction data is drawn from the Scottish Household Survey (SHS) and is now presented in 3 year rolled averages with confidence intervals for all figures reported within 5.5%..

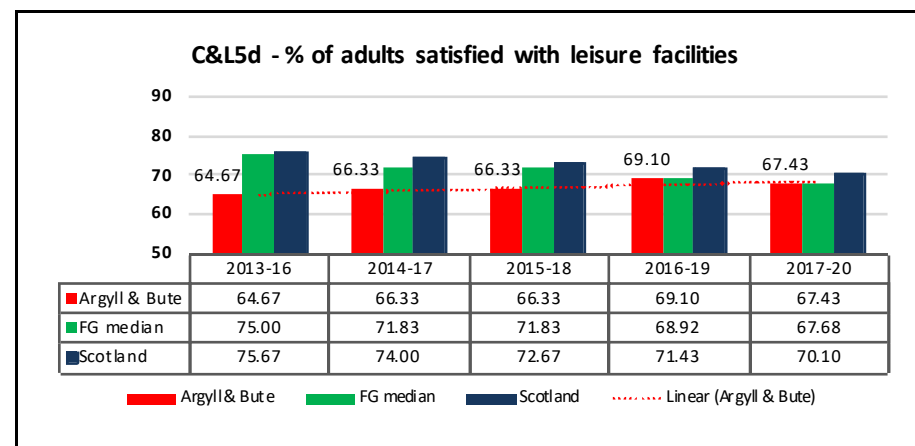
For 2018/19 this question was also included in the Scottish Surveys Core Questions (SSCQ). This provides a boosted sample size for this question.

#### Expected Future Performance and Impact of Policy Decisions

All Argyll & Bute Library Facilities are managed under the ALO Live Argyll who are responsible for the delivery of the library service for the benefit of local residents and visitors. They advise - The impact of Covid has meant that we have had to change and adapt our business model. New strands to the Library Service, such as, click and collect and Borrowbox – our e-book system means that, going forward, there is a much more enhanced service available to our Library members.

For children, Bookbug and Summer Reading Challenge will be further developed to bring more children into the service at an early age.

With these new elements being progressed we expect our future performance to grow pre-Covid figures.



#### How We Performed

Argyll & Bute has seen an increase in this indicator and is now above the performance of our Family Groups and Scotland.

The satisfaction data is drawn from the Scottish Household Survey (SHS) and is now presented in 3 year rolled averages with confidence intervals for all figures reported within 5.5%..

For 2018/19 this question was also included in the Scottish Surveys Core Questions (SSCQ). This provides a boosted sample size for this question.

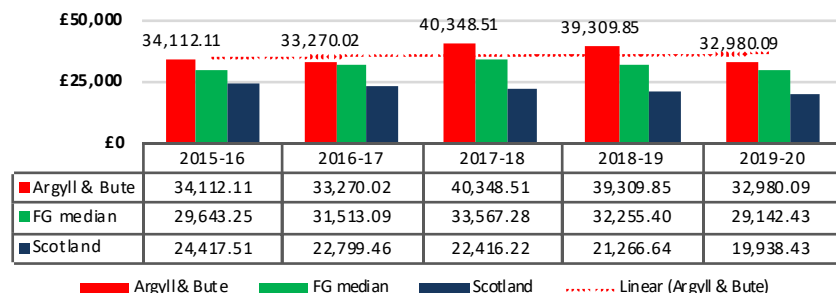
#### Expected Future Performance and Impact of Policy Decisions

All Argyll & Bute Leisure Facilities are managed under the ALO Live Argyll who are responsible for the delivery of the leisure service for the benefit of local residents and visitors. They advise - The impact of Covid has meant that we have had to change and adapt our business model. New strands to the Leisure Service, such as, online fitness classes and outdoor boot camps means that, going forward, there is a much more enhanced service available to our Leisure members.

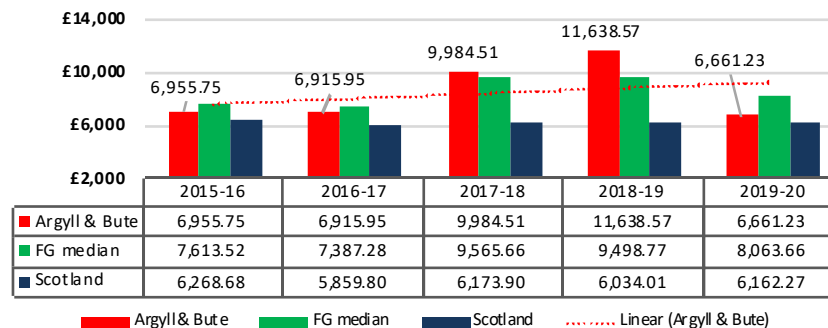
We are progressing a new membership drive and working with partners, such as Education, to roll out summer camps and enhanced programme for children.

With these new elements being progressed we expect our future performance to grow on pre-Covid figures.

**ENV5 - Cost of trading standards and environmental health per 1,000 population**



**ENV5a - Cost of trading standards per 1,000 population**



**How We Performed**

While the cost of providing this service has continued to fall Argyll & Bute remains above our Family Group and Scotland.

Considerable demands have been placed on environment health to prepare for the impact of EU Exit and export health certification.

This is a cost per 1,000 population. As a result growing population in other areas of Scotland will have an effect when we compare our performance to others such as our Family Group or Scotland.

**How We Performed**

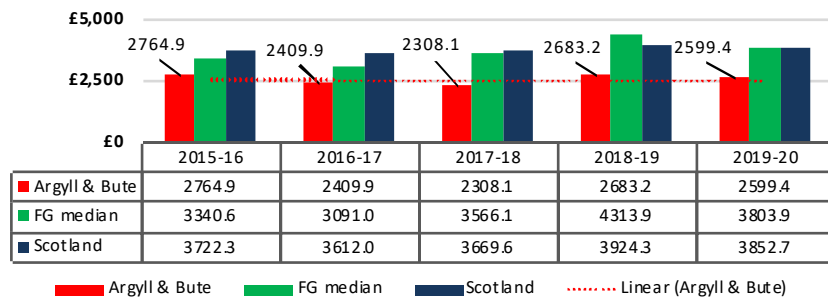
The performance of this indicator has reduced significantly by 43%. Argyll & Bute is below our Family Group but remains higher than Scotland.

The cost is presented per 1,000 population.

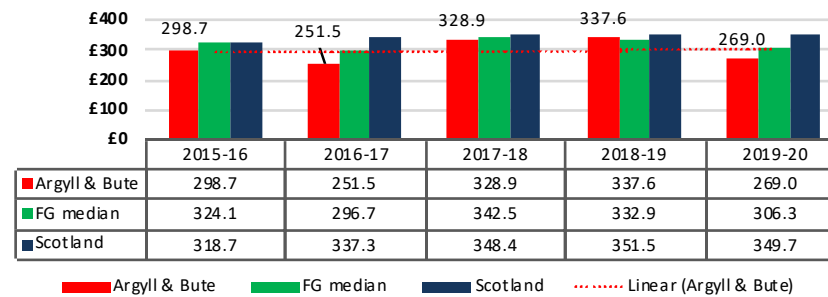
**Expected Future Performance and Impact of Policy Decisions**

Previous reports suggested that costs would reduce in 2018/19 and 2019/20 as a result of savings which have been made across Trading Standards and the redesign of advice services. While these saving had been achieved, they had not impacted on the LGBF for 2018/19 as there has been additional funding awarded to Argyll & Bute Council in relation to the Big Lottery Funding for Money Skills. The impact of the savings within Trading Standards is now realised in 2019/20 as the new team structure is now in place. The Money Skills Argyll Project finishes in 2020/21 but continues to impact on 2019/20 indicator with a reduction in the spend for 2019/20 being a contributory factor to the decrease.

**CHN8a - The gross cost of "children looked after" in residential based services per child per week**



**CHN8b - The gross cost of "children looked after" in a community setting per child per week**



**How We Performed**

Cost in £'s - Lowest is best

A&B managed a slight reduction in cost whilst continuing to return the lowest weekly cost within our Family Group for residential based services for our looked after children. Generally overall the cost has remained quite constant for both National and Family Group averages.

**How We Performed**

Cost in £'s - Lowest is best

A&B managed quite a considerable reduction in cost whilst continuing to return the lowest weekly cost for community based services for our looked after children. The cost has remained constant for both National and Family Group averages.

**Expected Future Performance and Impact of Policy Decisions**

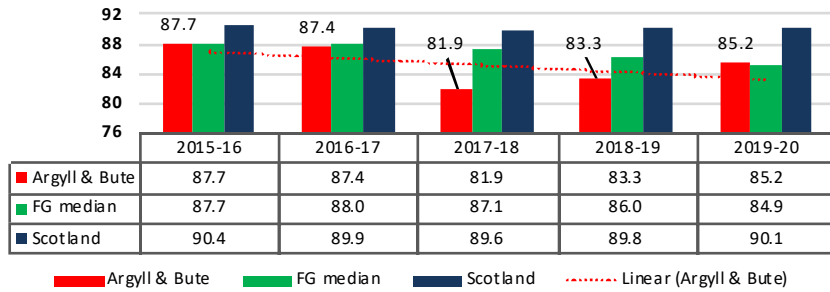
Anticipate maintaining current performance levels, this area remains a service priority within the corporate parenting plans and in Keeping The Promise

**Expected Future Performance and Impact of Policy Decisions**

Anticipate maintaining current performance levels, this area remains a service priority within the corporate parenting plans and in Keeping The Promise



**CHN9 - Balance of care for looked after children: % of children being looked after in the community**



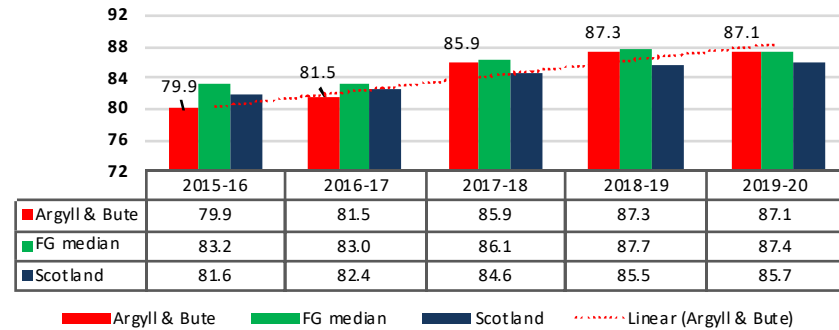
**How We Performed**

The percentage of our children being looked after in a community setting has increased by nearly 2 percent. This relatively large increase may be down to low numbers of children. Our Family Group has seen a steady decrease in the percentage of children being looked after in a community setting. However,

**Expected Future Performance and Impact of Policy Decisions**

Anticipating continued improvements in balance of care and gradual increasing of the proportion of care experienced children growing up in families, balance of care is a priority for corporate parenting plan

**CHN17 - % of children meeting developmental milestones**



**How We Performed**

There has been a slight decrease in the percentage of children meeting their development milestones. This decrease has been mirrored within our Family Group but is in contrast to the Scotland average which has seen a slight increase.

Local Health Visiting data indicates we have maintained above 90% of children having assessments completed at:  
 13 – 15 months - 93.6%  
 27 – 30 months - 92.6%

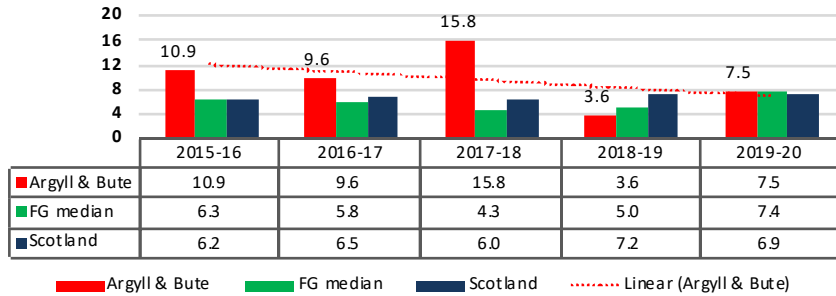
Due to COVID restrictions P1 developmental milestone data has not be obtained.

**Expected Future Performance and Impact of Policy Decisions**

Children & Families Commentary - Health visitors continue to complete 13 - 15 month and 27 - 30 month assessments in line with the universal health visiting pathway. Quality improvement work is underway, in conjunction with early years staff, to ensure more consistency in early identification of children who are not meeting their developmental milestones. This will entail working with families to put additional supportive measures in place.

Education Commentary - We would expect to exceed the national performance as a result of our own scrutiny and intervention which is detailed within relevant planning documentation. The introduction of moderation of milestones will ensure a consistency of understanding and ensure increasingly robust data. 1140hrs has seen an increase in new staff who will require to be trained and supported in evaluating and measuring developmental milestones. This work will see the percentage of children meeting developmental milestones grow over the coming year.

**CHN22 - % of child protection re-registrations within 18 months**



**How We Performed**

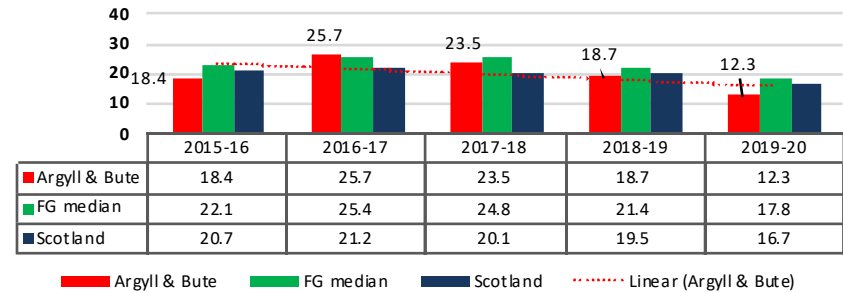
Argyll & Bute has seen a significant increase of 3.9% in the percentage of re-registrations within 18 months. This mirrors a 2.4% increase within our family group but contrasts with a decrease of 0.3% across Scotland. The reasons for this are not clear from the data but low numbers of children on the child protection register and a slight increase in re-registration will greatly affect this indicator.

**Expected Future Performance and Impact of Policy Decisions**

Children & Families Commentary - An increased focus on developing the use of improvement methodology to analyse data and identify actions to improve outcomes for children and young people as outlined on the 2021-2023 CPC plan should see a decrease in this measure.

Education Commentary - An increased focus on developing the use of improvement methodology to analyse data and identify interventions to improve outcomes for children and young people as outlined on the 2021-2023 CPC plan will facilitate a decrease in this measure. We are also committed to improving our partnership working with a number of other departments/agencies and placing a renewed focus on the wellbeing of our children and young people and have already made progress in this area to date.

**CHN23 - % LAC with more than 1 placement in the last year (Aug-July)**



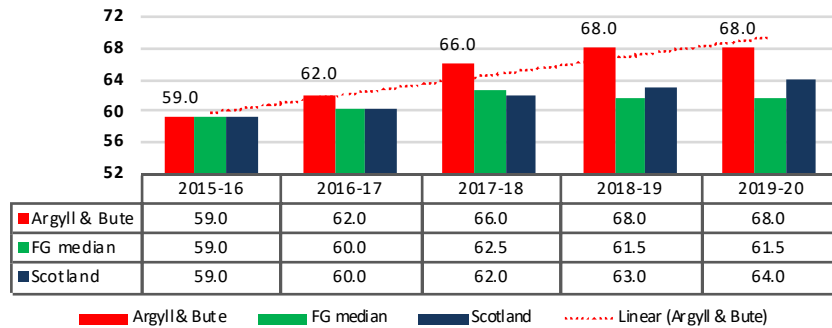
**How We Performed**

Argyll & Bute has seen a large decrease in this indicator, and is lower than our Family Group and Scotland. The preference is for a Looked After Child to only have 1 placement. If there are low numbers of Looked After Children but even a slight increase in occasions of placement this will greatly affect this indicator. A fuller explanation from Children and Families is sought and appreciated.

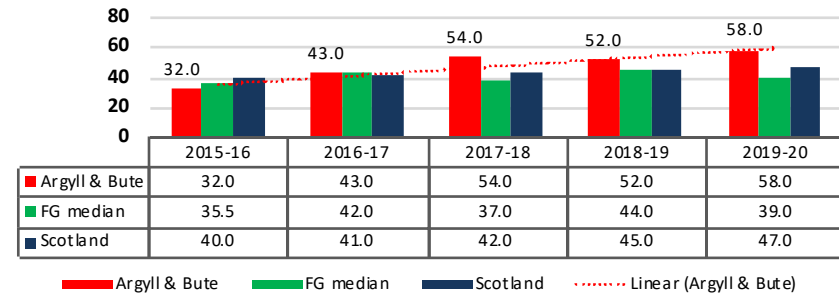
**Expected Future Performance and Impact of Policy Decisions**

Improved performance reflects implementation of change and improvement work developed following work with CELCIS (Centre for Excellence for Children's Care and Protection) to improve permanence planning for care experienced children. Anticipate continued gradual slight improvement in performance

**CHN4 - % of pupils gaining 5+ awards at level 5**



**CHN6 - % of pupils from deprived areas gaining 5+ awards at level 5 (SIMD)**



**How We Performed**

The Covid pandemic has resulted in the cancellation of exams; as a result professional judgement is being applied across Scotland and all Authorities.

There has been no change in either A&B or Family Group performance, Scotland average has increased by 1.0%. A&B continues to exceed both the National and Family Group averages at 68.0%. and has increased the percentage in this indicator by 2% over the past two years. This is also a larger increase than both the National and Family Group averages.

**How We Performed**

The Covid pandemic has resulted in the cancellation of exams; as a result professional judgement is being applied across Scotland and all Authorities.

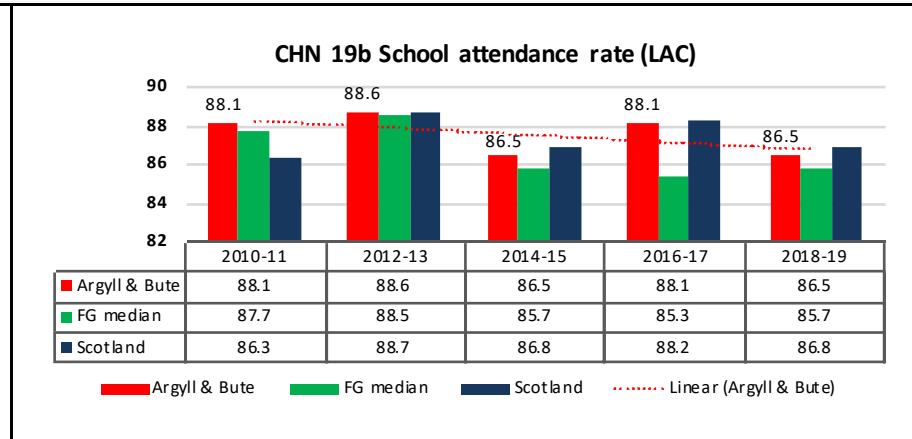
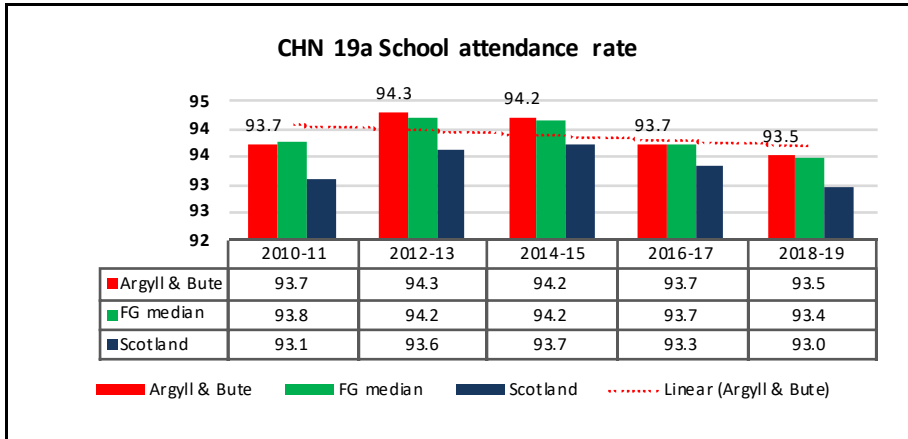
A&B has seen a large increase of 6% and continues to exceed both the National and Family Group averages at 58%. The National average has increased by 2% whilst the Family Group average has decreased by 5%.

**Expected Future Performance and Impact of Policy Decisions**

It is anticipated that any revisions to the national assessment arrangements may impact on attainment. Our schools will respond appropriately to guidance issued by the SQA around any changes to national level examination arrangements.

**Expected Future Performance and Impact of Policy Decisions**

Our schools will maintain a focus on closing the attainment gap and sustaining improvements supported by Pupil Equity Funding.



**How We Performed**

Data is published every 2 years, data for 2019/20 is not available.

School attendance is key to the protection of children. Attendance rates can monitor engagement and ensure pupil's safety and wellbeing by following up on pupils who have not attended school.

There has been a decrease in attendance within Argyll & Bute of 0.2%, in comparison to a 0.3% decrease within our Family Group and Scotland wide.

**How We Performed**

Data is published every 2 years, data for 2019/20 is not available.

School attendance is key to the protection of children. Attendance rates can monitor engagement and ensure pupil's safety and wellbeing by following up on pupils who have not attended school.

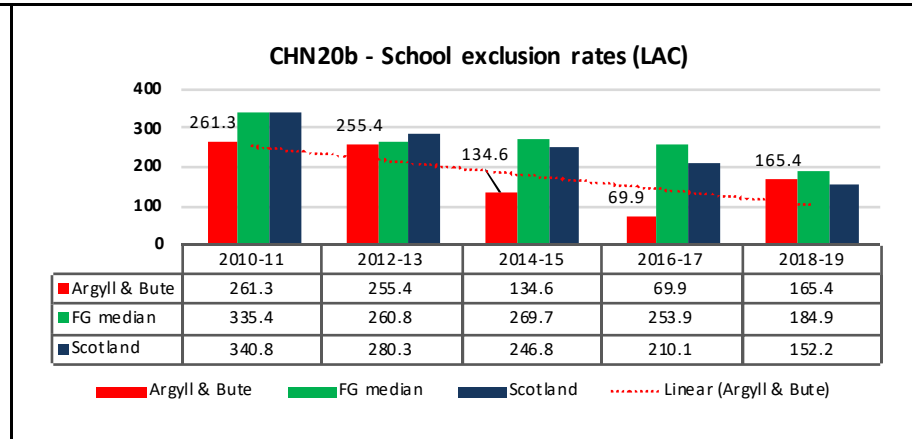
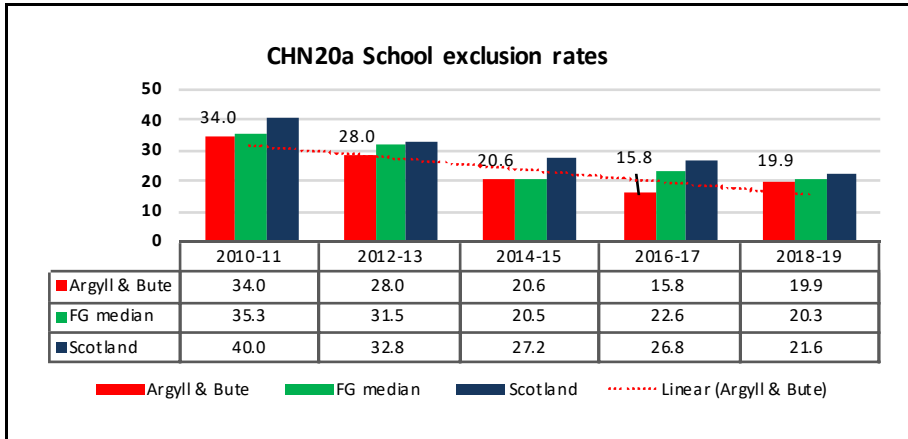
There has been a decrease in attendance in Argyll & Bute of 1.6% Low numbers of Looked After Children may have a disproportionate effect on this percentage rate.

**Expected Future Performance and Impact of Policy Decisions**

There continues to be increased scrutiny and focus on attendance rates during session 2021-22. This focus along with the data collected in the 2019-20 attendance audit will enable us identify where interventions are necessary to maximise attendance for individuals and groups of children and young people. We have a number of interventions available including focused work with individual C+YP and their families from the Education Psychological services team and Health and Family Health and Well-being Liaison workers. As a result of these interventions an improvement in this indicator is expected within the next available data set.

**Expected Future Performance and Impact of Policy Decisions**

Our authority wide Principal Teacher for Care Experienced Children and Young People regularly monitors and reports on attendance of the care experienced cohort of children and young people within Argyll and Bute. This extra level of regular monitoring will allow early intervention where we will work in partnership with other relevant services to ensure support is in place to increase attendance levels for care experienced children and young people. An increase in this measure is planned as a result of a number of refreshed key policy guidelines relating to publication of The Promise and forms part of our Corporate Parenting Plan for the next three years.



#### How We Performed

Data is published every 2 years, data for 2019/20 is not available.

Schools aim to keep pupils engaged and attending school. Pupils are only excluded if there is serious disruption for the other pupils.

There has been an increase of 4.1% in exclusions within Argyll & Bute since the previous data set. The figures represent the number of exclusions per 1,000 openings - not the percentage or number of pupils. This is in comparison to a decrease of 2.3% within our family group and 5.2% nationally.

An 'opening' refers to either a morning or afternoon school session.

This data includes both temporary exclusions and pupils removed from the register (previously called 'permanent' exclusions).

This figure is achieved by obtaining the number of exclusion incidents divided by the number of pupils then multiplied by 1,000.

#### How We Performed

Data is published every 2 years, data for 2019/20 is not available.

This shows the number of exclusion incidents with our Looked After Children.

This figure is achieved by obtaining the number of exclusion incidents divided by the number of Looked After Pupils then multiplied by 1,000.

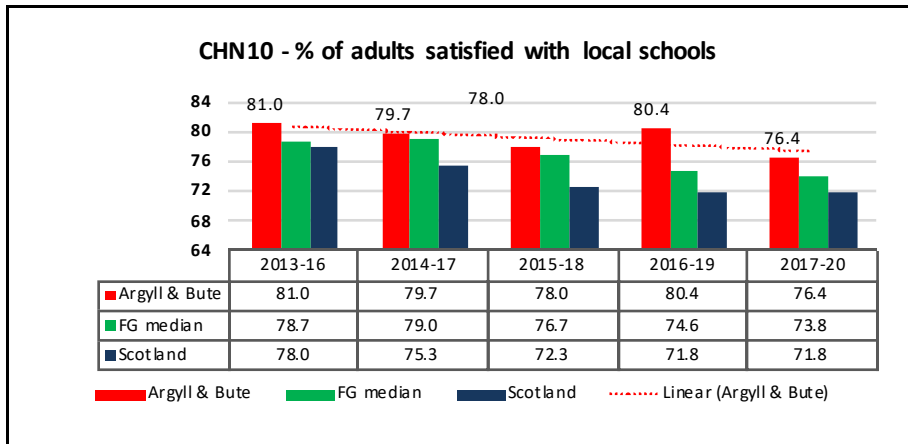
Argyll & Bute shows an increase of 95.5% in comparison to a decrease of 69% within the family group and 57% nationally. This increase within Argyll and Bute does not necessarily mean that there have been more exclusions, it may be attributed to a lower number of Looked After Pupils. A lower number of Looked After Pupils will have a significant impact on the percentage variance.

#### Expected Future Performance and Impact of Policy Decisions

We have a strong focus on implementing the Rights Respecting Schools Programme across the authority. This started in 2018, each academic year an increased number of schools are engaging in the programme, with a number progressing through the award system. At present 22 establishments have achieved a bronze award, with 6 obtaining silver and 1 a gold award from a total of 41 establishments registered. Work across the area will support a growth in these numbers. Along side that the focus on the UNCRC across all aspects of education should ensure this indicator will fall. An authority wide committed to adopting trauma-informed practice should also see a positive impact on this indicator moving forward.

#### Expected Future Performance and Impact of Policy Decisions

Our authority wide Principal Teacher for Care Experienced Children and Young People regularly monitors and reports on any exclusions of children and young people within the care experienced cohort. Our policy states approval from Head of Service must be sought prior to excluding any care experienced children and young people to ensure support is in place. We have a target on our Corporate Parenting Board plan to ensure this figure is kept as low as possible and quarterly monitored and reported on. It is worth noting that the 2018/19 data is more in keeping with the previous data from 2014/15 and that the significant decrease noted in 2016/17 may be anomalous.

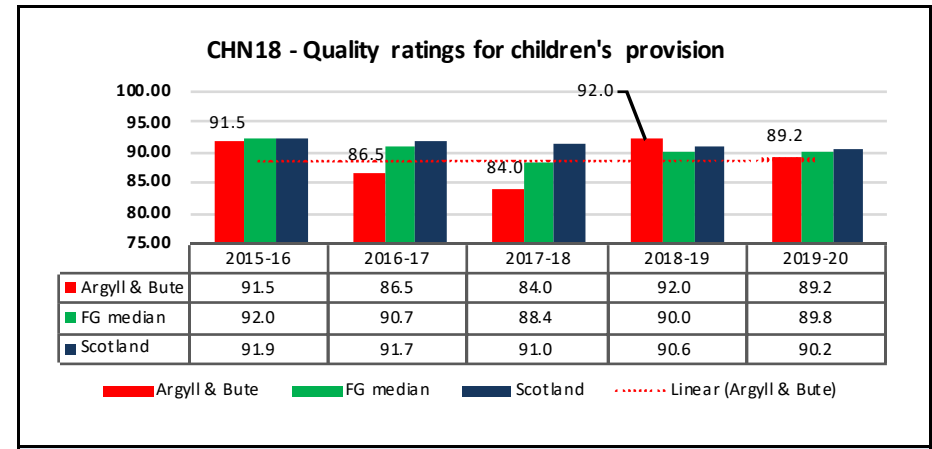


**How We Performed**

Although Argyll and Bute continue to achieve higher satisfaction ratings than the National (4.6% below) or Family Group (0.6% below) averages there has been an overall drop in satisfaction. Argyll and Bute has dropped 4% which is the largest drop and the lowest satisfaction rating since 2013. It should be noted that this data is taken from the Scottish Household Survey (SHS) and surveys the public at large rather than specific service users. It is acknowledged that the data is proportionate for Scotland wide but less so at local authority levels due to small sample sizes. To boost sample sizes, 3-year rolled averages have been used in local authority breakdowns.

**Expected Future Performance and Impact of Policy Decisions**

Our parental engagement strategy aims to improve parental/carer involvement and satisfaction with local schools. This remains a key focus for session 2020-2021.



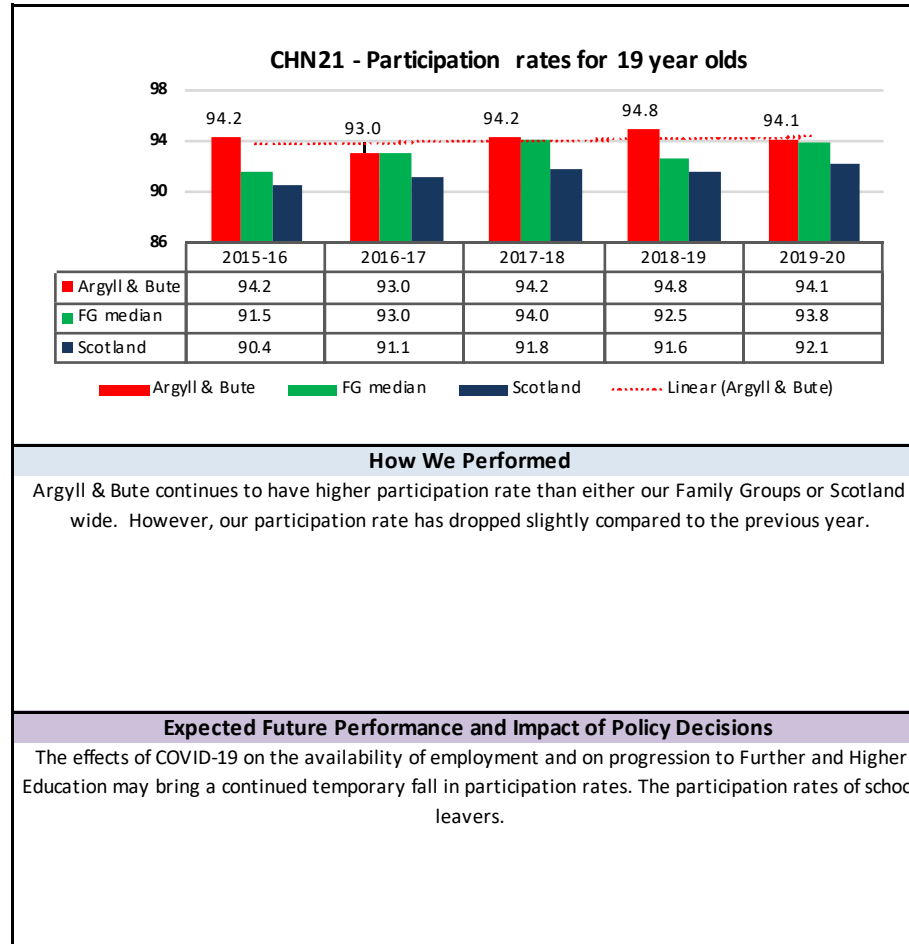
**How We Performed**

This indicator looks at the percentage of funded early years provision which is graded 'good' or better. This last year has seen a decline in performance in this indicator by 2.8% which follows on from a significant improvement of 8% in the previous year. The roll-out of the 1140 hours provision across our settings is likely to have had some impact here due to a change in working environment for staff and resultant training and development needs arising, as well as changes to some of the physical environments in which our staff operate..

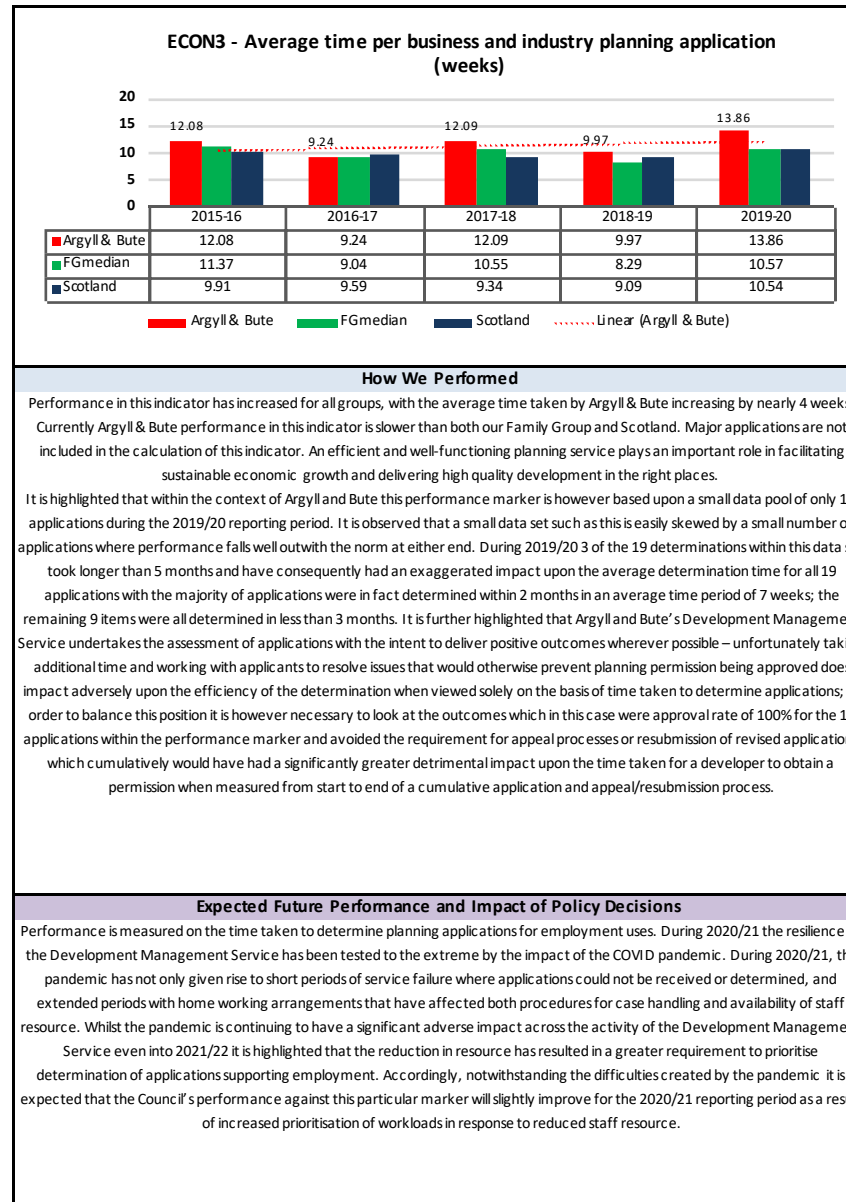
**Expected Future Performance and Impact of Policy Decisions**

As a result of significant support to the four settings identified as under performing, and a refreshed Learning and Development package of support for available to all settings combined with a planned series of proportionate and impact-focused challenge visits, we intend to bring about the percentage of funded early years providers achieving 'good' returning to over 90% within the next reporting period.

# EDUCATION

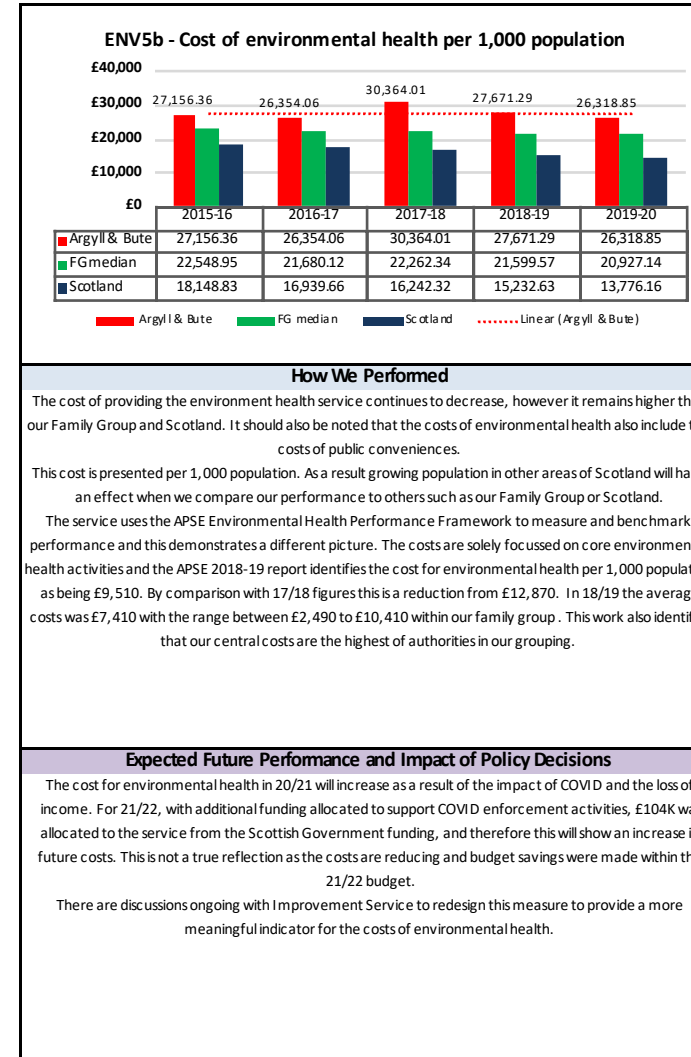
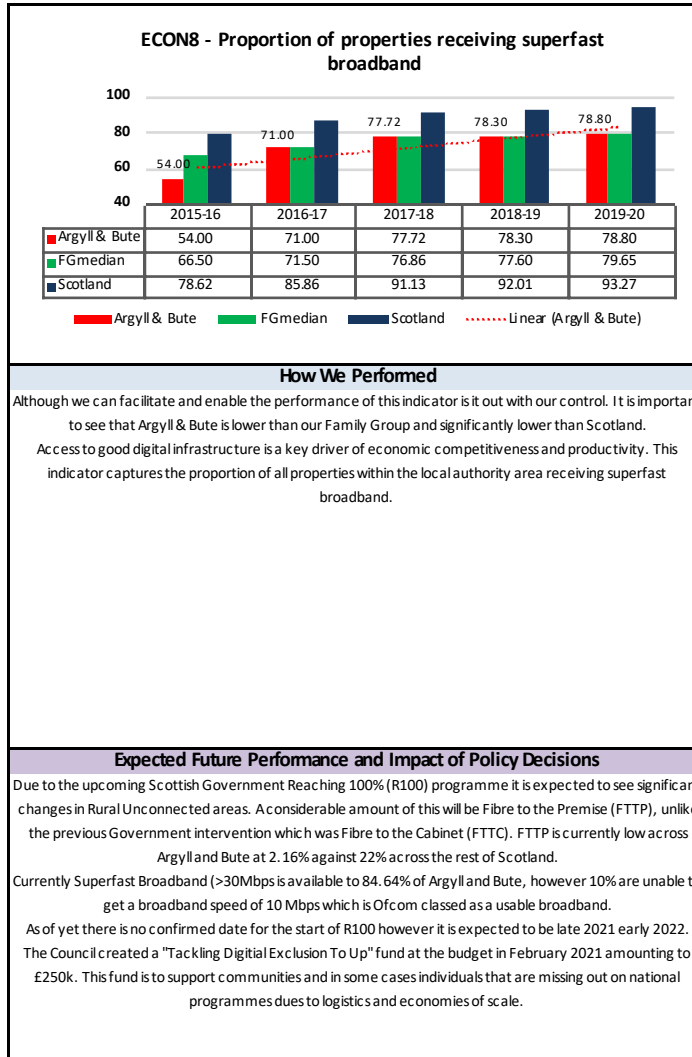


## DEVELOPMENT AND ECONOMIC GROWTH

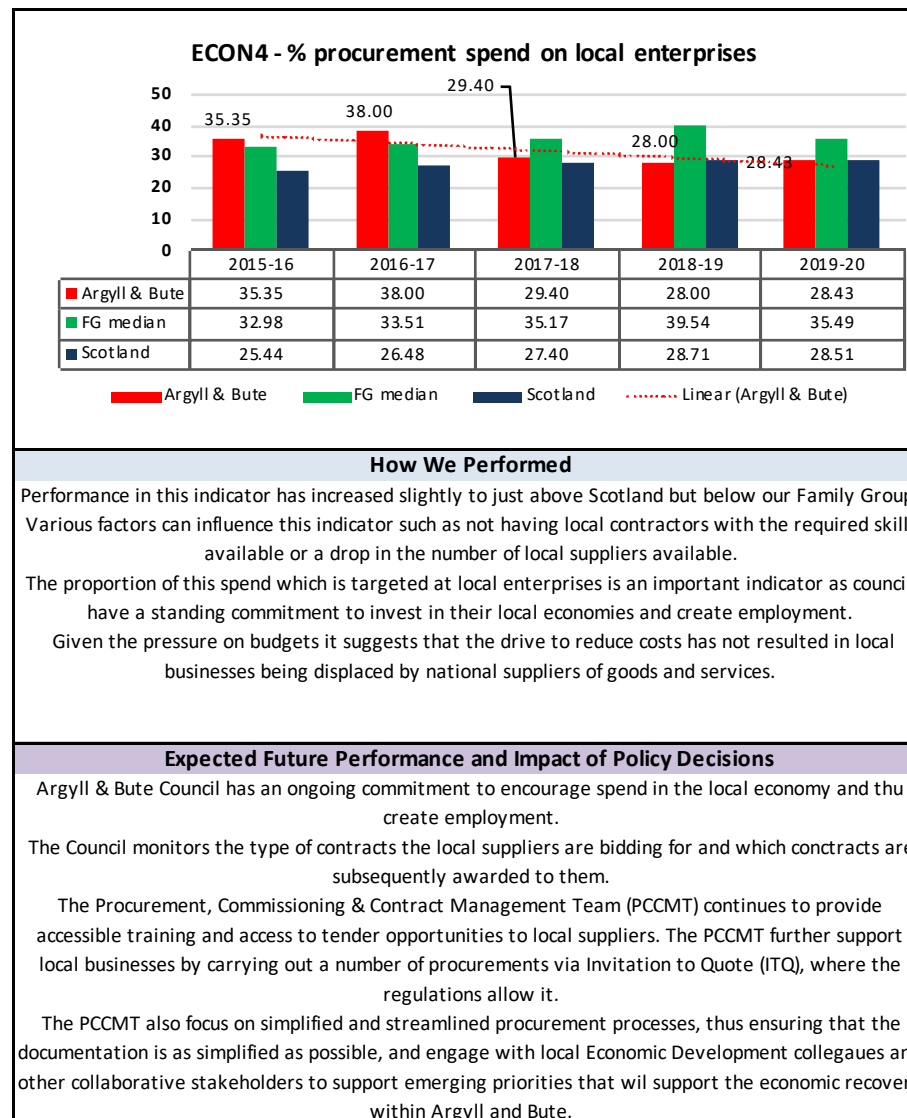




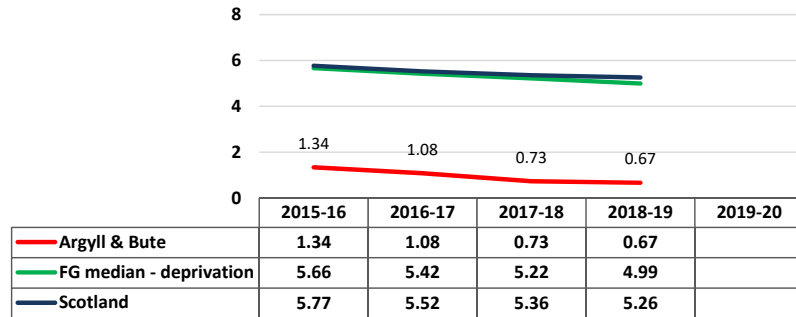




## LEGAL & REGULATORY



**CLIM1 - CO2 emissions area wide per capita**



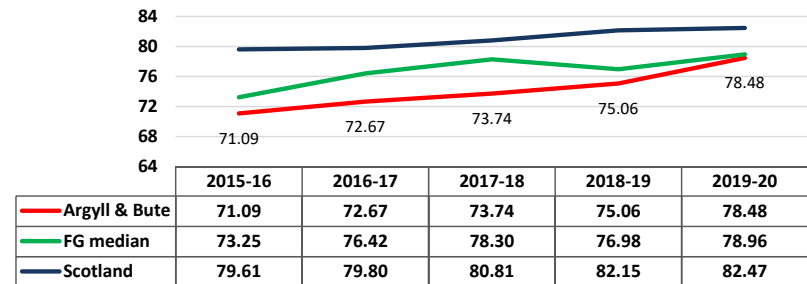
**How We Performed**

2019/20 Data not available.  
 This is a new indicator for the LGBF.  
 Argyll & Bute continues to show a reduction in CO2 emissions and remains below that of our Family Group and Scotland.

**Expected Future Performance and Impact of Policy Decisions**

Argyll and Bute remains the lowest region in the UK in terms of CO2 emissions per capita. This is obviously a positive aspect of our natural capital like geography and demographics which include high forest cover, low population, low number of polluting industries and land mass. The direct Council contribution to this overall emissions is very minimal and direct sphere of influence from actions of the Council is questionable. For example, some of highest sources of emissions in our region come from road traffic on the trunk roads, agriculture and domestic / housing. There has been a general downward trend and expect this continue as the national grid and travel de-carbonises. In playing to our strengths, we should promote that we are the lowest CO2 emitting region in UK and on track to be first net zero.

**CORP-ASSET1 - Proportion of operational buildings that are suitable for their current use**



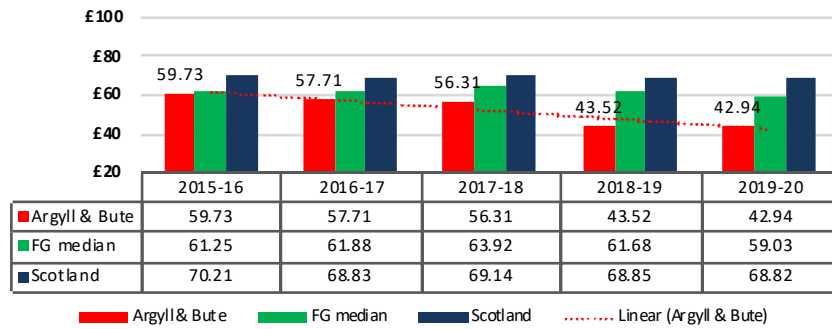
**How We Performed**

The performance shows consistent, steady improvement with this indicator. There has been a significant reduction in the percentage difference between Argyll & Bute and Scotland wide while the percentage difference with our Family Group is now less than 0.5 of a percentage point. There are several factors that have contributed to this change such as suitability improvements associated with capital investment; asset transfers; and further data cleansing.

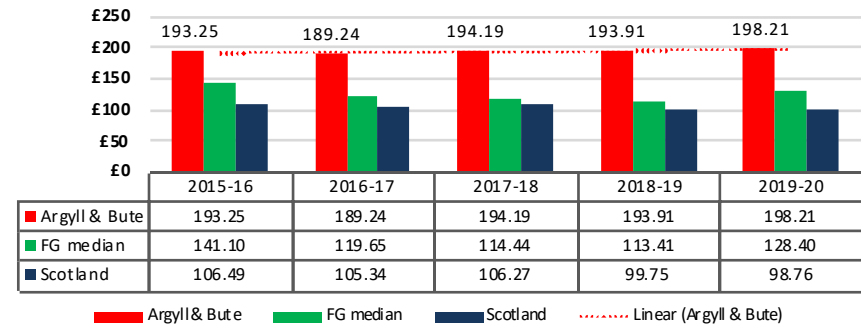
**Expected Future Performance and Impact of Policy Decisions**

It is anticipated that the indicator will only show marginal improvements in moving forward and these will generally be associated with initiatives to reduce the Council's office estate, the ongoing improvement of the Learning Estate and depot rationalisation. There will be further change associated with a combination of asset transfers and further data cleansing.

**ENV1a - Net cost of waste collection per premises**



**ENV2a - Net cost per waste disposal per premises**



**How We Performed**

Performance across all three groups has reduced slightly against the previous year. Although the cost of waste collection is lower than our Family Group and Scotland it should be read in conjunction with indicator ENV2a which looks at the cost of waste disposal.

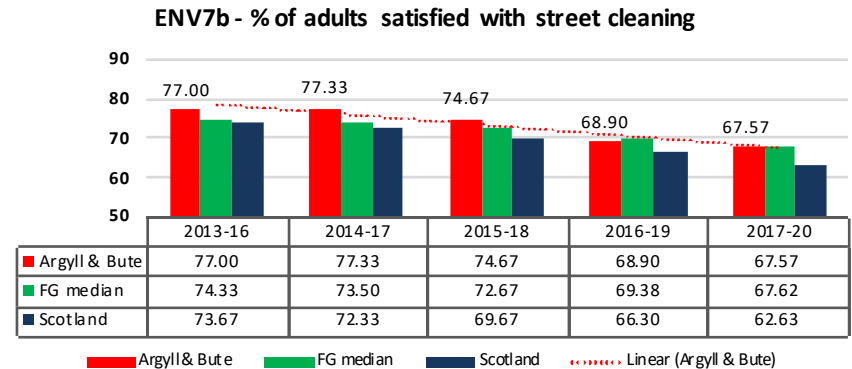
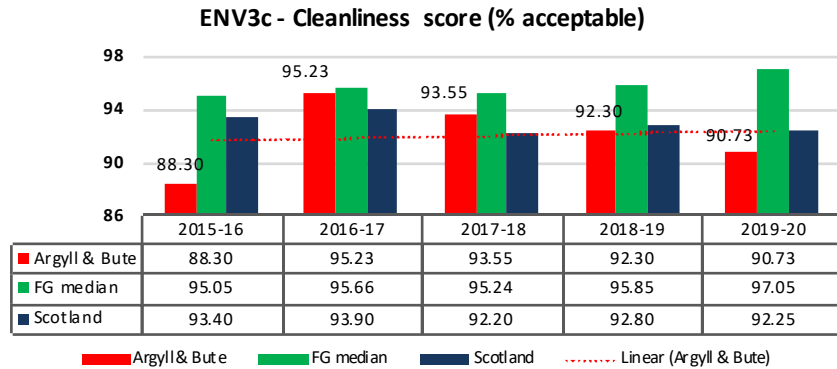
Whilst our waste collection costs have been reducing largely due to the introduction of three weekly general waste collections, our waste disposal costs continue to be high which is a direct result of a combination of having 23 inhabited islands, a very rural geography which consists of a number of 'cul-de-sacs' due to the peninsula nature of many parts of Argyll and Bute and also a 25 year PPP contract which runs until September 2026. Given these factors, this means that Argyll and Bute Council operate a significant number of landfill sites directly and through the PPP contract as well as utilising third party landfill sites and off takers in the central belt. This is driven by geography and logistics resulting in the high disposal costs.

**How We Performed**

The cost of waste disposal is the highest for 5 years, while costs for both Argyll & Bute and our Family Group have increased. As our Family Group consists of rural authorities it is not surprising that our costs are significantly higher than Scotland. Our geography obviously plays an important factor in this indicator.

**Expected Future Performance and Impact of Policy Decisions**

Waste performance is going to be dictated by the Waste Strategy and any additional policy decisions that emerge through this policy. Performance and waste outturn will also be significantly influenced by regulation change including but not limited to the Deposit Return Scheme, the 2025 Biodegradable Municipal Waste Ban, outcome of the review of the food waste derogation and the transitioning out of the existing PPP contract into new arrangements. As part of the Waste Strategy and the emerging work we continue to work with neighbouring local authorities, Scottish Government, Zero Waste Scotland and the waste industry in general.



**How We Performed**

Argyll & Bute has seen a steady decrease in this indicator which puts the performance below that of our Family Group and Scotland.

Street cleanliness is presented using the Street Cleanliness Score, which is produced by Keep Scotland Beautiful. This measures the percentage of areas assessed as 'clean' rather than completely litter free sites (as this is considered impractical in areas of high footfall). This allows authorities to tackle litter problem areas to achieve better results.

**How We Performed**

Satisfaction levels for all three groups has decreased with Argyll & Bute just below our Family Group but above Scotland.

Argyll and Bute has seen a marked reduction since 2015-18 which could be attributed to a lag in policy decisions and customer perception.

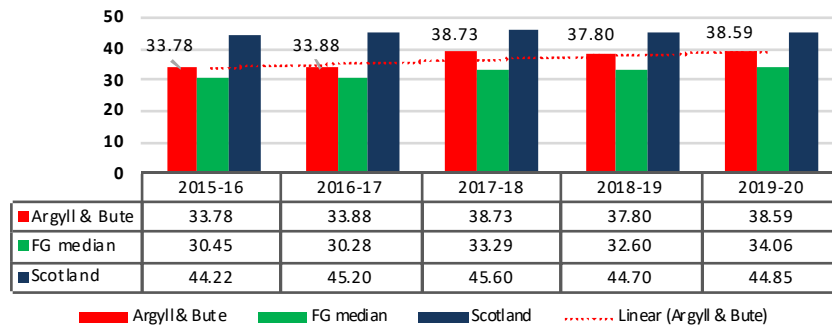
The satisfaction data is drawn from the Scottish Household Survey (SHS) there are however limitations in relation to the very small sample sizes and low confidence levels. To boost sample sizes 3-year rolled averages have been used.

From 2018/19, questions used in the LGBF have also been included in the Scottish Surveys Core Questions (SSCQ) which provides a boosted sample size.

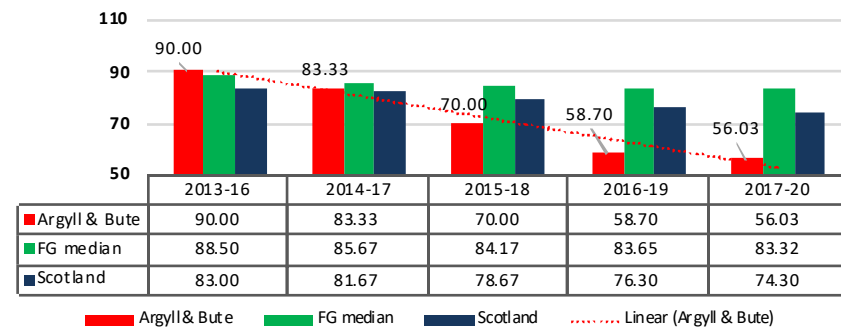
**Expected Future Performance and Impact of Policy Decisions**

Future performance could potentially be skewed by the increase in staycation visitors and local tourist attractions seeing increases in visitors. However, this possibly may be offset by short term funding for additional measures which help to offset some of the previous budget reductions. This is an area that will be closely monitored and may require future policy changes as part of the Council's overall budget process and service prioritisation.

**ENV6 - % of total household waste arising that is recycled**



**ENV7a - % of adults satisfied with refuse collection**



**How We Performed**

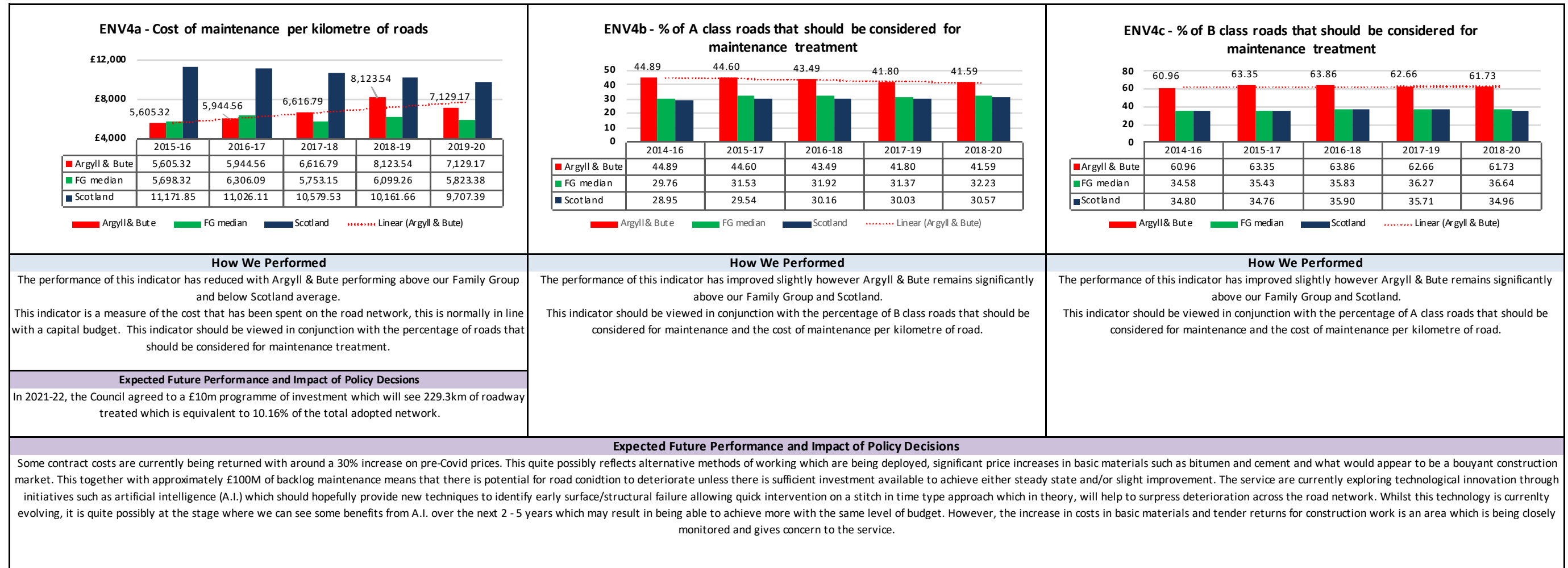
All groups continue to increase the performance in this indicator with Argyll & Bute performing better than our Family Group but below that of Scotland. Generally there has been an awareness of environmental factors from both producers and consumers, including a greater focus on reducing unnecessary waste packaging, which in turn has resulted in less waste in the system overall.

**How We Performed**

Argyll & Bute has seen a large drop in satisfaction with refuse collection and is currently lower than our Family Group and Scotland. Overall satisfaction levels across all three groups has decreased. The satisfaction data is drawn from the Scottish Household Survey (SHS) there are however limitations in relation to the very small sample sizes and low confidence levels. To boost sample sizes 3-year rolled averages have been used. From 2018/19, questions used in the LGBF have also been included in the Scottish Surveys Core Questions (SSCQ) which provides a boosted sample size.

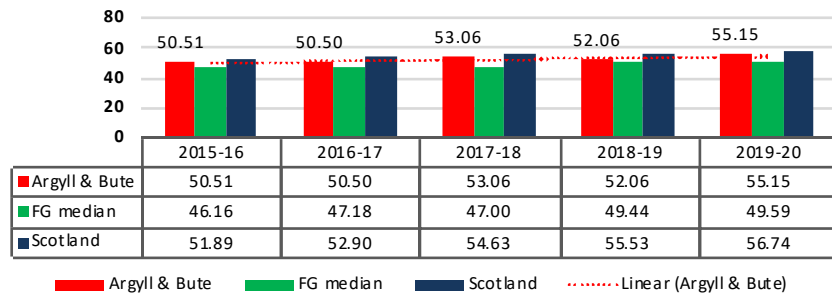
**Expected Future Performance and Impact of Policy Decisions**

Initiatives such as the Deposit Return Scheme are likely to impact the recyclable material the Council collects, this is likely to have an impact on total household waste arising that is recycled. Council driven initiatives such as moving to co-mingled recycling collections in the Kintyre area are expected to have a positive outcome in terms of the volume of material which is recycled.





**CORP 3b - % of the highest paid 5% of employees who are women**



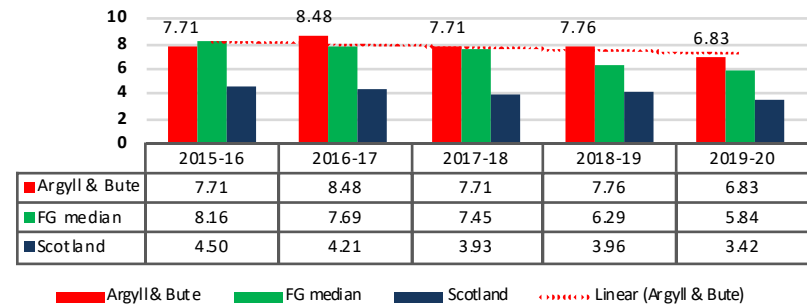
**How We Performed**

This is the highest percentage at any point for Argyll & Bute, and we have a higher percentage than the Family Group average but just slightly lower than Scotland wide. This measure captures gender equality in senior positions. While it is important capture the progress made in relation to gender equality there is a need to capture the progress being made across the wider workforce. The Gender Pay gap helps reflect this position.

**Expected Future Performance and Impact of Policy Decisions**

We will continue to look at opportunities to implement guidance and procedures that support the wellbeing and development of all of our employees. Some of these we hope will have a positive impact on women, such as support around menopause and caring responsibilities, which will assist in women being able to continue developing their careers during periods where they have additional personal challenges or responsibilities.

**CORP 3c - The gender pay gap (%)**



**How We Performed**

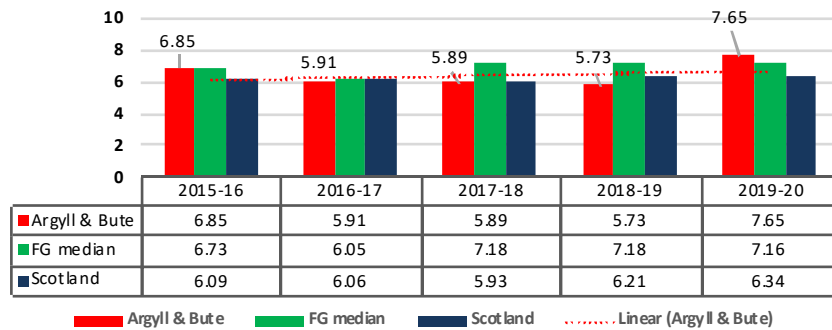
The Gender Pay Gap has reduced for Argyll & Bute but it still remains higher than that of our Family Groups and almost double that of Scotland wide. As this value is a 'positive' figure it indicates that men are paid more than women. The figure is the percentage difference of pay, not a monetary difference.

**Expected Future Performance and Impact of Policy Decisions**

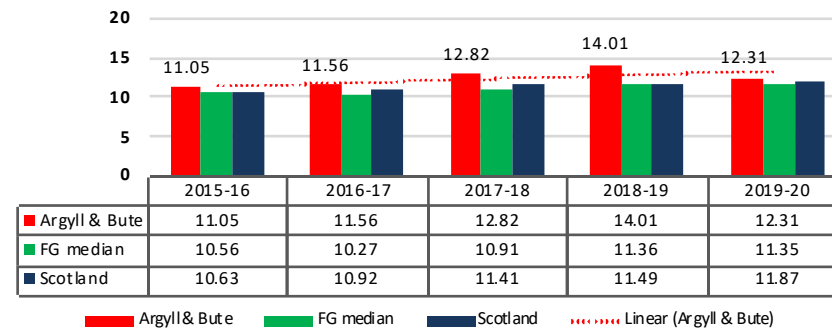
This will be an area of continued focus going forward and we will seek to look at best practice and benchmarking to see how we can continue to address the gender pay gap in Argyll & Bute.

# CUSTOMER SUPPORT

**CORP 6a - Sickness absence days per teacher**



**CORP6b - Sickness absence days per employee (non-teacher)**



**How We Performed**

Argyll & Bute has seen a large increase in teacher absence of more than 25 % on the previous year. Teacher absence due to Covid is excluded from this data.

**How We Performed**

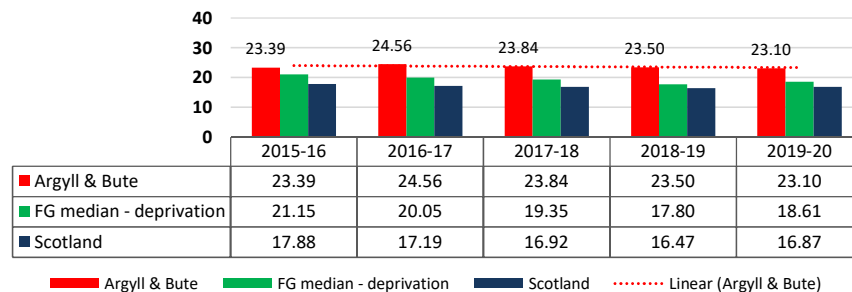
In contrast to teacher absence, employee absence has seen the largest reduction in our Family Group and Scotland wide. This reduction brings sickness absence levels back to pre 2017-18 levels. Absence due to Covid is excluded from this data.

Total work days lost per FTE for the whole Council in 19/20 was 11.49 which was a 7% reduction from 11.89 days the year before. Stress/Depression/Mental Health remained the most common reason for absence at 30% of the total work days lost followed by Medical Treatment and Stomach, Liver and Kidney. There were more days absence lost due to long term absence (55%) than short term.

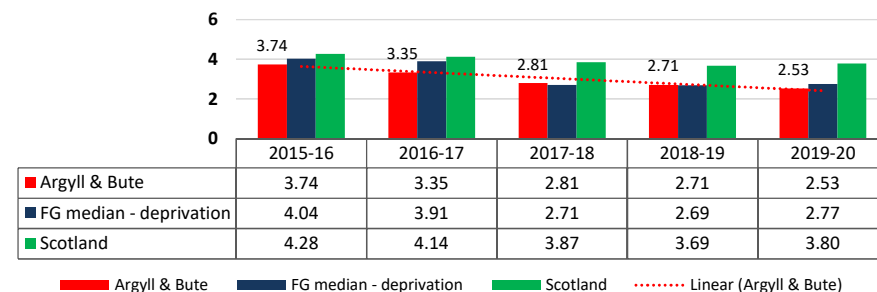
**Expected Future Performance and Impact of Policy Decisions**

COVID absence is not counted in the LGBF absence statistics and that will remain the case in 2020/21 and 2021/22 therefore the impact of this absence is not seen within these statistics. COVID has changed our working practices and in particular home working which is likely to have positive and negative impacts. Having already analysed 20/21 statistics we have seen a reduction overall in absence and in particular short term absences and also a change in the type of reasons people are absent with but Stress, Depression, Mental Health still remains the number one reason for absence. However, as the NHS recovers we may finally see delayed operations and interventions get under way which could return long terms absence cases but the counter of that is that there is now a delay in some areas of the NHS e.g. orthopaedics and therefore we may see new cases wait longer for treatment which may increase absence. New Attendance procedures will be launched in 2021 and this is expected to have a positive impact as is the continued work of the wellbeing team in providing more intensive support to line managers for absence cases and proactive work in relation to raising the profile of wellbeing and revising other procedures to support wellbeing.

**FINUS1 - Total useable reserves as a % of council annual budgeted net revenue**



**FINSUS2 - Uncommitted General Fund Balance as a % of council annual budgeted net revenue**



#### How We Performed

This is a new indicator for the LGBF.  
Higher is best.

This indicator has remained fairly consistent over the past 5 years and is above both our Family Group and Scotland figures. The level of reserves provides an indication of how a council is placed to meet unforeseen events. A low level of unallocated reserves may be a sign that a council could struggle if an unknown financial event were to occur. Whilst our uncommitted balance may be lower than our family group and the Scottish average it is still considered to be at an acceptable level and our contingency level complies with Council policy.

#### How We Performed

This is a new indicator for the LGBF.  
Lower is best.

This indicator has seen a steady decline over the past five years and is lower than both our Family Group and Scotland.

It should be noted that although there has been a steady decline the Council has made conscious investment decisions utilising the uncommitted balance and therefore the decline is non unknown or unplanned.

#### Additional Commentary by Head of Service

The Council currently maintains an agreed General Fund contingency level of 2% of the budgeted net expenditure for the subsequent year. When assessing the adequacy of reserves, which is done annually, the Council considers the strategic, operational and financial risks facing the Council, looking at both internal and external factors as noted in the Medium to Long Term Financial Strategy. Various factors/risks are considered when setting this level and this is reported annually at the Council Budget meeting as part of the reserves and balances report within the budget pack. The Council has an agreed policy in relation to earmarking reserves and this is complied with when carrying forward reserves into the new financial year. Levels of reserves, and the extent to which they are earmarked are kept under review and reported as a standard agenda item to the Policy and Resources Committee.

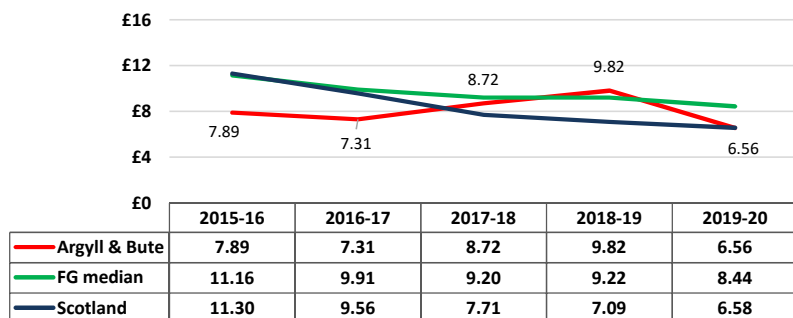
#### Expected Future Performance and Impact of Policy Decisions

The Council follows the guidance outlined in the CIPFA LAAP Bulletin in relation to Local Authority Reserves and Balances which provides guidance to local authorities on the establishment and maintenance of local authority reserves and balances. The level of the Council's reserves, and the extent to which an element of the general fund is not committed is kept under constant review. Should the Council's 2% contingency have to be utilised then the S95 Officer is required to put a recovery plan in place immediately to ensure the Council's contingency balance is restored. The biggest threat to this continues to be the risk of an IJB overspend.

In that event the partners (the Council and NHS Highland) will be required to make additional payments to the IJB. This additional payment will then be repaid through deductions in future payments to the IJB however it creates a pressure on the Council's reserve position at the time the payment is made.

## FINANCIAL SERVICES

**CORP 4 - The cost per dwelling of collecting Council Tax**



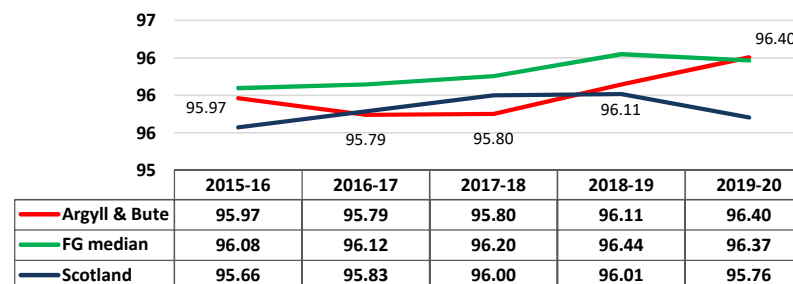
### How We Performed

The cost of collecting council tax has reduced by 33% and is the lowest cost so far achieved. The cost is also substantially lower than that of our Family Group and Scotland wide.

### Expected Future Performance and Impact of Policy Decisions

Expect to maintain these costs at the current level in 2020/2021 however there will be an increase from 2021/2022 onwards due to a job re-evaluation for Local Tax Assistants.

**CORP 7 - Percentage of income due from Council Tax received by the end of the year**



### How We Performed

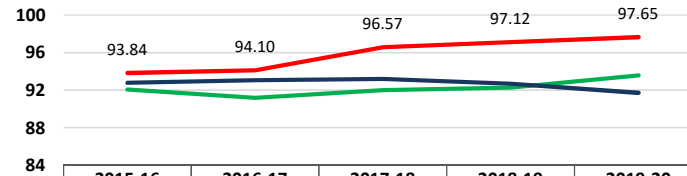
Argyll & Bute continues to perform very well in this measure. To compliment the cost of collecting council tax the percentage of council tax collected is the highest achieved so far. The performance achieved is higher than our Family Group and Scotland wide.

### Expected Future Performance and Impact of Policy Decisions

Performance will reduce in 2020/2021 onwards due to the impact of the Covid-19 pandemic on financial insecurity and the taxpayers ability to pay their Council Tax.

## FINANCIAL SERVICES

### CORP 8 - Percentage of invoices sampled that were paid within 30 days



	2015-16	2016-17	2017-18	2018-19	2019-20
Argyll & Bute	93.84	94.10	96.57	97.12	97.65
FG median	92.06	91.17	92.01	92.25	93.57
Scotland	92.77	93.06	93.19	92.68	91.72

#### How We Performed

Performance in this indicator continues to improve and far exceeds both the Family Group and Scotland wide performance.

This has been achieved despite the significant additional workload in relation to the payment of Covid related grants. This is especially important at the current time as small and medium size businesses continue to recover from the impact of Covid.

#### Expected Future Performance and Impact of Policy Decisions

There are no policy decisions anticipated at the current time which will impact on this indicator and the expectation is that the current excellent performance will be maintained.

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# Appendix 2

		KEY			
			<b>DNA</b>	Data Not Available	
			<b>SIMD</b>	Scottish Index Of Multiple Deprivation	
Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning....	Aligns to Corporate Outcome
Children's Services	CHN1	Cost Per Primary School Pupil	N	The analysis we do shows pupil roll numbers for ABC and Scotland. But how does our cost relate to our children's attainment? Can this be used for lobbying?	Education, Skills and Training
Children's Services	CHN2	Cost per Secondary School Pupil	N	The analysis we do shows pupil roll numbers for ABC and Scotland. But how does our cost relate to our children's attainment? Can this be used for lobbying?	Education, Skills and Training
Children's Services	CHN3	Cost per Pre-School Education Registration Place	N	The analysis we do shows pupil roll numbers for ABC and Scotland. But how does our cost relate to our children's attainment? Can this be used for lobbying?	Education, Skills and Training
Children's Services	CHN4	%age of Pupils Gaining 5+ Awards at Level 5	Y	Use only one measure to gain an understanding of our children's attainment.	Education, Skills and Training
Children's Services	CHN5	%age of Pupils Gaining 5+ Awards at Level 6	N	Only use 5+ Awards at Level 5.	Education, Skills and Training
Children's Services	CHN6	%age of Pupils Living in the 20% Most Deprived Areas Gaining 5+ Awards at Level 5 (SIMD)	Y	Use only one measure to gain an understanding of our children's attainment.	Education, Skills and Training
Children's Services	CHN7	%age of Pupils Living in the 20% Most Deprived Areas Gaining 5+ Awards at Level 6 (SIMD)	N	Only use 5+ Awards at Level 5 - 20% most deprived areas.	Education, Skills and Training
Children's Services	CHN8a	The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week	Y	Residential setting is not the preferred model for looking after children, but the measure can be used as a cost comparison with community setting and the wellbeing of the child.	Children and Young People Have The Best Possible Start
Children's Services	CHN8b	The Gross Cost of "Children Looked After" in a Community Setting per Child per Week	Y	Community setting is the preferred model. ABC has been noted for good practice in reducing the cost in this indicator. Can be used as a cost comparison with community setting and the wellbeing of the child.	Children and Young People Have The Best Possible Start
Children's Services	CHN9	Balance Of Care for 'Looked After Children' - % of children being looked after in the community	Y	The community setting is how we aim to look after our Looked After Children.	Children and Young People Have The Best Possible Start
Children's Services	CHN10	%age of Adults Satisfied with Local Schools	Y	This survey response has a low number of respondents. A preference is for a local survey to be done.	Education, Skills and Training
Children's Services	CHN11	%age of Pupils Entering Positive Destinations	N	The participation rate is more appropriate.	Education, Skills and Training

# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning....	Aligns to Corporate Outcome
Children's Services	CHN12a	Overall Average Total Tariff	N	Overall average tariff is calculated by the Improvement Service. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN12b	Average Total Tariff SIMD quintile 1	N	Tariff points for SIMD quintiles is calculated based on the Insight data and is provided for the LGBF by The Scottish Government. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN12c	Average total tariff SIMD quintile 2	N	Tariff points for SIMD quintiles is calculated based on the Insight data and is provided for the LGBF by The Scottish Government. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN12d	Average total tariff SIMD quintile 3	N	Tariff points for SIMD quintiles is calculated based on the Insight data and is provided for the LGBF by The Scottish Government. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN12e	Average total tariff SIMD quintile 4	N	Tariff points for SIMD quintiles is calculated based on the Insight data and is provided for the LGBF by The Scottish Government. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN12f	Average total tariff SIMD quintile 5	N	Tariff points for SIMD quintiles is calculated based on the Insight data and is provided for the LGBF by The Scottish Government. Tariff scores require specialist knowledge to understand. This is hard to communicate to the public.	Education, Skills and Training
Children's Services	CHN13a	%age of P1, P4 and P7 pupils combined achieving expected CfE Level in Literacy	Y / DNA THEREFORE NOT REPORTED	This has particular importance in light of Covid-19 and the impact on children.	Education, Skills and Training
Children's Services	CHN13b	%age of P1, P4 and P7 pupils combined achieving expected CfE Level in Numeracy	Y / DNA THEREFORE NOT REPORTED	This has particular importance in light of Covid-19 and the impact on children.	Education, Skills and Training
Children's Services	CHN14a	Literacy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils	Y / DNA THEREFORE NOT REPORTED	This has particular importance in light of Covid-19 and the impact on children.	Education, Skills and Training
Children's Services	CHN14b	Numeracy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils	Y / DNA THEREFORE NOT REPORTED	This has particular importance in light of Covid-19 and the impact on children.	Education, Skills and Training



# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning....	Aligns to Corporate Outcome
Children's Services	CHN17	%age of children meeting developmental milestones	Y	We want to make sure we are giving our children the best possible start. Should be looked at in conjunction with CHN18 (below).	Children and Young People Have The Best Possible Start
Children's Services	CHN18	%age of funded early years provision which is graded good/better	Y	We want to make sure we are giving our children the best possible start. Should be looked at in conjunction with CHN17 (above).	Education, Skills and Training
Children's Services	CHN19a	School attendance rate	Y / 1819 DATA	School attendance is key to the protection of children	Education, Skills and Training
Children's Services	CHN19b	School attendance rate (Looked After Children)	Y / 1819 DATA	School attendance is key to the protection of children	Education, Skills and Training
Children's Services	CHN20a	School exclusion rates (per 1,000 pupils)	Y / 1819 DATA	Schools aim to keep children engaged and attending school	Education, Skills and Training
Children's Services	CHN20b	School exclusion rates (per 1,000 'looked after children')	Y / 1819 DATA	Schools aim to keep children engaged and attending school	Education, Skills and Training
Children's Services	CHN21	Participation rate for 16-19 year olds (per 100)	Y	We are not including the positive destinations indicator	Education, Skills and Training
Children's Services	CHN22	%age of child protection re-registrations within 18 months	Y	This important indicator to help deliver the aim of every child and young person having the best possible start	Children and Young People Have The Best Possible Start
Children's Services	CHN23	%age LAC with more than 1 placement in the last year (Aug-July)	Y	This important indicator to help deliver the aim of every child and young person having the best possible start	Children and Young People Have The Best Possible Start
Corporate Services	CORP 1	Support services as a %age of total gross expenditure	N	This is not a simple like-for-like across Councils	Getting It Right
Corporate Services	CORP 3b	%age of the highest paid 5% employees who are women	Y	We report this nationally and it is linked to our equalities values	Getting It Right
Corporate Services	CORP 3c	The gender pay gap (%)	Y	We report this nationally and it is linked to our equalities values	Getting It Right
Corporate Services	CORP 4	The cost per dwelling of collecting council tax	Y	In the past we have been very efficient, however, we have implemented a new system which doesn't seem to have reaped the expected rewards. This may help us to monitor impact of the new system. Being efficient keeps our costs down.	Getting It Right
Corporate Services	CORP 6a	Sickness absence days per teacher	Y	There could be a dent in moral if teacher sickness absence is widespread. This puts pressure on other teachers and could mean that subjects aren't taught by subject experts - this in turn could have a detrimental effect on our childrens' attainment and future. There is also a cost to the Council / public pound which the Council has a duty to manage.	Getting It Right
Corporate Services	CORP 6b	Sickness absence days per employee (non-teacher)	Y	There could be a dent in moral if staff sickness absence is widespread. This puts pressure on other staff members which in turn could have a detrimental effect on our efficiency and service delivery. There is also a cost to the Council / public pound which the Council has a duty to manage.	Getting It Right
Corporate Services	CORP 7	%age of income due from council tax received by the end of the year	Y	We should continue collect as much local tax as possible	Getting It Right
Corporate Services	CORP 8	%age of invoices sampled that were paid within 30 days	Y	We should pay invoices within the 30 days - if the business is local this can help the local economy. Cash-flow is a major reason why businesses don't succeed.	Getting It Right

# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning....	Aligns to Corporate Outcome
Adult Social Care	SW1	Home care costs per hour for people aged 65 or over	N	This is outwith our control	People Live Active, Healthier And Independent Lives
Adult Social Care	SW2	Self Directed Support (Direct Payments + Managed Personalised Budgets) spend on adults 18+ as a %age of total social work spend on adults 18+	N	Inclusion may depend on what is seen as being politically important in this area as well as personal choice	People Live Active, Healthier And Independent Lives
Adult Social Care	SW3a	%age of people aged 65 and over with long-term care needs receiving personal care at home	Y	This is what we strive to achieve. Our number could increase in line with our population profile.	People Live Active, Healthier And Independent Lives
Adult Social Care	SW4b	%age of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	Y	This survey response has a low number of respondents. A preference is for a local survey to be done	People Live Active, Healthier And Independent Lives
Adult Social Care	SW4c	%age of adults supported at home who agree that they are supported to live as independently as possible	Y	Although operational in nature this gives us important insight to the level of care and supported provided	People Live Active, Healthier And Independent Lives
Adult Social Care	SW4d	%age of adults supported at home who agree that they had a say in how their help, care or support was provided	Y	Although operational in nature this gives us important insight to the level of care and supported provided	People Live Active, Healthier And Independent Lives
Adult Social Care	SW4e	%age of carers who feel supported to continue in their caring role	Y	Although operational in nature this gives us important insight to the level of care and supported provided	People Live Active, Healthier And Independent Lives
Adult Social Care	SW5	Residential costs per week per resident for people aged 65 or over	Y	This could be a growing cost pressure in line with our population profile	People Live Active, Healthier And Independent Lives
Adult Social Care	SW6	Rate of readmission to hospital within 28 days per 1,000 discharges	N	This is not wholly within our control	People Live Active, Healthier And Independent Lives
Adult Social Care	SW7	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	y	We aim to continually meet and exceed this grading	People Live Active, Healthier And Independent Lives
Adult Social Care	SW8	Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)	N	This is not wholly within our control	People Live Active, Healthier And Independent Lives

# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning....	Aligns to Corporate Outcome
Culture & Leisure Services	C&L1	Cost per attendance at sports facilities	N	This is out of our control and should be reported on by Live Argyll	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L2	Cost per library visit	N	This is out of our control and should be reported on by Live Argyll	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L3	Cost of museums per visit	N	This is out of our control and should be reported on by Live Argyll	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L4	Cost of parks & open spaces per 1,000 population	N	Unclear what is covered by 'open spaces' and we don't have many parks.	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L5a	%age of adults satisfied with libraries	Y	This survey response has a low number of respondents. A preference is for a local survey to be done. This may be removed once we have carried out a comparison with results from our own survey.	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L5b	%age of adults satisfied with parks and open spaces	N	This survey response has a low number of respondents. A preference is for a local survey to be done	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L5c	%age of adults satisfied with museums and galleries	N	This survey response has a low number of respondents. A preference is for a local survey to be done	People Live Active, Healthier And Independent Lives
Culture & Leisure Services	C&L5d	%age of adults satisfied with leisure facilities	Y	This survey response has a low number of respondents. A preference is for a local survey to be done. This may be removed once we have carried out a comparison with results from our own survey.	People Live Active, Healthier And Independent Lives
Environmental Services	ENV1a	Net cost of waste collection per premise	Y	This 'matters' although geography is a huge factor, other factors also play a part. If geography is the main element that adversely effects our performance can it assist lobbying?	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV2a	Net cost of waste disposal per premise	Y	This 'matters' although geography is a huge factor, other factors also play a part. If geography is the main element that adversely effects our performance can it assist lobbying?	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV3a	Net cost of street cleaning per 1,000 population	N	This isn't about our performance. This is based on our population; as we still need to clean our streets we're always going to be expensive. Local / operational monitoring of cost would be more beneficial	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV3c	Street Cleanliness Score	Y	This should reflect the quality of our street cleaning. If we score low here we can use this as a can opener to target specific areas	We Have An Infrastructure That Supports Sustainable Growth

# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning...	Aligns to Corporate Outcome
Environmental Services	ENV4a	Cost of Roads per kilometre	Y	This 'matters'. Although we have one of the lowest spends the findings should be read in conjunction with the following percentage indicators and other factors such as policy decisions and budget. Also useful for lobbying.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV4b	%age of A Class roads that should be considered for maintenance treatment	Y	This 'matters' - it tells us the condition of the road class for our most-used roads and help with consideration of capital budget and programmes. Also useful for lobbying.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV4c	%age of B Class roads that should be considered for maintenance treatment	Y	This 'matters' - it tells us the condition of the road class for our most-used roads and help with consideration of capital budget and programmes. Also useful for lobbying.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV4d	%age of C Class roads that should be considered for maintenance treatment	N	This tells us the condition of the lower class of road and helps with consideration of capital budget and programmes.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV4e	%age of U Class roads that should be considered for maintenance treatment	N	This tells us the condition of the lower class of road and helps with consideration of capital budget and programmes.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV5	Cost of Trading Standards and environmental health per 1,000 population	Y	There are 3 elements to this indicator which are also 'split' out below. Ideally analyse 1 or 2 of them but not all 3, however, delivered by different Services and aligned to different Corporate Outcomes	People Will Live In Safer And Stronger Communities
Environmental Services	ENV5a	Cost of trading standards, money advice and citizen advice per 1,000 population	Y	See above	People Will Live In Safer And Stronger Communities
Environmental Services	ENV5b	Cost of environmental health per 1,000 population	Y	See above	Our Economy Is Diverse And Thriving
Environmental Services	ENV6	%age of total household waste arising that is recycled	Y	This 'matters' and links in with our waste strategy	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV7a	%age of adults satisfied with refuse collection	Y	This survey response has a low number of respondents. A preference is for a local survey to be done. This may be removed once we have carried out a comparison with results from our own survey.	We Have An Infrastructure That Supports Sustainable Growth
Environmental Services	ENV7b	%age of adults satisfied with street cleaning	Y	This survey response has a low number of respondents. A preference is for a local survey to be done. This may be removed once we have carried out a comparison with results from our own survey.	We Have An Infrastructure That Supports Sustainable Growth
Housing Services	HSN1b	Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	N	We do not provide these housing services	N/A
Housing Services	HSN2	% of rent due in the year that was lost due to voids	N	We do not provide these housing services	N/A
Housing Services	HSN3	% of council dwellings meeting Scottish Housing Standards	N	We do not provide these housing services	N/A
Housing Services	HSN4b	Average number of days taken to complete non-emergency repairs	N	We do not provide these housing services	N/A
Housing Services	HSN5	% of council dwellings that are energy efficient	N	We do not provide these housing services	N/A
Corporate Asset	CORP-ASSET1	%age of operational buildings that are suitable for their current use	Y	It is important that our buildings maintain a high level of suitability	We Have An Infrastructure That Supports Sustainable Growth
Corporate Asset	CORP-ASSET2	%age of internal floor area of operational buildings in satisfactory condition	N	Satisfaction should be covered in above measure	We Have An Infrastructure That Supports Sustainable Growth

# Appendix 2

Indicator Group	Indicator Ref	Indicator Name	SMT Decision To Analyse - March 2021 Y/N	Reasoning...	Aligns to Corporate Outcome
Economic Development	ECON1	%age of unemployed people assisted into work from council operated / funded employability programmes	N	The value of comparing our population seeking work against other LAs is questionable	People Live Active, Healthier And Independent Lives
Economic Development	ECON2	Cost of Planning & Building Standards per planning application	N	The quality and time are being analysed	People Will Live In Safer And Stronger Communities
Economic Development	ECON3	Average time per business and industry planning application (weeks)	Y	Time is important to keep the local economy stimulated.	Our Economy Is Diverse And Thriving
Economic Development	ECON4	%age of procurement spend spent on local enterprises	Y	Reflects money from council awarded contracts that can be put back into local economy	Our Economy Is Diverse And Thriving
Economic Development	ECON5	No of business gateway start-ups per 10,000 population	Y	Growing the economy is key to growing the population	Our Economy Is Diverse And Thriving
Economic Development	ECON6	Investment in Economic Development & Tourism per 1,000 Population	N	The cost doesn't necessarily equate to quality. How helpful are direct comparisons between local authorities?	Our Economy Is Diverse And Thriving
Economic Development	ECON7	Proportion of people earning less than the living wage	Y	Average earnings are important but this is outwith our control	Our Economy Is Diverse And Thriving
Economic Development	ECON8	Proportion of properties receiving superfast broadband	Y	The broadband speed is important but we cannot control it - used for lobbying	Our Economy Is Diverse And Thriving
Economic Development	ECON9	Town Vacancy Rates	N	We only report on this every two years due to the resource required	Our Economy Is Diverse And Thriving
Economic Development	ECON10	Immediately available employment land as a %age of total land allocated for employment purposes in the local development plan	N	This is not an issue for us	Our Economy Is Diverse And Thriving
Financial Sustainability	FINUS1	Total useable reserves as a % of council annual budgeted net revenue	Y	Financial controls are a key element for the council and our communities	Getting It Right
Financial Sustainability	FINUS2	Uncommitted General Fund Balance as a % of council annual budgeted net revenue	Y	Financial controls are a key element for the council and our communities	Getting It Right
Financial Sustainability	FINUS3	Ratio of Financing Costs to Net Revenue Stream	N	Above measures more suitable and informative	Getting It Right
Financial Sustainability	FINUS4	Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account	N	We do not provide these housing services	N/A
Financial Sustainability	FINUS5	Actual overrun as a percentage of budgeted expenditure	N	Above measures more suitable and informative	Getting It Right
Climate Change	CLIM1	CO2 emissions area wide per capita	Y	Whilst A&B is the lowest net carbon dioxide producing region in UK per head of population - this is bigger than us and 'matters'	We Have An Infrastructure That Supports Sustainable Growth
Climate Change	CLIM2	CO2 emissions area wide: emissions within scope of LA per capita	Y / DNA THEREFORE NOT REPORTED	Awaiting on more current data as only available data is very historic. Intend to report going forward	Getting It Right
		<b>Total Number Of Indicators</b>	<b>97</b>		
		<b>Total Number Of Indicators Initially Proposed For Analysis</b>	<b>58</b>		
		<b>Total Number Of Indicators Agreed For Analysis</b>	<b>52</b>		

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ARGYLL AND BUTE COUNCIL

AUDIT & SCRUTINY COMMITTEE

CUSTOMER SUPPORT SERVICES

14<sup>TH</sup> SEPTEMBER 2021

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**Audit Scotland Report – Digital Progress in Local Government**

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**1.0 EXECUTIVE SUMMARY**

1.1 The Audit Scotland report is aimed primarily at elected members and concludes with a checklist intended to help elected members scrutinise and challenge digital progress. The checklist is included at appendix 3.

1.2 The report:

- sets out the key characteristics of a digital council
- looks at how well councils are putting in place the building blocks required for digital transformation
- examines what opportunities exist and what barriers to progress there are
- provides examples that demonstrate how some councils are transforming
- examines how councils have used digital technology to respond to the Covid 19 pandemic and what can be learned from this.

**Recommendations:**

1.3 It is recommended that Audit and Scrutiny Committee:

- i. Note the content of the Audit Scotland Report
- ii. Note the progress made by the Council towards becoming a Digital First Council;
- iii. Consider and comment on the current position of the Council in respect of the areas of priority highlighted in the report

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ARGYLL AND BUTE COUNCIL

AUDIT & SCRUTINY COMMITTEE

CUSTOMER SUPPORT SERVICES

14<sup>TH</sup> SEPTEMBER 2021

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## Audit Scotland Report – Digital Progress in Local Government

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### 2.0 INTRODUCTION

2.1 The Accounts Commission audit report “Digital Progress in Local Government” in Scotland was published earlier this year. The audit commenced prior to the Covid-19 pandemic and was originally intended to document good practice in digital transformation in local government, and describe what it takes to become a digital council. It was then adapted to look at how councils responded to the digital challenges of the pandemic and how councils and their partners had to innovate and collaborate on a scale never seen before. The findings are based on case study work carried out at six councils and the full report is included as appendix 2 to this document.

2.2 The Audit Scotland report is aimed primarily at elected members and concludes with a checklist intended to help elected members scrutinise and challenge digital progress in their Councils. The checklist is included at appendix 3. The report:

- sets out the key characteristics of a digital council
- looks at how well councils are putting in place the building blocks required for digital transformation
- examines what opportunities exist and what barriers to progress there are
- provides examples that demonstrate how some councils are transforming
- examines how councils have used digital technology to respond to the Covid-19 pandemic and what can be learned from this.

2.3 The Council approved a new ICT and Digital Strategy for 2021-24 in January. Many of the recommendations from the audit report have already been included in our development plans as we progress with our already well-established path to becoming a Digital First council. The audit report recognises that all councils operate in a complex and challenging environment and that all are at different



stages of digital transformation. The report is designed to offer advice to all councils, no matter where they are on that journey. The messages in the audit report should be considered alongside our Council's preparedness and response to the pandemic. Because of our digital preparations and well established ways of working remotely, council staff successfully transitioned from office to home workers almost overnight when lockdown occurred and have continued to work remotely whilst continuing to deliver a first class service to those most in need.

- 2.4 Some of the report's key messages further strengthen the case for increased investment in digital services and call for effective governance arrangements to be developed to include:
- a committee or board with a remit to scrutinise digital programmes
  - a digital delivery/programme board with overall strategic control
  - an operational board or corporate groups to monitor delivery of specific digital programmes, which may be at service level or have cross-council membership.

This summary report references those key messages and includes a brief outline of the council's progress against each finding and recommendation.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Audit and Scrutiny Committee:

- i. Note the content of the Audit Scotland Report;
- ii. Note the progress made by the Council towards becoming a Digital First Council;
- iii. Consider and comment on the current position of the Council in respect of the areas of priority highlighted in the report.

### **4.0 DETAIL**

4.1 Six councils were originally selected for the audit in mid-2019, each at different starting positions and each contributed case study material, participated in interviews, workshops and reviews of key documents. Other organisations such as the Digital Office and Improvement Service also contributed alongside members of the national Digital Partnership Board. Audit Scotland originally set out to examine "what progress councils are making in becoming digital councils that improve services and deliver better outcomes for citizens". In March 2020 the focus of the audit changed to include a review of the digital response to the pandemic and how organisations have had to innovate and collaborate on a scale never seen before.

4.2 The audit is based around six key characteristics that Audit Scotland expect to find in a digital council. These are focused on delivering better outcomes for its

citizens through the best use of people and digital technology. The report places great emphasis on having the right skills and culture in place and explores further each of the following characteristics:

- **Digital Leadership:** Communicates a clear digital vision and ambition and creates an innovative and collaborative culture that drives change. Understands the potential of people and digital technologies to transform services for citizens.
- **User focused:** Understands the needs of citizens, communities and staff affected by services and policies, and involves them in service design. Focuses on improving outcomes for citizens and other users.
- **Digital Workforce:** Has the skills, knowledge and confidence to develop new ways of working, including using new technology.
- **Collaborative:** Develops new ways of working together, sharing good practice and ideas across services and between councils and sectors, and involves citizens and communities.
- **Technology and Data Enabled:** Makes best use of digital technology to build common solutions that can be reused and shared to create better value for money. Uses and shares data securely to inform decision-making, enable joint services and achieve better outcomes for citizens.
- **Innovative:** Has a culture of openness and improvement, looks outwards and explores how services can be delivered differently. Has the capacity, capability and processes in place to implement change.

4.3 The report makes a number of recommendations and observations around the six characteristics and appendix 1 provides some commentary on Argyll and Bute's progress against each.

4.4 Key messages: Some of the report's key messages further strengthen the case for increased investment in digital services and calls for effective governance arrangements to be developed to include:

- a committee or board with a remit to scrutinise digital programmes
- a digital delivery/programme board with overall strategic control
- an operational board or corporate groups to monitor delivery of specific digital programmes, which may be at service level or have cross-council membership.

## 5.0 CONCLUSION

It is no surprise that Scotland's 32 councils are at different stages of their journeys to become Digital Councils. There is no prescribed one size fits all model for all councils. Argyll and Bute has made great progress in recent years and has delivered real digital successes, which were evident in the way the council responded to the pandemic. However there are areas we can further improve and the report's findings will be used to help make improvements to the way that we progress on our digital journey. Audit Scotland noted a number of key common priorities for councils and investment in Digital and the governance arrangements around the Digital First programme should take priority. Other priorities where we already score well include:

- increasing online service provision, with round-the-clock self-service access – we continue to add to our portfolio of online services, resulting in over 4.4 million web page views and 35,000 online service requests fulfilled
- Digital Inclusion with investments in easy to use telephony automations (48,000 transactions including 9,000 phone payments), web assistants and web chat, Keep in the Loop pro-active updates and rollout of Connected Scotland free devices to the vulnerable digitally excluded.
- increasing flexible and mobile working, allowing staff to access real-time data for services such as social care and waste management – it's 10 years since we introduced flexible working underpinned with Skype unified communication and the technologies needed to allow our users to get remote, secure access to real-time data.
- using technology to support democratic functions such as hosting committee meetings and surgeries online – our democratic functions are in the midst of a major online move with council meetings taking place fully online.
- Digital Skills development through our schools, for our employees via LEON online training and our new Digital Learning Framework 2021-24 and to communities through Adult Learning.

The report's recommendations, where deemed suitable for the council, will play a pivotal role in the council's wider digital first transformation agenda. It presents useful guidance on digital progress in local government, as well as good practice examples from the six participating councils. The findings will be further assessed and compared against the council's strategic plans for digital to help determine any other areas of improvement for the council.

## **6.0 IMPLICATIONS**

- 6.1 Policy – Aligns with the ICT and Digital Strategy
- 6.2 Financial – None from this report
- 6.3 Legal – None from this report
- 6.4 HR – aligns with the Digital Learning Strategy
- 6.5 Fairer Scotland Duty: No assessment required
  - 6.5.1 Equalities - protected characteristics No assessment required
  - 6.5.2 Socio-economic Duty – no assessment required
  - 6.5.3 Islands – no assessment required

- 6.6. Risk – Cyber security is now recognised as a red risk in the Strategic Risk Register and is a high priority for driving digital progress and innovations
- 6.7 Customer Service – Digital innovations have resulted in ongoing improvements to customer service as we automate and increase the number of enquiries resolved at first point of contact.

**Executive Director Kirsty Flanagan**

**Policy Lead Mary Jean Devon**

19 August 2021

**For further information contact:**

**Jane Fowler, Head of Customer Support Services**

**Gerry Wilson, ICT and Digital Manager, Customer Support Services**

## **APPENDICES**

Appendix 1 – Council position on Audit Scotland Report

Appendix 2 – Audit Scotland Report – Digital Progress in Local Government

## Appendix 1: Digital progress in local government – Council Position

### Key Recommendations

Key Message	Recommendation	Comment
<p><b>1. Progress and impact of Covid-19</b></p> <p>Councils are at different stages of digital transformation. Progress is strongest where councils have focused on how digital technology can deliver better outcomes for people. The pace of change has increased as digital technologies have played a vital role in the public sector's response to the Covid-19 pandemic. It has also heightened the awareness of digital exclusion.</p>	<p>To maintain momentum, councils should assess their progress, learn lessons, and identify and address barriers and inequalities.</p>	<p>The Council's new ICT and Digital Strategy has focused on how digital technology can deliver better outcomes for people – both our staff and our customers. The actions in the plan include:</p> <ul style="list-style-type: none"> <li>• be inclusive and put customers' needs first;</li> <li>• make services more efficient through the adoption of new ways of working enabled by technology;</li> <li>• put services online and encourage all of our people and customers to use them by default;</li> <li>• work in real-time - with systems available 24/7;</li> <li>• be automated - with minimal manual processing;</li> <li>• be intelligent and pre-emptive of the next steps and future trends;</li> <li>• be secure and accessible anytime.</li> </ul> <p>These will build on considerable investments already made in automated and assistive technologies to make our digital services as accessible as possible. In</p>

		<p>April 2021 our website ranked 11<sup>th</sup> for accessibility out of all UK council websites. Progress in rural areas is more challenging compared with progress in fibre filled cities due to the 'not spots' for broadband and mobile.</p> <p>We will continue to use our channels in the Digital Office to raise the challenges of remote and rural connectivity and ensure that these are reflected in any standards adopted to define a 'Digital Council'</p>
<p><b>2. Becoming a digital council</b></p> <p>Clear vision and leadership, with workforce and community engagement, are essential for realising the benefits of digital transformation. Delivering change requires a culture of collaboration and innovation, as well as aligned strategies and plans, effective governance, and engaged and informed elected members.</p>	<p>Councils should have a clear digital vision and strategy that sets out how digital transformation will deliver better outcomes for people. The strategy should be supported by plans detailing actions, timescales and the required investment in technology, people and skills.</p> <p>Councils should have a structured approach to collaboration and innovation, with staff given space and time to learn, test new ideas and put them into practice. Councils should actively collaborate through the Digital Office and other regional partnerships.</p>	<p>Our ICT and Digital Strategy sets out a clear vision about digital improvements and transformation. Plans are underway to develop a new HSCP Digital Strategy, which will further strengthen Argyll and Bute's strategic position on digital services. Detailed delivery plans are in development to deliver the Digital Strategy Action Plan and progress will be monitored as part of our Digital by Default or Digital First programme approach. The new strategy is supported by four key themes - Customers, Technology, Processes, and People. The strategy matches ICT and Digital services with the council's ambition for service improvement and sustainability through digital innovation. It sets out how ICT and Digital services will be designed, sourced and delivered, and how digital technologies</p>

		<p>and processes can support our people and our customers to work better together</p> <p>We agree with the need for a structured approach to collaboration and innovation and our departments need to assess their own digital capability in delivering services and dedicate the resource required to do so. The new MS365 platform includes a number of new tools and capabilities that will facilitate this. We are keen to develop a culture that allows us sufficient time and space to fully test and learn – and allows us to fail. An integrated approach of best use of technology, effective and structured service design along with strategic digital leadership will take the organisation forward with a clear digital vision.</p> <p>This will be best approached through the systematic use of BPR and sessions on the Art of the Possible for Managers, which we will seek support from the Digital Office to deliver.</p> <p>We are already active members of the Digital Office partnerships as well as others such as Pathfinder North. We participated widely in regional partnerships during the Covid response for matters as diverse as Caring for People to excess death management and all had a strong digital best practice sharing element.</p>
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**3. Citizens at the heart**

There has been a lack of citizen involvement in digital service design and not enough focus on outcomes in monitoring progress of digital programmes.

To better understand the needs of citizens, councils should have a citizen and community engagement plan and ensure they have sufficient staff with the skills to carry out service design.

Councils need to improve how they monitor outcomes. This could include adopting a benefits realisation approach.

The Council already engages with our Citizens and there are significant online resources for our customers. The Recovering Council group commissioned a survey on customer engagement post covid that had 998 responses and which had specific segments on digital customer service. These will feed into the new Customer Service Strategy.

Engagement with communities is a key theme of our BV3 action plan.

We will focus more engagement around digital service delivery to ensure that we are meeting customer need. This past year has seen many successes including online planning consultation meetings and consultation with Community Groups around covid support pathways and response. We also have over 5,000 citizens subscribed to receive invites to surveys and consultations via the Keep in the Loop Service and many regularly do so; hence the significant increase for example in Budget Consultation responses.

Regarding Service Design Skills we successfully submitted an application for funding to the Flexible Workforce Development Fund for a grant to fund Service Design Training from the Scottish Service Design Academy for relevant



		<p>managers. In addition, we are developing a strategic position on the Scottish Approach to Service Design. We have a candidate on the Digital Office/SCVO Digital Training Programme, who will then use that knowledge to design an appropriate digital champion approach for Argyll and Bute. We have current participants in and alumni of the Scottish Digital Champions Programme operated by Heriot Watt University and Scottish Government.</p> <p>Adopting a more structured approach to service design, and building on the engagement improvements we have planned as part of our BV3 Action plan, we aim to engage further with citizens to better understand their expectations for all aspects of service deliver – both in person and online/ self-service. There are community/ customer engagement forums e.g. in Education and other services but the focus of those are not specific to digital services, This is an area for further consideration and development.</p> <p>A better understanding of our outcomes can also be achieved through deriving better value from our data to evidence better outcomes. We will improve our use of data analytics and develop a consistent approach to using the SASD process to improve this and enable us to develop better methods of engagement to gauge</p>
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		outcomes and success or otherwise of service delivery decisions.
<p><b>4. Workforce and skills</b></p> <p>Insufficient staff capacity and digital skills are the most significant barriers to progress. There are digital skills initiatives in place, but there needs to be better alignment with councils' wider workforce plans.</p>	<p>Councils should conduct a staff skills survey to better understand what digital and data skills they need. Councils should have detailed workforce and skills development plans, including for leadership teams and elected members that align with digital transformation plans.</p>	<p>The council has recently approved its Digital Learning Framework 2021-24 which addresses all of the elements noted here along with an action plan route map of activities.</p>
<p><b>5. Data and technology</b></p> <p>Councils are starting to develop strategies to make better use of data. Data standards, governance and ethics are important areas in which councils need to make progress. Legacy systems, however, remain a barrier.</p>	<p>Councils should understand their technology infrastructure and have a clear plan to address legacy systems to create better coordinated solutions. This could include common platforms and shared procurement.</p> <p>Councils should work with the Digital Office and Scottish Government in developing common data standards and a data ethics approach.</p>	<p>We ensure close and regular monitoring of the performance, integration and security of all our ICT systems and applications. These are assessed on the basis of performance, effectiveness, security and cost. Our guiding principle is to simplify and reduce the number of different systems applications that we use, where there is the scope to do so. This is implemented in a planned way to ensure that business effectiveness is maintained and improved wherever possible.</p> <p>There are some systems that local government must use as they are nationally managed – e.g. the Planning portal. Councils therefore have limited scope to deal with these legacy systems.</p>

		<p>There is an assumption here that legacy systems are a problem. However we must remember that these systems met the requirements for services when last tendered. If the service requirements have changed and legacy systems become unsuitable or do not offer the functionality required to support service delivery then we should be looking to replace or upgrade legacy systems.</p> <p>We are already doing so with the main Health and Social Care, Finance, and HR systems – all are currently being replaced. Replacement is expensive and the council is aware of the significant resources required to continue to upgrade and replace with more coordinated solutions. We must exploit existing opportunities to effect the development and value of 3<sup>rd</sup> party systems to us through effective participation in national user groups. The key issue is to make the data these systems contain more accessible, more meaningful, more joined up and better configured to enable organisation-wide analysis.</p> <p>We continue to monitor progress that the Digital Office makes in negotiating major new contracts for common platforms and shared systems across local government and look forward to seeing the financial benefits of this once delivered. We continue to work with the Digital Office and other</p>
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		partners to maximise the benefit of any shared opportunities that arise.
<p><b>6. National leadership and collaboration</b></p> <p>There needs to be greater leadership and clarity of roles at a national level, with consistent vision and direction across the sector. The Digital Office has enabled councils to collaborate, share knowledge and innovate. Opportunities exist for it to do more but this requires changes to how it works, how councils support it and how it is funded.</p>	<p>The refresh of the digital strategy for Scotland provides an opportunity for all organisations which support the delivery of digital transformation in local government to set the vision and agree shared priorities. These organisations, including the Digital Office, the Improvement Service and councils, should:</p> <ul style="list-style-type: none"> <li>• agree on and clearly articulate their roles and responsibilities</li> <li>• identify where a shared approach would add value to developing and delivering common systems and platforms, and specialist skills</li> <li>• review the funding and delivery model for the Digital Office, to ensure it has the capacity and support to deliver on the agreed priorities</li> <li>• streamline a work programme for the Digital Office, with each part of the programme having senior-level sponsorship.</li> </ul>	<p>The refresh of the Digital Strategy presents local government with a framework for digital transformation, which is welcome. The Council's Digital Strategy has been developed in parallel with this national strategy and so reflects and aligns with many of the key elements of the overall vision.</p> <p>As a remote, rural and island council, we have embraced a strong leadership role in digital transformation and, with our well established arrangements for remote and flexible working, underpinned by secure full vpn access and Skype for Business telephony, we were extremely well positioned to make the full transition to online working for all networked staff rapidly at the outset of Covid. This supported the Council's effective online Governance, including the Business Continuity Committee, remote learning in our schools as well as the rapid enablement of multiple online processes to support grants, payments, food, vulnerable people services etc.</p> <p>Our long term commitment to digital innovation has been at the heart of our service delivery for years, with embedded ICT Client Liaison Officers in services, ongoing channel shift, innovative digital</p>

		<p>solutions to remote service delivery, TEC and more.</p> <p>We look forward to seeing the Digital Office progress in areas of work where Councils will gain further benefit e.g. negotiate national contracts with major software and systems providers such as Microsoft, Oracle, OLM etc.</p> <p>We will continue to engage with the DO and around Digital Leadership in Local Government, which is another area where we look forward to the DO adding value, supporting and advising political leadership and COSLA in some of the more sensitive areas of digital service delivery. This is particularly pertinent in areas where there can be a reluctance by elected members to 'lose' visible frontline presence, whilst a digital solution would provide a more cost effective option.</p> <p>The Council is well placed to highlight the role that digital service provision plays in reducing inequality of access to services, caused by geographical remoteness and we monitor progress against this in performance reports.</p> <p>A consistent vision is a challenge where priorities and service needs can be as diverse as they are across Scotland. But a broad commitment to digital delivery across the public sector is welcomed, and the value</p>
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		<p>of the DO can be in articulating that critical message nationally, not to digital practitioners, but to communities, community representatives and elected members: that a digital approach is valued, valuable and desirable – not a threat to or removal of service.</p> <p>The DO is a valued partner and we look forward to seeing council investment matched by return.</p> <p>The council is a very active Partner in both Digital Office, Improvement Service and other Scottish Government bodies such as the National Digital Identity Project and is at the forefront of many national initiatives from MyAccount to Pathfinder North. We also participate in many other digital forums such as SOCITM Scotland and the Scottish Local Government Contact Centre Manager’s Group.</p>
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Key Messages	Council Position
<p><b>Digital Leadership:</b></p> <p>Councils that are making progress have a digital vision and strategy focused on improving outcomes for citizens</p>	<p>We have a new ICT and Digital Strategy with a clear ICT and Digital Vision to provide digital technologies and processes to support our people and our customers, to encourage collaboration, get things done and contribute to a better organised and more efficient council, delivering on our Outcomes. Our ICT Digital Vision is supported by four key themes - Customers, Technology, Processes, and People</p> <p>Our goals as a digital first authority are listed and specifically include:</p> <ul style="list-style-type: none"> <li>• be inclusive and put customers' needs first;</li> <li>• make services more efficient through the adoption of new ways of working enabled by technology;</li> <li>• put services online and encourage all of our people and customers to use them by default;</li> </ul> <p>We also have a new Digital Learning Framework so that the technology is supported by digital skills for our people and the new Customer Service Strategy is in development regarding digital customer engagement post covid.</p>
<p>Digital strategies are most effective when leaders champion change and staff are engaged</p>	<p>We are at an early stage of implementing our strategy and this engagement will be established and sustained.</p>
<p>Leadership teams must have the right level of digital awareness, expertise and skills</p>	<p>Our leadership teams are participating in the Scottish Government's Digital Champions programme and funding has been sourced for Service Design training for managers.</p>
<p>Involvement of elected members is not well developed</p>	<p>Our elected members have been using Skype for Business and iPads for all committee papers for several years now. This has been an essential element of managing our remote and island area and providing them with the appropriate tools for their roles. Members are involved in new strategy development and our Policy Lead for Customer Services is very closely involved. We operate regular engagement sessions and seminars with our elected members. Most recently this included a Customer Service and Web session, which</p>

	<p>highlighted all of the current and developing digital features for our customers online. We included a demonstration of the recently developed Alexa skill that gives bin collection days. Our members' ICT virtual drop in sessions is helping to provide digital skills training and support for elected members. The Digital Office were developing an Elected Members Digital Training Programme, but this was suspended for covid priorities, and we look forward to this workstream recommencing. We have an established programme to deliver online training and develop digital skills via LEON, which is available to all elected members.</p>
<p>Councils have adjusted governance arrangements to ensure the right level of scrutiny for digital programmes</p>	<ul style="list-style-type: none"> <li>• As part of our Digital by default programme, we are in the process of establishing an ICT and Digital board, led by senior officers, which will oversee all aspects of our digital journey. a digital delivery/programme board with overall strategic control and direction</li> <li>• operational/project boards or corporate groups to monitor delivery of specific digital programmes, which may be at service level or have cross-council membership</li> </ul>
<p>Investment to date has been largely focused on technology and infrastructure</p>	<p>The Council, given its remote, rural and island geography, has been an early adopter of remote working and has successfully managed this in a secure and user friendly way. This has meant that as we have progressed on our digital journey since the introduction of MS Lync/Skype for Business in 2011 we have had a parallel process of investment in infrastructure and technology being accompanied by skills development and adaptations to management techniques. We put together skills for managers in remote learning when we implemented skype for business in 2011. This has meant that our teams and managers are very skilled in and adept at remote working, remote meetings, remote team building, and remote collaboration. This also meant we were well prepared to adapt to using MS Teams at the start of the pandemic. Our next phase in development is planned around the opportunities presented by MS365 and the associated</p>



	<p>Robotic Process Automation to improve efficiency. Again these will include both the technology and the associated skills and different ways of working.</p> <p>Data analytics is an area where support from the DO would be welcome. Councils are data rich, but lack the skills in house to maximise the use of that data to improve services and efficiencies.</p>
<p>Covid-19 has helped develop digital leadership and moved digital transformation up councils' agendas</p>	<p>There were many authorities across Scotland who struggled to deal with the impact of the lockdown on service delivery. Argyll and Bute already had established policies, skills and technologies in place to allow staff to work from home and have access to almost all key systems. Our day to day business was not affected by any lack of progress in digital but we had issues when dealing with other organisations who did not have such well-established systems and plans. Hence for example it was our CRM, Unified Comms and browser based caseload management systems that underpinned the Caring for People Partnership that supported our vulnerable citizens and our Keep in The Loop proactive comms that issued over 1.2 million coronavirus updates to individuals including the Shielded. Digital leadership and digital transformation is well established in our council</p>
<p><b>User Focused:</b></p>	
<p>Involving users in service design is still limited in practice</p>	<p>We have established groups of Systems Admins and users who are involved at every stage of a system procurement. This includes user based development of system requirements. Our users also contribute to national user groups where systems are reviewed and redesigned to suit current trends and requirements. We operate with a small scale ICT development team who work directly with front line users to design small scale systems.</p> <p>The Scottish approach to service design "Design with, not for" is embedded in our Customer Engagement Team who use a variety of approaches to involve users in new solutions and actively gather their feedback. Digital collaboration has however become much easier with</p>

	so many citizens now using Teams etc, so this is something that will be more intensively adopted going forward.
Councils need to improve how they monitor outcomes from digital change	Post Project reviews include this in the scoring of project success. This is a long established process in Argyll and Bute. We also have long standing and detailed performance reports from our customers in response to service changes to digital. They response is generally very positive as it improves efficiency and self-service.
Councils are adopting a 'digital first' approach but must ensure that no one is left behind	We will to continue to deliver services in the traditional way until the digital exclusion barriers are removed - fibre for all, skills for all, and devices for all. There are a number of national initiatives designed to address these barriers and the council is an active participant in all of them. We fully implemented our 2016 Digital Inclusion Strategy and this will be renewed as part of the Customer Service Strategy recommendations. We ensure that we carry out Fairer Scotland Duty impact assessments for all of our service change proposals, to ensure appropriate engagement is carried out and no disadvantage is caused.
<b>Digital Workforce:</b>	
Insufficient staff capacity and digital skills are the most significant barriers to progress	We have a new Digital Learning Framework so that the technology is supported by digital skills for our people and there will be a full Digital Skills Audit as part of that.
Councils need to improve workforce planning	Our workforce planning processes will be further developed to take account of how new technologies will affect the workforce. While we have a new ICT and Digital strategy in place we accept that digital transformation needs to be driven by the service departments and must ensure the workforce, especially those operating on the front line, has the skills to support digital transformation.
Councils are 'growing their own' digital capacity and skills in a variety of ways	We have 6 excellent recent examples of digital apprentices and ICT trainees who have undertaken learning with us and moved on into permanent posts.

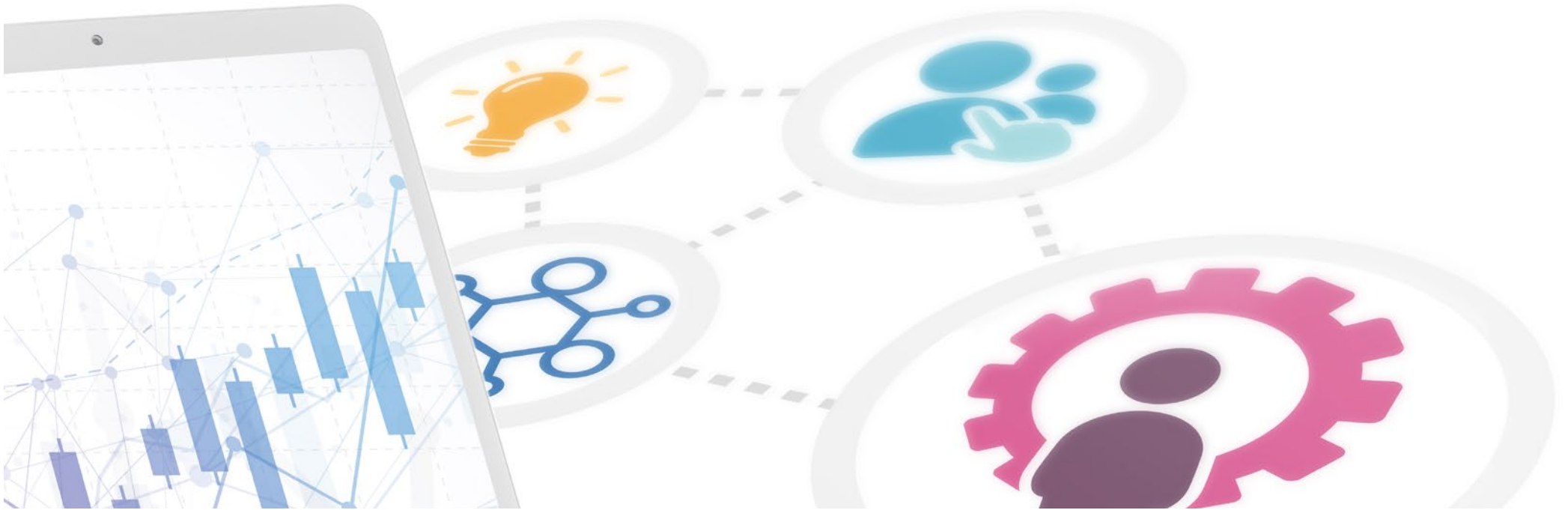
Working with business partners can accelerate digital transformation but councils still need their own expertise	We will work with business partners to provide additional capacity, knowledge and expertise, and to fill skills gaps.
<b>Collaborative:</b>	
Collaboration is needed within councils to support council-wide change	The pandemic resulted in much greater levels of collaboration within our council. This is evident in the joint work of the Tactical and Recovering Council groups. It's important we continue that trend to exploit some of the digital opportunities available for collaboration in systems such as MS365.
The Digital Office has helped councils collaborate, share knowledge and innovate but its overall impact is not clear	The report recognizes that "The Digital Office and Partnership programme is large and complex. It is not clear which projects have been of greatest value, there are differing views across councils as to its overall impact, and it is not clear who is accountable for delivery." We will continue to work with the Digital Office on the projects we see of value to our strategic objectives and will openly discuss and consider all options for funding put before us.
The Digital Office's current delivery model is not sufficient to deliver the pace of change required	We agree that the Digital Office's delivery and funding model should be reviewed and its work programme focused on the priorities that councils have agreed for it. We also need to see how the Scottish Government will implement the actions in its new Digital Strategy – How Scotland will thrive in a digital world. The Scottish Government's Digital Transformation Service and associated projects will have a big part to play and we will use all available resources to work with both.
A refreshed digital strategy for Scotland provides an opportunity to set out a shared vision and priorities, and to clarify roles and responsibilities at national level	We welcome the new digital strategy for Scotland and will work with our partners to help deliver the priorities affecting Argyll and Bute. See above comment regarding capacity however.
There are barriers to jointly procuring and sharing systems and developing common platforms	We are actively engaging in the new national asset management platform (STAMP) which is intended to allow councils to make informed decisions about the procurement of digital technology solutions. Once populated we will work with the Digital Office and

	Scotland Excel to use this platform for joint procurement and collaboration.
Place-based strategies involving stakeholders from across a region are important in taking a more collaborative approach	We have worked for many years on community or regional hub developments. One such example, Pathfinder North, has successfully operated and delivered improvements to the council's core digital network for 15 years
<b>Technology and Data Enabled:</b>	
Councils need to address legacy systems and put in place a more simplified technical architecture	The council operates within our resource capacity and our legacy systems are being updated or replaced as we can afford to do so and only if a more suitable solution becomes available. We have also become adept at integrating our systems to reduce double handling and ensure efficient data exchanges using a variety of integration approaches.
Digitally mature councils have digital strategies with a focus on data	We agree. Our aim is to unlock the value of our data through improved management, access and analysis to gain insight, better inform our decision making and better monitor outcomes. We will embrace the principles of sharing our data with our partners and customers whilst maintaining its confidentiality, integrity and availability, through compliance with data protection legislation and the use of secure information sharing platforms. We will work closely and follow keenly the work of the SLGDO on this area of significant priority for local government.
Councils need to put data governance frameworks in place	We agree and will work with our information governance colleagues on the development of common data standards and data ethics approaches. There is a significant skills shortage in this area and we have asked the DO to consider a joint Data Scientist role – someone who could be shared across councils.
<b>Innovative:</b>	
Councils are at an early stage of developing the shared digital culture needed to support change and innovation	We already look outwards, we are proactive about improvement and strive always for innovation and inclusive growth. As a result our IT systems are reliable, accessible and almost always available to our

	<p>workforce. We need to develop an understanding of the implications of a culture that allows us sufficient time and space to fully test and learn – and allows us to fail so that we can learn and improve. The report suggests a digital culture should also have permission to take risks, but understands the risk threshold and has a ‘fail fast, fail forward’ ethos – taking an <b>agile</b> approach, doing things iteratively and in small steps, learning from mistakes and moving on. This is likely to have resource implications for the council.</p>
<p>People need to be outward looking and be given the space and time to innovate</p>	<p>We will consider the development of an Innovation Strategy to help develop business cases and works with suppliers to test the feasibility of new approaches, using a ‘prove and explore’ approach</p>
<p>Councils are using different approaches to support transformation but this requires skills that are in short supply</p>	<p>We don’t yet have the skills to introduce agile or open innovation methods or problem based procurement. We will look to develop guidance on Agile principles to supplement formal project management training. We are embarking on new MS365 technologies with a requirement for new skillsets which will need further investment by the council in order to exploit the opportunities this brings.</p>

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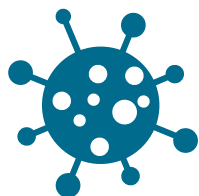
# Digital progress in local government



ACCOUNTS COMMISSION 

Prepared by Audit Scotland  
January 2021

# Key messages and recommendations



## 1. Progress and impact of Covid-19

Councils are at different stages of digital transformation. Progress is strongest where councils have focused on how digital technology can deliver better outcomes for people. The pace of change has increased as digital technologies have played a vital role in the public sector's response to the Covid-19 pandemic. It has also heightened the awareness of digital exclusion.

### Recommendations:

To maintain momentum, councils should assess their progress, learn lessons, and identify and address barriers and inequalities.



## 2. Becoming a digital council

Clear vision and leadership, with workforce and community engagement, are essential for realising the benefits of digital transformation. Delivering change requires a culture of collaboration and innovation, as well as aligned strategies and plans, effective governance, and engaged and informed elected members.

### Recommendations:

Councils should have a clear digital vision and strategy that sets out how digital transformation will deliver better outcomes for people. The strategy should be supported by plans detailing actions, timescales and the required investment in technology, people and skills.

Councils should have a structured approach to collaboration and innovation, with staff given space and time to learn, test new ideas and put them into practice. Councils should actively collaborate through the Digital Office and other regional partnerships.



## Key messages and recommendations



### 3. Citizens at the heart

There has been a lack of citizen involvement in digital service design and not enough focus on outcomes in monitoring progress of digital programmes.

#### Recommendations:

To better understand the needs of citizens, councils should have a citizen and community engagement plan and ensure they have sufficient staff with the skills to carry out service design.

Councils need to improve how they monitor outcomes. This could include adopting a benefits realisation approach.



### 4. Workforce and skills

Insufficient staff capacity and digital skills are the most significant barriers to progress. There are digital skills initiatives in place, but there needs to be better alignment with councils' wider workforce plans.

#### Recommendations:

Councils should conduct a staff skills survey to better understand what digital and data skills they need. Councils should have detailed workforce and skills development plans, including for leadership teams and elected members, that align with digital transformation plans.

## Key messages and recommendations



### 5. Data and technology

Councils are starting to develop strategies to make better use of data. Data standards, governance and ethics are important areas in which councils need to make progress. Legacy systems, however, remain a barrier.

#### Recommendations:

Councils should understand their technology infrastructure and have a clear plan to address legacy systems to create better coordinated solutions. This could include common platforms and shared procurement.

Councils should work with the Digital Office and Scottish Government in developing common data standards and a data ethics approach.



### 6. National leadership and collaboration

There needs to be greater leadership and clarity of roles at a national level, with consistent vision and direction across the sector. The Digital Office has enabled councils to collaborate, share knowledge and innovate. Opportunities exist for it to do more but this requires changes to how it works, how councils support it and how it is funded.

#### Recommendations:

The refresh of the digital strategy for Scotland provides an opportunity for all organisations which support the delivery of digital transformation in local government to set the vision and agree shared priorities. These organisations, including the Digital Office, the Improvement Service and councils, should:

- agree on and clearly articulate their roles and responsibilities
- identify where a shared approach would add value to developing and delivering common systems and platforms, and specialist skills
- review the funding and delivery model for the Digital Office, to ensure it has the capacity and support to deliver on the agreed priorities
- streamline a work programme for the Digital Office, with each part of the programme having senior-level sponsorship.

# Context

Digital technologies are an essential part of our lives. Before the Covid-19 pandemic, the way we lived and worked, and how organisations operated, delivered public services and interacted with citizens was rapidly changing. Since March 2020, the pace of that change has accelerated. Organisations have had to innovate and collaborate on a scale never seen before. Digital technology has become a lifeline, allowing the continued delivery of public services, often to the most vulnerable in society. Its use has also exposed the risk of digital exclusion – not having the skills or resources to access vital public services, maintain learning, and stay connected with others.

## Councils are at different stages in their digital progress

Transforming public services and building a digital council is difficult and takes time. Becoming a digital council involves moving away from technology-led strategies and plans to become more outward looking, focusing on how digital technology can deliver better outcomes for citizens, communities and council staff. It involves understanding the needs of staff and service users, involving them in the process and creating a culture that embraces change and collaboration.

Each council has started from a different position depending on its available resources (money and people), the state of its existing systems and its culture. These factors will determine the level of future investment required and how quickly a council can transform. The level of investment will vary greatly across councils as a result. To become a digital council, investment will be required in Information and Communication Technology (ICT) infrastructure (hardware, software and cloud services), council staff and digital leadership.

Those further ahead are beginning to exploit data and information to better understand their communities and staff, and deliver better services. This transformation is still at an early stage, but progress is being made.

Common priorities across councils include:

- increasing online service provision, with round-the-clock self-service access
- increasing flexible and mobile working, allowing staff to access real-time data for services such as social care, housing repairs and waste management
- using technology to support democratic functions such as hosting committee meetings and surgeries online.

The Covid-19 pandemic has acted as a catalyst for all of this and has accelerated the deployment of digital technology and collaboration across the sector. The pandemic has also highlighted the importance of digital access and connectivity, and we expect that these will be a key focus of councils' future digital plans and strategies.

## Councils operate in a complex environment

Councils operate in a complex and challenging environment. Our [local government overview reports](#) have highlighted the importance of collaborative working in making the best use of resources. Councils work with, and are influenced by, a range of public, third sector and private sector organisations and partnerships.

In 2015, the Scottish Local Government Digital Partnership (Digital Partnership) was established by SOLACE and the Local Government Transformation Board to drive the ambition for all councils to be digital businesses by 2020. It is a collaboration between all local government organisations involved in digital transformation, including all 32 councils in Scotland.

In October 2016 the Digital Partnership established the Digital Office for Scottish Local Government (Digital Office). It supports councils to become digital businesses through delivery of a work programme focused on Digital Leadership, Digital Foundations and Digital Services. It has a small core team that provides support and digital expertise.

The Digital Partnership and Digital Office are supported by a Digital Partnership Board which oversees the overall strategy and work programme. The Digital Partnership Board's membership includes key organisations involved in digital transformation in local government.

The Scottish Government, together with COSLA, the Digital Office and the Improvement Service, is currently working on a refreshed digital strategy for Scotland. This will provide an overarching framework, priorities and principles that will shape subsequent sector-specific plans. The strategy is expected to be published in Spring 2021.

## Other organisations involved in digital transformation in local government and members of the Digital Partnership Board include:



- **Scottish Government**
- **COSLA**
- **Improvement Service** – The national improvement organisation for local government in Scotland. It delivers a range of products and services to help councils with digital transformation.
- **Scotland Excel** – The centre of procurement expertise for local government. It is working with the Digital Office to develop a common approach to procurement and common digital solutions.
- **Socitm Scotland** – The leading network for ICT and digital professionals from across Scotland's public sector.
- **SEEMiS** – Scottish local government's Education Management Information System provider. It is used by all of Scotland's council-run schools for education administration and processes and manages all education-related data.





## About this report

### This report:

- sets out the key characteristics of a digital council
- looks at how well councils are putting in place the building blocks required for digital transformation
- examines what opportunities exist and what barriers to progress there are
- provides examples that demonstrate how some councils are transforming
- examines how councils have used digital technology to respond to the Covid-19 pandemic and what can be learned from this.

The findings in this report are based on case study work carried out at six councils. This was complemented by wider-reaching work looking at the role that key national stakeholders play in supporting councils to transform.

### Links

-  [Examples](#)
-  [Info box](#)
-  [Barrier](#)
-  [Web link](#)
-  [PDF download](#)

### Digital ehub



To help councils improve, we have developed a set of resources for councils and elected members on our [digital ehub](#).

#### These resources include:



[Good practice guide](#) that highlights things leadership teams, senior officers and elected members should consider putting in place to help them progress.



[Checklist](#) with questions for elected members, to help them scrutinise and challenge digital progress in their council.



[Examples and case studies](#) of digital transformation.

### Previous reports

This report follows on from our previous reports:



[Principles for a digital future](#)  
May 2017



[Enabling digital government](#)  
June 2019

These highlighted the importance of strategic leadership, culture, skills, collaboration, innovation and involving users in the design of services in delivering digital transformation.

This report draws on these themes and examines what progress councils are making towards becoming digital councils. It aims to help councils improve by highlighting what becoming a digital council involves. It is aimed principally at senior management within councils and elected members.

# Key characteristics of a digital council

A digital council is focused on delivering better outcomes for its citizens through the best use of people and digital technology. Having the right skills and culture in place is critical and underpins each of these characteristics:

Each characteristic can be navigated to by the tabs at the top of the pages.



## Digital leadership

Communicates a clear digital vision and ambition and creates an innovative and collaborative culture that drives change. Understands the potential of people and digital technologies to transform services for citizens.



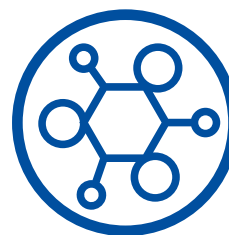
## User focused

Understands the needs of citizens, communities and staff affected by services and policies, and involves them in service design. Focuses on improving outcomes for citizens and other users.



## Digital workforce

Has the skills, knowledge and confidence to develop new ways of working, including using new technology.



## Collaborative

Develops new ways of working together, sharing good practice and ideas across services and between councils and sectors, and involves citizens and communities.



## Technology & data enabled

Makes best use of digital technology to build common solutions, that can be reused and shared to create better value for money. Uses and shares data securely to inform decision-making, enable joint services and achieve better outcomes for citizens.



## Innovative

Has a culture of openness and improvement, looks outwards and explores how services can be delivered differently. Has the capacity, capability and processes in place to implement change.



## Digital leadership

Communicates a clear digital vision and ambition and creates an innovative and collaborative culture that drives change. Understands the potential of people and digital technologies to transform services for citizens.

## Councils that are making progress have a digital vision and strategy focused on improving outcomes for citizens

- Councils that are making progress have visions for digital transformation that go beyond technology to focus on people and outcomes. Their strategies are more outward looking and are linked to wider corporate priorities.
- Plans detailing how and when visions will be achieved are less well developed.
- Audit Scotland's *Planning for Outcomes* paper outlines how an outcomes-based approach could work in practise across the public sector in Scotland.

Glasgow City Council's digital strategy has two major themes: digital economy and digital public services.

The strategy is linked to its wider ambitions for the local area and contains an extensive action plan, with detailed goals and outcomes to support the council in achieving its vision of Glasgow becoming:

'A world-class city with a thriving digital economy and community, where everyone can flourish and benefit from the best digital connectivity and skills, where technology is used to improve everyone's quality of life, drive businesses' innovation and service design and improve our city, its neighbourhoods and its success.' (**Digital Glasgow Strategy**)

**North Lanarkshire council manager:** 'We can't look at being a digital council without thinking about wider communities.'



Planning for Outcomes  
June 2019





## Digital strategies are most effective when leaders champion change and staff are engaged

- Councils that have made progress with digital plans have a chief executive and elected members who have made digital transformation a priority and champion its benefits.
- Councils with a good level of buy-in from staff have leadership teams that have created a culture of sustained staff engagement and support. The leadership teams articulate what the vision means and how it will be achieved.
- Leadership teams can play a key role in creating a collaborative culture and mindset across an organisation.
- There are examples of good staff engagement, but many councils are at an early stage of implementing their strategies and this engagement needs to be sustained.

North Lanarkshire Council found that having a corporate communications strategy was critical to its success in sharing digital goals. The approach focused on engaging with key groups including staff, residents, businesses and elected members through multiple channels. The chief executive and senior leadership team have taken responsibility for engaging the workforce in delivering digital change across the council. They have communicated with staff directly about digital transformation through digital roadshows, live and online Q&A sessions and a digital transformation newsletter.



### Barriers

Services (and sectors) often work in silos and there is little collaboration between them. This can be a barrier to creating an organisation-wide digital culture.





## Leadership teams must have the right level of digital awareness, expertise and skills

- Leadership teams with an understanding of the opportunities and risks that digital technology presents can better prioritise, develop plans and scrutinise progress.
- Councils should ensure that digital leadership skills are in place. Initiatives such as the Scottish Government's Digital Champions programme are helping councils develop these skills.

The Scottish Government launched its Digital Champions programme in October 2013, primarily to develop the digital skills and awareness of public sector leaders. It provides the opportunity to learn about innovation, technology and how to deliver digital programmes. However, it also provides opportunities to collaborate by creating a network of leaders with a common interest in delivering better public services.



### Barriers

A lack of the skills and resources required to drive the development and implementation of plans and set priorities is a key barrier. People with the necessary digital expertise need to be involved in strategic decisions.



## Involvement of elected members is not well developed

- Few councils have a dedicated council committee with a remit for digital transformation or nominated elected members involved in championing digital transformation.
- A lack of digital skills and knowledge among elected members prevents more thorough scrutiny of digital programmes.
- There is some evidence of councils providing digital skills training and support for elected members but appetite and participation is varied.

Glasgow City Council has a dedicated elected member **Digital Champion** and the digital programme board includes both council officers who have an in-depth knowledge of digital transformation and methods and elected members.



Two-thirds of elected members who responded to a Digital Office survey expressed a desire to better understand how to design services to meet citizens' needs and what types of digital skills are needed now and in the future. The Digital Office has worked with the Improvement Service to develop training for elected members on digital leadership and skills. A workshop in January 2020 was attended by 22 elected members from 14 councils.

### Barriers

Low levels of digital literacy, risk aversion and concerns about digital exclusion among elected members can be barriers to progress.



## Councils have adjusted governance arrangements to ensure the right level of scrutiny for digital programmes

- Councils making progress have adapted arrangements to ensure timely and effective scrutiny.
- Some councils have found it difficult to put the right governance structures in place to achieve a good balance between operational decision-making and strategic oversight.
- There is no one-size-fits-all structure or approach, but effective arrangements tend to include more centralised assurance, including:



a committee with a remit to scrutinise digital programmes



a digital delivery/programme board with overall strategic control



an operational board or corporate groups to monitor delivery of specific digital programmes, which may be at service level or have cross-council membership.

North Lanarkshire Council has a dedicated committee with a remit for digital transformation. It has 25 elected members on it, whose role it is to scrutinise the delivery of the digital programme, **Digital NL**. The council also has a digital delivery board that provides overall strategic control for the programme and a corporate working group that ensures any new products or technologies align with Digital NL aims and reuse existing solutions or integrate with the council's digital platform.



# Investment to date has been largely focused on technology and infrastructure

- While most councils have some form of investment programme for digital transformation, the scale of financial investment varies. It is important that medium-term investment plans align with wider transformation aims.
- Investment to date has been focused on buying and maintaining infrastructure and systems. Councils are beginning to invest in new and different infrastructure to enable collaboration and transformation but also need to invest in people and skills to get the best use out of the technology.
- Councils need to continue to invest in addressing the risks of legacy systems.
- Councils are moving to **cloud**-based solutions recognising the potential to reduce the maintenance burden and to provide a flexible resource that responds to demand. While this reduces capital spending, it shifts spending to revenue budgets which are often already stretched.

**Cloud:** delivering computing services such as software, data storage and servers over the internet.



**Technical architecture:** the strategic choices of hardware, software, and networks that support the operation of an organisation.

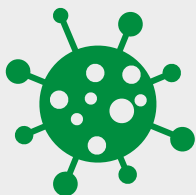
**Fife Council has prioritised investment in ICT infrastructure** and enabling technologies that will support service transformations. This is allowing the council to create better value for money through reuse of common systems and address the limitations of legacy systems. The council has clear investment plans for these projects and is now looking at how to invest in people and skills.



## Barriers

Councils still have a large number of legacy systems and will need to continue to invest in their **technical architecture** as well as people and skills. Legacy systems create risks for councils in the need for staff resources to maintain them. They can also present security risks, can lack interoperability with the latest systems and software, and can experience hardware failures.

Councils have expressed frustration with traditional procurement processes with suppliers, suggesting that they hamper innovation and would benefit from a more collaborative approach.



## Covid-19 has helped develop digital leadership and moved digital transformation up councils' agendas



### Accelerated digital plans

The Covid-19 pandemic has accelerated digital plans by up to two to three years, with the rapid deployment of digital technology and new digital services.



### Recognition of the potential of digital technologies

Leadership teams now show greater recognition of the potential of digital technologies to enable councils to deliver services differently and respond to the needs of citizens and communities.



### Review digital plans and strategies

Councils are starting to review their digital plans and strategies. During the pandemic recovery phase, it will be important for councils to reassess plans and gain an understanding of what factors have enabled the rapid pace of change. For example, Clackmannanshire Council is appointing an additional strategic director with responsibility for transformation and recovery.



### Adapting to virtual tools

Elected members have adapted well to using video-conferencing tools to hold virtual surgeries and attend virtual council meetings.



## User focused

Understands the needs of citizens, communities and staff affected by services and policies, and involves them in service design. Focuses on improving outcomes for citizens and other users.

### Involving users in service design is still limited in practice

- Digital strategies are starting to focus on how digital technology can help deliver better outcomes for citizens and communities.
- **User research** and **service design** methods are not yet well established in councils and the Scottish Approach to Service Design is not widely understood.
- There are good examples of front-line workers being involved in service design, but the involvement of citizens and communities is limited in practice.
- All users are not the same, different methods should be used and considerations made when involving citizens from when involving staff.

**Service design:** service design approaches involve developers working with the users of services or systems to define the problems before thinking about and designing solutions.



**User research:** building an understanding of the needs and desires of users of a service or system through observation techniques, analysis and feedback.

Perth and Kinross Council formed a multi-disciplinary team in the transformation of its homecare and recovery service and adoption of digital technology to assist mobile working. An experienced member of the service was seconded to lead the project team, providing more effective sharing of expert knowledge. Front-line staff contributed at key stages to ensure new ways of working matched staff and citizens' needs.



The Centre for Civic Innovation in Glasgow carries out service design work as part of its innovation approach. Glasgow City Council is working with the centre to increase the skills of its digital team in service design so that this can be used more widely in transformation projects.

#### Barriers

Councils have neither the tools nor sufficient staff with the skills required to carry out user research and involve users in service design.



## Councils need to improve how they monitor outcomes from digital change

- Digital progress and success are still mainly measured in terms of efficiencies and cost savings rather than what benefits they can bring to citizens and staff.
- Councils need to develop a benefits-realisation approach that includes financial and non-financial benefits for staff, citizens and communities.

Perth and Kinross Council has developed a benefits-realisation framework to identify and capture financial and non-financial benefits from digital transformation projects. The framework identifies examples of non-financial benefits, such as improved staff satisfaction or work/life balance, improved customer satisfaction, and improved management information and data quality to better inform decisions. The framework recognises that these things are difficult to measure but highlights the importance of considering their impacts.



## Councils are adopting a 'digital first' approach but must ensure that no one is left behind

- Councils are moving services online to deliver a more responsive customer experience that offers round-the-clock access, self-service and keeps citizens up to date.
- To address digital exclusion, councils are retaining traditional contact channels, providing assisted digital services and moving services to community hubs to provide access.
- Councils need to understand the needs of those experiencing digital exclusion and put a strategy in place to ensure equity in customer experiences and access to services for all citizens and communities.

Clackmannanshire Council has developed a new citizen portal to improve customer experience and transform the way customers report, book and apply and pay for services online. This is a key project within the council's Digital Strategy and plans.



The Improvement Service has worked with councils to put in place **MyAccount**. MyAccount provides citizens with a single sign-in account to access council services. It can be integrated with multiple council systems, provides security and authentication, and is currently used by 24 councils, with more coming on board.

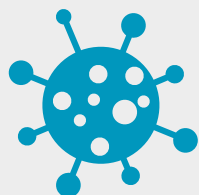
### Barriers

Digital exclusion is a significant issue. There are still citizens and communities that do not have access to an affordable or reliable internet connection, an appropriate device, or the skills to effectively engage with digital public services. Audit Scotland has reported on connectivity in the [Superfast broadband for Scotland](#) report.



Redesigning services and moving them online requires staff resources, which are in short supply in councils.





## Covid-19 has increased the focus on service users and the awareness of the risks of digital exclusion



### New solutions

Councils have moved more services online and quickly developed new solutions to meet new needs. This includes equipping staff for homeworking, providing everyday essentials including food and medical supplies for those required to 'shield', and supporting school pupils with home learning.



### More outcome focused

Responding to Covid-19 has also provided a clearer focus on achieving outcomes.



### Digital exclusion

The shift of services online has exacerbated digital exclusion for those who use traditional channels or rely on community facilities such as libraries to access digital public services.



### Devices and data roll out

Councils launched initiatives to roll out devices and data packages to both school children and vulnerable households. This has included making use of the Scottish Government's Connecting Scotland initiative. The programme has provided devices, data and skills to 9,000 people with a high clinical risk. It has been extended and aims to support 50,000 digitally excluded people by the end of 2021.

e-Sgoil is a service delivered by the education department of Comhairle nan Eilean Siar. e-Sgoil delivers real-time interactive lessons via the internet to pupils across Scotland in a range of subject areas. e-Sgoil was set up in 2017-18 with the initial aim of providing pupils in remote island communities with equal access to learning and subject choices. It is now being looked at as a national solution to ensure continued access to learning during the Covid-19 pandemic. Our audit on education outcomes will be published in spring 2021 and will look at the role of digital technology in the response of the education sector to the Covid-19 pandemic.



In November 2020, CivTech launched a sprint challenge with Connecting Scotland focused on getting citizens more meaningfully involved in designing the public services that many of them use. Initially it will focus on the Connecting Scotland user base but has potential to be used more widely across the public sector.



# Digital workforce

Has the skills, knowledge and confidence to develop new ways of working, including using new technology.

## Insufficient staff capacity and digital skills are the most significant barriers to progress

- Councils do not have enough staff with the required digital skills to implement their digital plans successfully.
- ICT teams have faced resource pressures in recent years, with some downsizing their ICT teams. At the same time the skills set needed to support digital transformation is changing.
- Councils need to carry out digital skills surveys to understand what skills staff have and where the gaps are. There are gaps at different levels within councils:
  - digital leadership: awareness and understanding of digital technology and its possibilities, and collaboration and change management skills
  - digital and ICT teams: data skills and business analysis, service design and user research, cyber security, and change and project management
  - wider workforce: essential digital skills and awareness in online and remote working.
- Councils should develop a competency framework that sets out the digital skills needed across the workforce.

The Digital Office is working in partnership with the Scottish Council for Voluntary Organisations (SCVO) to put in place a Digital Champions programme for council workforces. This will start with a baseline skills survey using SCVO's Essential Digital Skills Framework.



Perth and Kinross Council has a digital skills team in place to support employees grow confidence in using new technologies. The team uses a range of media to engage staff and also provides skills support in major digital change programmes. The council has a Digital Charter that describes an informal set of digital skills against which staff can measure themselves and links to self-help resources for skills development.

### Barriers

Digital skills shortages are common across the Scottish economy and a public sector wide approach is needed to ensure public bodies have the skills they need.



## Councils need to improve workforce planning

- Councils have yet to prepare detailed workforce plans that are clearly aligned with digital transformation plans and risk failing to build the capacity needed to meet their digital aims.
- Councils do not fully understand the number of staff nor the types of skills and job roles needed to support digital transformation.
- Workforce planning needs to be dynamic to take account of how new technologies will affect the workforce, such as the introduction of **automation** and **artificial intelligence (AI)**, and the need for more data specialists.

Fife Council's Organisational Development Strategy and Digital Strategy are clearly linked with a **workforce plan in place**. This includes the skillsets and culture changes required to support the Digital Strategy, as well as the changes to its technical architecture and supplier and customer engagement.



Our [local government overview reports](#) have highlighted that workforce planning is still being developed by councils, but that it is essential to ensure that councils have the staff, skills and leaders they need to deliver change and achieve strategic plans.

**Automation:** the use of technology to carry out a process without human operation.



**Artificial Intelligence (AI):** developing technology, such as a computer-controlled robot, to perform tasks commonly associated with intelligent beings, for example speech recognition, translation or decision-making.



Local government in  
Scotland Overview 2020  
June 2020



## Councils are 'growing their own' digital capacity and skills in a variety of ways

- Peer-to-peer support networks are supporting the adoption of new cloud-based tools and mobile working technology across council workforces.
- Dedicated digital skills teams are developing online resources and learning events.
- Events such as learning weeks or lunchtime drop-in training sessions are providing less formal learning opportunities for services to learn from one another.
- The representation of people from service teams on the governance boards of digital programmes is helping to transfer knowledge and share lessons between different parts of the council.
- Creating 'connector' roles within a council – that is people who can provide a bridge between digital and service teams – can help people understand what is needed from both a technical and business viewpoint during service design.

North Lanarkshire Council has put in place a network of Digital Transformers comprising 30 staff across different service areas who can assist in embedding digital skills. These Digital Transformers were early adopters of Office 365 and will be involved in the creation of learning materials and development opportunities to meet the needs identified by a skills survey.



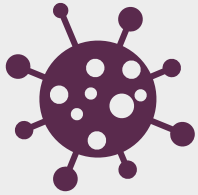
Comhairle nan Eilean Siar is working with Skills Development Scotland and has developed a charter agreement for a school ICT apprenticeship programme. The council's aim is to fill skills gaps in the ICT workforce while providing opportunities for young people in island communities.

## Working with business partners can accelerate digital transformation but councils still need their own expertise

- Councils are working with business partners to provide additional capacity, knowledge and expertise, and to fill skills gaps. Councils, however, still need to have sufficient internal expertise to drive their own strategy and make the right choices.
- Business partners can help councils build future capacity through knowledge exchange. This needs a structured approach involving, for instance, a knowledge transfer plan.

Glasgow City Council established a Strategic Innovation and Technology team to get the most out of the contract with its business partner. The team helps drive the digital strategy and provides in-house capacity across the four pillars of technology, business intelligence, innovation and working together.





## Covid-19 has changed how and where people work and councils have adapted well to support their workforce



### Remote working

The Covid-19 pandemic has had a huge impact on council workforces, resulting in a large-scale shift to homeworking and remote working. Getting the right technology, skills and support in place to give staff the confidence to use new cloud-based tools has been key.



### Digital and ICT teams response

Digital and ICT teams have responded with unprecedented speed, agility and resilience.



### Workforce support

Support has been offered in different ways, such as one-to-one or via online learning resources. Through the Digital Office, the digital skills team at Perth and Kinross Council hosted webinars for other councils on supporting the remote workforce. They shared their experience of using collaboration tools such as Microsoft Teams, to continue service delivery and learning, host committee meetings and events with public participation.



### Staff opinion

Councils have been surveying staff to find out what has and has not worked. This focus on skills and culture will need to remain, along with a continuing recognition that we are working in the most challenging of times.



### Workforce planning and development

Councils will need to focus their efforts on building a digital culture and providing their workforces with the skills and support needed. The need for workforce planning is greater than ever as councils reshape their services and operating models.



# Collaborative

Develops new ways of working together, sharing good practice and ideas across services and between councils and sectors, and involves citizens and communities

## Collaboration is needed within councils to support council-wide change

- Ensuring continuity and coordination across services for citizens, and achieving more effective and efficient transformation are possible only when services work together to share learning, ideas and digital solutions.
- It is important that there are structures and resources put in place to support collaborative working across services and with digital teams.
- A collaborative and centralised approach allows more efficient deployment of digital technology.

Fife Council has a change network in place, with service representatives working together to identify common problems and find solutions.



### Barriers

Organisational and cultural silos are commonplace in councils and are a barrier to collaboration. Technology contributes to this, with councils having different systems across services that do not easily connect and work together.

A lack of capacity, particularly in digital teams, is also a barrier to collaboration within councils.



## The Digital Office has helped councils collaborate, share knowledge and innovate but its overall impact is not clear

- The key achievements of the **Digital Office** have been:
  - gaining commitment from all 32 councils
  - establishing a multi-disciplinary community working on digital projects
  - creating collaborative learning and sharing good practice.
- Nineteen councils have used the Digital Maturity Assessment tool developed by the Digital Office. This could be used more widely by councils to assess their progress and inform their digital plans.
- The Digital Office and Partnership programme is large and complex. It is not clear which projects have been of greatest value, there are differing views across councils as to its overall impact, and it is not clear who is accountable for delivery.

Collaborative learning has been supported through more than 50 Digital Office events. Event topics include digital skills, innovation, service design, automation and AI, data, Agile, Office 365 and digital telecare. The Digital Office estimates that resources created to support councils implement the General Data Protection Regulation (GDPR) have saved £1 million across councils.



**Digital Office:** launched in 2016 to support councils in becoming digital businesses by 2020. Its work programme has three themes: digital leadership, digital foundations and digital services.



[www.digitaloffice.scot](http://www.digitaloffice.scot)



## The Digital Office's current delivery model is not sufficient to deliver the pace of change required

- The Digital Office has a small core team funded through council subscriptions. The delivery model relies on different councils leading on projects, with some participating more actively than others.
- The Digital Office's delivery and funding model should be reviewed and its work programme focused on the priorities that councils have agreed for it.

### Barriers

Not all councils have been able to free up the staff needed to engage with and gain value from working with the Digital Office. The large number of projects is difficult for smaller councils to commit to.



## A refreshed digital strategy for Scotland provides an opportunity to set out a shared vision and priorities, and to clarify roles and responsibilities at national level

- Greater collective leadership and direction on overall digital strategy are needed. Some themes that emerged in our audit included:
  - no one is taking an aerial view
  - councils wanting a national direction on procurement and common platforms
  - councils wanting a single national repository of case studies and digital solutions.
- The refreshed digital strategy will help provide this but the roles and responsibilities of national organisations, specifically the Improvement Service and the Digital Office, need to be made clear.
- Stronger collective national leadership is required to help prioritise and coordinate activities between councils (and other sectors) to deliver the refreshed digital strategy.

The [Local Digital Declaration](#) was launched in 2018 by the UK Ministry for Housing, Local Government and Communities, the Government Digital Service and a group of local authorities. It sets out a collective ambition based on five principles and a set of commitments that leaders and digital/IT teams have signed up to.



## There are barriers to jointly procuring and sharing systems and developing common platforms

- The Digital Office and Partnership have not delivered on their original goal to deliver common platforms and joint procurement of systems, failing to meet council expectations.
- Senior-level agreement between councils is needed to identify the areas and services where common platforms would add most value.
- In October 2020, the Digital Office announced the launch of a national asset management platform which is intended to allow councils to make informed decisions about procurement of digital technology solutions. The Digital Office and Scotland Excel need to work with councils in using this platform for joint procurement and collaboration.

Examples of common platforms and systems used by councils include:



**SEEMiS** – the management information system used by the education departments of all Scottish councils. It is used for pupil and staff records, nursery applications, attendance, pastoral notes and communicating with external agencies.

**Care case management system** – Scotland Excel is currently managing procurement for common software solutions for case management in social work. Six councils are considering adopting this system as they replace legacy systems.

### Barriers

Some commonly mentioned barriers across councils include:



- previous shared services initiatives that failed (prior to the establishment of the Digital Office)
- a lack of leadership direction and collective understanding of where common platforms would add most value
- an incomplete understanding of legacy systems and councils being at different stages in replacing them
- difficulties in the procurement of digital solutions, including agreeing on a shared specification and appointing providers
- risk aversion to adopting new or untried solutions.

## Place-based strategies involving stakeholders from across a region are important in taking a more collaborative approach

- Regional networks and cross-sectoral partnerships are important for councils in planning coordinated services, and increasing knowledge and capacity. These include:
  - community hub developments through Community Planning Partnerships with the NHS, police and third sector
  - relationships with universities and the private sector developed through City and Region Growth Deals, providing opportunities to partner with those at the cutting edge of digital innovation in Scotland.

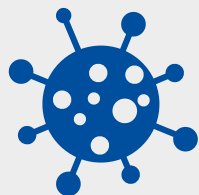
Clackmannanshire Council has identified opportunities for the digital transformation of social care services through its City Deal partnership, working with the University of Stirling and the private sector.



### Barriers

A culture of collaboration is needed to get the best out of partnerships. Often, staff are not given enough time to meaningfully participate because of competing demands with their council day job.





## Covid-19 has brought greater collaboration across sectors as priorities and goals have become clearer and more aligned



### Greater collaboration

Responding to the pandemic and the needs of vulnerable citizens has brought greater collaboration across services, and between councils and sectors. For example:

- Within councils, shared priorities have brought a flexible and rapid ‘one council’ response.
- Place-based strategies have become more important, with local partners, including the third sector and the NHS, working together to deliver a coordinated response to the needs of vulnerable and shielding groups.
- Collaborative working and data sharing across councils and sectors allowed the development of the Helping Hands platform to coordinate support for citizens who are shielding or vulnerable.



### Digital Office Covid-support strategy

Councils have been engaging more with the Digital Office since the onset of the Covid-19 pandemic. The Digital Office revised its business plan and developed a new council Covid-support strategy based on supporting the ‘response, recovery and renewal’. This has included:

- supporting the roll-out of homeworking solutions and negotiating trial licences from ICT vendors
- managing procurement for the Helping Hands platform
- setting up a cross-sector data-sharing task force.



### Priorities

Key priorities for the Digital Office are becoming clearer, and this should help shape its future role and delivery model.



## Technology and data enabled

Makes best use of digital technology to build common solutions that can be reused and shared to create better value for money. Uses and shares data securely to inform decision-making, enable joint services and achieve better outcomes for citizens.

### Councils need to address legacy systems and put in place a more simplified technical architecture

- Councils need to understand the ICT and digital technology they have in place. They need a clear plan for addressing legacy systems to create a more standardised and simplified technical architecture and adopt common solutions.
- Centralised governance structures, technical assurance and common standards can help councils make the right decisions when investing in new systems.

North Lanarkshire Council is seeking new products or systems to align with Digital NL's aims, to maximise the reuse of existing solutions and integrate with the council's digital platform. The Enterprise Architecture Governance Working Group has been established to make sure that the right decisions are made.



#### Barriers

Councils are generally 'data rich, information poor', with data trapped in many legacy systems that are difficult to access, share between services or extract meaningful insights from.

Technology solutions including mobile working and cloud-based solutions require good connectivity. This is a real challenge for some councils, particularly in rural areas.



## Digitally mature councils have digital strategies with a focus on data

- Councils are at an early stage of understanding how data can be better used to inform decisions, and understand user and community needs to achieve better outcomes.
- Digitally mature councils are developing data-driven strategies, **business intelligence** hubs and data management dashboards to make data more accessible and usable.
- Some councils are establishing open data platforms as a central place for all stakeholders to access data, taking an 'open by default' approach.

Perth and Kinross Council is developing a data strategy with support from its business partner and refreshing its overall digital strategy to focus more on data. The strategy sets out the future direction for data and analytics within the council. Understanding the value of data and ensuring that trusted data is available to drive decisions and deliver better value are key principles. Key actions to support this include increasing data literacy, building a data platform for sharing data and working collaboratively, defining standards and controls to improve data quality, and putting in place standardised analytics tools across the council.



Glasgow City Council redesigned the delivery of school clothing grants to increase uptake from families living in poverty. The project used **data-matching** technology to merge data sets held across the council, to identify those eligible for a grant and give them automatic entitlement. The numbers of people receiving the grant increased from 22,000 to 30,000 as a result. This approach is now being developed on a Scotland-wide basis to maximise the take-up of benefits and address child poverty.

**Business Intelligence:** using technology to analyse data and create meaningful information about business operations or services which will support decision-making.



**Data matching:** comparing and if necessary, standardising two or more sets of data in order to use for analysis.

## Councils need to put data governance frameworks in place

- Councils recognise that maximising the potential of data needs effective governance frameworks, but the development of common data standards and data ethics approaches are at an early stage.
- Councils should work with the Digital Office and Scottish Government in developing common data standards and a data ethics approach that are transparent, protect personal privacy, give people control and build public trust in how data is used.
- Councils need to comply with the **GDPR** and any data standards and governance frameworks must work within these requirements.
- Skills are needed to manage data, not just among data analysts and scientists but at a leadership level, so that data can be used effectively across the workforce.

**GDPR (General Data Protection Regulation):** is a legal framework that sets guidelines for the collection and processing of personal information. It has 7 key principles. It was introduced in May 2018.



The Scottish Government has tasked the DataLab with leading the development of Scotland's first AI strategy, which is scheduled to be published in early 2021.



The Scottish Government is also developing a framework and draft ethical digital Scotland strategy, which is scheduled to be published in July 2021. This will outline how Scotland will use digital technology, data and AI in ways that protect privacy, enhance security, and promote accessibility, inclusion and diversity.

Glasgow City Council is a member of the global network Cities for Digital Rights. Members commit to key principles including data protection. This means that everyone has the right to privacy and control over their personal information, and the right to know what happens to and who uses their data, and for what purposes.

### Barriers

Cultural differences and a lack of trust have been barriers to increasing the degree of data sharing between services and sectors. Citizens also need to trust public sector organisations to handle their data securely.



A shortage of data skills is a barrier. Councils do not have sufficient numbers of people with the appropriate data literacy skills to make full use of and manage data.





## Covid-19 has demonstrated the importance of data in understanding needs, making decisions and directing resources



### Sharing data

The Covid-19 pandemic has demonstrated the benefits of sharing data to help solve a problem and inform decisions quickly. For example:

- The Helping Hands platform was developed to bring together data from councils and the NHS to coordinate support for members of the public on the shielding list.
- The Improvement Service used its Spatial Data Hub, which collates and quality assures over 50 data sets from all 32 councils, and has sourced additional data sets to support the Covid-19 response, such as dataset of distinct property types – GP surgeries, pharmacies and care homes.
- Councils reported that data-sharing agreements were reached with health boards and others, a process that would previously have taken a much longer period of time.



### Improving the quality of data

A cross-sector data intelligence network has been set up in response to the pandemic and the need for more collaboration in using, sharing and improving the quality of data. It was initiated by the Digital Office but is now chaired by the Scottish Government. Members include COSLA, Public Health Scotland, Police Scotland, Scottish Enterprise, the Information Commissioners Office and representatives from academia.



## Innovative

Has a culture of openness and improvement, looks outwards and explores how services can be delivered differently. Has the capacity, capability and processes in place to implement change.

### Councils are at an early stage of developing the shared digital culture needed to support change and innovation

- A digital culture has:
  - an openness to doing things differently
  - permission to take risks, but understands the risk threshold
  - a ‘fail fast, fail forward’ ethos – taking an **agile** approach, doing things iteratively and in small steps, learning from mistakes and moving on
  - a willingness to explore the problem and possible solutions
  - an outward-looking approach with an understanding of the opportunities and risks that new technologies may bring.
- Some councils have dedicated initiatives to promoting innovation, such as innovation hubs.

**Agile:** an iterative approach to developing, testing and refining software or solutions in stages throughout a project, rather than developing one whole solution over a longer timespan.



Clackmannanshire Council has ‘Be the innovator’ as one of its corporate values. This sets out a commitment to ‘look outwards, be proactive about improvement and strive always for innovation and inclusive growth’.



#### Barriers

Councils can have a culture that is cautious and risk averse. This can result in a resistance to change and a fear of trying new ways of working and new systems.



## People need to be outward looking and be given the space and time to innovate

- Resource pressures can make it difficult to give staff the time and space needed to explore new ways of doing things and test things out.
- Looking outwards to learn from others and work in partnership is important in stimulating innovation.
- Collaboration across sectors and regions is offering an opportunity for councils to learn and innovate. Councils have been learning from local authorities in Scotland and in other parts of the UK and further afield, sharing learning materials and undertaking study visits.
- Councils need to understand the opportunities and risks that new technology such as AI and IoT can bring; this requires the right skills and networks.

**CivTech:** Scottish Government programme launched in 2016. It aims to bring the public sector and innovative businesses together to develop solutions to public sector problems.



**Case study 6**  
Enabling digital government  
June 2019

Fife Council has established an innovation hub that has a small fund to help develop business cases and works with suppliers to test the feasibility of new approaches, using a 'prove and explore' approach.



Glasgow City Council has an Innovation Strategy that provides a framework for innovative ideas to progress. Innovation projects include work with the Centre for Civic Innovation to complete a challenge addressing how technology can support independent living and tackle common problems such as false alarm call outs and unreliable sensors. The Health and Social Care Partnership has formed partnerships with industry through this challenge, increasing its understanding of what technology is available.

A growing number of councils have set CivTech challenges to find innovative solutions to problems they have faced. The Digital Office featured examples of such challenges, including the case of Stirling Council, in a webinar it hosted.

### Barriers

New smart-place technologies such as AI and IoT need good connectivity.



## Councils are using different approaches to support transformation but this requires skills that are in short supply

- Council business analysts are using established methods such as **LEAN** and **business process re-engineering** to increase efficiency across services.
- Agile methods are becoming more widely used and are taking an iterative approach to developing solutions.
- Methods that are not yet widely used include:
  - open innovation methods, including **problem-based procurement**, where public bodies work with suppliers to procure solutions to challenges, for example CivTech.
  - [Service design \(page 16\)](#).

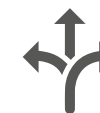
**LEAN:** an approach to designing or developing solutions based on principles that maximise value and minimise waste.



**Business process re-engineering:** exploring an existing process or service and re-designing it from the start, to make it more efficient or add more value for the user.

**Problem-based procurement:** buying a solution developed by a supplier to solve a challenge or issue. In traditional procurement a product is purchased which has been developed to pre-determined specifications.

North Lanarkshire Council is taking an 'agile' approach to transforming services as part of its **Digital NL programme**. This involves an iterative process of business analysis and consultation with staff groups to develop and test solutions that meet users' needs.



Perth and Kinross Council has trained teams in Agile, with senior staff trained in Agile for leaders. It has created a 'Principles in Agile' document to support its use across the council.

### Barriers

Councils do not have sufficient staff with the appropriate skills to transform and improve services.

Traditional procurement can take time, which discourages small innovative suppliers from getting involved with public-sector bodies.





## Covid-19 has encouraged a culture of innovation that councils need to further develop as they move into a phase of renewal



### Rapid response

Councils had to respond rapidly to Covid-19, putting new services in place and supporting staff to work from home. Examples include:

- developing apps for families to help them stay in contact with relatives in care homes
- online booking for recycling centres
- virtual tours of art galleries.



### Increased openness

Covid-19 resulted in increased openness – partly through necessity – among councils trying new things and working collaboratively in responding to the shared challenges brought about by the outbreak.



### Agile methods

Agile methods have been used and there is growing interest in user-focused design. Councils need to build on these innovative methods to support further change and the capacity to transform.

# Digital progress in local government

This report is available in PDF and RTF formats, along with a podcast summary at:  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

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**ARGYLL AND BUTE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****FINANCIAL SERVICES****14 SEPTEMBER 2021**

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**AUDIT SCOTLAND - 2020/21 FRAUD AND IRREGULARITY REPORT**

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**1.0 INTRODUCTION**

- 1.1 This report provides the Audit and Scrutiny Committee (the Committee) with reassurance that the Council has appropriate governance and counter fraud arrangements in place to mitigate, as far as possible, the risks highlighted in Audit Scotland's 'Fraud and Irregularity 2020/21' report.

**2.0 RECOMMENDATIONS**

- 2.1 Endorse this report and note the assurance that the Council has robust policy and procedures to, as far as possible, mitigate the risks identified in Audit Scotland's 2020/21 Fraud and Irregularity Report.

**3.0 DETAIL***Audit Scotland Report*

- 3.1 In July 2021 Audit Scotland published a report titled 'Fraud and Irregularity 2020/21' with the purpose of sharing risks and case studies to support the Scottish Public Sector in the prevention of fraud. The reports overarching recommendation was that public bodies should ensure good governance and counter fraud arrangements are in place including:
- Having appropriate governance and oversight arrangements for counter fraud
  - Regularly reviewing controls and governance arrangements to ensure they remain fit for purpose
  - Being alert to emerging fraud risks and where appropriate working with others to help alleviate there risks
  - Considering whether the council has appropriate controls in place to prevent the risks identified in the Fraud and Irregularity report materialising
  - Considering whether the weaknesses in internal control that facilitated the fraud or irregularity identified in the report may also exist in the council.
- 3.2 The report grouped fraud related risk into seven categories. Full details of the associated risks in each category are detailed on pages 6-12 of the Audit

Scotland Report included as Appendix 1 to this paper however the table below summarises them and the Council's position in relation to them

<b>Category</b>	<b>Summary of Associated Risks</b>	<b>Council Position</b>
COVID Funding and Recovery	<ul style="list-style-type: none"> <li>• Government funding provided quickly possibly with limited scrutiny/due diligence</li> <li>• Fraudulent attempts to access eligible business information to use as part of a fraudulent application</li> <li>• Requests to change business rates information to qualify for grants</li> <li>• Provision of fraudulent documents to support grant applications</li> <li>• Malware attempts purporting to be from recognised bodies</li> </ul>	<p>The risk of fraud was an ongoing consideration by all officers processing grants. Information on suspected fraudulent claims was shared across all Scottish Local Authorities and officers applied professional judgement and expertise when assessing applications to identify indications that an application may be fraudulent. In the event that any indications were identified further due diligence was performed to robustly confirm the validity of the application. Ongoing evolution of grant administration processes, including refining online application forms, assessment checklists, new communication platforms and best practice sharing.</p> <p>Internal Audit officers were involved in the administration of the Council's SBGF, RHLGF and Discretionary Fund and the Chief Internal Auditor was the appeal officer for the SBGF, RHLGF, Discretionary Fund grants and Taxi Grants. As such Internal Audit played an active role in the design of the processes adopted to administer business support funds - this is considered to provide greater assurance than a retrospective audit after the event.</p>



		The Council's more routine processes in relation to standing data change requests were not altered during the COVID response and these are subject to continuous monitoring by internal audit.
Health and wellbeing	<ul style="list-style-type: none"> <li>• Staff remote working may lead to isolation, mental health issues and/or increased addictive behaviours increasing vulnerability to organised crime</li> <li>• Increase in internal fraud due to staff feeling financial and health pressures.</li> <li>• Working for sustained periods at high pace or pressure may lead to errors</li> <li>• Phishing emails sent to staff offering, for example, free Covid vaccines. Often such emails ask to confirm bank details.</li> </ul>	The Council were, and still are, very conscious of mental health issues associated with remote working. Wellbeing services have been promoted via all staff e-mails and the staff website. Furthermore managers have been regularly encouraged to ensure communication channels with staff are maintained. Where officers have found homeworking challenging the option of working from an office has been made available. In light of offices reopening, there will be scope for some staff to return to a more 'normal' working pattern and, to support this, staff surveys have been issued to ensure staff opinions are factored in to any decision making.
IT & Cybercrime	<ul style="list-style-type: none"> <li>• Staff working remotely may pose potential security risk when using personal devices and/or removable devices to download data</li> <li>• Household members may gain access to confidential information by looking at screens or hard documents.</li> </ul>	Argyll and Bute Council was the first UK council to implement and utilise Skype for Business in 2010 and meaning staff were already well equipped to work flexibly from multiple locations. As a result council staff seamlessly transitioned from working in the office to working from home at the beginning of the pandemic. Furthermore the Council's IT infrastructure was updated and has coped well with the additional

	<ul style="list-style-type: none"> <li>• Staff may be more likely to steal or tempted to steal data without the usual office environment and supervision.</li> <li>• Remote working staff may receive bogus calls from fraudsters claiming to be legitimate IT departments or broadband providers attempting to gain access to systems.</li> <li>• Risk of cybercrime when public sector staff connect remotely to access systems for meetings</li> <li>• Risk of ransomware attacks.</li> <li>• Major issue with Phishing emails. Most staff are now remote working and most data transfer is electronic. Staff are heavily dependent on IT and systems. Fake emails and requests for log in details are abundant</li> </ul>	<p>pressure brought about by mass remote working.</p> <p>All information required by staff are held on our secure network and security measures are in place which prevent staff connecting removable devices to their work laptops.</p> <p>Phishing training and awareness is available on our HUB (during and prior to COVID) and the Council has an ICT compliance and security officer.</p> <p>During the lockdown the Council had the UK's highest level of cyber security accreditation (Cyber Essentials Plus) which evidences our commitment to protecting data against the most common internet-based threats to cyber security. These include hacking, phishing and password guessing. This expired in June 2021 and the Council are resubmitting their accreditation application shortly with an expectation this will be approved by September 2021. The Council is also PSN (Public Service Network) accredited which confirms the Council's IT security arrangements, policies and controls are sufficiently rigorous for the Council to be allowed to interact with the PSN and those connected to it.</p>
Governance	<ul style="list-style-type: none"> <li>• Public sector staff working remotely and</li> </ul>	Internal audit staff were redeployed to work on business

	<p>under pressure may mean internal controls are relaxed</p> <ul style="list-style-type: none"> <li>• Buildings being closed results in additional risk of security</li> <li>• New equipment and IT devices purchased during the pandemic needing tagged and sent to remote staff.</li> <li>• Staff transferring to new departments to meet operational needs</li> <li>• Risk of weakened governance arrangements due to internal audit teams being redeployed</li> </ul>	<p>support grants for a period of approximately three months however a revised audit plan was still delivered with some 'lost' time backfilled by an agency worker. Transactional controls in key processes are subject to continuous monitoring by internal audit and, since that work recommenced post redeployment there is no evidence that controls were relaxed during remote working. Whilst some buildings have been closed, there has been ongoing presence in the main Council offices, and there have been no notable security issues. Staff were redeployed where necessary however this was overseen by HROD and managed effectively.</p> <p>The Council did revise its governance arrangements in response to COVID which were assessed by Audit Scotland as part of their 2019/20 annual audit. They concluded that in the Council's annual audit report that <i>'The new arrangements are appropriate and support good governance and accountability.'</i></p>
Procurement	<ul style="list-style-type: none"> <li>• Controls may be relaxed to all the Council to purchase goods or services urgently, possibly from new and untested suppliers.</li> <li>• Sale of items may be at inflated prices, may be counterfeit or</li> </ul>	<p>The majority of the Council's purchases are made through PECOS which has established procedures and controls. These controls were not relaxed during COVID as they are largely system controls rather than manual ones.</p> <p>Larger scale procurement is overseen by the Council's</p>

	<p>products not fit for purpose</p> <ul style="list-style-type: none"> <li>• Fraudulent communication regarding delivery of products. Invoice not paid yet or demands for extra shipping fees. Phishing emails or malware can be included.</li> </ul>	<p>procurement team which continued to operate 'business as usual' throughout the pandemic.</p>
Payment	<ul style="list-style-type: none"> <li>• Duplicate or erroneous payments being made from fraudulent requests from suppliers to change supplier details when staff are under pressure</li> <li>• Goods not being checked by purchase staff for suitability or quality checks before being given to front line staff.</li> <li>• Approval of payments above authorisation limits</li> <li>• Phishing communications received asking for payees to be added, bank account changes, or other changes that in doing so provides personal information.</li> </ul>	<p>Authorisation limits for payments were not altered during COVID and controls relating to potential duplicate payments and changes to supplier standing data have not been relaxed during remote working.</p> <p>During the COVID response all invoices were paid immediately with the standard 30 day terms relaxed however all the usual audit checks were still carried out prior to payment.</p> <p>Payment controls are subject to Internal Audit's continuous monitoring programme and will continue to be assessed on an ongoing basis.</p>
Payroll and Recruitment	<ul style="list-style-type: none"> <li>• Rapid recruitment of staff as operational demand increases –</li> </ul>	<p>The Council recruit using MyJobScotland as a platform. There has been no changes to</p>

	<p>normal checks not completed</p> <ul style="list-style-type: none"> <li>• Payroll fraud may increase as controls over working hours, expenses or overtime might slip.</li> <li>• Fraudulent communications regarding the HSCP £500 “thank you” payment</li> <li>• Fraudulent communications regarding National Insurance and HMRC tax refunds number errors and details required to update/renew</li> <li>• Fake Covid19 job adverts on social media. Phishing for personal details through online applications</li> </ul>	<p>our recruitment processes during COVID and all necessary checks are completed prior to recruiting an employee.</p> <p>Expenses have been at a minimal during COVID due to very limited need for travel and subsistence however where they are incurred they are still subject to manager approval through My View.</p> <p>The risk of fraudulent communications is somewhat mitigated by the measures detailed above in the IT and Cybercrime section.</p>
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### Further Assurance

- 3.3 In addition to the measures detailed in exhibit 1 further assurance over fraud and irregularity can be taken from the measures explained in the paragraphs below.
- 3.4 The Council have an established Counter Fraud Team (CFT) who act as a deterrent to fraud and provide a mechanism for investigating potential fraud.
- 3.5 The Council’s Internal Audit team regularly review controls and governance arrangements to ensure they remain fit for purpose and raise recommendations for improvements.
- 3.6 The CFT and Internal Audit have joint team meetings every fortnight to discuss ongoing and emerging issues. Furthermore the CFT are in regular

communication with the Scottish Local Authority Investigator Group (SLAIG) and have been sharing information and discussing emerging issues.

#### **4.0 CONCLUSION**

4.1 The COVID pandemic did increase the risk of fraud for all councils due to the amount of funding made available by the UK and Scottish Government to be distributed to businesses. This inevitably created an opportunity for fraudsters to attempt to access these funds through fraudulent means. Furthermore temporary changes to working practices can always result in routine systems of controls being relaxed. However whilst the Council, like all councils, would have been targeted by fraudsters, fraud it is considered that their existing processes and, any necessary changes to them, or new processes, were implemented and managed appropriately and therefore we were not exposed to an excessive level of risk.

#### **5.0 IMPLICATIONS**

- 5.1 Policy - None
- 5.2 Financial – None
- 5.3 Legal – None
- 5.4 HR - None.
- 5.5 Fairer Scotland Duty - None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty - None
- 5.6 Risk – None.
- 5.7 Customer Service - None

**Laurence Slavin**  
**Interim Head of Financial Services**  
**14 September 2021**

**For further information contact:**

Colin Rae, Counter Fraud Team Lead (01436 657685)

#### **Appendices**

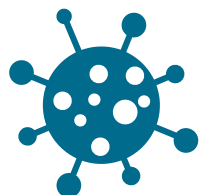
Appendix 1 – Audit Scotland 2020/21 Fraud and Irregularity Report

# Fraud and irregularity 2020/21

Sharing risks and case studies to support the Scottish public sector in the prevention of fraud

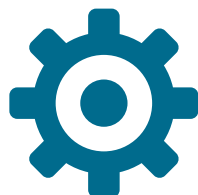


# Key messages



## 1. Significant challenges due to Covid-19

Since the start of 2020/21, the Covid-19 pandemic and the associated lockdowns have brought significant challenges across the public sector. Public bodies have sought to continue to deliver services in new working environments while at the same time experiencing an increase in demand for many services. The challenges during the last year include additional fraud risks for public bodies to identify and manage.



## 2. Wide range of action required to mitigate new risks

The new fraud risks cover a variety of areas. This means a wide range of actions are required by public bodies to attempt to mitigate these risks.



## 3. Weaknesses in controls contribute to fraud and irregular activities

Weaknesses in controls have contributed to a variety of fraud and irregular activities being identified across the Scottish public sector. During 2020/21, external auditors reported 13 cases of fraud and irregularity valued at £0.4 million. The value of reported fraud and irregularity remains small compared to the 2020/21 annual Scottish budget of £49 billion.



## 4. Counter-fraud hub

Audit Scotland's [counter-fraud hub](#) contains useful counter-fraud information.



# Recommendations

## **Public bodies should ensure good governance and counter-fraud arrangements are in place, including:**

- having in place appropriate governance and oversight arrangements for counter-fraud
- regularly reviewing controls and governance arrangements to ensure they remain fit for purpose
- being alert to emerging fraud risks and where appropriate working with others to help alleviate these risks
- considering whether appropriate controls are in place to prevent the risks identified in this report materialising in their own organisation
- considering whether the weaknesses in internal control that facilitated each case of fraud or irregularity identified in this report may also exist in their own organisations, and taking the required corrective action.

## **Auditors should confirm that:**

- appropriate governance arrangements for the prevention and detection of fraud are in place at their audit clients and that appropriate reviews and amendments of controls have taken place in response to new ways of working
- internal controls at their audit clients are sufficiently strong to prevent the types of fraud and irregularity highlighted in this report.

# Background

## Impact of Covid-19

The risk of fraud and error has increased over the last year due to the Covid-19 pandemic. This is due to many reasons, including:

- public bodies have become stretched, controls and governance arrangements have required to be changed
- staff working remotely and under pressure
- staff adapting to new ways of working with associated new processes and procedures
- staff being redeployed to work in new and unfamiliar departments as public bodies have responded to increased demands for certain services
- continuous fraud attempts on public bodies including both traditional types of fraud and newer cybercrimes
- former verification and control processes being unable to operate as new ways of working are introduced
- new support schemes for business and communities being developed and implemented at speed.

Public bodies need to review their systems and identify areas where the threat from fraud and error has increased. They need to review existing controls to ensure 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.

Additional risks will continue to emerge as public money and services are targeted by fraudsters. Fraudsters will continue to look for new opportunities to exploit weaknesses in systems and controls. Public bodies and auditors should stay alert to new scams and approaches by fraudsters, and regularly review controls and governance arrangements to ensure they remain fit for purpose.

Good governance and sound controls are essential in crisis and changing situations.

## Aims of this report

This report sets out a range of fraud risks emerging since the start of the Covid-19 pandemic along with suggestions of what public bodies may do to help reduce these risks. It aims to help public bodies identify and manage these risks.

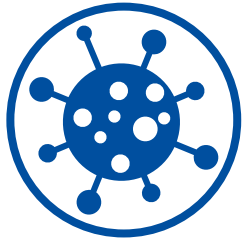
This report also shares information about cases where internal control weaknesses in public bodies have led to fraud and irregularity, to help prevent similar circumstances happening again. External auditors have shared specific details about significant frauds and other irregularities in public bodies during 2020/21. The level of fraud and irregularity reported by external auditors of £0.4 million remains small compared to the 2020/21 Scottish budget of £49 billion.

This report is informed by information provided by external auditors during 2020/21 in their fraud and irregularity returns to Audit Scotland. External auditors are required to report frauds (or suspected frauds) where they are caused or facilitated by weaknesses in internal controls at public bodies. Frauds and irregularities are considered significant where the value of the loss is over £5,000 or where it is of significance due to the nature of the activity.

Auditors of local authorities are not required to report cases of fraud perpetrated by claimants, for example, grant claimants or housing benefit claimants, unless the fraud was facilitated by the collusion of local authority staff or otherwise by weaknesses in internal control. The cases included in this report are likely to have been investigated internally, but it is not necessary for the police to have been involved or for it to have been proven as fraud in a court of law.

# Key fraud risks identified in 2020/21

We have grouped the fraud-related risks identified by external auditors over the last year into the following seven categories. They include, but are not limited to, risks associated with:



**1. Covid-19 funding and reopening of premises and services**



**2. Health and wellbeing**



**3. IT and cybercrime**



**4. Governance**



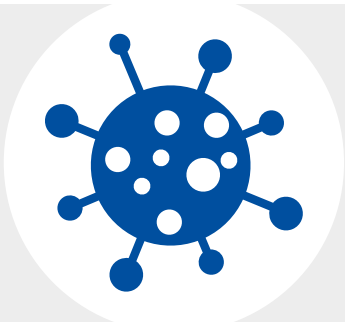
**5. Procurement**



**6. Payment**



**7. Payroll and recruitment**



# 1. Covid-19 funding and reopening of premises and services

- Government stimulus packages to support individuals and businesses are provided quickly, possibly with a lower level of scrutiny and due diligence than has previously been in place. Often the support is provided to people and businesses that the public body had no previous relationship with, making the verification of details more difficult.
- Councils may receive emails or Freedom of Information requests asking for details about property details, reference numbers or business grant applications. Fraudsters are possibly looking to identify eligible businesses that have not applied for grants, with a view to submitting a fraudulent application.
- Councils may receive requests for business rate liabilities to be changed. This may be an attempt to ensure a business falls within a category qualifying for grants.
- Due to applications for Covid-19 related support being made online, there is a risk that fraudulent documents and details are provided.
- Councils may receive fraudulent applications for funding purporting to be from genuine qualifying businesses. These applications are often supported by what appears to be genuine supporting information which has often been obtained from publicly available sources.
- As buildings and offices reopen, emails may be received purporting, for example, to be from the Health and Safety Executive (HSE) saying the HSE is carrying out Covid-19 spot checks on newly opened premises. A link supposedly to guidance documents leads to a file which contains malicious software (malware).
- Texts may be received advising recipients that they are eligible for a Covid-19 grant and that an attached form requires to be completed. The form contains a link to a scam website, possibly similar to the HMRC website, asking for business, personal and bank details.

Additional Covid-19 related risks:

## **Covid-19: Emerging fraud risks**

July 2020





## 2. Health and wellbeing

- Remote working may result in isolation and/or mental health issues. This may lead, in some cases, to increased addictive behaviours (eg, gambling), which could result in vulnerability to serious organised crime gangs.
- An increase in internal fraud in public bodies is possible as staff and their families are under increased levels of financial and health pressures.
- Working for sustained periods of time at high levels of demand may lead to errors or fraud due to lapses in concentration.
- Staff/volunteers could take advantage of vulnerable service users, for example by gaining access to bank cards, cash drop-offs at client's house and befriending with sinister intentions.
- Emails may be received purporting to be from the NHS offering a Covid-19 vaccination. Recipients are requested to provide bank details.



## 3. IT and cybercrime

- Staff working remotely may pose potential security risks, eg when using personal devices and/or using removable devices to download data.
- Household members may gain unauthorised access to confidential information such as payroll, social work client details etc, by looking at screens or documents used by staff.
- Staff may be more likely to be tempted to steal data when working remotely without the normal office supervision.
- Staff working remotely may receive calls from fraudsters claiming to be legitimate technical support services and attempting to gain access to systems. The callers may say that they are looking at issues with the public body's network and will request the staff member's login details in order to 'fix' the system issue.
- Staff working at home may receive calls purportedly from their broadband providers. The caller says that they are having technical problems with the service. The caller asks the recipient to switch on their computer to check the broadband signal strength and then to enter a scam web address and/or download a piece of malware.
- There is a risk of increased cybercrime as more public-sector staff connect remotely to access systems and for meetings using online video conference services.
- There is a risk of more system-access breaches where personal information is accessed without a valid reason by staff working remotely, eg possibly to check friends' applications for services.
- It is easier for fraudsters to send 'urgent' emails or texts pretending to be from senior members of staff to their under-pressure teams asking for money to be transferred or for information to be disclosed.
- There is a risk of ransomware attacks. This is where malware is put into bodies' systems and leaves a ransom note demanding money in exchange for the return of information or the reinstatement of systems.
- There is a risk of an increase in **phishing** emails trying to get staff working under pressure to click on links which allow fraudsters access to public-sector systems. For example, staff receive scam emails inviting them to a video conferencing meeting, supposedly being held by someone they know and trust. The link provided leads to a fraudulent log-in page, which asks for the recipient's username and password.

### Phishing:

Where criminals send emails purporting to be from reputable sources in order to deceive individuals into providing information or data such as passwords, user names or bank details, or to click on a link that allows malware to be downloaded.



## 4. Governance

- Public-sector staff are working under extreme pressure which may mean some internal controls are suspended or relaxed.
- Existing controls may have been relaxed to assist homeworking for staff and access to services for clients.
- Fraud investigations may be paused or unable to continue due to difficulties in collecting evidence or investigation staff being redeployed to frontline services.
- When buildings are closed there are additional risks to the security and unauthorised use of assets from both internal and external sources as the removal or unauthorised use of assets may go undetected.
- New equipment and IT devices purchased during the pandemic may be at more risk of being lost or stolen due to possible weakness in controls around delivery, asset-tagging and recording in asset registers when staff are working from home. Any losses may not be detected.
- Staff may be transferred from their own departments to other areas to meet increased demand for certain services. This may leave some departments under-staffed at the same time that inexperienced staff may be working remotely without a full understanding of the required procedures and controls.
- There is a risk of weakened governance arrangements as internal audit teams are redeployed to operational areas.



## 5. Procurement

- Previous controls may be relaxed to allow bodies to buy new or existing goods or services which are required urgently, possibly from new suppliers.
- Fraudsters may be 'selling' popular and/or hard-to-get items online. The products may not arrive or may be counterfeit, eg medicines, personal protective equipment (PPE) such as face masks and gloves, and hand sanitiser products which do not provide the necessary level of protection.
- An increase in medical and sanitary waste may see criminals attempt to gain waste management contracts. This could result in the inadequate disposal of the waste, with the potential associated harm to public health as well as generating proceeds for the criminals.
- Bodies may buy goods/services from companies without due diligence and vetting being completed due to the urgent demand. This increases the risk of collusion between companies, eg bid fixing, and between companies and staff in the public body buying the goods/services.
- Bodies may receive texts or phishing emails purporting to be delivery companies saying that a parcel is awaiting delivery but that an unpaid shipping fee must be paid. The texts and emails include a link to a scam website asking for payment details.
- Bodies may also receive texts or phishing emails purporting to be from delivery companies saying that they tried to deliver a parcel to closed offices. A link is provided purporting to allow the rescheduling of the delivery. The link leads to a scam website asking for contact and payment details.





## 6. Payment

- Mandate and diversion fraud may increase as fraudsters try to get employees to update suppliers' bank details and make payments as soon as possible, knowing staff are under pressure. Some attempts may be made using a compromised email account of a genuine member of staff employed at either the public sector body or in an existing supplier.
- Due to staff working from home and under pressure, duplicate payments are possibly not detected, or payments may be made without checking whether goods and services were received to a satisfactory quality.
- Due to controls being loosened it may be possible for staff to pay invoices above their authorisation limits or without the normal approvals.
- Emails may be received from fraudsters purporting to be from a senior member of staff in a contractor requesting copies of initial contracts/award letters and previous invoices last issued. The fraudulent email may also note there has been a change in their bank account details.
- Public bodies may be contacted by someone purporting to be from the fraud department at the body's bank and advising of attempted frauds made against the body's bank accounts. The fraudster then may persuade the member of staff that they can stop the fraud by setting up a payment to a given sort code and account number.
- Messages may be received purporting to be from the bank saying that a request to add a new payee has been set up. The recipients are asked to click on a link to authorise or cancel this request. The link leads to a scam website which asks for bank account details.
- Messages may be received purporting to be from a known supplier advising that an unexpected sum of money will be debited from the body's bank account. The recipient is asked to click a link to a scam website supposedly in order to cancel the payment.
- Emails may be received where a fraudster tricks officers into thinking a message came from a person they know. For example, a staff member may receive an email from what appears to be a senior colleague requesting the purchase of gift cards and for the cards and codes to be emailed by return email, or that certain invoices have been authorised for payment.



## 7. Payroll and recruitment

- There is a risk of recruitment fraud as new staff are needed immediately due to increased demands for services and the normal checks may not be completed.
- Payroll fraud may increase as normal controls around working hours, expenses, overtime etc may be relaxed.
- Staff returning to work to help respond to Covid-19 may be targeted by unscrupulous tax avoidance schemes.
- Telephone calls may be made by fraudsters to health and social care staff requesting personal bank details in order for the £500 'thank you' payment to be made.
- Telephone calls may be received advising staff that their national insurance number has been compromised or is invalid. The caller asks for personal details in order to apply for a new national insurance number.
- Fake Covid-19 related job adverts may appear on social media, eg for Covid testers. The scammers ask for personal details that job applicants typically provide, eg bank details, proof of address and passport details. This information can be used for identity theft.
- Emails may be received purporting to be from HMRC saying the recipient is due a tax refund. The recipient is asked to click on a link to a scam website to provide personal and bank details for the supposed tax refund.

# Ways to reduce counter-fraud risks



- Discuss and agree the organisation's risk appetite and associated approach to the newly emerging risks.
- Carry out a risk assessment to identify the most vulnerable areas under the new working conditions. This will include a review of IT system security for remote working.
- Ensure Internal Audit review systems of control. Some of the existing controls are unlikely to be still relevant and appropriate.
- Introduce new systems of control to address new and emerging risks.
- Ensure existing ways of reporting fraud or irregularity are still operating and are promoted, eg fraud hotlines and whistleblowing processes are still operating.
- Review ways of working and delivering services to help ensure those in need are supported.
- Ensure staff and customers receive regular, appropriate communications on the new ways of working and changes to services.
- As staff move back to offices, controls should be reviewed to ensure they are effective and appropriate for the new ways of working. This will include possibly tightening up previously relaxed controls and carrying out audits on assets.
- Consider bank account verification and active company search services, eg that are available to the UK public sector from the Cabinet Office or **NAFN**.
- Continue staff training, especially for staff moved to work in areas that are new to them.
- Continue staff training on counter fraud including new threats. This will include updates on new and emerging frauds as well as reminders that suspicious activity still needs to be reported.
- Run 'dummy phishing' exercises to test employees' reactions, with a requirement to revisit training modules if an employee 'fails'.
- Ensure all software updates are applied as soon as possible to IT systems. This includes regular reviews and updates to all systems and devices and actively looking for vulnerabilities. Where dangerous vulnerabilities are identified, system updates are done immediately even if it means staff can't work while it is being updated. Where a device, eg a laptop, isn't updated, it is disabled and excluded from the network.
- Block and filter every attack vector possible, which can make things difficult for colleagues, and say no to anything that could increase the organisation's susceptibility to attack.

## NAFN:

Shared service organisation open to all public-sector organisations. NAFN provides data, intelligence and best practice services for member organisations.

# Ways to reduce counter-fraud risks



- Review **NFI** matches to identify fraud and error or system control weaknesses.
- Rotate employees or volunteers working with vulnerable service users and ensure appropriate employee disclosures are up to date.
- Review the NHS Counter Fraud Authority's guidance including the [Covid-19 counter fraud guidance](#)
- Review the UK Government Counter Fraud Function's website for the latest guidance including:
  - [Covid-19 Counter fraud response team](#)
  - [Fraud Control in Emergency Management: Covid-19 UK Government Guidance](#)

## NFI:

National Fraud Initiative, an exercise that matches electronic data within and between public and private-sector bodies to prevent and detect fraud.

Further information:

## **The National Fraud Initiative in Scotland 2018/19**

July 2020



# A focus on procurement risks



Procurement fraud in the UK is not defined but industry experts put the figure at billions of pounds a year. Procurement fraud is complex and covers a wide range of activities from the pre-contract award phase through to the post-contract phase. Procurement fraud is difficult to detect. Although data analytics to identify fraud are on the increase, manual detection techniques are an important part of fraud prevention approaches.

In order to help reduce some of the risks around procurement, bodies may consider the following:

- All staff should be aware of the potential red flags to look out for within any procurement exercise.
- All staff involved in procurement activity should receive regular appropriate training to help them to identify fraud and error.
- There should be clear processes, procedures and controls to be followed regarding procurement. Checks should be made, eg by internal audit, to ensure these are followed.
- A central contract register should be in place which is regularly reviewed and analysed for irregularities.
- Staff should be extra vigilant where a contract is required in a rush and/or where the contractor may be pressurising staff for a quick response.
- Appropriate controls should be in place to ensure invoices, purchase orders and requisitions all agree before payments are made.
- Appropriate segregation of duties should be in place for the authorisation of contracts, payments and technical specifications.
- Procedures should be in place and followed, for all requests for payments to new bank account details.
- Due diligence should be carried out on new suppliers. This may include a review of online customer reviews, and calling the landline on a website to check it is genuine.
- Consideration should be given to job rotation to ensure staff do not deal with the same clients on a long-term basis.
- Internal audit should review procurement activity, eg through spending analysis, to identify where any large spend to a particular supplier may exceed approval thresholds when aggregated or a review of the security around bids and tender documentation.

Further information:

## Red flags Procurement

October 2019



# Fraud and irregularity identified during 2020/21



Auditors have provided Audit Scotland with details of cases of fraud and other irregularity discovered in their audited bodies during 2020/21. This report sets out examples of the various different categories of fraud and irregularity reported during 2020/21 and the control weaknesses which have contributed to these cases.

Reporting cases about fraud and irregularity and sharing information about what happened helps highlight weaknesses in internal controls and aims to help prevent similar circumstances from happening in other public bodies.

Public bodies are encouraged to consider whether the weaknesses in internal control that facilitated each of the cases highlighted in this report may also exist in their own arrangements, and take the required corrective action.

Auditors should confirm that appropriate governance arrangements for the prevention and detection of fraud are in place at their audit clients and that appropriate reviews and amendments of controls have taken place in response to new ways of working. They should also confirm whether internal controls are sufficiently strong to prevent the types of frauds and errors highlighted in this report.

## Fraud and irregularity reported during 2020/21 totals £0.4 million

Falls into the following key categories:



**2**  
cyber attacks



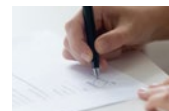
**5 cases = £132,500**  
Fraud and irregularity involving expenditure



**4 cases = £25,000**  
Fraud involving payroll



**1 case = £237,000**  
Theft



**1 case = £7,000**  
Involving third party funds

Control weaknesses were highlighted where fraud or irregularity was identified.

# Common control weaknesses

A review of fraudulent and irregular activity highlights common control weaknesses which have contributed to the fraudulent and irregular activity reported by external auditors.



A lack of management checking and review



Procedures not followed



Weak security arrangements



A lack of staff training



Missing indicators within emails that the email is not genuine



Not verifying applications for funding to existing records



Poor budget monitoring



System reconciliation weaknesses



Poor record keeping

# Cyber attacks

A cyber attack is where computers and networks are targeted by criminals in order to alter, disable, steal or gain information through the unauthorised access to computer systems. Our blog entitled '[Cybercrime is a risk that the public sector in Scotland needs to take seriously](#),' raises awareness among boards and non-executive directors of this growing area of risk as well as to signpost readers to key resources to help protect organisations from this type of crime.

## Case study 1

**A public body was subject to a serious complex cyber attack which impacted upon access to systems, processes and communications.**

### Key features

1.2GB of data amounting to just over 4,000 files had been stolen.

The public body instigated its business continuity plan and took action to limit the impact of the attack. The public body made clear that it would not engage with criminals intent on disrupting public services and extorting public funds.

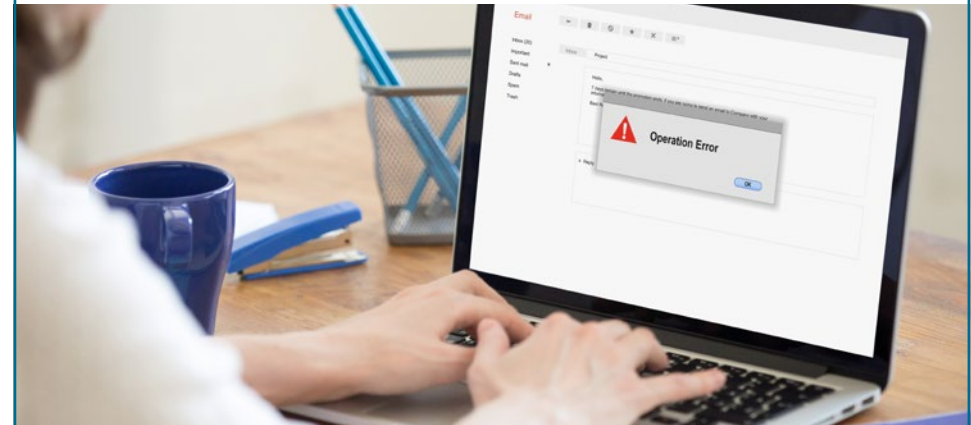
The information that was stolen from the public body's systems was published illegally online on the dark web the following month. The information that was published is still being assessed. IT systems have been disconnected to prevent further data losses.

The impact of this attack will last for some time due to the loss of data, including financial data, and the need to re-build systems and re-create records.

A Police Scotland investigation is under way. The public body is also working with the Scottish Government, the Information Commissioner and the National Cyber Security Centre in order to investigate the specific details of the attack and identify areas to strengthen existing controls.

## Case study 2

**A cyber-attack caused disruption to services at several colleges.**



### Key features

The colleges' IT engineers worked to isolate and minimise the impact from the incident.

As a result of the attack, the colleges were closed to some students for a short period of time.

The source of the attack is not known, however a Police Scotland investigation is currently under way.



# Expenditure

Expenditure frauds relate to cases where a body has incurred additional expenditure because of fraud. This may be due to invalid suppliers, fictitious invoicing, or the redirection of payments intended for legitimate suppliers.

## Case study 3: Invalid supplier

A third party defrauded over £46,000 from a public body by purporting first to be a staff member and then a supplier to the body.

### Key features

One of the public body's suppliers received an email purporting to be from the body, asking if there were any outstanding invoices. The supplier replied attaching an invoice. The public body then received an email purporting to be from the supplier with the invoice attached asking for it to be paid to a new bank account. The bank records were amended, and the invoice paid. The fraud was identified when the genuine supplier contacted the body looking for payment of the invoice.

The fraud was possible as:

- the accounts payable department did not confirm that the change of bank details had been verified by the contracting service
- the member of staff within the contracting service had not received training on how to verify new bank details
- indications within the email that it was not genuine were missed
- learning from a previous unsuccessful similar attempted fraud involving the same supplier had not been shared with staff.

The public body is introducing robust verification processes for change of bank details.

## Case study 4: Invalid supplier (2)

A third party defrauded £64,500 from a public sector body by purporting to be a genuine supplier.

### Key features

The purchase ledger team received several emails purporting to be from a named contact at their utility supply company requesting payment of legitimate outstanding invoices. They included copy invoices from the supplier which appeared to be genuine. The emails requested that the standing bank details be amended to those on the invoices. The bank details were changed, and three payments were made. Remittance advices were sent to the legitimate supplier's email address. The fraud was identified when correspondence was received from the legitimate supplier advising that they had received remittance advice notices but no payment.

The fraud was possible as the procedure for confirming bank account changes was not followed. In addition, the email from the supplier had a subtle difference in the address that was not identified at the time.

All finance staff are now receiving training on fraud prevention and detection. The body has notified Police Scotland.

# Expenditure

(continued)

## Case study 5: Misuse of a vehicle

A public sector employee defrauded almost £7,000 through unauthorised use of a car over a six-month period.



### Key features

The employee was using a hire car while at the same time using a leased car. Both cars were provided by their employer.

The fraud was identified after the payroll team questioned why the car was still on hire.

The fraud was possible due to a lack of review and challenge by the line manager of the monthly car hire report for their department.

The case has been reported to Police Scotland and options for civil recovery are being investigated.

## Case study 6: Misuse of vehicle

A public sector employee defrauded over £5,000 over an eight-month period through unauthorised use of a car.



### Key features

The employee used a pool car for personal use after their own car broke down.

The fraud was identified after a finance report was issued to the budget holder suggesting that providing the employee with a small van would provide better value for money.

The fraud was possible as the budget holder failed to identify the pool car recharges and investigate accordingly.

Internal audit has reviewed the pool car system to identify system weaknesses.

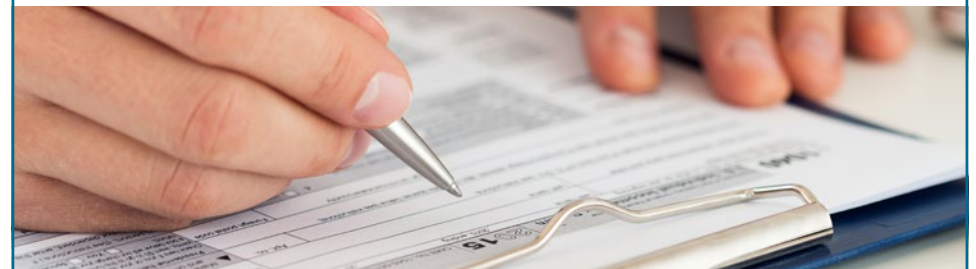
# Expenditure

(continued)

Public bodies have been issuing many different grant and funding streams to businesses and individuals over the last year due to the Covid-19 pandemic. There have been many instances of claimant fraud identified in these applications. This report does not include cases of fraud that are perpetrated by claimants, for example, grant claims, unless the fraud was facilitated by either the collusion of local authority staff or by weaknesses in internal control.

## Case study 7: Grant payment

A third party defrauded £10,000 from a council by making a false claim for a business grant.



### Key features

The perpetrator claimed a business grant for premises they had previously occupied. The fraud was identified when the legitimate business proprietor applied for a grant.

The fraudulent payment was possible as the council failed to identify that:

- the name on the business grant application was not the name of the business on the business rates system
- the bank statement used in support of the application was for a personal bank account rather than a business bank account.

Internal controls have been improved and more stringent checks are now carried out.

# Payroll

Payroll frauds relate to cases where an organisation's payroll has been misappropriated, eg employees working elsewhere while claiming to be unfit or where salary payments have been redirected.

## Case study 8: Re-directing salary

Four parties defrauded almost £25,000 from four public bodies by redirecting salary payments.



### Key features

In all cases, the payroll team received emails purporting to be from genuine members of staff, advising of a change to be made to bank account details. The payroll records were amended, and salary payments were made. The frauds were identified when employees contacted the payroll team to query why they had not been paid.

The fraud was possible as the procedures in place to check the validity of bank detail changes had not been followed.

Payroll staff have been reminded of the proper procedures, including verification procedures for changes to employee bank account details. The cases have been referred to Police Scotland for investigation.

# Theft of assets

Theft relates to cases where someone acts dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

## Case study 9: Theft of assets and cash

An employee misappropriated cash and other assets valued at £237,000 from a public body over a period of eight years.



### Key features

The employee was responsible for maintaining records for a secure store. The employee abused their position of trust.

The theft was possible due to inadequacies in the reconciliation of a manual card recording system and in management oversight. The theft was identified when a new process for recording the cash and other assets was introduced and the perpetrator was going to be moved to a new department.

A subsequent internal audit identified the cash and assets were missing. Police Scotland were informed.

The employee admitted the theft, was prosecuted and imprisoned for over three years.

Procedures have been reviewed and improvements made.

# Private funds

Private fund frauds relate to cases where third party's funds have been misappropriated.

## Case study 10: Third party funds

A member of staff misappropriated over £7,000 from the accounts of vulnerable social care clients.



### Key features

The member of staff committed the fraud by forging the signature of another staff member. The fraud was identified when a colleague examined records of client funds and identified an entry that they had apparently authorised but had no knowledge of.

When interviewed, the member of staff admitted forging the signature of a colleague. An internal audit identified the full extent of the fraud.

The fraud was possible due to weakness in record keeping and in the oversight by management and the **Corporate Appointee**. Improvements have been introduced in relation to reconciliation processes and the review of client accounts.

The matter was reported to Police Scotland and disciplinary processes were instigated. The member of staff has repaid the full amount.

### Corporate Appointee:

A Corporate Appointee is where an organisation, eg a council, has been appointed by the DWP to manage and look after a customer's welfare benefits to make sure they get the benefits they are entitled to.

# Next steps for governance boards in scrutinising counter-fraud arrangements

## Strategies



- ✓ Are there appropriate and up to date counter-fraud strategies in place?
- ✓ Are there appropriate governance and oversight arrangements for the counter-fraud strategies? This will include appropriate performance reporting arrangements.

## Risk assessment



- ✓ Has an assessment been carried out of where the fraud and error risks lie?
- ✓ Has the risk from fraud and error risk been measured and reported? This should be updated regularly.
- ✓ Have controls been put in place to prevent and detect these risks?

## Controls review



- ✓ Are the controls regularly reviewed to ensure they are operating effectively and still appropriate?
- ✓ Are controls amended or new controls implemented where new risks emerge?



# Further information

You can find further information about Audit Scotland's work to support counter-fraud and good governance on our website. This includes information about:



Website:

**Our work on counter-fraud**



Report:

**Covid-19: Emerging fraud risks**

July 2020



Report:

**Red flags in procurement**

October 2019



Website:

**The National Fraud Initiative**



Report:

**How councils can safeguard public money**

April 2019



Blog:

**Cybercrime: A serious risk to Scotland's public sector**

May 2021



# Fraud and irregularity 2020/21

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**ARGYLL AND BUTE COUNCIL****Audit and Scrutiny Committee****14 September 2021**

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**Corporate Complaints – Annual Report 2020-21**

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**1.0 INTRODUCTION**

1.1 The report provides information on how the Council has dealt with complaints during the period between 1 April 2020 and 31 March 2021 and performed against the statutory indicators, which have been agreed between the Scottish Public Services Ombudsman (SPSO) and the Local Authorities Complaint Handlers Network.

**2.0 RECOMMENDATIONS**

2.1 The Audit and Scrutiny Committee consider and note the content of this report.

**3.0 DETAIL**

3.1 All Council services follow the SPSO's model complaint handling procedure (CHP). A requirement of this model procedure is that the Council report to the SPSO on a standard set of statutory performance indicators, and prepare an annual report for consideration by Members. The report attached at appendix 1 has been prepared in order to satisfy this requirement.

3.2 The scope of this report includes complaints received in relation to Live Argyll, but does not include complaints which relate to the Argyll and Bute HSCP. These are administered under the Social Work complaints process, which follows the same model complaint handling procedure, but is reported separately.

3.3 Details around the common themes of complaints, service areas and further analysis of the root causes of complaints are provided within Appendix 2 to this report. This additional information is provided to allow Members to consider this information when reviewing future service planning and decisions, and more details about specific issues or types of complaint can be made available if required.

3.4 The annual report usually features a section on benchmarking, where we provide a comparison of data between our "family group". This data is not available from the Local Authority Complaints Handlers Network (LACHN) yet, and will be presented to the Audit and Scrutiny Committee once it has been circulated by LACHN.

- 3.5 The corporate complaints procedure is administered centrally by the Compliance and Regulatory team within Legal and Regulatory Support, and quarterly performance reports are provided to SMT. These performance reports are published on the Council's website:  
<https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints>
- 3.6 During 2019-20 the Compliance and Regulatory team introduced a monthly performance update report, which is circulated to all Heads of Service and Directors, to draw attention to any areas where complaints performance may be falling. This has been improved throughout 2020-21 and now includes more detailed information including the ward area and reasons for late response
- 3.7 The SPSO issued a new model complaints handling procedure, which all Scottish Local Authorities had to implement by 1<sup>st</sup> April 2021. This revised procedure has now been fully implemented with the Council. Alongside the review of the complaints handling procedure, work has been undertaken to improve the details that are recorded against each complaint, to allow more specific reporting on categories and themes to be made available. Training has been provided to Complaints Officers and Investigating Officers, both on the changes, and a refresher on general handling of complaints.

#### 4.0 CONCLUSION

- 4.1 The Council has dealt with the majority of complaints it has received in accordance with the requirements of the complaints handling procedure and has complied with the obligation to prepare an annual report. Once it has been presented to the Audit and Scrutiny Committee, the annual report will be published on the Council's website.

#### 5.0 IMPLICATIONS

5.1	Policy	None
5.2	Financial	None
5.3	Legal	Statutory requirement to prepare report
5.4	HR	None
5.5.1	Fairer Scotland Duty	None
5.5.2	Equalities – Protected Characteristics	None
5.5.3	Socio Economic Duty	None
5.5.4	Islands	None
5.6	Risk	None
5.7	Customer Service	None

Douglas Hendry

**Executive Director with responsibility for Legal and Regulatory Support**

24 August 2021

**For further information contact:** Iain Jackson, Governance, Risk and Safety  
Manager 01546 604188

## **APPENDICES**

Appendix 1 – Annual Complaints Report 2020-21

Appendix 2 - Complaints common themes and service areas

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# ANNUAL COMPLAINTS PERFORMANCE REPORT 2020/21

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## Chief Executive's Foreword

I am pleased to present Argyll and Bute Council's Annual Complaints Report, which provides information about our performance in handling complaints from our customers between 1 April 2020 and 31 March 2021.



Argyll and Bute Council is committed to providing high quality services for residents, businesses and visitors in our area. With the Covid-19 pandemic hitting our country in early 2020, our priorities changed to ensure essential services continued. Our customers and employees adjusted to different ways of doing things, different working environments, and many taking on new tasks to deliver lifeline support to our local residents and businesses. During this time, I received many messages of praise towards our services and employees and I am pleased to share some of these messages within this report.

We strive to be thorough, transparent, objective and fair in our approach to complaints, and to make it as easy as possible for customers to access our complaints procedure through our website, by email, over the telephone or in person. I understand it can be disappointing and frustrating when your expectations are not met. We welcome and value complaints and feedback from our customers as it allows us to continue to improve service delivery. Some examples of those improvements made are included within this report.

It has been a challenging year, with the unprecedented situation of the pandemic and I thank all the staff in my organisation for doing what they do best, going the extra distance to provide the best possible services and support to the people of Argyll and Bute that we can deliver.

Pippa Milne  
Chief Executive – Argyll and Bute Council

## Introduction

Argyll and Bute Council, along with all other Scottish Local Authorities, follow a model complaints handling procedure which is determined by the Scottish Public Sector Ombudsman (SPSO). This report presents how Argyll and Bute Council has performed against eight key performance indicators set by the SPSO, and provides some details about improvements to our services along with some positive feedback from our customers.

## Complaints process

Complaints can be either Stage 1, which are usually straightforward issues and must be dealt within 5 days or less, or Stage 2, which are usually about more complex or serious issues and can take up to 20 days for a response to be provided. If a customer is not happy with a Stage 2 response, they can refer their complaint on to the SPSO, who will look at the issues raised and can investigate the matter.

Stage 1 → Stage 2 → SPSO

### What is a complaint?

A complaint is 'an expression of dissatisfaction about the Council's action or lack of action, or about the standard of service provided by or on behalf of the Council'.

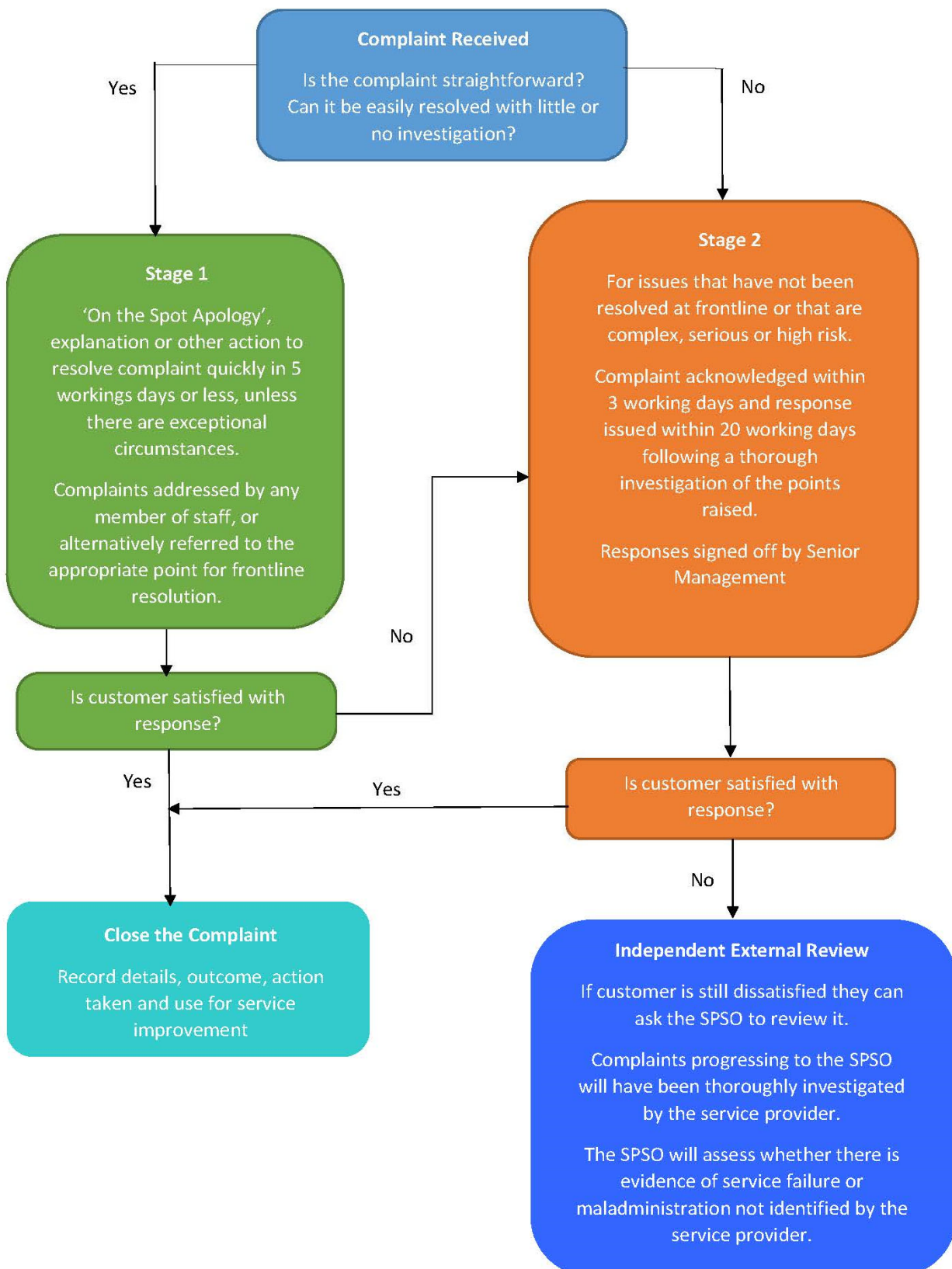
In most cases, a complaint will be made because the customer considers that the Council has:

- Done something wrong
- Failed to live up to expectations
- Treated someone badly or unfairly

The process map on the following page outlines our process.

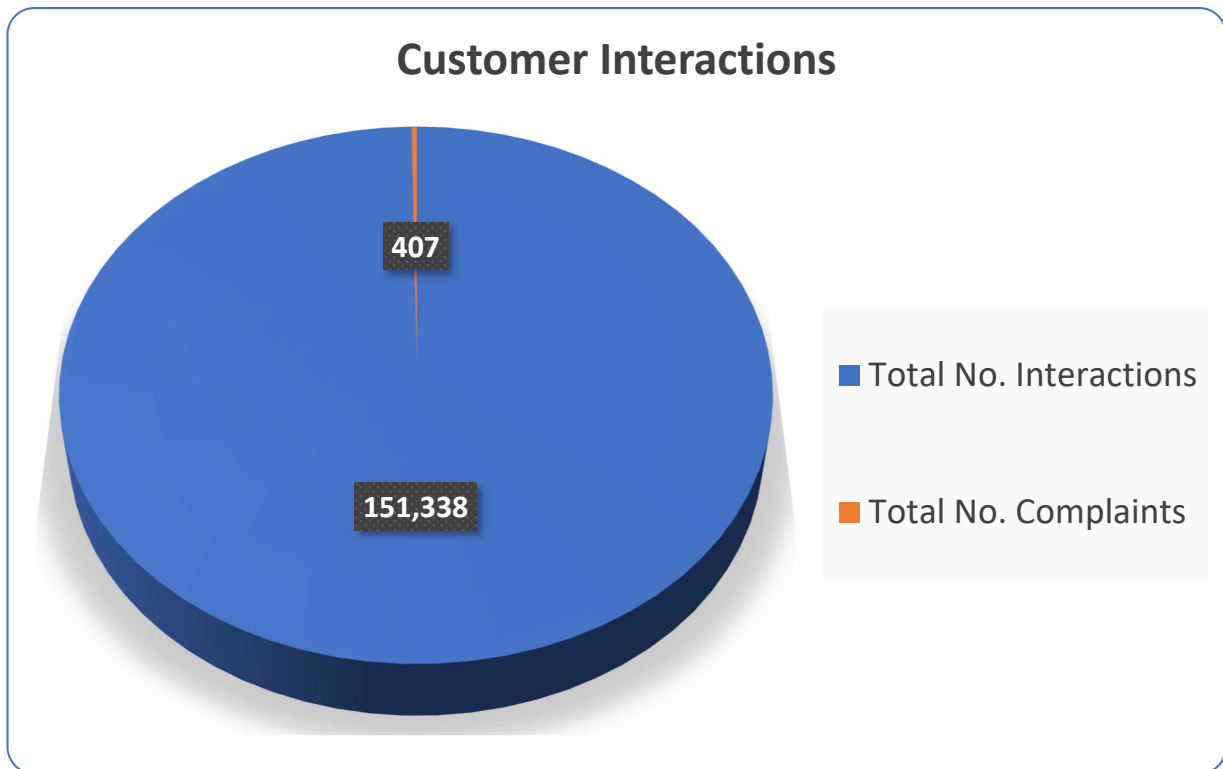


## Complaints Process



## Customer Contact

Argyll and Bute Council has many interactions with customers every day through various channels including email, telephone and through our website. Complaints from customers only form a very small number of the interactions that are logged through our Customer Relationship Management (CRM) system. In 2020/21 Argyll and Bute Council logged 151,338 incidents through the CRM system, this was a reduction due to the Covid 19 pandemic and our buildings being closed to the public. Of these 151,338 incidents, only 407 of these were complaints. This equates to less than 0.3% as shown below.





## Indicator 1 – Complaints Received per 1,000 of Population

This section details the total number of complaints handled by Argyll and Bute Council between 1 April 2020 and 31 March 2021. To allow a fair comparison to be made across all 32 Scottish councils, this indicator looks at the figure of “complaints per 1,000 of population”.

In 2020/2021 Argyll and Bute received, processed and closed

**407**  
complaints.

The population of Argyll and Bute is estimated at around

**85,870\***



This means there were **4.7** complaints per **1,000 population**, or roughly **1** resident in **212** made a complaint about our services. A comparison of this indicator over the past 3 years is shown in the table below.

Year	No. of Complaints	Complaints Per 1,000 Populations
2020/21	407	4.7
2019/20	373	4.3
2018/19	552	6.4

## Indicator 2 – Number of Complaints

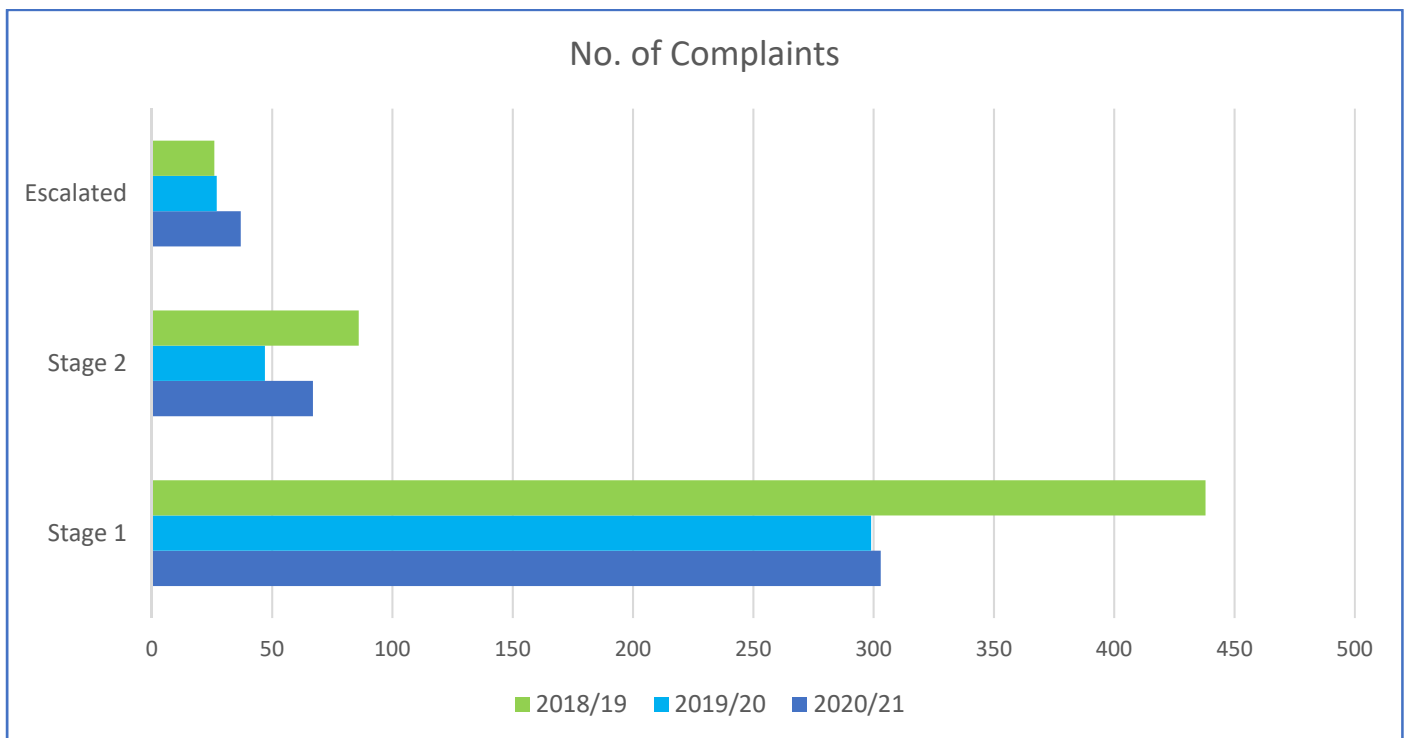
This indicator provides information about the number of complaints closed at Stages 1 and 2, and the escalated complaints (when a customer is not satisfied with a stage 1 response, and it goes on to be dealt with as stage 2).

303 complaints were closed at Stage 1 – 74%

67 complaints were closed at Stage 2 – 17%

37 complaints were closed after escalation – 9%

The graph below shows a comparison between the number of complaints received at each stage over the past 3 years.



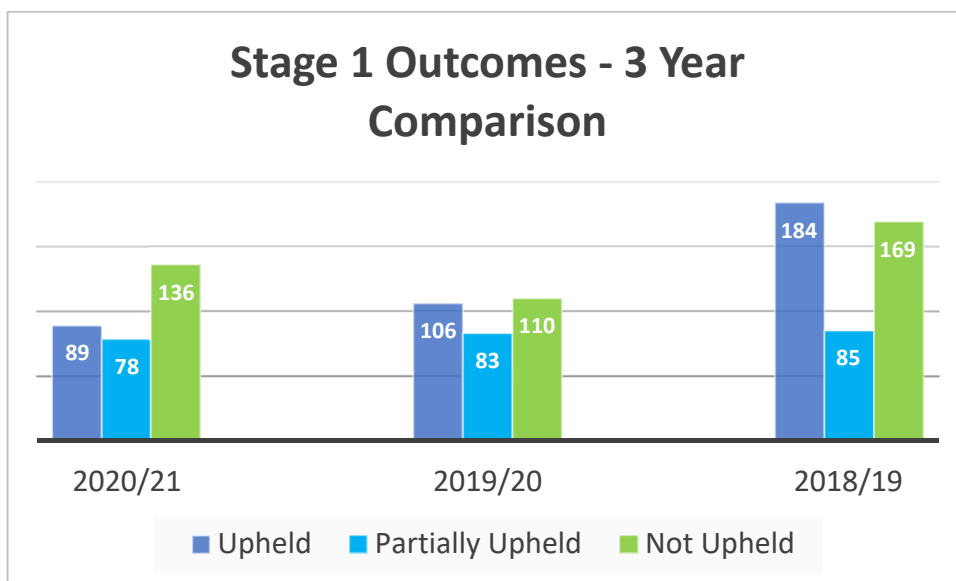
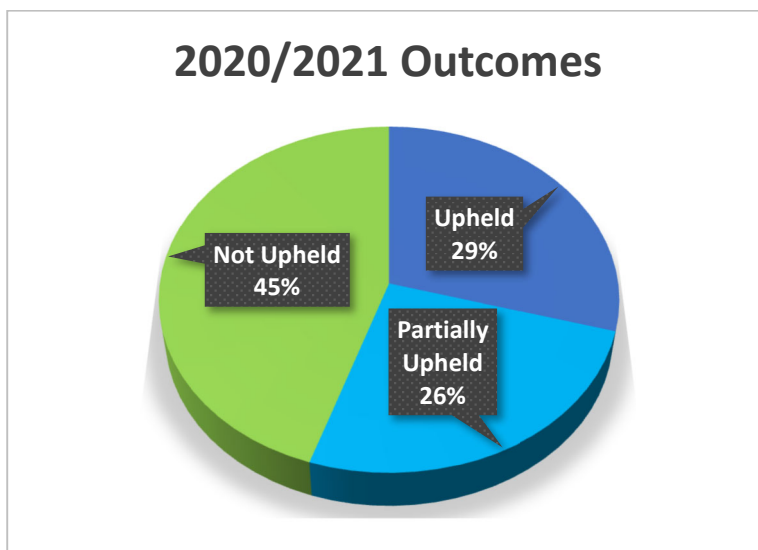
### Indicator 3 – Complaint Outcomes Stage 1

With every complaint, we contact the customer and explain what the outcome of their complaint was — Upheld, Not Upheld or Partially Upheld — and provide details about how this decision was made. The charts below provide a comparison of the outcomes for this year, and over the past 3 years.

89 complaints were Upheld at Stage 1 – 29%

78 complaints were Partially Upheld at Stage 1 – 26%

136 complaints were Not Upheld at Stage 1 – 45%

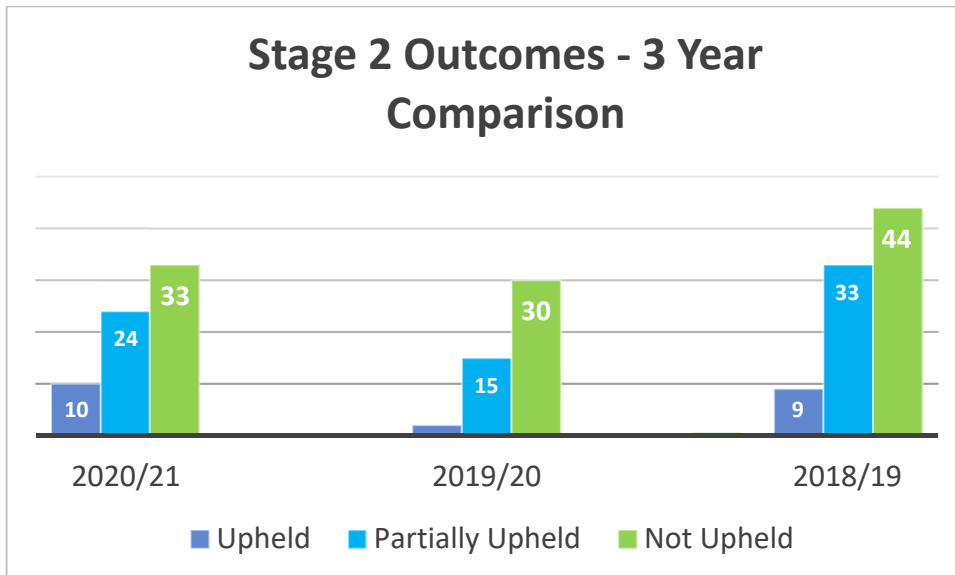
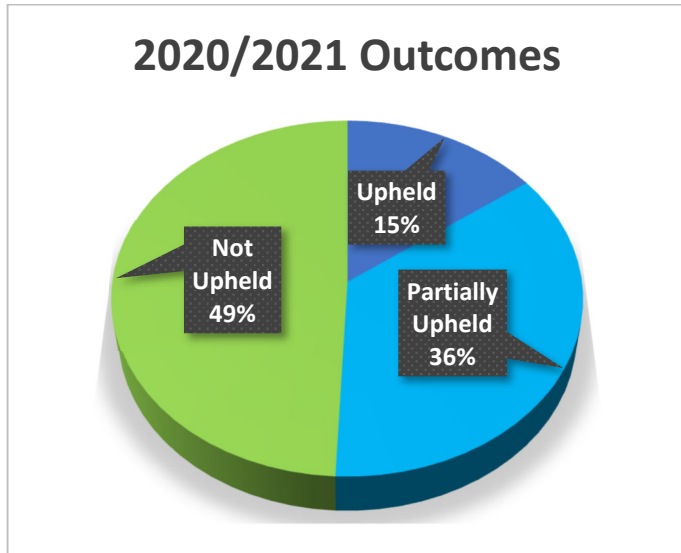


### Indicator 3 – Complaint Outcomes Stage 2

10 Complaints were Upheld at Stage 2 – 15%

24 Complaints were Partially Upheld at Stage 2 – 36%

33 Complaints were Not Upheld at Stage 2 – 49%





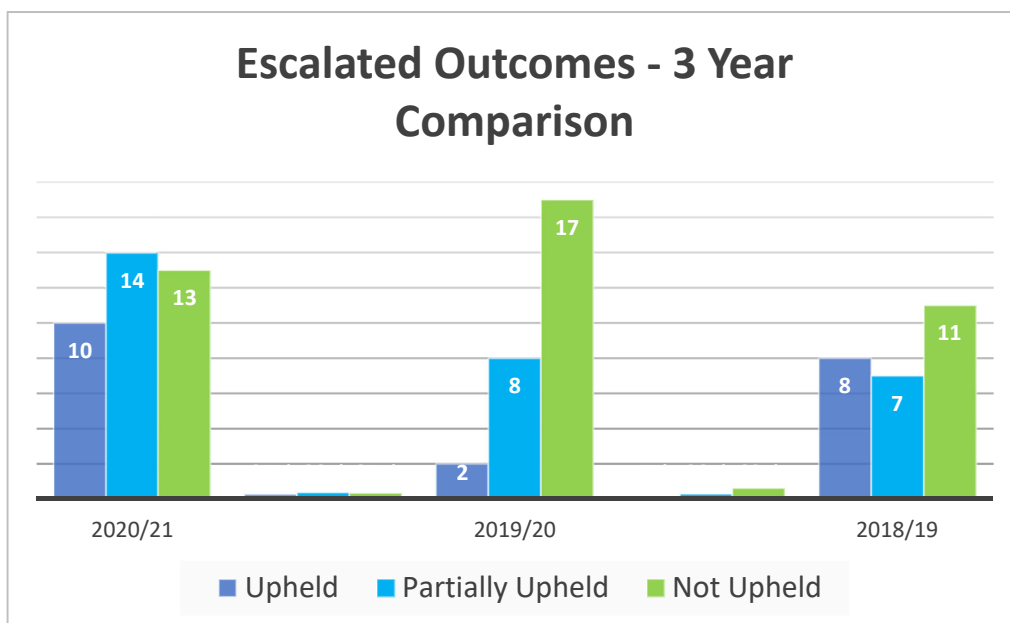
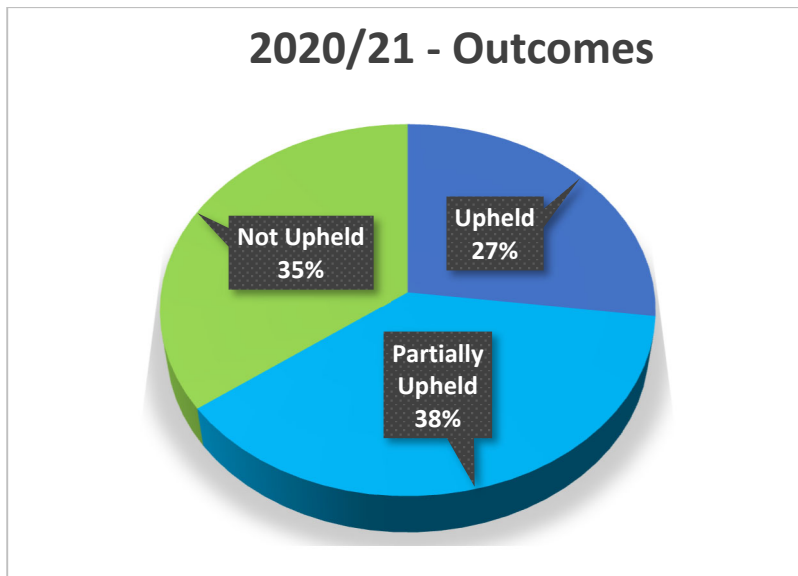
### Indicator 3 – Complaint Outcomes Escalated Complaints

When a customer is not happy with a Stage 1 response, it is dealt with as a Stage 2 complaint — these are known as “Escalated Complaints”.

10 complaints were Upheld after escalation - 27%

14 complaints were Partially Upheld after escalation – 38%

13 complaints were Not Upheld after escalation – 35%



## Indicator 4 – Average Times

**Stage 1** – We aim to respond to and close all Stage 1 complaints within **5 working days**. In 2020/2021, we closed **302** complaints at Stage 1, with a total sum of **1491 working days** used to close them. Our average time to close a Stage 1 complaint was **4.9 working days**.

The figures for the last 3 years can be seen in the table below.

Year	No. of Complaints Closed	Total Days	Average Time (days)
2020/21	303	1491	4.9
2019/20	299	2214	7.4
2018/19	438	2810	6.4

**Stage 2** – We aim to respond to and close all Stage 2 complaints within **20 working days**. In 2020/2021, we closed **67** complaints at Stage 2, with a total sum of **1289 working days** used to close them. Our average time to close a Stage 2 complaint was **19.2 working days**.

The figures for the last 3 years can be seen in the table below.

Year	No. of Complaints Closed	Total Days	Average Time (days)
2020/21	67	1289	19.2
2019/20	47	1002	21.3
2018/19	86	1663	19.3

Monthly performance reporting is provided to all Heads of Service, Directors and Complaints Officers to allow them to take action with their Services if required. This has helped to reduce our average complaint response timescales to within the recommended timescale.

## Indicator 4 – Average Times

**After Escalation** – in 2020/2021, we closed **37** escalated complaints after Escalation, with a total sum of **604 working days**. Our average time to close a complaint after Escalation was **16.3 working days**.

The last three year's results can be seen below.

Year	No. of Complaints Closed	Total Days	Average Time (days)
2020/21	37	604	16.3
2019/20	27	400	15.4
2018/19	26	186	16.9



## Indicator 5 – Performance Against Timescales

**Stage 1** – We aim to respond to and close all Stage 1 complaints within **5 working days**. In 2020/2021, we closed **303** complaints at Stage 1 with **232** of these within timescale, or **77%**. **8 (3%)** were closed after an extension was agreed with the customer.

	No. of Complaints Closed	Within Timescale	%	No. with Extension	%
2020/21	303	232	77%	8	3%
2019/20	299	206	68.9%	8	2.7%
2018/19	438	293	66.9%	22	5%

**Stage 2** – we aim to respond to and close all Stage 2 complaints within **20 working days**. In 2020/2021, we closed **67** complaints at Stage 2, with **46** of these within timescale, or **69%**. **11 (16%)** were closed after an extension was agreed with the customer.

	No. of Complaints Closed	Within Timescale	%	No. with Extension	%
2020/21	67	46	69%	11	16%
2019/20	47	26	55.3%	10	21.3%
2018/19	86	56	65.1%	2	2.3%

Complaints with extensions agreed do not count as within timescale, these are reported as late responses.



## Indicator 5 – Performance Against Timescales

**After Escalation** – in 2020/2021, we closed **37** complaints after Escalation, with **23** of these within timescale, or **62%**. **3 (8%)** were closed after an extension was agree with the customer.

	No. of Complaints Closed	Within Timescale	%	No. with Extension	%
2020/21	37	23	62%	3	8%
2019/20	27	20	74.1%	2	7.4%
2018/19	26	15	57.7%	10	38.5%



## Indicator 6 – Extensions to Timescales

Part of the complaints handling procedure includes the option to seek an extension to the usual 5 or 20 day timescale, which should be agreed with the customer. This indicator reports the number and percentage of complaints at each stage which were closed after an extension to the 5 or 20 day timeline was authorised.

### Stage 1

8 Extensions agreed  
3% of total complaints

### Stage 2

11 extensions agreed  
16% of total complaints

### Escalated complaints

3 extensions agreed  
8% of total complaints





## Indicator 7 – Customer Satisfaction

Our customers are automatically issued with a short complaints process satisfaction survey once their complaint has been closed. The survey asks for feedback about the complaints process, and gives an opportunity to send us suggestions for improvements. The survey results are reviewed by the Complaints Co-ordinators quarterly, and the feedback can be used to improve how we handle complaints.

We received 41 responses to our survey during the year, which is just over 10% of all complaints received. A low response rate makes it difficult to get an accurate picture of how all of our customers feel about the complaints process.

**51%** of customers who responded to the survey indicated that they felt their complaint had been dealt with fairly.

**46%** of customers were very satisfied or satisfied with the complaints process.

From our review of the feedback provided through the surveys, we recognise that customers are often frustrated when an ongoing issue is not resolved through the complaints process.



## Indicator 8 – Learning from Complaints – Reporting

### Who looks at our complaints figures and trends?

Information about complaints figures and corrective action taken is reported regularly to senior managers and a quarterly report is submitted to the Strategic Management Team. This process ensures the appropriate level of scrutiny takes place.

Quarterly performance against the performance indicators is reported to the Local Authority Complaints Handlers Network (LACHN).

We are also required to report our complaints figures to the Scottish Public Service Ombudsman (SPSO) by submitting an annual return.

### How we report Complaints Performance and Trends to our Customers

We publish the quarterly and annual reports on our website: <https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints>





## Indicator 8 – Learning from Complaints – Improvements

By dealing with complaints on a day-to-day basis, our Officers are able to make adjustments to processes when issues are raised. In general, no major policy or procedural changes were required in response to complaints, however, a number of minor changes or actions were taken in order to improve our services. Whilst these improvements may have been minor in the overall scale of activities within the Council, it is our hope that they have made significant changes to the quality of service received by our customers. Some examples of these improvements can be seen in the following case studies:

### Case 1

Customer wanted to make a complaint about the recycling team. While emptying bins, broken glass had been spread all over the road and was not picked up. Customer was disappointed that the lorry drove off and left the glass as not only is this unsafe but there is the potential cost of replacing car tyres and the risk to the public and does not understand why shovels are not carried on the truck and why the mess not cleared up. Upheld – Letter was sent to customer to advise that the vehicles have no space for brush and shovel and that this was a temporary crew from another area. As a corrective action we will ensure that temporary crews have the contact details of the local street cleansing staff who can then attend to any spillages which occur while loading if the crew are unable to deal with it themselves.

### Case 2

Customer complaint regarding the time taken to process application for business fund. Upheld - application not processed within normal timescale of 10 working days. This was due to the resourcing issues relating to the high number of applications received. Email sent to customer to advise, apology issued and explanation provided for processing delay. This highlighted that this process would require additional resource to ensure applications could be processed within a reasonable timescale. Additional staff were redeployed to assist.

## Indicator 8 – Learning from Complaints – Improvements

### Case 3

On arrival at the waste disposal site there was no visible signs that the site had been temporarily closed. Customer advised that a clearly visible sign should have been erected whilst entering this site as feels it is quite a dangerous site to access. Upheld - no signs were in place. Site was closed due to an emergency, information was put on the website but no signs were available to be deployed. Appropriate signage is now available at the site in case of future emergency closures.

Departmental Complaints Co-ordinators attend regular meetings where learning points from the SPSO are shared and discussed. The feedback and suggestions from customer satisfaction surveys are also reviewed, and any potential improvement ideas are investigated and taken forward where appropriate.



## Complaints Investigated by the SPSO

When a customer is not satisfied with our final response to a complaint, they can take it to the Scottish Public Service Ombudsman (SPSO) and ask for the complaint to be investigated. The SPSO is the final arbiter for complaints about public services.

### Cases passed to SPSO during 2020/2021

19 cases were received by the SPSO in relation to Argyll and Bute Council in 2020/2021. Of these, 7 were not progressed as they were either: premature (the complaint had not been taken through the Council's process first); withdrawn; or were outwith the SPSO's jurisdiction. 12 cases were resolved early—when the SPSO receives a complaint they ask the Council to provide information in connection with the complaint, and from that information the investigating officer decides whether the complaint should be pursued further. If they are satisfied that the Council dealt with the complaint appropriately, it does not proceed to the full investigation stage. No complaints were progressed to be investigated by the SPSO.

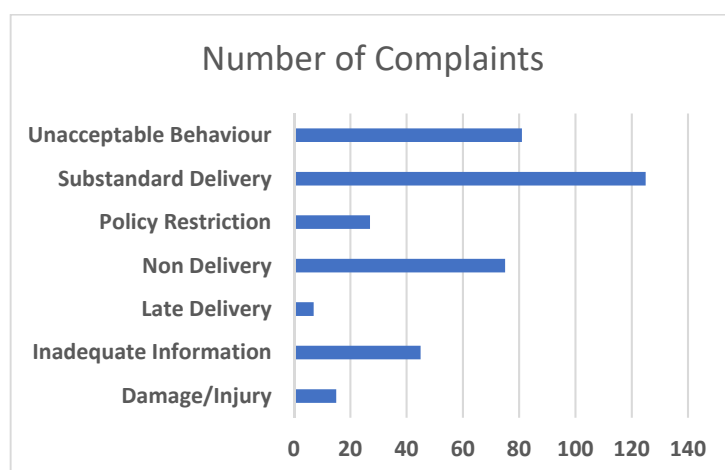
The SPSO publishes reports about all the organisations it has involvement with. More information is available from <https://www.spsso.org.uk/statistics-2020-21>



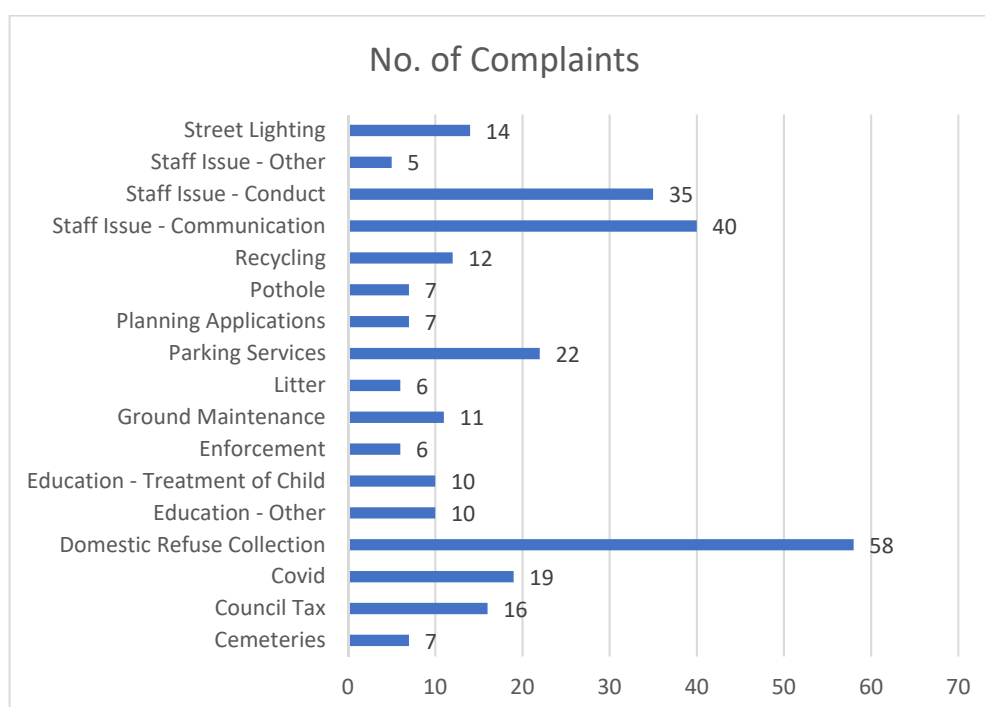


## Complaint Themes

We record information about what type of complaints we receive, and have a standard set of categories that complaints generally fall into. The chart below shows how the complaints received have been classified during 2020-21.



This year, we have also captured information about what we believe the main theme of each complaint to be. This information will be provided (along with other levels of analysis) to our Elected Members and Senior Management to allow them to take this into consideration when making policy and service decisions. The chart below shows the main issues we have received complaints about. It includes all complaints where we received 5 or more in connection with a particular issue.



## Positive Feedback

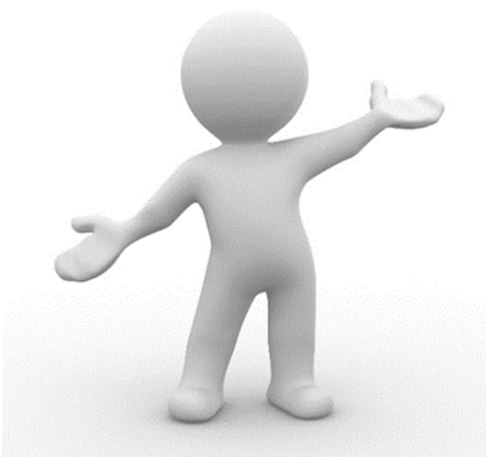
Good service, nice to get a phone call updating us on procedures before website advice changed (which was very up to date also) and then again to make an appointment as discussed. Friendly service when in the office also

I just wanted to write a short note to thank you for all your help and assistance during my planning application. I am extremely grateful at the speed at which you answered my queries and provided information and guidance on the process. Many thanks once again for your help, guidance and assistance.

Organising the marriage and all the official administration was fairly simple and everyone spoken with was very helpful.

Thank you so much for the prompt and comprehensive reply. Your assistance is greatly appreciated, particularly given the difficult circumstances we are all working under at the present time. I am happy to confirm that my request was successfully dealt with.

Thank you so, so much for making the whole process stress free, very easy and uncomplicated from start to finish. I felt so relaxed and they were always on hand to help me with a friendly attitude/reply. I can't thank them enough for making the whole process easy and being so understanding due to my first wedding being cancelled.



Here is just a small extract of the positive feedback that we have received this year. It is important to recognise that excellent services are being delivered, often in very challenging circumstances especially in 2020/21.

Considering the current pandemic, staff were very professional and made the experience as 'normal' as possible.

It was extremely refreshing to speak to someone who was friendly, helpful, had a Scottish accent and when I was put on hold played music that I really enjoyed and the call was answered very quickly. All over it was a very pleasant experience. Thank you very much.

I am very grateful to the staff and volunteers at Argyll & Bute Council they've made a difficult time a lot easier with their kindness. Thank you.

The person that I spoke to was really really considerate, was very clear and I understood exactly what information she was giving me and she answered all my questions and made me feel comfortable. I am a very satisfied customer so thank you for that.

Phone was answered by a perfect gentleman only too willing to help and it was a pleasure talking to him. It's a change of address and believe me I've has a lot of nasty people no one as nice as him. Thank you very much for having him there.



## Contact Us

Thank you for looking at our annual complaints report for 2020-21. If you would like to know more about our complaints procedure, details can be found on our website:

<https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints>

Or you can contact us using any of the methods below.

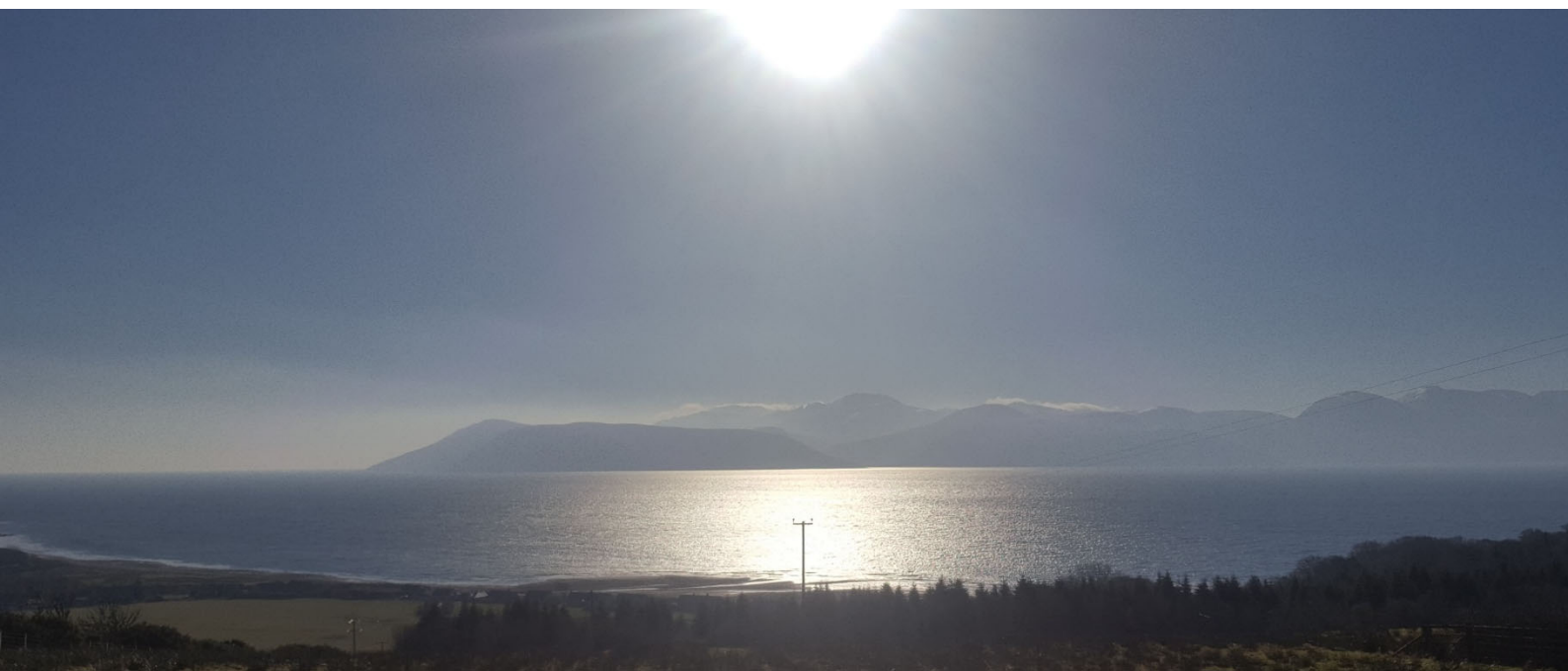
Phone – 01546 605522

Text – 07860023933

Post – Argyll and Bute Council, Kilmory, Lochgilphead, Argyll, PA31 8RT

Email - [enquiries@argyll-bute.gov.uk](mailto:enquiries@argyll-bute.gov.uk)

Online - <http://www.argyll-bute.gov.uk/content/enquiriesform>



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## Annual Complaints Performance 2020-21

This report provides additional details to accompany the full annual complaints report for 2020-21, which is based on the 8 indicators set by the Scottish Public Service Ombudsman (SPSO).

## 1. All Complaints listed by theme

Themes	No. of Complaints
Domestic Refuse Collection	58
Staff Issue - Communication	40
Staff Issue - Conduct	35
Parking Services	22
Council Tax Other	16
Street Lighting	14
Recycling	12
Covid - Restrictions	11
Ground Maintenance	11
Education - Other	10
Education - Treatment of Child	10
Cemeteries	7
Planning Applications	7
Pothole	7
Enforcement	6
Litter	6
Staff Issue - Other	5
Civic Amenity	4
Covid - Grants	4
Covid - Staff Issue	4
Flooding	4
Piers & Harbours	4
Public Conveniences	4
Traffic Management	4
Winter Maintenance	4
Benefit Payments	3
Cost of Council Service	3
Council Decision	3
Council Property/Buildings	3
Pavements/Footpaths	3
Play Parks	3
Private Sector Grants	3
Public Health	3
Public Transport	3
Road Works	3
Commercial Refuse	2
Committee/Governance	2

Themes	No. of Complaints
Data Protection	2
Disabled Parking Bays	2
Education - Staffing	2
Library Services	2
Noise Control	2
Procurement	2
School Catering	2
Building Warrants	1
Council Payments	1
Council Service Error	1
Dangerous Buildings	1
Drainage	1
Homelessness Service	1
Leisure Services	1
Local Development Plan	1
Missed Bin	1
Non Domestic Rates	1
Payroll	1
Pest Control	1
Road Closure	1
School Crossings	1
School Transport	1
Scottish Welfare Fund	1
Speed Limits	1
Street Sweeping	1

Table 1 provides a full breakdown of complaints into relevant themes. From the data in the complaints system, we have assigned each case a theme, based on our understanding of the main issue raised in the complaint. Where complaints have been in connection with a number of issues, or could fall into various themes, we have assigned it the theme we believe to be the main issue. The larger themes are explored further within this report.

## 2. Service breakdown of complaints

Details about some of the larger themes / areas of complaints are provided in this section.

### Cross-Service Themes

**Table 1 – Covid Restrictions**

Department	Area	Avoidable Contact	Root Cause	No. of Complaints
Chief Executive's Unit	Bute & Cowal	Policy Decisions	Policy Restriction	1
		<b>Policy Decisions Total</b>		<b>1</b>
	<b>Bute &amp; Cowal Total</b>			<b>1</b>
<b>Chief Executive's Unit Total</b>				<b>1</b>
Customer Services	Bute & Cowal	Non-avoidable contact	Substandard Delivery	1
		<b>Non-avoidable contact Total</b>		<b>1</b>
	<b>Bute &amp; Cowal Total</b>			<b>1</b>
<b>Customer Services Total</b>				<b>1</b>
Development & Infrastructure Services	Bute & Cowal	Service Delivery Failure	Non Delivery	1
		<b>Service Delivery Failure Total</b>		<b>1</b>
	<b>Bute &amp; Cowal Total</b>			<b>1</b>
	<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Policy Restriction	5
			Substandard Delivery	2
			Unacceptable Behaviour	1
		<b>Non-avoidable contact Total</b>		<b>8</b>
	<b>Helensburgh &amp; Lomond Total</b>			<b>8</b>
<b>Development &amp; Infrastructure Services Total</b>				<b>9</b>

Table 2 – Staff Communication

Department	Area	Avoidable Contact	Root Cause	No. of Complaints
Chief Executive's Unit	Oban Lorn & Isles	Employee Conduct	Unacceptable Behaviour	1
		<b>Employee Conduct Total</b>		<b>1</b>
	<b>Oban Lorn &amp; Isles Total</b>			<b>1</b>
<b>Chief Executive's Unit Total</b>				<b>1</b>
Customer Services	Helensburgh & Lomond	Non-avoidable contact	Inadequate Information	1
		Non-avoidable contact Total		1
	<b>Helensburgh &amp; Lomond Total</b>			<b>1</b>
	Mid Argyll Kintyre & Islands	Non-avoidable contact	Substandard Delivery	1
		Non-avoidable contact Total		1
	<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>1</b>
	Oban Lorn & Isles	Information Provision Failure	Inadequate Information	1
		<b>Information Provision Failure Total</b>		<b>1</b>
	<b>Oban Lorn &amp; Isles Total</b>			<b>1</b>
<b>Customer Services Total</b>				<b>3</b>
Development and Infrastructure Services	Bute & Cowal	Information Provision Failure	Non Delivery	1
		<b>Information Provision Failure Total</b>		<b>1</b>
		Non-avoidable contact	Late Delivery	1
			Non Delivery	1
		<b>Non-avoidable contact Total</b>		<b>2</b>
		Service Delivery Failure	Non Delivery	1
		<b>Service Delivery Failure Total</b>		<b>1</b>
	<b>Bute &amp; Cowal Total</b>			<b>4</b>
	Helensburgh & Lomond	Equipment/System Failure	Substandard Delivery	1
		<b>Equipment/System Failure Total</b>		<b>1</b>

		Information Provision Failure	Inadequate Information	1
		<b>Information Provision Failure Total</b>		<b>1</b>
		Needless Process Chasing	Inadequate Information	1
		<b>Needless Process Chasing Total</b>		<b>1</b>
		Non-avoidable contact	Inadequate Information	4
			Non Delivery	7
			Substandard Delivery	2
			Unacceptable Behaviour	2
		<b>Non-avoidable contact Total</b>		<b>15</b>
		Service Delivery Failure	Non Delivery	2
			Substandard Delivery	2
			Unacceptable Behaviour	1
		<b>Service Delivery Failure Total</b>		<b>5</b>
	<b>Helensburgh &amp; Lomond Total</b>			<b>23</b>
	<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Inadequate Information	1
			Non Delivery	4
			Substandard Delivery	1
		<b>Non-avoidable contact Total</b>		<b>6</b>
	<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>6</b>
	<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Non Delivery	2
			Substandard Delivery	1
		<b>Non-avoidable contact Total</b>		<b>3</b>
	<b>Oban Lorn &amp; Isles Total</b>			<b>3</b>
<b>Development &amp; Infrastructure Services Total</b>				<b>36</b>

Table 3 – Staff Conduct

Department	Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Customer Services</b>	<b>Helensburgh &amp; Lomond</b>	Employee Conduct	Unacceptable Behaviour	1
		<b>Employee Conduct Total</b>		<b>1</b>
		Non-avoidable contact	Unacceptable Behaviour	1
		<b>Non-avoidable contact Total</b>		<b>1</b>
	<b>Helensburgh &amp; Lomond Total</b>			<b>2</b>
<b>Customer Services Total</b>				<b>2</b>
<b>Development &amp; Infrastructure Services</b>	<b>Bute &amp; Cowal</b>	Non-avoidable contact	Unacceptable Behaviour	1
		<b>Non-avoidable contact Total</b>		<b>1</b>
	<b>Bute &amp; Cowal Total</b>			<b>1</b>
	<b>Helensburgh &amp; Lomond</b>	Employee Conduct	Unacceptable Behaviour	5
		<b>Employee Conduct Total</b>		<b>5</b>
		Non-avoidable contact	Unacceptable Behaviour	10
		<b>Non-avoidable contact Total</b>		<b>10</b>
	<b>Helensburgh &amp; Lomond Total</b>			<b>15</b>
	<b>Mid Argyll Kintyre &amp; Islands</b>	Employee Conduct	Unacceptable Behaviour	3
		<b>Employee Conduct Total</b>		<b>3</b>
		Non-avoidable contact	Unacceptable Behaviour	6
		<b>Non-avoidable contact Total</b>		<b>6</b>
	<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>9</b>
	<b>Oban Lorn &amp; Isles</b>	Employee Conduct	Unacceptable Behaviour	2
		<b>Employee Conduct Total</b>		<b>2</b>
		Non-avoidable contact	Unacceptable Behaviour	6
		<b>Non-avoidable contact Total</b>		<b>6</b>
	<b>Oban Lorn &amp; Isles Total</b>			<b>8</b>
<b>Development &amp; Infrastructure Services Total</b>				<b>33</b>

## Chief Executive's Unit

Table 4 - Financial Services – Council Tax

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Inadequate Information	2
		Substandard Delivery	2
	<b>Non-avoidable contact Total</b>		<b>4</b>
	Service Delivery Failure	Substandard Delivery	3
	<b>Service Delivery Failure Total</b>		<b>3</b>
<b>Bute &amp; Cowal Total</b>			<b>7</b>
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Substandard Delivery	2
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>3</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Inadequate Information	1
		Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
	Service Delivery Failure	Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>3</b>
<b>Oban Lorn &amp; Isles</b>	Information Gathering Failure	Substandard Delivery	1
	<b>Information Gathering Failure Total</b>		<b>1</b>
	Non-avoidable contact	Non Delivery	1
		Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>3</b>

## Customer Services

Table 5 – Education - Other

Area	Avoidable Contact	Root Cause	No. of Complaints
Helensburgh & Lomond	Equipment/System Failure	Unacceptable Behaviour	1
	<b>Equipment/System Failure Total</b>		<b>1</b>
	Policy Decisions	Policy Restriction	2
	<b>Policy Decisions Total</b>		<b>2</b>
	Service Delivery Failure	Policy Restriction	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>4</b>
Mid Argyll Kintyre & Islands	Non-avoidable contact	Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Unacceptable Behaviour	3
	<b>Service Delivery Failure Total</b>		<b>3</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>4</b>
Oban Lorn & Isles	Employee Conduct	Unacceptable Behaviour	1
	<b>Employee Conduct Total</b>		<b>1</b>
	Non-avoidable contact	Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>2</b>

Table 6 – Education – Treatment of Child

Area	Avoidable Contact	Root Cause	No. of Complaints
Bute & Cowal	Service Delivery Failure	Substandard Delivery	4
	<b>Service Delivery Failure Total</b>		<b>4</b>
<b>Bute &amp; Cowal Total</b>			<b>4</b>
Mid Argyll Kintyre & Islands	Non-avoidable contact	Substandard Delivery	1
		Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
	Service Delivery Failure	Substandard Delivery	2
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>4</b>
Oban Lorn & Isles	Service Delivery Failure	Substandard Delivery	1
		Unacceptable Behaviour	1
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>2</b>

## Development &amp; Infrastructure Services

Table 7 – Domestic Refuse Collection

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Information Provision Failure	Inadequate Information	1
	<b>Information Provision Failure Total</b>		<b>1</b>
	Non-avoidable contact	Inadequate Information	2
		Non Delivery	1
		Substandard Delivery	2
		Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>6</b>
	Policy Decisions	Policy Restriction	1
	<b>Policy Decisions Total</b>		<b>1</b>
	Service Delivery Failure	Late Delivery	1
		Non Delivery	2
		Substandard Delivery	3
	<b>Service Delivery Failure Total</b>		<b>6</b>
<b>Bute &amp; Cowal Total</b>			<b>14</b>
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Non Delivery	4
		Substandard Delivery	7
		Unacceptable Behaviour	2
	<b>Non-avoidable contact Total</b>		<b>13</b>
	Service Delivery Failure	Inadequate Information	1
		Late Delivery	1
		Non Delivery	3
		Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>6</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>19</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Damage/Injury	1
		Substandard Delivery	3
	<b>Non-avoidable contact Total</b>		<b>4</b>
	Policy Decisions	Policy Restriction	1
	<b>Policy Decisions Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>5</b>
<b>Oban Lorn &amp; Isles</b>	Employee Conduct	Substandard Delivery	1
	<b>Employee Conduct Total</b>		<b>1</b>
	Non-avoidable contact	Non Delivery	8
		Policy Restriction	2
		Substandard Delivery	2
	<b>Non-avoidable contact Total</b>		<b>12</b>
	Policy Decisions	Policy Restriction	1
	<b>Policy Decisions Total</b>		<b>1</b>
	Service Delivery Failure	Non Delivery	5
		Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>6</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>20</b>



Table 8 – Recycling

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Equipment/System Failure	Damage/Injury	<b>1</b>
	<b>Equipment/System Failure Total</b>		<b>1</b>
	Non-avoidable contact	Substandard Delivery	<b>1</b>
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Inadequate Information	<b>1</b>
		Substandard Delivery	<b>1</b>
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Bute &amp; Cowal Total</b>			<b>4</b>
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Non Delivery	<b>3</b>
		Substandard Delivery	<b>2</b>
	<b>Non-avoidable contact Total</b>		<b>5</b>
	Policy Decisions	Substandard Delivery	<b>1</b>
	<b>Policy Decisions Total</b>		<b>1</b>
	Service Delivery Failure	Substandard Delivery	<b>1</b>
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>7</b>
<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Substandard Delivery	<b>1</b>
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>1</b>

Table 9 – Cemeteries

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Policy Restriction	<b>1</b>
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Bute &amp; Cowal Total</b>			<b>1</b>
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Damage/Injury	<b>1</b>
		Unacceptable Behaviour	<b>1</b>
	<b>Non-avoidable contact Total</b>		<b>2</b>
	Policy Decisions	Inadequate Information	<b>1</b>
	<b>Policy Decisions Total</b>		<b>1</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>3</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Substandard Delivery	<b>1</b>
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>1</b>
<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Substandard Delivery	<b>2</b>
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>2</b>

Table 10 – Ground Maintenance

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Non Delivery	1
		Substandard Delivery	2
	<b>Non-avoidable contact Total</b>		<b>3</b>
	Service Delivery Failure	Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Bute &amp; Cowal Total</b>			<b>4</b>
<b>Helensburgh &amp; Lomond</b>	Employee Conduct	Substandard Delivery	1
	<b>Employee Conduct Total</b>		<b>1</b>
	Non-avoidable contact	Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Substandard Delivery	1
		Unacceptable Behaviour	1
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>4</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Inadequate Information	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>2</b>
<b>Oban Lorn &amp; Isles</b>	Information Provision Failure	Inadequate Information	1
	<b>Information Provision Failure Total</b>		<b>1</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>1</b>

Table 11 – Potholes

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Service Delivery Failure	Non Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Bute &amp; Cowal Total</b>			<b>1</b>
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Damage/Injury	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Damage/Injury	2
	<b>Service Delivery Failure Total</b>		<b>2</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>3</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
	Service Delivery Failure	Substandard Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>2</b>
<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Damage/Injury	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>1</b>

Table 12 – Street Lighting

Area	Avoidable Contact	Root Cause	No. of Complaints	
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Non Delivery	2	
		Substandard Delivery	1	
	<b>Non-avoidable contact Total</b>		<b>3</b>	
<b>Bute &amp; Cowal Total</b>			<b>3</b>	
<b>Helensburgh &amp; Lomond</b>	Non-avoidable contact	Damage/Injury	1	
		Inadequate Information	1	
		Non Delivery	1	
	<b>Non-avoidable contact Total</b>		<b>3</b>	
		Service Delivery Failure	Non Delivery	1
	<b>Service Delivery Failure Total</b>		<b>1</b>	
<b>Helensburgh &amp; Lomond Total</b>			<b>4</b>	
<b>Mid Argyll Kintyre &amp; Islands</b>	Non-avoidable contact	Substandard Delivery	1	
	<b>Non-avoidable contact Total</b>		<b>1</b>	
		Service Delivery Failure	Non Delivery	2
	<b>Service Delivery Failure Total</b>		<b>2</b>	
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>3</b>	
<b>Oban Lorn &amp; Isles</b>	Information Provision Failure	Inadequate Information	1	
		Non Delivery	1	
	<b>Information Provision Failure Total</b>		<b>2</b>	
		Non-avoidable contact	Non Delivery	1
	<b>Non-avoidable contact Total</b>		<b>1</b>	
	Service Delivery Failure	Non Delivery	1	
	<b>Service Delivery Failure Total</b>		<b>1</b>	
<b>Oban Lorn &amp; Isles Total</b>			<b>4</b>	

Table 13 – Parking Services

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Substandard Delivery	1
		Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Bute &amp; Cowal Total</b>			<b>2</b>
<b>Helensburgh &amp; Lomond</b>	Employee Conduct	Unacceptable Behaviour	1
	<b>Employee Conduct Total</b>		<b>1</b>
	Information Provision Failure	Inadequate Information	1
	<b>Information Provision Failure Total</b>		<b>1</b>
	Non-avoidable contact	Non Delivery	1
		Policy Restriction	2
		Substandard Delivery	3
	<b>Non-avoidable contact Total</b>		<b>6</b>
	Policy Decisions	Policy Restriction	1
	<b>Policy Decisions Total</b>		<b>1</b>
	Service Delivery Failure	Inadequate Information	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>10</b>
<b>Mid Argyll Kintyre &amp; Islands</b>	Information Gathering Failure	Substandard Delivery	1
	<b>Information Gathering Failure Total</b>		<b>1</b>
<b>Mid Argyll Kintyre &amp; Islands Total</b>			<b>1</b>
<b>Non Area Specific</b>	Non-avoidable contact	Inadequate Information	2
		Substandard Delivery	3
	<b>Non-avoidable contact Total</b>		<b>5</b>
	Service Delivery Failure	Inadequate Information	1
	<b>Service Delivery Failure Total</b>		<b>1</b>
<b>Non Area Specific Total</b>			<b>6</b>
<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Inadequate Information	1
		Unacceptable Behaviour	2
	<b>Non-avoidable contact Total</b>		<b>3</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>3</b>

Table 14 – Planning Applications

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute and Cowal</b>	Non-avoidable contact	Inadequate Information	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Bute and Cowal Total</b>			<b>1</b>
<b>Helensburgh and Lomond</b>	Non-avoidable contact	Inadequate Information	1
		Non Delivery	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Helensburgh and Lomond Total</b>			<b>2</b>
<b>Mid Argyll Kintyre and the Islands</b>	Non-avoidable contact	Non Delivery	1
		Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Mid Argyll Kintyre and the Islands Total</b>			<b>2</b>
<b>Oban Lorn and the Isles</b>	Non-avoidable contact	Damage/Injury	1
		Inadequate Information	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Oban Lorn and the Isles Total</b>			<b>2</b>

Table 15 – Planning Enforcement

Area	Avoidable Contact	Root Cause	No. of Complaints
<b>Bute &amp; Cowal</b>	Non-avoidable contact	Substandard Delivery	1
		Unacceptable Behaviour	1
	<b>Non-avoidable contact Total</b>		<b>2</b>
<b>Bute &amp; Cowal Total</b>			<b>2</b>
<b>Helensburgh and Lomond</b>	Non-avoidable contact	Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>1</b>
<b>Helensburgh &amp; Lomond Total</b>			<b>1</b>
<b>Oban Lorn &amp; Isles</b>	Non-avoidable contact	Inadequate Information	2
		Substandard Delivery	1
	<b>Non-avoidable contact Total</b>		<b>3</b>
<b>Oban Lorn &amp; Isles Total</b>			<b>3</b>

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**ARGYLL AND BUTE COUNCIL****Legal and Regulatory Support****Audit and Scrutiny Committee  
14<sup>th</sup> September 2021**

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**Freedom of Information – Annual Report 2020-21**

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**1.0 INTRODUCTION**

1.1 This report is to update the Audit & Scrutiny Committee on the position regarding the recording, responding to, monitoring and reporting of requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR's) for the period between 01 April 2020 and 31 March 2021.

**2.0 RECOMMENDATIONS**

2.1 The Audit & Scrutiny Committee consider and note the terms of this report.

**3.0 DETAIL**

3.1 A total of 1,100 requests for information were received during the period - 1 April 2020 to 31 March 2021. Overall, 94% of these requests (1,038) were responded to within the statutory timescale of 20 working days and 62 requests were responded to after 20 working days. These totals include requests for information from the Health and Social Care Partnership (Social Work side) and Live Argyll.

3.2 A breakdown by Department and detail around late responses is provided in Appendix 1.

3.3 There were 19 requests for review made during this period, which equates to less than 2% of the total number of requests. 17 were responded to within the 20 working day statutory timescale (89%), and the 2 issued late required more time to gather information and investigate complex issues.

3.4 The overall response rate within timescale has increased from 92% in 2019/20 to 94% in 2020/21 showing an improvement in our processes. The low level of requests for review also indicates that customers are satisfied with the responses received.

- 3.5 There were no cases investigated by the Scottish Information Commissioner during 2020/21, which again indicates that customers were satisfied with the responses provided.
- 3.6 The Compliance and Regulatory team continues to work with Departments to seek to improve response rates where required, and deliver training and provide guidance to allow officers to appropriately respond to information requests.
- 3.7 The Compliance and Regulatory team provide monthly updates to the Chief Executive, the Chief Officer, Directors, Heads of Service and the departmental FOI reps. Quarterly reports are provided to DMT and SMT.

#### 4.0 CONCLUSION

- 4.1 An overall response rate of 94% within timescale is higher than the Scottish Local Authority national average of 87% for 2020/21.
- 4.2 The Compliance and Regulatory team continues to work with Departments to seek to improve response rates where required, and deliver training and provide guidance to allow officers to appropriately respond to information requests.

#### 5.0 IMPLICATIONS

5.1	Policy	None
5.2	Financial	None
5.3	Legal	Possible breach of statutory requirement to respond to requests
5.4	HR	None
5.5.1	Fairer Scotland Duty	None
5.5.2	Equalities – Protected Characteristics	None
5.5.3	Socio Economic Duty	None
5.5.4	Islands	None
5.6	Risk	None
5.7	Customer Service	The relatively low number of requests for review is indicative that we are responding appropriately to requests and customers are receiving the information they are looking for.

Douglas Hendry  
**Executive Director with responsibility for Legal and Regulatory Support**

24<sup>th</sup> August 2021

**For further information contact:** Iain Jackson, Governance, Risk and Safety Manager 01546 604188



**APPENDICES**

Appendix 1 – Departmental/Service stats & Late Response Details

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**Information Requests - Monthly Update - Period: 1 April 2020 - 31 March 2021**

Department / Service	FOISA and EIR Requests					Performance %
	Total requests received	Responded to in time	Responded to late	Running in time	Running late	
Chief Executives						
Financial	105	100	5	0	0	95%
CP&D	0	0	0	0	0	-
Customer Services						
Education	103	101	2	0	0	98%
L&RS	323	314	9	0	0	97%
Commercial	16	15	1	0	0	94%
Development and Infrastructure						
D&EG	190	164	26	0	0	86%
R&IS	187	172	15	0	0	92%
Customer	80	78	2	0	0	98%
Health and Social Care Partnership						
IJB	2	2	0	0	0	100%
Adult Care	55	55	0	0	0	100%
C&F / CJ	34	33	1	0	0	97%
Live Argyll						
Live Argyll	5	4	1	0	0	80%
<b>Totals</b>	<b>1100</b>	<b>1038</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>94%</b>

Request No	Date Received	Date Due	Date Closed	Duration	Subject	Late Closure	Details
<b>Education</b>							
11583	27/05/2020	24/06/2020	25/06/2020	21	Home-schooling provision C19	Late response from information provider	Request required further input from other department. Delay in requesting this.
12440	01/02/2021	01/03/2021	02/03/2021	21	Kilmodan Primary School Outdoor Classroom Closure	Service Sign-Off Delay	Partial response sent one day late (redactions were required which required additional time)
<b>Legal and Regulatory Support</b>							
11547	06/05/2020	09/06/2020	10/06/2020	21	Care Inspectorate and Health Improvement Scotland	Legislation Change Covid 19	Late response due to removal of extension to deadline
12492	12/02/2021	12/03/2021	15/03/2021	21	Leisure and Sport Community Assets	Service sign-off delay	System user error resulted in delay
11970	11/09/2020	12/10/2020	14/10/2020	22	Postage Provisions	Late response from information provider	This was a complex FOI, struggled to obtain information and responses were received late, I had to contact leasing companies directly to obtain final information. I also did not initially send this to Education in error.
12199	16/11/2020	14/12/2020	16/12/2020	22	Covid 19 grants or loans to 3rd party organisations C19	Late response due to staff absence within Governance unit	Late due to competing work demands and absences
12000	23/09/2020	22/10/2020	27/10/2020	23	Finance, HR/Payroll Systems and Tax	Late response from information provider	partial response sent 22/10/2020 awaiting on responses from services
11531	30/04/2020	29/05/2020	08/06/2020	26	Procurement	Legislation Change Covid 19	Late response due to removal of extension to deadline
12132	04/11/2020	02/12/2020	11/12/2020	27	Face mask complaints C19	Late response from information provider	Delay in response from Trading Standards
12364	08/01/2021	05/02/2021	18/02/2021	29	List of licenced premises in Campbeltown who have a license or permission to sell food prepared on the premises	Late response from information provider	Partial response was sent on 05/02/21. Late response due to delay in receiving information from Environmental Health
11958	08/09/2020	07/10/2020	13/10/2020	24	Payment Services	Late response from information provider	Late response from information provider
<b>Commercial Services</b>							
11514	23/04/2020	22/05/2020	02/06/2020	27	Bottled Water FOI Request	Legislation Change Covid 19	Late response due to removal of extension to deadline
<b>Children &amp; Families</b>							
12555	02/03/2021	30/03/2021	31/03/2021	21	UASC	Late response from information provider	Late response from service manager to FOI Rep

Financial Services								
11543	05/05/2020	02/06/2020	10/06/2020	26	Expanded Retail Discount for Scotland	Late response from information provider	Extension period which was repealed contributed to the delay in this response as priority was given to business grants	
11504	17/04/2020	18/05/2020	15/06/2020	40	Business Rates Freedom of Information C19	Covid 19	Priority was given to business grants	
11507	21/04/2020	20/05/2020	19/06/2020	42	NDR	Covid 19	Priority was given to business grants	
11490	09/04/2020	12/05/2020	19/06/2020	48	Business Rates April 2020	Covid 19	Priority was given to business grants	
11479	02/04/2020	05/05/2020	15/06/2020	49	Unclaimed credits for non-domestic ratepayers	Covid 19	Priority was given to business grants	
Roads and Infrastructure Services								
11776	20/07/2020	17/08/2020	18/08/2020	21	Streetlighting operators on public highways	Late response from information provider	No reason given by service for late response.	
11834	29/07/2020	26/08/2020	27/08/2020	21	Parking Charges & Fines	Late response from information provider	Admin error led to late response.	
11849	04/08/2020	01/09/2020	02/09/2020	21	Vehicle details	Late response from information provider	Late response due to resource issues within Fleet.	
12546	26/02/2021	26/03/2021	29/03/2021	21	Penalty charge notices, Arrochar and Luss	Late response from information provider	Information was returned to FOI rep at 4:50 on due date. Not enough time for response to be issued	
11796	28/07/2020	25/08/2020	27/08/2020	22	Penalty Charge Notices	Late response from information provider	Late response due to resource issues within dept.	
12332	22/12/2020	25/01/2021	27/01/2021	22	Roads (Scotland) Act 1984	Late response from information provider	Late response due to resource issues within Network and Standards team.	
11936	03/09/2020	02/10/2020	07/10/2020	23	Litter fines - the scotsman	Late response due to staff absence	Late response due to staff absence	
11569	15/05/2020	17/06/2020	23/06/2020	24	Number of cyclist deaths from January 1st 2019 - January 1st 2020	Late response from information provider	Late response due to resource issues within team.	
12312	17/12/2020	20/01/2021	21/01/2021	24	Staff employed by the council's cleansing departments	Late response from information provider	Late response due to resource issues within RAS.	
12009	29/09/2020	27/10/2020	04/11/2020	26	New Specifications for street lighting	Late response from information provider	Late response provided from information provider.	
11563	14/05/2020	11/06/2020	23/06/2020	28	Housing (Scotland) Acts 1987 & 2006	Late response from information provider	Late response due to resource issues within Housing team	
11624	08/06/2020	06/07/2020	16/07/2020	28	Complaints re Balvicar Waste Water Treatment Works	Late response from information provider	Late response due to resources issues within EH team.	
11795	27/07/2020	24/08/2020	03/09/2020	28	Staffing Comparisons between Helensburgh & Dunoon	Late response from information provider	Late response due to resource issues.	
11510	09/04/2020	12/05/2020	03/06/2020	36	Last three annual reports covering Development and Infrastructure Services	Legislation Change Covid 19	Late response due to removal of extension to deadline	
11708	02/07/2020	30/07/2020	08/09/2020	48	Parking fines	Late response from information provider	Late response due to administrative error within DIS Performance HQ team.	

Development and Economic Growth						
11705	01/07/2020	29/07/2020	30/07/2020	21	How many woodlands within the Argyll & Bute Council area, are registered on the 'Ancient Woodland Inventory of Scotland' the Scottish Govt. register	Late response from information provider Late response due to error in understanding of the due date.
11838	27/07/2020	24/08/2020	25/08/2020	21	Environmental Health Report for Gelato Burger, Oban	Late response from information provider Late response due to resource issues within service.
11943	04/09/2020	05/10/2020	06/10/2020	21	The wildlife corridor at the Duchess Gait development in Helensburgh	Late response from information provider Response received at 15:53 on due date - response included a large number of emails which needed to be checked before sending.
12034	07/10/2020	04/11/2020	05/11/2020	21	Planners employed in 2010, 2015 and 2020	Late response from information provider Delayed due to resource issues within Development Management team.
12202	16/11/2020	14/12/2020	15/12/2020	21	Helensburgh Pier	Received within 5 working days of due date Late response due to admin error by service rep.
12518	27/01/2021	24/02/2021	25/02/2021	21	Kirkton Farm, Cardross	Original request not logged as FOI Request was not sent to us until 18th February, giving us only 4 days to respond within timescale. Service did respond on 24th Feb but I was unable to send the response due to competing priorities.
11590	28/05/2020	25/06/2020	30/06/2020	23	School transport costs C19	Late response from information provider Email sent to requester to advise response delayed until 17th July due to resource issues within school transport team.
11709	02/07/2020	30/07/2020	04/08/2020	23	Section 80 of Environmental Protection Act 1990	Late response from information provider Late response due to resource issues within EH team.
11743	07/07/2020	04/08/2020	10/08/2020	24	Zoo Licensing Act	Late response from information provider Late response due to resource issues within EH team.
11911	25/08/2020	22/09/2020	29/09/2020	24	Noise complaints	Late response from information provider Late response due to resource issues within EH team.
11598	22/06/2020	21/07/2020	28/07/2020	25	Housing and Environmental Health Acts	Late response from information provider Late responses received from EH and Housing teams due to resource issues.
11701	30/06/2020	28/07/2020	04/08/2020	25	Reopening of beer gardens or similar outdoor spaces C19	Late response from information provider Late response due to resource issues within EH team.
12273	04/12/2020	07/01/2021	14/01/2021	25	86/00001/MIN	Late response due to staff absence Late response due to absence of key staff member.
12274	04/12/2020	07/01/2021	14/01/2021	25	89/01256/MIN001	Late response due to staff absence Late response due to absence of key staff member.
12275	04/12/2020	07/01/2021	14/01/2021	25	15/02114/MIN	Late response due to staff absence Late response due to absence of key staff member.
12276	04/12/2020	07/01/2021	14/01/2021	25	18/02399/MIN	Late response due to staff absence Late response due to absence of key staff member.
11643	17/06/2020	15/07/2020	23/07/2020	26	Environmental Health & Licensing related charged for services	Late response from information provider Late response from EH due to resource issues.
11641	15/06/2020	13/07/2020	22/07/2020	27	S5512.426-02 Sheirdrim Renewable Energy	Late response from information provider No details around late response provided from Service

11892	18/08/2020	15/09/2020	24/09/2020	27	BBC NEWS - Noise Complaints and Neighbours	Late response from information provider	Staff resourcing issues within service
12270	04/12/2020	07/01/2021	18/01/2021	27	Temporary homeless accommodation charges	Late response from information provider	Email sent to requester to advise that response will be delayed until 15th Jan due to staffing levels within Housing team.
11555	12/05/2020	09/06/2020	19/06/2020	28	Lichfields: Live Covid-19 Local Planning Authority Tracker [NLP-MS.FID335329] C19	Late response from information provider	Late response due to resource issues within team.
11562	14/05/2020	11/06/2020	09/07/2020	40	Environmental Protection Act 1990 and EPA 1990 Part IIA (Contaminated Land)	Late response from information provider	Late response due to resource issues within EH team.
11489	09/04/2020	12/05/2020	10/06/2020	41	Housing policies and legislation	Legislation Change Covid 19	Late response due to removal of extension to deadline
11907	24/08/2020	21/09/2020	03/11/2020	50	Section 75 Agreements within the Town and Country Planning (Scotland) Act 1997	Late response from information provider	Information not recorded in a readily retrievable format, engagement required with other departments for quality check, delayed by availability of relevant staff.
11653	19/06/2020	17/07/2020	24/09/2020	69	TPO 03/00 - 2 The Briars, Shandon, Helensburgh	Late response from information provider	No reason given by service for late response.
11518	27/04/2020	26/05/2020	04/08/2020	70	Environmental Health & Food Safety	Late response from information provider	Late response due to resource issues within EH team.
<b>Customer Support Services</b>							
12020	25/09/2020	27/10/2020	29/10/2020	22	Senior Management Recruitment	Late response from information provider	Admin error in department resulted in FOI date being recorded incorrectly and FOI being issued late
11528	29/04/2020	28/05/2020	15/06/2020	32	Business Rates	Covid 19	Priority was given to business grants
<b>Live Argyll</b>							
12646	29/03/2021	28/04/2021	12/05/2021	29	Membership of the library service	Late response from information provider	More information required from management

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## Audit & Scrutiny Committee Work Plan 2020 – 2021

This is an outline plan to facilitate forward planning of reports to the Audit & Scrutiny Committee

Report	Lead Service	Regularity
14 September 2021	Reports to Committee Services by 20 August 2021	
Internal Audit and Counter Fraud Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee <ul style="list-style-type: none"> <li>• Land and Asset Disposal</li> <li>• Complaints Handling</li> <li>• LEADER</li> </ul>	Chief Internal Auditor	Quarterly
External Audit Update Report	Audit Scotland	Quarterly
Verbal Update by Chair(s) of Scrutiny Panel	Chair and Vice Chair of Audit & Scrutiny Committee	Quarterly
Audit and Scrutiny Committee Annual Report	Chief Internal Auditor	Annual
Local Government Benchmarking Framework Report	Head of Customer Support Services	Annual
Corporate Complaints Annual Report 2020/21	Governance, Risk and Safety Manager	Annual
Freedom of Information Annual Report 2020/21	Governance, Risk and Safety Manager	Annual
Audit & Scrutiny Committee 2020/21 Annual Report	Audit & Scrutiny Committee Chair	Annual
Strategic Risk Register – Assurance Mapping	Chief Internal Auditor	Annual
Strategic Risk Register Update	Chief Executive	Annual
Trust Fund Annual Accounts	External Audit	Annual
Local Government in Scotland Overview 2021	Audit Scotland	Annual
Audit Scotland Report - Digital Progress in Local Government	Head of Customer Support Services	One-off
Fraud and Irregularity 2020/21	Interim Head of Financial Services	One-off
14 December 2021	Reports to Committee Services by 19 November 2021	

## Audit & Scrutiny Committee Work Plan 2020 – 2021

Internal Audit and Counter Fraud Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee <ul style="list-style-type: none"> <li>• Purchasing Cards</li> <li>• Child Protective Services</li> <li>• Fixed Asset Register</li> <li>• Contract Management (Roads and Amenities)</li> <li>• Street Cleaning</li> <li>• Oban Airport</li> <li>• Planning Applications</li> <li>• Live Argyll Budget Monitoring</li> </ul>	Chief Internal Auditor	Quarterly
External Audit Update Report	Audit Scotland	Quarterly
Verbal Update by Chair(s) of Scrutiny Panel	Chair and Vice Chair of Audit & Scrutiny Committee	Quarterly
PSIAS Self-Assessment	Chief Internal Auditor	Annual
Local Government Benchmarking Framework Report	Head of Customer Support Services	Annual
Council 6-month Performance Report – April to September 2021	Chief Executive/Head of Customer Support Services	Bi-Annual
Community Asset Transfer Scrutiny Review	Chief Internal Auditor/Chair of Scrutiny Panel - Martin Caldwell	One-off
<b>15 March 2022</b>	<b>Reports to Committee Services by 18 February 2022</b>	
Internal Audit and Counter Fraud Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee 2022/23 <ul style="list-style-type: none"> <li>• Environmental Health</li> <li>• ICT Remote Working</li> </ul>	Chief Internal Auditor	Quarterly

## Audit & Scrutiny Committee Work Plan 2020 – 2021

<ul style="list-style-type: none"> <li>• ELC Parental Satisfaction</li> <li>• School Funds</li> <li>• Civil Contingencies</li> <li>• Adult Protective Services</li> </ul>		
External Audit Update Report	Audit Scotland	Quarterly
Verbal Update by Chair(s) of Scrutiny Panel	Chair and Vice Chair of Audit & Scrutiny Committee	Quarterly
RIPSA Annual Report	Governance and Risk Manager	Annual
Internal Audit 2022/23 Plan	Chief Internal Auditor	Annual
External Audit – 2021/22 Annual Plan	Audit Scotland	Annual
Audit Scotland Report – Financial Overview 2020/21	Head of Financial Services	Annual
2021/22 Unaudited Annual Accounts Preparation Plan and Timetable	Head of Financial Services	Annual
Treasury Management Strategy and Annual Investment Strategy	Head of Financial Services	Annual
Fly Tipping Scrutiny Review	Chief Internal Auditor/Head of Scrutiny Review Panel – Jim Lynch	One-off
14 June 2022	Reports to Committee Services by 20 May 2022	
Internal Audit and Counter Fraud Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee <ul style="list-style-type: none"> <li>• Education Processes</li> <li>• Climate Change Act</li> </ul>	Chief Internal Auditor	Quarterly
External Audit Update Report	Audit Scotland	Quarterly
Verbal Update by Chair(s) of Scrutiny Panel	Chair and Vice Chair of Audit & Scrutiny Committee	Quarterly

## Audit & Scrutiny Committee Work Plan 2020 – 2021

Council Performance Report – October 2021 to March 2022	Head of Customer Support Services	Bi-Annual
Strategic Risk Register Update	Chief Executive	Annual
Internal Audit 2021/22 Annual Report	Chief Internal Auditor	Annual
Review of Code of Corporate Governance	Governance, Risk and Safety Manager	Annual
External Audit 2021/22 Management Report	Audit Scotland	Annual
Local Government Benchmarking Framework Report	Head of Customer Support Services	Annual
Unaudited Financial Accounts	Head of Financial Services	Annual
Local Government in Scotland: Challenges and Performance 2022	Audit Scotland	Annual
<b>XX September 2022</b>	<b>Reports to Committee Services by XX August 2022</b>	
Internal Audit and Counter Fraud Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee <ul style="list-style-type: none"> <li>• Contract Management (Roads and Amenities)</li> <li>• HR Project Management</li> <li>• Land and Asset Disposal</li> <li>• Purchasing Cards</li> <li>• Child Protective Services</li> <li>• Fixed Asset Register</li> <li>• Complaints Handling</li> </ul>	Chief Internal Auditor	Quarterly
External Audit Update Report	Audit Scotland	Quarterly
Verbal Update by Chair(s) of Scrutiny Panel	Chair and Vice Chair of Audit & Scrutiny Committee	Quarterly
Audit & Scrutiny Committee Annual Report 2021/22	Chief Internal Auditor	Annual
Local Government Benchmarking Framework Report	Head of Customer Support Services	Annual
Corporate Complaints Annual Report 2021/22	Governance, Risk and Safety Manager	Annual
Freedom of Information Annual Report 2021/22	Governance, Risk and Safety Manager	Annual
Audit & Scrutiny Committee 2021/22 Annual Report	Audit & Scrutiny Committee Chair	Annual

## Audit & Scrutiny Committee Work Plan 2020 – 2021

Strategic Risk Register – Assurance Mapping	Chief Internal Auditor	Annual
Strategic Risk Register Update	Chief Executive	Annual
Trust Fund Annual Accounts	External Audit	Annual
Local Government in Scotland Overview 2022	Audit Scotland	Annual
Counter Fraud Annual Update (End of 2 year pilot)	Chief Internal Auditor	Annual

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