

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE20 January 2022Report by Chief ExecutiveAUDIT AND SCRUTINY COMMITTEE'S INVESTIGATION ON INCOME GENERATION  
AND COMMERCIALISATION - UPDATE ON IMPLEMENTATION OF  
RECOMMENDATIONS**PURPOSE OF REPORT**

1. To provide an update on the implementation of recommendations, accepted by Cabinet, arising from the Audit and Scrutiny Committee's Investigation on Income Generation and Commercialisation.

**RECOMMENDATION**

2. It is recommended that the Audit and Scrutiny Committee notes the progress made to date by departments in relation to implementing the recommendations.

**BACKGROUND**

3. On 5 December 2019 the Cabinet considered the Audit and Scrutiny Committee's report on its [Investigation on Income Generation and Commercialisation](#) which had been progressed between July and October that year with support from the former Scrutiny and Evaluation Officer and finalised in November. The committee had considered this work to have potential to generate new income streams; to contribute to the Council achieving future savings targets; to help it meet the strategic priority areas of the Community Plan; and to help deliver the Council's corporate plan 'Vision for the Future'. Other potential benefits were considered to include demonstrating financial responsibility to the local community; helping to deliver Best Value; and sustaining/improving service levels.

4. In total, the committee made 12 recommendations to the Cabinet. One of the key recommendations (*Recommendation 1*) was that the Council establish a new policy on commercialisation, supported by a cross-departmental team with expertise, to implement the key recommendations of the policy and an associated action plan.

5. In December 2019, the Cabinet agreed to support the recommendations in principle and that a response to the Committee's report be submitted to the Cabinet in 6 months. Following a slight delay due to the impact of COVID-19, a formal [response](#) was considered and approved by the Cabinet on 24 September 2020. The report reflected that all 12 of the recommendations made by the Audit and Scrutiny Committee had been agreed by Directors as itemised below; and that despite the challenges of dealing with the COVID-19 pandemic, work had been started in many of these areas with future work planned in due course. Progress made by that stage by Departments in relation to implementing the recommendations was noted.

No	Recommendation	Cabinet Decision	Lead Contact
1	That the Council establish a new policy on commercialisation.	Agreed	Director of Environment
2	To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers	Agreed	Director of Environment
3	That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events).	Agreed	Director of Environment
4	To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills.	Agreed	Director of Corporate & Community Services
5	To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel.	Agreed	Chief Executive
6	To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders.	Agreed	Chief Executive
7	To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits.	Agreed	Director of Education
8	To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).	Agreed	Director of Education

9	To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations.	Agreed	Director of Environment
10	To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements.	Agreed	Director of Environment
11	That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire	Agreed	Director of Environment
12	That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review	Agreed	Director of Corporate & Community Services

6. In November 2020 the Audit and Scrutiny Committee noted the response approved by the Cabinet to the investigation, including the extent to which the recommendations had been accepted, and agreed then that a further report be submitted to the committee on progress implementing the recommendations as part of its 2021/22 Work Plan.

7. Given the time which has elapsed since these recommendations were initially proposed, and the significant impact and challenges of Covid-19, a brief update on work undertaken to date is included, where available, in Appendix 1 of this report.

## CONCLUSION

8. This review area has the potential to generate new income streams, which may assist the Council in several areas: financial planning now and for the future; demonstrating financial responsibility to the East Renfrewshire community; delivering Best Value; sustaining or improving service levels for local citizens and customers; developing stronger links with businesses and organisations; developing collaborative links with other Councils; and self-awareness of where the Council is positioned, in terms of benchmarking information.

9. All 12 of the recommendations within the Audit and Scrutiny Committee report of 21 November 2019 were agreed by Directors. Despite the challenges of dealing with the Covid-19 pandemic, work has been started in many of these areas with future work planned in due course.

## RECOMMENDATION

10. It is recommended that the Audit and Scrutiny Committee notes the progress made to date by Departments in relation to implementing the recommendations.

Chief Executive  
January 2022

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### Background Papers

Report by Chief Executive to Audit and Scrutiny Committee, 20 June 2019: Proposed Guide to Scrutiny and Review

Report by Chief Executive to Audit and Scrutiny Committee, 15 August 2019: Investigation on Income Generation and Commercialisation – Update on Progress

Report by Chief Executive to Audit and Scrutiny Committee, 26<sup>th</sup> September 2019: Investigation on Income Generation and Commercialisation – Update on Progress

Report by Chief Executive to Audit and Scrutiny Committee, 21<sup>st</sup> November 2019: Investigation on Income Generation and Commercialisation – Final Draft Report

Report by Chief Executive to Cabinet, 24<sup>th</sup> September 2020: Investigation on Income Generation and Commercialisation

## **UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS**

### **Recommendation 1**

That the Council establish a new policy on commercialisation, to include:

- creating action plans, and setting of income/savings targets;
- developing the existing culture of commercialisation within the council, including training for employees and Elected Members;
- formation of a cross-departmental team with commercial expertise;
- including commercialisation skills and experience in the person specification for specific posts which are advertised;
- continued participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
- structured information sharing between departments, and greater collaboration with other councils; and
- requiring all departments of the council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.

#### **Update December 2021**

- A policy has been prepared covering the recommended points and will be considered by the Corporate Management Team.
- A cross departmental commercialisation seminar with SOLACE coordinated by the Environment Department is proposed. Arranging this seminar has been put on hold under Covid-19 restrictions to allow it to be held face to face.

### **Recommendation 2**

To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers.

#### **Update December 2021**

- This recommendation was put on hold due to the Covid-19 pandemic but will continue to be considered as an option for the future.

### **Recommendation 3**

That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events).

Update December 2021

- Work is ongoing to attract a number of high quality commercial events to East Renfrewshire, incorporating lessons learned and community engagement into planning.

**Recommendation 4**

To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills;

Update December 2021

- The revised timeline now in place, following impacts from Covid-19, still requires the new digital system to be in place and embedded before the digital telecare service is marketed to other users. The outlook is that this continues to be a longer term activity which remains some way off and not likely before 2023.

**Recommendation 5**

To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel

Update December 2021

- The Council currently receives rebates from Scotland Excel Frameworks on Education Materials, PPE, Electrical Materials, and Purchasing Cards. Rebates returned to the Council for financial year 2020/21 were £27,435. The Procurement Team continue to work with service representatives to deliver savings with improvement programmes underway in categories – ICT and Housing Services.

**Recommendation 6**

To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders;

Update December 2021

- East Renfrewshire Council percentage spend with local small/medium enterprises remains comparably low given factors such as the existing supplier base and size and location of the local authority area. However, as identified in the new Procurement Strategy 2019-2022, the Procurement Team are working together with the Council's Economic Development team to focus on maximising opportunities to encourage local businesses, third sector organisations and supported businesses to do business with

the Council. Data from the Scottish Procurement Information Hub shows in 2020/21 Council spend was £15.6m with businesses which are located in East Renfrewshire which is an increase of £4.1m from 2019/20. Data also shows that 52% of East Renfrewshire Council spend was with SMEs and local spend has increased from 9.6% in 2019/20 to 12% in 2020/21.

- Standing Orders Relating to Contracts has now been permanently updated to support the Council's response to COVID-19 construction recovery by increasing the works Quick Quote threshold from £150,000 to £500,000. This amendment allows flexibility to accelerate delivery of projects that have been adversely affected by the Covid-19 outbreak. The use of Quick Quote up to the threshold of £500,000 reduces both the time and resources required to get contracts into place and supports economic recovery.

### **Recommendation 7**

To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits.

#### Update December 2021

- Session 2021-22 has seen the introduction of Developing the Young Workforce School Co-ordinators (DYW SCs) in all seven secondary schools and in Isobel Mair Special School. These members of staff are financed through funding from Scottish Government which provides Local Authorities and schools with targeted monies to develop opportunities for young people to improve skills for learning, life and work and help them to secure and sustain positive destinations post school. The role of DYW SCs is to engage with the business community and wider partners to establish improved connections and networks which support young people in exploring their skills development in real life contexts. Work inspiration and simulated environments alongside work related learning continue to be opportunities available to young people, with work placements beginning to emerge once again with appropriate safety mitigations in place. Although early days, the new co-ordinator role has enabled reconnection with the business community as we try to build back better and fairer from the impact of Covid-19. It also creates opportunities for further links between business partners, early learning and childcare settings and primary schools.
- Work with Community Benefits partners ensures that information held by schools and other services in relation to labour market information help to shape community benefits offers to meet the needs and aspirations of our young people. Similarly, the work of the Local Employment Partnership (LEP) in determining best value in terms of project funding, takes cognisance of labour market trends and City Deal expansion with specific reference to growth areas, using information included in the datahub to plan new developments and opportunities.
- The availability of Scottish Government funding in relation to the Young Person's Guarantee (YPG) has created further opportunities for young people. In addition to specific developments, YPG funding has been utilised to support our Modern Apprenticeship (MA) programme providing training for individual young people in sectors such as childcare and hospitality. Based on labour market information, training is targeted to take cognisance of the national and local skills gap ensuring that

opportunities post training are also available. Further funding available from ERC, the Humanitarian fund, is being used to engage those young people furthest from the job market but intending on leaving school to ensure that appropriate opportunities are available to develop employability skills.

- As a result of the pandemic, young people engaging in vocational options and courses were provided with both the hardware and the skills to ensure that they could continue to access their learning digitally. Following the periods of lockdown, the systems that were put in place to address accessibility, including remote and blended learning, have continued where appropriate to ensure safe engagement in learning. This has been helpful to those young people having to self-isolate, ensuring minimal impact and uninterrupted learning.
- The overall impact of the partnerships with employers and businesses has contributed to ERC attaining the highest national ranking in the Annual Participation Measure (APM) 20-21, recording the participation of young people age 16-19 as 97.2%. This measure demonstrates the consistency and sustainability of our positive destinations and highlights the importance and impact of not only productive business relationships but the identification of appropriate pathways for all young people.

### **Recommendation 8**

To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).

#### Update December 2021

- Although 1,140 hours of free early learning and childcare (ELC) was successfully implemented from August 2020, COVID related infrastructure delays meant the ability to offer any 'add-on' options (previously referred to as wraparound) for parents/carers since then has been very limited. From August 2021 the final new setting opened at Overlee Family Centre and the department is now looking to re-introduce the Add-On service where spaces/staffing ratios allow from early 2022.
- Families will be charged in advance of the additional hours being accessed on a monthly basis. The total amount payable will be calculated on the number of add-on sessions the child is due to receive for the forthcoming calendar month. Payment must be made prior to the child starting add-on for that month and should be made through the ParentPay system.
- As part of the annual Charging for Services exercise for 2022/23 approval has been given to increase charges per session from August 2022 with the new pricing model reflecting varying staffing ratios required by Care Inspectorate to provide childcare for under 5s.
- The current flat rate of £2.25 per hour has been in place since August 2017 and the new increased charges are being implemented in the context of the recent expansion of free early year's provision (from 600 hours to 1,140 hours) as well as wider budget pressures. The new equivalent hourly rates for sessions purchased from August 2022 will be as follows :-



- 3-5 year olds - £3.00
  - 2 year olds - £3.75
  - 0-2 year olds - £4.50
- Whilst the charges recommended represent a significant increase they remain below the level charged pre August 2017 which was £4.60 per hour and the service remains significantly subsidised in order to support parents/carers. Benchmarking data suggests that the proposed charges for 3-5 year olds, for example, would still be lower than neighbouring authorities and significantly lower than the funded providers in the private and voluntary sector.
  - Anticipated income from the Add-On service has been factored into the budget setting process for 2022/23 and will continue to be monitored closely and reported via the normal periodic budgetary control reports to Cabinet.

### **Recommendation 9**

To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations.

#### Update December 2021

- These opportunities had been explored previously and were found to be of low value and therefore of low priority but will be kept under review

### **Recommendation 10**

To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements, through some or all of the following:

- Trade waste and refuse collection;
- Fleet Services;
- Undertaking landscaping and grounds maintenance in new housing developments;
- Leasing of storage units;
- Potential purchase of new commercial units;
- Grazing lets;
- Asset Management and taking a more commercial approach to managing vacant buildings;
- Renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility;
- Burial and Related Services; and
- Annual garden waste collection arrangements.

#### Update December 2021

- Charging for garden waste collections was successfully implemented in July 2021 and has generated £865k.
- Landscaping and grounds maintenance in new housing developments / factoring linked to new-builds. No opportunities have been identified so far, but it will be kept under review
- Potential Biogas facility discussions

### **Recommendation 11**

That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire;

#### Update December 2021

- The ongoing directive from the Scottish Government has been to work from home where possible. Normal travel patterns have therefore not yet resumed to allow the necessary surveys to be undertaken in a meaningful way to allow for the development of this policy. To be kept under review.

### **Recommendation 12**

That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review.

#### Update December 2021

- An invitation was extended from the Chair of the Audit and Scrutiny Committee to the Chair of the Performance and Audit Committee of the IJB to share information and discuss good practices arising from review. That meeting took place on 15 March, with reference made to it at the Audit and Scrutiny Committee on 18 March 2021, as part of the Chair's report.

#### Extract from Minute of Meeting on Committee Held on 18 March (Part of Chair's Report)

##### Investigation on Income Generation and Commercialisation

(iii) Under reference to the Minute of the meeting of 26 November 2020 (Page 1338, Item 1445 refers), when it had been noted that an invitation would be extended from the Chair of the committee to the Chair of the Performance and Audit Committee of the Integration Joint Board (IJB) to share information and discuss good practices arising from the Income Generation and Commercialisation review completed by the committee, Councillor Miller confirmed that the meeting had taken place on 15 March 2021. He reported that the matters discussed had been wide-ranging and had included why and how the committee's review had been pursued; the outcome and related recommendations; challenges facing the IJB in the delivery of services including in the context of COVID-19; commercial and ethical issues in relation to the provision of

services; and changes in future that could stem from the review of Adult and Social Care in Scotland.

He confirmed that it had been agreed at the meeting that having representation from this committee on the IJB and other related bodies continued to be useful, and that if further discussions on any issue in future would be valuable, that could be arranged.

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