



**MINUTES OF THE MEETING OF THE  
POLCY AND PERFORMANCE REVIEW COMMITTEE**

**TUESDAY 15 MARCH 2016  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

**1**

**Committee Members Present:**

Councillor D Berry (Convener)  
Councillor J Caldwell  
Councillor J Gillies  
Councillor J Goodfellow  
Councillor P MacKenzie  
Councillor F McAllister  
Councillor P McLennan  
Councillor J Williamson

**Other Councillors Present:**

Councillor M Veitch

**Council Officials Present:**

Ms M Patterson, Depute Chief Executive, Partnerships & Communication Services  
Mr T Shearer, Head of Communities and Partnerships  
Mr R Montgomery, Head of Infrastructure  
Mr D Proudfoot, Head of Development  
Ms S Saunders, Head of Children's Wellbeing  
Mr C Forbes, Principal Officer, Economic Development & Strategic Investment  
Mr I Dalgleish, Service Manager - Transport  
Ms E Morrison, Service Manager - Customer Service  
Mr P Vestri, Service Manager - Corporate Policy and Improvement  
Mr R McGill, Contact Centre Manager  
Ms Z Thomson, HR Business Partner  
Ms A Hood, Team Leader (Employability)  
Mr A Strickland, Policy Officer

**Clerk:**

Ms S Birrell

**Apologies:**

None

**Declarations of Interest:**

There were no Declarations of Interest.

The Convenor announced a change to the order of business, as the debate on Item 5 had the potential to identify individual service users. Item 5 would therefore be heard at the end of the meeting as part of private business.

The Convenor advised that this would be Andrew Strickland's last PPRC meeting, and asked for the Committee's thanks for his excellent contribution was recorded within the minute for this meeting.

## **1. MINUTES FOR APPROVAL – PPRC, 26 JANUARY 2016**

The minutes of the meeting of the Policy and Performance Review Committee of 26 January 2016 were approved.

### **Matters Arising**

Councillor McLennan asked if there had been any further update on the City Region Deal. Douglas Proudfoot confirmed that there were no material updates on the position to report, but that the UK Chancellor's next budget was eagerly awaited with the hope that it could help to translate into a meaningful deal on the City Region.

## **2. PERFORMANCE REPORT, Q3 2015/16**

A report was submitted by the Depute Chief Executive, to provide the Committee with information regarding the performance of Council services during Q3 (October – December) 2015/16

Andrew Strickland, Policy Officer, spoke to the report, reminding Members that they had attended a briefing on the Q3 performance on 16 February 2016. He detailed the information contained in the report, particularly regarding the number of delayed discharges, the increase in the percentage of calls to the Contact Centre not answered within twenty seconds, the decline in the number of new business starts, and the improvement in rent arrears, a steady increase in the time required to issue building warrants, and the number of vehicles using recycling centres.

With reference to the high level of long term sickness absence in the Contact Centre, Councillor Williamson asked if further staff should be employed to cover sickness absences. Eileen Morrison responded that all sickness absences were managed in line with the Council's Sickness Absence Policy. She reported that a system would be installed whereby customers would be given the option of a call back if they had not managed to speak to someone at the Contact Centre. The employment of agency staff had limitations in terms of budget and staff resource required for training. Raymond McGill added that historically agency staff had been used to ensure service was maintained, but the complexity and depth of calls to the Centre had increased.

Tom Shearer highlighted the changing nature of the Contact Centre and asked the Committee to note the increase in quality of responses given. He confirmed that a service review would be completed on the activity of the Centre. The concerns of Councillors had been recognised, and alternative methods of working would be assessed in order to improve.

The Convenor stressed that complexity of calls should be noted, and staff in the Contact Centre should be commended for their work. Enquiries that would previously have been taken through the Council via various staff were now often dealt with at point of contact.

Eileen Morrison confirmed that benchmarking of the Contact Centre service was supplied by CIPFA, and calls were monitored for satisfaction and quality via a sampling approach. It was difficult to make direct comparisons with other Local Authorities, as, for example, East Lothian was one of only a few Councils with a Social Work service within their Contact Centre.

The Convenor asked about long term expectations for the service. Tom Shearer indicated that he anticipated a shift towards more digital, web based advice, while he acknowledged an ongoing need for telephony. The Transformation process, which would introduce a raft of changes necessary for moving the services provided by East Lothian Council forward, would drive the changes required in this regard.

Councillor MacKenzie recommended the use of Customer Service Excellence, and asked whether the Committee should ask for a report to be brought to PPRC on the work of the Transformation Board. It was confirmed that there was currently no Elected Member involvement on said Board. Councillor McLennan remarked that the Council Leader should ask for an Elected Member to be part of this group. The Convenor requested that Councillor McLennan approached the Council Leader with this request. Councillor McLennan agreed that a report regarding the work of the Transformation Board could be requested by the Committee at a later date.

In response to questions from Councillor McKenzie, Raymond McGill explained that four licences moved callers to the automated queue system, but it had been discovered recently that two of these had lapsed. Another reason for not being placed directly in the automated queue would be if a call was the fifth in the system.

Turning to the drop in new business starts, Councillor MacKenzie asked about the temporary absence of loan funding. Douglas Proudfoot highlighted that the requirement for financial regulation had led to a suspension in the service, and further updates could be provided as requested. The Convenor asked whether there was a predicted timescale for the completion of the regulation; Douglas Proudfoot stated that he could not provide a timescale at present.

Councillor MacKenzie asked whether difficulties with delayed discharges tended to be more numerous in the east of the county. Sharon Saunders asserted that delayed discharges would be within the remit of the Health and Care Partnership, and she would be happy to provide a status update at a later date to Elected Members. The Convenor added that outstanding issues should be fed back to future agendas.

Councillor McLennan asked if the age profiles of new business start ups were recorded, and whether there was a potential for more work to be done in schools. Douglas Proudfoot agreed to forward this information to Councillor McLennan in due course. He added that the Business Gateway had responded to all requests for assistance despite two vacancies in a team of two, which had had a significant impact on service. Recruitment was ongoing for the second vacancy and the first vacancy had been filled.

In response to a question from Councillor Williamson, Ray Montgomery clarified that trades people in East Lothian had been asked to comply with specific days and times for dropping off waste at recycling centres, and that his team had trialled asking each vehicle for their home postcode, in order to ascertain their right to utilise East Lothian's Recycling Centres. He maintained that often customers attending from Edinburgh or Midlothian were unaware they had no rights to use Centres in East Lothian, and therefore the exercise had been helpful in terms of keeping customers informed. If the Council decided that more formal ID

would be required, there would be a further need to educate the public as to this change. In response to a comment from the Convenor, he expressed reservations as to the cost and legal ramifications of the use of car licence recognition systems. Signs would be placed at the entrances of Recycling Centres. Councillor Goodfellow asked whether copies of the revised access guide were stored at the Recycling Centres for information, Ray Montgomery stated that copies were kept in all sites.

Councillor Caldwell asked whether the target of 100% for consumer complaints completed within fourteen days was reasonable. Douglas Proudfoot reported that two members of staff on the team had recently been on maternity leave and some work had been undertaken in partnership with Midlothian Council.

Councillor McAllister wondered whether the targets for reducing delayed discharges were realistic, Sharon Saunders and Paolo Vestri confirmed that as targets set by the Scottish Government it was not within the remit of this Committee to discuss the targets themselves, but confirmed that the Council was working towards zero delayed discharges. The Convenor suggested that East Lothian's Integration Joint Board would be perfectly placed to address the issue of delayed discharges. Paolo Vestri cautioned the Committee that it was not responsible for the work of the Integration Joint Board. The Convenor asked if Paolo Vestri could look into this issue and update him individually.

Councillor McAllister asked for further information about the support provided to new business start ups in East Lothian. Douglas Proudfoot outlined the proactive nature of the service, which held coffee mornings, had satellite facilities in Queen Margaret University, maintained an active social media presence, and made a range of literature available. He added that he looked forward to the reinvigoration of this service once the team was back up to full complement. He briefed the Committee on the changing nature of the service, including the availability of loans over and under £10,000. The Convenor remarked that a further report could be brought to the PPRC if necessary.

Councillor Goodfellow commended the work of the Planning service, whose statistics had held up favourably despite a vast amount of building in the East Lothian area.

Councillor McAllister highlighted the tremendous results of Waste Management services, adding that the staff in all East Lothian recycling centres were very helpful. The Convenor agreed, asking Ray Montgomery to pass on the Committee's gratitude for their management of huge changes to waste uplift in East Lothian, which had been handled professionally and without an increase in the number of complaints received from the public.

Councillor McKenzie reiterated the importance of the Integration Joint Board in improving the number of delayed discharges, adding that the potential financial savings were significant.

### **Decision**

The Committee agreed to note the report and discuss the potential for further detailed reports as part of the work plan item later in the agenda.

### **3. LOCAL GOVERNMENT BENCHMARKING FRAMEWORK**

A report was submitted by the Depute Chief Executive to provide the PPRC with an overview of the Local Government Benchmarking Framework, and inform the PPRC of current and forthcoming benchmarking exercises

Andrew Strickland, Policy Officer, presented the report, drawing the Committee's attention to the number of performance indicators collated by the Local Government Benchmarking Framework in 2014/15, and East Lothian's ranking by quartile for each indicator. He detailed highlights and areas for further investigation, adding that eight further benchmarking exercises with East Lothian and other similar Councils were underway.

Councillor MacKenzie raised his concerns at the statistics recorded for Teacher's sickness absence, East Lothian's status at 29<sup>th</sup> out of 32 Local Authorities, and asked if revisions to the Sickness Absence Policy would be necessary. Zoe Thomson responded, stating that 2014/15 had been a difficult year in terms of managing sickness absence. She mentioned that around 30% of reported sickness absence was reported as psychological, and the impact of managing performance in schools could perhaps be attributed in part to this increase. HR had been working closely with schools to increase consistency of reporting, and Head Teachers had been provided with workshops to assist them in applying the Sickness Absence Policy effectively. She highlighted that there had been a month on month improvement this year, and meetings were planned with managers and Trade Unions to obtain feedback on Sickness Absence.

In response to questions from the Convenor, Zoe Thomson clarified that there were likely to be issues in terms of workload and relating to stress, but there was every possibility that the Sickness Absence record for 2014/15 would not be repeated. HR were looking into the possibility of providing mindfulness courses to assist individuals with managing their stress levels. She added that not all reported stress would be connected with the workplace, but without in depth analysis it would be difficult to state the reasons for the increase. She concluded by mentioning the difficulties in providing an adequate number of supply teaching staff to cover absences.

Councillor Gillies wondered whether the implementation of the Curriculum for Excellence had led to increased stress amongst teachers.

Councillor McLennan queried the percentage of Unemployed People assisted into work from Council operated/funded Employability Programmes, asking about the total number of individuals and the impact of the potential removal of universal credit when courses were accessed. Colin Forbes explained that the figures presented were complex, outlining East Lothian Council's diligence in collating this information. They had ensured there was no duplication or inclusion of young people accessing the Employability Fund. He updated the Committee on current performance, which was outstripping the National Average. In terms of the number of individuals, he estimated it would be around 450 in total. East Lothian Council worked closely with the Department of Work and Pensions (DWP) with reference to increasing employability and maintaining universal credit.

Councillor Caldwell asked about the percentage of housing in East Lothian meeting the Scottish Housing Quality Standard. Tom Shearer confirmed that the percentage of housing meeting this standard should be 100% by April 2016, and he was not confident that the figures held on their systems had adequately reflected the status of the housing stock. He stressed that the fifty five point quality standard was applied across housing including temporary accommodation for Homelessness and private lets. The Convenor welcomed the report from Tom Shearer.

Councillor Goodfellow queried the proportion of school leavers entering positive destinations, asking whether a lack of public transport to Edinburgh Colleges impacted unfavourably on these statistics. The Committee discussed positive destinations for school leavers at length. Alison Hood assured Elected Members that each school leaver who had not attained a positive destination was known to the Authority, clarifying individuals on Gap Years and young people in the process of applying to the armed forces were included in these statistics. Colin Forbes commented that the figures were collated using a snap shot of school

leaver statistics on two days within the year, and that several Local Authorities reported similar percentages of between 91% and 92%. The data would be collated in future via a participation model which worked across a full year. Sharon Saunders emphasised the role of Community Planning Partnerships to establish the reasons behind this data, and suggested that there was a correlation between the number of children with ASN and in carer roles, and the percentage of school leavers entering positive destinations. There were slightly higher levels of children with ASN and in carer roles in East Lothian than in other authority areas.

Douglas Proudfoot asserted that this was a priority area for East Lothian Council. The Convenor indicated that a further report could be requested by the Committee to allow for a more detailed assessment of the figures.

Councillor McAllister asked about the reduction in cost per library visit. Tom Shearer asserted that the library service had undergone a rigorous and robust transformation towards a face to face business model. Facilities could now be accessed for a number of reasons. He asked Andrew Strickland to comment on the percentage of adults satisfied with libraries, which had shown a slight decrease. Andrew Strickland summarised the methodology for gathering this information, which was prone to volatility due the small samples taken in East Lothian. In response to comments from the Convenor, Tom Shearer agreed that library buildings had become Community Hubs providing a range of services. The Convenor asked about the impact on library staff in terms of administrating these additional functions. Tom Shearer explained that staff working in libraries were now expected to provide this face to face service, as opposed to maintaining a specialised librarian role. Feedback from colleagues in libraries had been that this enriching of their job expectations had been a positive change.

The Convenor commented on the percentage of A class roads that should be considered for maintenance treatment. Ray Montgomery clarified that maintenance could include minor cracking or similar, whereas other C class roads in the county had often required essential work to ensure their stability.

Councillors McKenzie and McAllister commended Alison Hood on her observations regarding school leavers without positive destinations, and her work with this group of young people. Councillor McKenzie suggested that the full National Benchmarking Report, which had been provided to Elected Members in the background papers for this meeting, should be supplied in paper form to all Members of this Committee.

Councillor McAllister added that the new Curriculum for Excellence had maintained Scottish Education's status as one of the best in the world.

Councillor Goodfellow highlighted the excellent results in street cleaning, and customer satisfaction regarding refuse collection, particularly with regard to the vast changes in these arrangements, and concluded by suggesting that the creation of further education facilities in East Lothian would improve the number of school leavers accessing positive destinations.

Councillor Veitch stated that the maintenance of C and U class roads was imperative, particularly for individuals in his Ward, who relied upon them to access larger roads and surrounding towns. He noted his concerns about transportation options for accessing further education in East Lothian, adding that the cost of travel was also a barrier.

## **Decision**

The Committee agreed to note the contents of the report and the actions being taken to address performance where this needed to be improved.

#### **4. SUPPORTED BUS SERVICES**

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) to provide the Committee with an opportunity to assess current provision for Supported Bus Services and the intentions regarding future tenders.

Ian Dalgleish spoke to the report, circulating a clearer map to replace the one attached as Appendix 4. He highlighted that commercial bus services mostly ran from the north to the south of the county, and supported services were therefore targeted from the east to the west. New services that had been added to the network were primarily to assist with access to hospitals.

In response to questions from the Convenor regarding the list of costs per passenger in Appendix 3, Ian Dalgleish clarified that the 122 service, which was running at a high cost, had been added to the network to serve users in anticipation of the new hospital complex planned for Haddington. He had been in discussion with operators and would make every effort to maintain links with outlying rural areas and the town of Haddington. He indicated that the spike in passenger numbers using the Lothian 113 bus in December could be attributed to visitors attending the Winter Wonderland in Edinburgh via public transport. The new bus service provided to Glenkinchie Distillery was via a single ticket method which included a tour. He agreed that there was potential for some of the services listed to become commercial routes, which would free up resources to support alternative or additional buses. He added that it was generally accepted across Scottish Local Authorities that a cost of below £5 per passenger journey was reasonable, and almost all of the services were meeting this unofficial target. In terms of the effectiveness of supported routes, he reported that the 111 service had added an extra bus which ran purely commercially alongside the supported timetable. Resources were often used as a development tool or to ascertain whether a service could become commercially viable.

In response to a question from Councillor Goodfellow, Ian Dalgleish clarified that it was difficult to collate information relating to journey distance and which part of routes were the most travelled, as passengers were only recorded boarding the bus, not disembarking.

Councillor McLennan asked about the stability of operators in East Lothian. Ian Dalgleish explained that risk was spread across several different operators. He confirmed that the new 253 service Innerwick bus was only supported by East Lothian Council in the winter months, as in the summer it was a commercially viable route.

Councillor Veitch pointed out that three operators served Haddington but only one served the North Berwick area. He pointed out that the 111 and 122 should be viewed as one service, given that they were timed to connect travellers through to the Royal Infirmary.

Councillor McAllister thanked Ian Dalgleish for his comprehensive report and astute presentation. Councillor Gillies remarked that rural areas, particularly Pencaitland, had seen a vast improvement in their bus service.

Councillor Veitch commended the report, noting the success of the service which provided frequent buses to Gullane. Changes made to the 129 and 130 before the commencement of the tender process, particularly the streamlining of the Dunbar town service, had been well planned and implemented.

The Convenor welcomed the report and the comments from the Committee. He looked forward with interest to the introduction of a single ticket system, which, Ian Dalgleish confirmed, was imminent, and would be trialled in Aberdeen and Dundee soon. The Convenor added that more attention could be paid to the linking of bus to train services.

## **Decision**

The Committee agreed:-

- i) to note the content of this report which formed a basis for discussion with regard to current and future Supported Bus Services within East Lothian.
- ii) to note the intention to continue to discuss with operators the possibilities of improving the route performance especially Service 122.
- iii) to note East Lothian Council's part in nationwide discussions relating to a pass which could be used by all operators to utilise one card across all public transport. Trials of this card were to be carried out in the Aberdeen and Dundee areas this year (2016).
- iv) to note the intention to discuss with operators the possibility of current services becoming purely commercial, prior to future Supported Services contracts, so that further routes can be developed.
- v) to note the intention to submit a proposal for funding to Transport Scotland's 2016-17 funding for Smarter Choices, Smarter Places, to provide a service initially from Humbie to Haddington and if successful develop this for other smaller communities within East Lothian.

## **5. ANNUAL WORK PROGRAMME UPDATE**

An updated Annual Work Programme detailed the reports already scheduled for the Committee for session 2015/16. It was noted that the reports on East Lothian Works, Keystone, and Core Paths and Cycleways would be brought to the May meeting.

## **Decision**

The Committee agreed:-

- i) to note the work programme
- ii) to note that an Agenda Setting Meeting would be held directly after this meeting.

## **PRIVATE BUSINESS**

### **SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION**

The Committee unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 3 (information relating to any particular applicant for, recipient or former recipient of a service provided by the Authority) of Schedule 7A of the Local Government (Scotland) Act 1973.

## **6. HOME TO SCHOOL TRANSPORT**

A private report was submitted by the Depute Chief Executive (Partnerships and Community Services) to provide the Committee with an opportunity to assess current provision for Home to School Transport and the intentions regarding future tenders. The Committee agreed to note the report and future plans relating to Home to School Transport.



Signed .....

Councillor David Berry  
Convener of the Policy and Performance Review Committee

DRAFT



**REPORT TO:** Policy and Performance Review Committee  
**MEETING DATE:** 10 May 2016  
**BY:** Depute Chief Executive, (Resources and People Services)  
**SUBJECT:** Audit Scotland Housing Benefit Risk Assessment Report

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**2**

## **1 PURPOSE**

- 1.1 To advise PPRC Members about the Audit Scotland Housing Benefits Risk Assessment Report and the action plan produced by the East Lothian Benefits and Financial Assessments Service as a response.

## **2 RECOMMENDATIONS**

- 2.1 That the PPRC note and consider the content of the Audit Scotland Risk Assessment Report and the Benefit Unit's Action Plan.

## **3 BACKGROUND**

- 3.1 Under statutory duties relating to Best Value and Community Planning Audit Scotland have responsibility for conducting a Housing Benefit, (HB) risk assessment programme. During a rolling programme of engagement the assessment takes account of the performance of HB/CTB administrations across all 32 Scottish Local Authorities and identifies 'risks to achieving continuous improvement within the service'.
- 3.2 Whilst the HB risk assessment does not represent a full audit of the Benefits Service it serves to determine the extent that the Council's Benefits Service is meeting its obligations to achieve continuous improvement in all its activities and provides some assurance for the Secretary of State for Social Security in respect of HB administration
- 3.3 This risk assessment follows on from previous assessment work carried out by Audit Scotland in 2009 and in 2013. The later of these reports identified 12 risks to continuous improvement, of which 9 were subsequently addressed, (as noted during in the Assistant Auditor General's letter dated 12 November 2015).

- 3.4 In preparation for the most recent Risk Assessment the Council submitted a self assessment in August 2015 along with updated action plans relating to the previous report and supporting evidence.
- 3.5 Whilst previously the scope Audit Scotland's HB/CTB work was wider, the main themes for the HB Risk Assessment carried out in November 2015 were; National and Local Priorities, Business Planning and Reporting and Delivering Outcomes.
- 3.6 Delivering Outcomes was broken down in to the following categories:
- Speed of Processing
  - Accuracy
  - Interventions
  - Overpayments
  - Counter-Fraud,
- (NB Counter-Fraud activity was not assessed due to the fact that the fraud investigation function passed from the Council to the DWP's Fraud and Error Service in November 2014).
- 3.7 During the on-site phase of the Risk Assessment, (carried out in September 2015) Audit Scotland identified 6 new risks to continuous improvement and 3 which they considered to be outstanding from the 2013 report.
- 3.8 In response to the latest report, (produced in November) the Council produced an action plan to address the 9 risks. These proposed actions were accepted by Audit Scotland and the Benefits and Financial Assessments Service is continuing its work to reduce, (or where possible eliminate) these risks to continuous improvement. (See the attached 'Updated ELC Risk Audit Action Plan' for progress made to-date).
- 3.9 In its Executive Summary section the Audit Scotland report acknowledges the significant changes that have been made to the method of delivering benefits within the Council. Audit Scotland recognises that the UK Government's welfare reforms have been a key driver for such change and in his letter accompanying the report the Assistant Auditor General has commended the service for the improvement made in its claims processing performance against a backdrop of increased workloads.

#### **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The Subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 Appendix 1: Letter dated 12 November 2015 from Assistant Auditor General enclosing the Report  
7.2 Appendix 2: East Lothian Council Audit of Housing Benefit Risk Assessment Report  
7.3 Appendix 3: Letter dated 11 December 2015 responding to Assistant Auditor General  
7.4 Appendix 4: ELC HB Risk Audit Action Plan, (as @ 11 December 2015)  
7.5 Appendix 5: Letter dated 14 December 2015 from Assistant Auditor General accepting the Council's proposed actions  
7.6 Appendix 6: Updated ELC HB Risk Audit Action Plan, (as @ 31 March 2016)

<b>AUTHOR'S NAME</b>	John Cunningham
<b>DESIGNATION</b>	Service Manager – Benefit and Financial Assessments
<b>CONTACT INFO</b>	Tel: 01620827706 email: jcunningham@eastlothian.gov.uk
<b>DATE</b>	29 April 2016



Ms Angela Leitch  
Chief Executive  
East Lothian Council  
John Muir House  
Brewery Park  
Haddington  
East Lothian  
EH41 3HA

12 November 2015

Dear Ms Leitch

### **Housing Benefit (HB) Performance Audit– outcome of risk assessment**

I wrote to John Cunningham, Service Manager - Benefits & Financial Assessments in June 2015 advising that East Lothian Council had been selected for a follow up HB risk assessment.

During the risk assessment phase, carried out in September 2015, we looked at your benefit service's self-assessment and supporting evidence, and analysed information from a number of other sources. We also spent one day on-site and discussed performance with your senior managers. Our work was focused on the following three key areas:

- national and local priorities
- 
- business planning and reporting
- 
- delivering outcomes.

We have now completed the risk assessment and I write to advise you of our findings.

Since our previous visit in 2013 there have been a number of significant changes to the method of delivering benefits within the council. At that time the benefits unit was primarily responsible for administering HB and Council Tax Benefit claims and countering fraud. However, since the implementation of the UK Government's welfare reforms in April 2013, the benefit service has also been responsible for the administration of the Council Tax Reduction Scheme and the Scottish Welfare Fund and, since September 2013, the service has also been responsible for carrying out financial assessments for Adult Wellbeing care customers living at home or in residential care.

As a consequence of the increased workloads, and the need to train staff and develop new processes and procedures, claims processing performance declined from an average of 23 days for new claims and five days for changes of circumstances in 2012/13, to an average of 27 days and six days respectively in 2013/14. The benefit service responded very positively to this decline and considerably improved new claims speed of processing performance in 2014/15 to an average of 24 days while maintaining its speed of processing changes of circumstances at an average of six days. In view of the significant changes to the service, this level of improvement is commendable.

Since our previous risk assessment, the service has made a very positive contribution to the delivery of the benefit service by addressing nine out of the 12 risks identified from our 2013 report. This includes the production of a comprehensive annual business plan that contains the benefit service's key performance indicators, regularly reporting performance to staff, senior management and members and having performance challenged by members when it is not meeting expectations, having a comprehensive management checking process, and working in partnership with the council's external debt recovery agents to pursue difficult to recover benefit debt.

However, in order to deliver continuous improvement the council needs to ensure that the level of resources within the benefit service is sufficient to enable the service to improve or sustain current performance levels across all of its activities while delivering new initiatives such as the *Right Benefit* programme, and preparing for the rollout of Universal Credit. The service should also address the decline in speed of processing performance in 2015/16, which at an average of 26 days and seven days respectively for new claims and changes of circumstances, at September 2015, placed the council 22nd and 13th in Scotland respectively, based on the Department For Work and Pensions' (DWP) 2014/15 published performance data.

We also consider that more work is required in respect of the recovery of overpayments and the automating of updates received through the DWP's Automated Transfer to Local Authority Systems to help reduce manual processing.

I attach our report and would welcome your response to it. I would be grateful for a response by Friday 11 December 2015 including your proposals to reduce the risks identified, so that we can determine whether any further engagement is appropriate.

I would like to take this opportunity to thank you and your benefits staff, in particular John Cunningham for the well presented self-assessment and for their co-operation and assistance throughout the risk assessment process.

If you have any questions or concerns, please contact Anne Cairns in the first instance on 0131 625 1926 or by email at [acairns@audit-scotland.gov.uk](mailto:acairns@audit-scotland.gov.uk).

Yours sincerely



Russell Frith  
Assistant Auditor General

Enclosed: HB Audit Risk Assessment report

Copied to: John Cunningham, Service Manager - Benefits & Financial Assessments

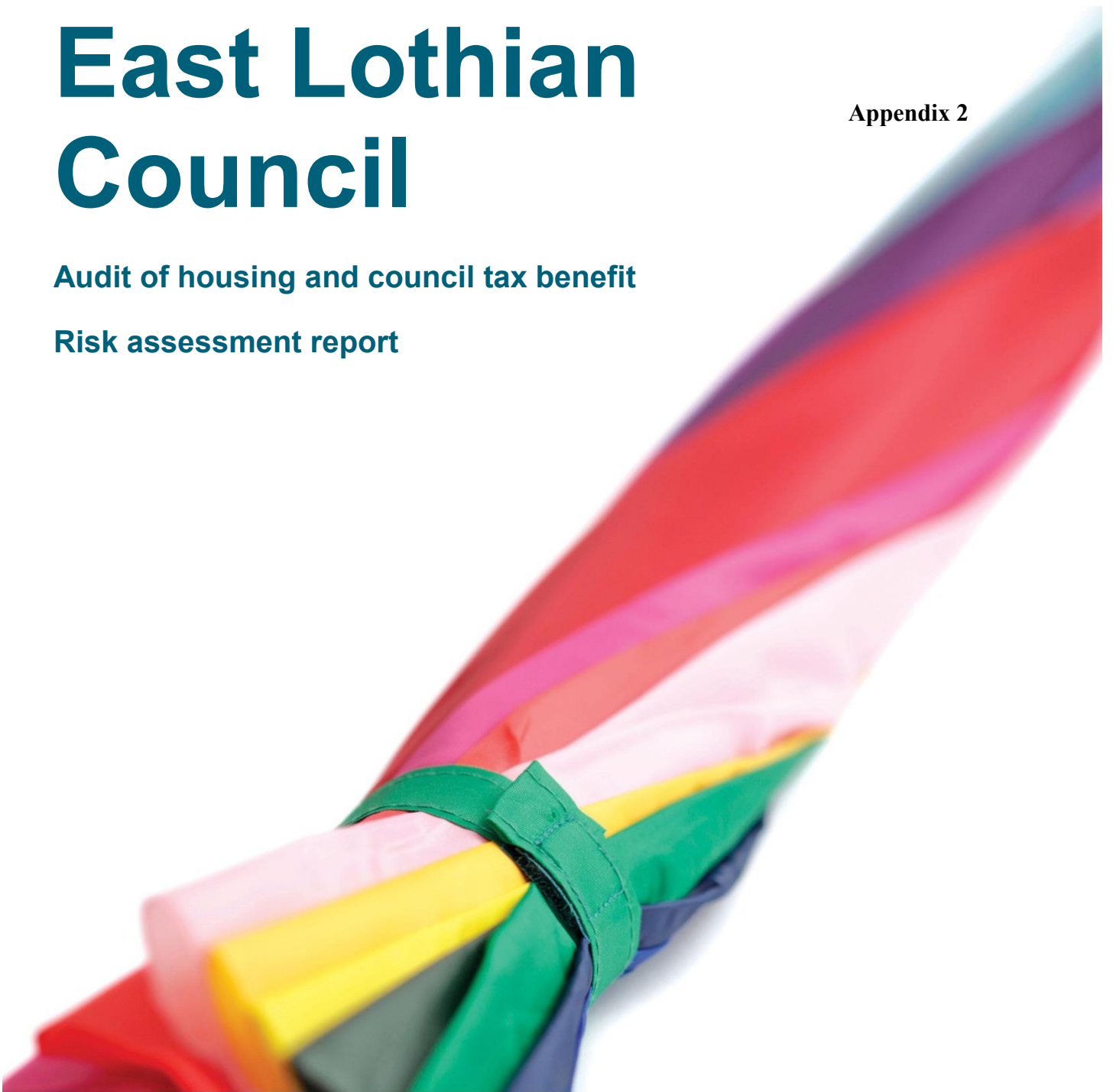


# East Lothian Council

Appendix 2

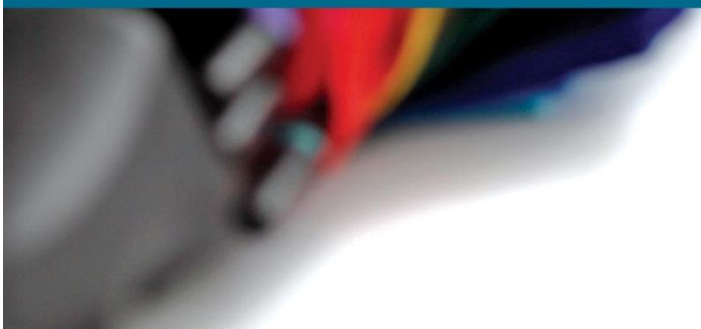
Audit of housing and council tax benefit

Risk assessment report



 AUDIT SCOTLAND

November 2015



Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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# Introduction

1. This risk assessment was completed as part of Audit Scotland's housing benefit (HB) risk assessment programme. It does not represent a full audit of East Lothian Council's benefit service.
2. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.
3. Specifically, the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.
4. Information for this risk assessment was gathered from a range of sources including:
  - the self-assessment, supporting evidence, and updated action plan provided by the council
  - Department for Work and Pensions (DWP) indicators and other performance measures
  - scrutiny of internal and external audit reports
  - discussions with the appointed external auditor
  - discussions with senior officers in the council during our site visit in September 2015.

## Executive summary

5. A risk assessment was previously carried out on East Lothian Council's benefit service in January 2013 when Audit Scotland identified 12 risks to continuous improvement. These were reported to the Chief Executive in March 2013 and, in response, the council submitted an action plan in May 2013 to address these risks which Audit Scotland accepted as satisfactory, if fully implemented.
6. Since our previous visit there have been a number of significant changes to the method of delivering benefits within the council. At that time the benefits unit was primarily responsible for administering HB/Council Tax Benefit claims and countering fraud. However, since the implementation of the UK Government's welfare reforms in April 2013, the benefit service has been responsible for the administration of the Council Tax Reduction Scheme (CTRS) and the Scottish Welfare Fund (SWF). In addition, since September 2013, following a service review of the council's Community Care Finance Unit, the benefit service has also been responsible for carrying out financial assessments for Adult Wellbeing care customers living at home or in residential care.
7. By April 2014, the council recognised a need to carry out a service review to establish a structure that would incorporate these changes. This review was concluded in December 2014

and resulted in a revised structure, changes to job outlines and person specifications, and a net reduction of 1.4 full-time equivalent staff in order to meet the service's staffing budget. The review also established a new name, *Benefits and Financial Assessments Service*, which reflected the expanded remit of the service.

8. Finally, in November 2014, as part of the DWP's strategy to address fraud across all benefits and Tax Credits whether administered by the DWP, Her Majesty's Revenues and Customs or local authorities, the responsibility for carrying out fraud investigations was transferred to the DWP's Single Fraud Investigation Service (SFIS).
9. As a consequence of the increased workloads, and the need to train existing staff and develop new processes and procedures, claims processing performance declined from an average of 23 days for new claims and five days for changes of circumstances in 2012/13, to an average of 27 days and six days respectively in 2013/14.
10. However, the benefit service responded very positively to this decline and with staff support and a revised structure, the service considerably improved new claims speed of processing performance in 2014/15 to an average of 24 days while maintaining its speed of processing changes of circumstances at an average of six days. In view of the significant changes to the service, this level of improvement is commendable.
11. In August 2015, the council submitted a current self-assessment along with supporting evidence, and an updated action plan. Of the 12 risks identified, the council has made good progress as follows:
  - nine actions fully completed
  - three actions outstanding.

Appendix A covers this in detail.

12. In completing nine of the risks the council has made a very positive contribution to the delivery of the benefit service. In particular, by:
  - having a detailed business planning process which involves operational staff and producing a comprehensive annual business plan that contains the service's key performance indicators and has clear links to the council's strategic objectives
  - regularly reporting benefit performance to staff, senior management and members, and having performance challenged by members when not meeting expectations
  - continuing to deliver a good level of performance during a period of considerable change in 2013/14 following the implementation of the UK government's welfare reforms, and delivering an improved performance in 2014/15, despite further additional workloads
  - having a comprehensive management checking process and carrying out pre-payment checks on all payments over £1,000
  - working in partnership with the council's external debt recovery agents to pursue difficult to recover benefit debt.

13. Although the council demonstrates awareness of what constitutes an effective, efficient and secure benefit service, there are six new risks and three risks outstanding from our previous risk assessment and in order to ensure continuous improvement the council needs to address these risks. These include:
- ensuring that the level of resources within the benefit service is sufficient to enable the service to continually improve or sustain current performance levels across all of its activities while delivering new initiatives such as the *Right Benefit* programme which is discussed in more detail under *Interventions*, and preparing for the rollout of Universal Credit (UC)
  - utilising the automated function within the DWP's Automated Transfer to Local Authority Systems (ATLAS) to reduce the manual processing of these changes and help free up resources to carry out other benefit-related tasks
  - addressing the decline in speed of processing performance in 2015/16, which at an average of 26 days and seven days respectively, at September 2015, placed the council 22nd and 13th in Scotland, based on the DWP's 2014/15 published performance data
  - setting overpayment recovery targets that are challenging, and improving overpayment recovery performance which has been in decline when compared to 2012/13 performance.

## Business planning and reporting

14. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance can be measured, monitored and reported.
15. The council has a clear, structured and inclusive approach to business planning and managing performance. The annual service planning cycle commences in March/April with a staff engagement survey followed by a staff and management self-assessment process called 'How Good is our Council' which is based on the results from the staff survey.
16. A report is subsequently produced for the Service Manager by a sub-group of staff led by the Training and Development Officer, and this report is summarised by the Service Manager as part of a self-evaluation process. The results from these exercises form the basis of the draft service plan which is discussed with staff before it is signed off by the Head of Council Resources.
17. The resultant *Benefits and Financial Assessments Service Plan 2015/16* is a dynamic plan that is reviewed annually and has clear links to the council's strategic objectives in its Single Outcome Agreement (SOA). The three main outcomes from the SOA that relate to the work of the Benefits and Financial Assessments Service are ensuring that:

- people live healthier, more active lives, independently, in their own homes and communities for as long as possible
  - fewer people experience poverty in East Lothian
  - people in housing need have access to an appropriate type, tenure and standard of housing and are prevented from becoming homeless.
18. The plan also contains the service's key benefit performance indicators which are the:
- average time to process new claims and changes of circumstances
  - percentage of the DWP's Fraud and Error Reduction Incentive Scheme (FERIS) HB baseline target met
  - percentage of HB sample cases for which the calculation of benefit is correct
  - percentage of HB overpayments recovered in the same quarter as raised.
19. The council makes good use of an online reporting system to report performance monthly to senior management and members of the Policy and Performance Review Committee (PPRC). Although this is currently limited to performance in respect of new claims and changes of circumstances, it was evident that performance was being monitored as a decline in the service's time taken to process changes of circumstances had recently been challenged by members.
20. At an operational level the Benefit Team Leader (Performance) provides the Service Manager with monthly performance reports, and there are regular team and service meetings where performance is discussed. The Service Manager also receives a weekly update of work outstanding from team leaders, which provides assurance that work volumes are being regularly monitored and actively managed.
21. Each month the Service Manager provides the Head of Council Resources with a 'Highlight Report' which summarises the service's key activities, achievements, and progress against the service plan, while detailing any risks and challenges faced by the service. In the August 2015 report, the Service Manager identified an overall risk that there was limited capacity to manage and resource the number of initiatives currently being tackled by the Benefits and Financial Assessments Service.
22. We consider that this risk is significant in the current environment. At the time of our site visit in September 2015, the service had been operating without a Benefit Recovery Officer since January 2015, a benefit processor that had been on maternity leave since May 2015, and another benefit processor that had been on sick leave for a period of four weeks.
23. As a consequence, staff had taken on extra work and it is commendable that the service had been delivering a good level of performance in respect of new claims and changes of circumstances processing whilst taking on these additional duties.
24. However, the impact of the loss of staff has resulted in a decline in claims processing performance in 2015/16, and due to other business pressures, the process to refer unpaid



sundry debtors to the Sherriff's Officers for recovery action that would normally be undertaken by the Benefit Recovery Officer had not been carried out since February 2015.

25. In addition, the service has recently signed up to the DWP's FERIS and has developed a comprehensive *Right Benefit* programme to identify and process un-reported changes of circumstances. When fully operational, the results from this work will further increase the service's workload and could also have a detrimental effect on its ability to deliver performance improvements.

Risks to continuous improvement	
1	The level of resources within the benefit service may not be sufficient to enable the service to continually improve or sustain current performance levels across all of its activities while delivering new initiatives such as the <i>Right Benefit</i> programme, and preparing for the rollout of UC.
2	Performance is not being reported against all aspects of the service and therefore senior management and members can only have limited assurance that the service as a whole is delivering optimum performance.

26. Audit Scotland identified three risks to continuous improvement during the previous risk assessment in that:
- although it was acknowledged that the council had a business plan for the benefits unit, there were only two targets that related to the work of the unit. In addition, there was no counter-fraud business plan setting out the aims, objectives, targets, and monitoring and reporting arrangements for the work of the fraud team. We therefore considered that there was limited assurance that the benefits unit was being actively monitored against all aspects of its work and that, when appropriate, performance was being challenged by senior management and members
  - there was limited reporting of the benefits unit's performance, and therefore senior management and members were not provided with regular opportunities to challenge performance that did not meet local targets.
27. We consider that both of these risks have been addressed as the *Benefits and Financial Assessments Service Plan 2015/16* contains the key performance indicators for the service and there is recent evidence of challenge from members when performance has not met expectations. The risk in respect of the need for a counter-fraud business plan is no longer relevant following the transfer of responsibility for carrying out fraud investigations to the DWP's SFIS in November 2014.

# Delivering outcomes

28. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The council has a number of management arrangements in place to support this.

## Speed of processing

29. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
30. As detailed under *Business planning and reporting*, there have been significant changes to the structure of the service and the administration of benefits since our previous visit. As a consequence of these changes, the benefits service became responsible for delivering the council's CTRS and SWF from April 2013. In order, to ensure the transition was as seamless as possible, the council committed significant time and resources to train staff and develop new processes and procedures.
31. In addition, the service also became responsible for carrying out the council's Adult Wellbeing financial assessments from September 2013, and these additional workloads initially resulted in an increase in the time taken to process new claims and changes of circumstances from an average of 23 days and five days in 2012/13 to an average of 27 days and six days respectively in 2013/14.
32. However, the service responded positively to these changes and by using overtime and utilising temporary staff, it recovered and improved its new claims processing performance in 2014/15 to an average of 24 days while maintaining its change of circumstances performance at an average of six days. This level of performance placed the council 14th and 5th in Scotland for speed of processing new claims and changes of circumstances respectively, which is commendable.
33. Exhibit 1 illustrates the council's current and previous performance.

<b>Exhibit 1: Speed of processing performance (average number of days)</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 (Sep 15)</b>
<b>New claims</b>	23 days	27 days	24 days	26 days
<b>Changes of circumstances</b>	5 days	6 days	6 days	7 days

Source: East Lothian Council & DWP

34. Although the council's performance recovered in 2014/15, recent performance has seen a decline in speed of processing to an average of 26 days for new claims and an average of seven days for changes of circumstances, at 17 September 2015. This level of performance placed the council 22nd and 13th in Scotland based on the DWP's 2014/15 published performance figures.
35. Although performance has declined, it is recognised that the in-month performance trend is improving from an average of 33 days and nine days for new claims and changes of circumstances at August 2015 to an average of 26 days and eight days respectively, at September 2015. The council told us that it aims to continue this improving monthly trend going forward.
36. It is evident that the loss of the Benefit Recovery Officer since January 2015, and the absence of two benefit processors since May 2015 and August 2015 respectively, has significantly affected the service's ability to continue to improve claims processing performance. While it is recognised that staff have taken on extra responsibilities, with the implementation of the *Right Benefit* programme and the impending rollout of UC, the council needs to ensure that the benefit service is sufficiently resourced to manage these initiatives while seeking to deliver continuous improvement in all of its activities.

Risks to continuous improvement	
3	The loss of benefit resources has impacted on the service's ability to improve claims processing times which were in decline, at 17 September 2015.
4	The council has not been utilising the automated function within the DWP's ATLAS service and is therefore missing an opportunity to reduce the manual workload for the service, and free up resources to carry out other benefit-related tasks.

## Accuracy

37. The accurate and secure administration of HB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place.
38. The *Benefits and Financial Assessments Service Plan 2015/16* has a stated commitment to the accuracy of claims and the recently developed *Right Benefit* programme, which has been designed to ensure that customers are receiving the right amount of benefit, reinforces this commitment.
39. The service has a comprehensive management checking regime and the process is contained within the *Audit Process* document. On a weekly basis, in the absence of the Benefit Recovery Officer who would normally carry out these checks, the Training and Development Officer selects 10 cases from an audit report of work carried out the previous week. A full management check is carried out on each case and the outcome is documented on a management check sheet.

40. Where errors are found the processor and respective team leader are notified by e-mail and the processor is required to advise the Training and Development Officer once corrective action had been taken. If this notification is not received, we were told that the Training and Development Officer carried out an independent check to ensure that the claim had been corrected.
41. A summary of checks carried out is recorded electronically and reminders are issued to staff if recurring errors are identified. For example, the Training and Development Officer issued a reminder to staff in September 2015 of the criteria for severe disability premium.
42. In addition to the weekly management checks, there is a 100% check of the work of new staff which is reduced incrementally as the officer gains experience, and newer staff continue to have 10% of their work checked until a level of competence is achieved. There is also a 100% pre-payment check of all payments in excess of £1,000 which is carried out by team leaders and senior benefit officers.
43. Where errors are found, the information is referred to the Training and Development Officer to record on the management check spreadsheet. Since April 2012, there have been 1,745 of these payment checks and it is commendable that the council has achieved a 99.7% accuracy rate in respect of these cases.
44. Although the *Audit Process* document states that there should be an additional 10% check of the work of the officer performing management checks, this has not been carried out since January 2015, when the Benefit Recovery Officer went on sick leave. The council should consider re-introducing this check as soon as practicable within current resource constraints, as this helps safeguard the checker, and provides senior management with assurance that the process is being effectively managed.
45. Since 2013/14 the council has delivered an excellent level of performance by exceeding its internal target each year, and is on profile to achieve this again in 2015/16.
46. Exhibit 2 illustrates the council's current and previous accuracy performance.

#### Exhibit 2: Financial accuracy performance

	Target	Achieved
2012/13	None	93%
2013/14	95%	98%
2014/15	95%	96%
2015/16 (Oct 15)	95%	96%

Source: East Lothian Council

47. Audit Scotland identified three risks to continuous improvement during the previous risk assessment in that

- due to the limitations of the benefits IT system, the council was unable to carry out any pre-payment accuracy checks. In addition, there had been no Capita post-payment checks carried out since June 2012, and therefore there was an increased risk of fraud and error entering the system unchecked
  - at the time of the on-site visit, Audit Scotland was unable to reconcile the accuracy performance reported on the Audit Scotland performance matrix with the accuracy information provided by the council in support of its self-assessment
  - although outcomes from management checks were recorded on a spreadsheet, it was not to the level of detail that could help the council identify trends, patterns and areas for learning and development of the service.
48. We consider that two of these risks have been addressed as the council is now carrying out post-payment and pre-payment management checks and the information in respect of the accuracy of payments provided to Audit Scotland as part of the self-assessment process matches that recorded by the council locally.
49. Although the management check process is comprehensive, we still consider that the remaining risk is outstanding as the information recorded on the outcomes spreadsheet is not to the level of detail that could help the council identify trends, patterns and areas for learning and development of the service.

## Interventions

50. To minimise error in the caseload, councils must encourage customers to report changes of circumstances on time and have a robust intervention programme to identify changes and take appropriate corrective action.
51. To support this, the benefit service notification letters remind customers of the requirement to report any change in circumstances and the council website contains examples of the types of changes that should be reported. Customers are also provided with details of office opening hours and how to contact the benefit service by telephone, letter, or e-mail.
52. The council actively participates in the DWP's Housing Benefit Matching Service (HBMS), Audit Scotland's National Fraud Initiative (NFI), and more recently the DWP's Real Time Information (RTI) data matching services, which all help to identify possible unreported changes of circumstances that require further investigation. However, since our previous visit in February 2013, we were told that as a consequence of the loss of staff, and the increased workloads arising from the implementation of the UK government's welfare reform agenda, the council had been unable to carry out a programme of proactive intervention activity.
53. The council told us that its primary focus was to ensure that customers were receiving benefit awards, crisis grants, community care grants and financial assessments timeously, and that it had used other means to manage its changes of circumstances. These included:
- making good use of the benefit IT system diary facility to produce reports that highlight claims where future changes are expected, or known, that would affect the customer's benefit entitlement, for example, a significant birthday or an increase in earnings

- manually checking all changes of circumstances notified through the DWP's ATLAS service.
54. With the introduction of the DWP's FERIS, which has been designed to reward councils that proactively identify un-reported changes of circumstances, the council applied for and received bid funding and start-up funding from the DWP. It has made good use of this funding to develop a *Right Benefit* programme of proactive interventions activity.
55. The programme is being project managed by the Training and Development Officer and incorporates team leaders who are responsible for managing the outcomes, and the Benefit Team Leader (Performance) who is the lead officer for identifying and creating the FERIS campaigns. There are three key strands to the *Right Benefit* programme:
- Marketing, publicity and access
  - System data mining/cross cutting data matching
  - Intervention planning and delivery/intervention evaluation and learning.
56. In addition to this programme, the service is also in the process of testing and implementing *FERIS Manager* which is a software enhancement to the benefits IT system. When fully implemented it should provide the service with a more automated process, improved caseload analysis and management reporting.
57. At the time of our site visit, the council was in the final stages of creating its correspondence and publicising its approach and told us that it plans to commence its first campaign targeting customers with childcare costs in quarter three of 2015/16.

## Overpayments

58. To protect public funds, councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified and rigorously recovered.
59. The council's *Overpayment Recovery Policy*, which is reviewed annually, sets out its approach to recovering benefit debt and details its methods of recovery. Where a customer remains in receipt of benefit, the council recovers the debt from ongoing payments at the prescribed rate unless the customer is in hardship. In these circumstances, a means test would be carried out and a reduced rate applied when appropriate.
60. However if the customer is no longer receiving benefit, the overpayment is transferred to the council's sundry debtor system for further action by the dedicated Benefit Recovery Officer. The council makes good use of all available recovery options including:
- issuing an invoice when the customer is no longer in receipt of benefit
  - working with the DWP's Debt Management Unit to recover overpayments from ongoing DWP benefits where appropriate
  - using the DWP's Customer Information System and other commercial products to trace customers that are no longer resident within the local authority area

- working in partnership with Sherriff's Officers to pursue difficult to recover debt.

61. Exhibit 3 illustrates the council's current and previous recovery performance.

<b>Exhibit 3: Overpayment levels and recovery performance</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 (30 Jun)</b>
<b>Total overpayments c/f</b>	£1,772,398	£1,853,458	£2,205,733	£2,411,443
<b>Total overpayments raised in-year</b>	£670,767	£868,584	£853,802	£209,525
<b>HB debt recovered</b>	£478,207	£465,076	£468,056	£103,039
<b>% of in-year debt recovered</b>	71%	54%	55%	49%
<b>% of total HB debt recovered</b>	19%	17%	15%	4%

Source: East Lothian Council

62. Since our previous visit the council's overpayment recovery performance has declined from 71% in 2012/13 to 55% in 2014/15 in respect of the percentage of in-year debt that was recovered, and from 19% in 2012/13 to 15% in 2014/15 in respect of the percentage of all debt recovered. As a consequence, the value of benefit debt outstanding has risen by approximately £640K (36%) since 2012/13, at 30 June 2015.
63. It is acknowledged that there are mitigating factors affecting recent performance. The Benefit Recovery Officer has been absent since January 2015 which has had an impact on the service's ability to actively pursue sundry debtor overpayments in respect of customers that have not responded to an invoice, or subsequent payment reminders. However, at the time of our site visit there were no overpayment recovery targets in the *Benefits and Financial Assessments Service Plan 2015/16*, and the service was not routinely reporting its overpayment recovery performance to senior management or members.
64. We were told that the service had been operating against the overpayment recovery targets set in the *2013/14 Benefits Service Plan* to recover 40% of in-year debt and 20% of all debt outstanding and, while the in-year target has been exceeded each year, the service has not met the target in respect of all debt outstanding since 2012/13.
65. We consider that this is a key area for improvement by the council and that it needs to set more challenging targets with a view to delivering an improved recovery performance.



### Risks to continuous improvement

5	The council's overpayment recovery targets are not sufficiently challenging, and overpayment recovery performance is in decline when compared to 2012/13 performance levels.
6	Since February 2015, cases have not been referred to the Sherriff's Officer for recovery action where the customer has not responded to the council's sundry debtor invoice, or subsequent payment reminder correspondence.

66. Audit Scotland identified three risks to continuous improvement during the previous risk assessment in that:
- at the time of our site visit, the overpayments data provided to Audit Scotland as part of the council's self-assessment submission was inaccurate. Based on our analysis, there was approximately £394,000 of additional debt that was unaccounted for
  - the council had not met its in-year overpayments recovery targets since 2008/09. In addition, fraud overpayments and administrative penalties were not prioritised for recovery
  - due to the limitation of the council's debt recovery system there was only limited analysis of overpayments data.
67. We consider that one of the three risks has been addressed in that the overpayments data provided to Audit Scotland as part of the current self-assessment corresponds to the council's internal overpayments data.
68. However, we consider that the remaining two risks are outstanding as there is only limited analysis of overpayments data to help identify areas for learning, development and improvement of the service, and, although the council has met its *2013/14 Benefits Service Plan* target to recover 40% of in-year debt, it has not met its target to recover 20% of all debt since 2012/13. Also, due to system limitations the council cannot easily identify and prioritise fraud overpayments or administrative penalties for recovery that have been invoiced.

## Counter-fraud

69. The prevention, detection and investigation of fraudulent claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.
70. In 2010, the joint DWP/HMRC fraud and error strategy proposed a SFIS to address fraud across all benefits and Tax Credits, whether currently administered by DWP, HMRC or local authorities. The main objective of the policy was to ensure that all types of social security and Tax Credit fraud would be investigated according to a single set of guidance and priorities.
71. In November 2014, the council's benefit fraud investigation function was transferred to SFIS and, as part of the new SFIS regime, a local agreement has been developed between the



council and the DWP which sets out the requirements for the exchange of information between the two organisations. This includes recommended timescales, a single point of contact, and an escalation route should any issues arise that cannot be resolved at the single point of contact level.



# Appendix A

Progress against action plan update at August 2015	
The use of benefits unit staff to work on the implementation of the welfare reform agenda, or any slippage in the council's Welfare Reform action plan targets, could have a detrimental effect on claims processing performance.	Completed
Although it is acknowledged that the council has a business plan for the benefits unit, there are only two targets that relate to the work of the unit. In addition, there is no counter-fraud business plan setting out the aims, objectives, targets, monitoring and reporting arrangements for the work of the fraud team. We therefore consider that there is limited assurance that the benefits unit is being actively monitored against all aspects of its work and that, when appropriate, performance is being challenged by senior management and members.	Completed
As there is limited reporting of the benefits unit's performance, senior management and members are not provided with regular opportunities to challenge performance that does not meet local targets.	Completed
The council has not met the target to respond to 100% of complaints within 20 days since 2010/11, and was unable to provide data for 2012/13 due to a problem with the customer relationship management system.	Completed
Although the council has good relations with key external stakeholders, it has not been in regular contact with its local benefits delivery centre at Bathgate. This has led to a breakdown in communication and delays when requesting information in respect of DWP clerical claims which could have a detrimental effect on claims processing times.	Completed
Due to the limitations of the benefits IT system, the council is unable to carry out any pre-payment accuracy checks. In addition, there has been no Capita post-payment checks carried out since June 2012, and therefore there is an increased risk of fraud and error entering the system unchecked.	Completed
At the time of the on-site visit Audit Scotland was unable to reconcile the accuracy performance reported on the Audit Scotland performance matrix with the accuracy information provided by the council in support of its self-assessment.	Completed
Although outcomes from management checks are recorded on a spreadsheet, it is not to the level of detail that could help the council identify trends, patterns and areas for learning and development of the	Outstanding

Progress against action plan update at August 2015	
service.	
At the time of our site visit, the overpayments data provided to Audit Scotland as part of the council's self-assessment submission was inaccurate. Based on our analysis, there is approximately £394,000 of additional debt that is unaccounted for.	Completed
The council has not met its in-year overpayments recovery targets since 2008/09. In addition, fraud overpayments and administrative penalties are not prioritised for recovery.	Outstanding
Due to the limitation of the council's debt recovery system there is only limited analysis of overpayments data.	Outstanding
A significantly high percentage of requests for reconsideration received by the council in 2011/12 and 2012/13, to 31 December 2012, were revised in favour of the customer.	Completed

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11 December 2015

Mr Russell Frith  
Assistant Auditor General  
Audit Scotland  
4<sup>th</sup> Floor  
West Port  
Edinburgh  
EH3 9DN

Dear Mr Frith

**EAST LOTHIAN COUNCIL, HOUSING BENEFIT (HB) PERFORMANCE AUDIT –  
OUTCOME OF RISK ASSESSMENT**

Thank you for your letter of 12 November 2015 and also for the copy of the East Lothian Council audit of housing benefit risk assessment report.

I am pleased to note that the report recognised the efforts of the Benefits & Financial Assessments Service to sustain its Housing Benefit processing performance in what has become an increasingly complex environment. However, I also acknowledge the risks to delivering continuous improvement identified in the report and trust that the enclosed Action Plan provides you with a detailed response which will provide assurance that the Council remains committed to delivering a high quality Housing Benefit Service to East Lothian residents at a time of ongoing change.

In closing, if you have any questions relating to this response, may I ask that these be directed to John Cunningham, Service Manager, Benefits, in the first instance (Tel: 01620 827706 / Email: [jcunningham@eastlothian.gov.uk](mailto:jcunningham@eastlothian.gov.uk)).

Yours sincerely



Angela Leitch  
Chief Executive

cc: Alex McCrorie, Depute Chief Executive, Resources & People Services  
Jim Lamond, Head of Council Resources  
John Cunningham, Service Manager, Benefits



Risk Number	Description of risk	Action to be taken	Responsibility		List of task to be carried out to remove risks	By when	Review date	Progress Made (as @11 December 2015)
			Lead officer	Partners				
	<b>New Risks Identified</b>							
1	The level of resources within the benefit service may not be sufficient to enable the service to continually improve or sustain current performance levels across all of its activities while delivering new initiatives such as the <i>Right Benefit</i> programme, and preparing for the rollout of UC.	Carry out recruitment for temporary maternity cover post and the Modern Apprentice Vacancy, (18 months) to ensure that current establishment is maintained.	Service Manager	Team Leaders	Carry out interviews for posts & make appointments	02 February 2016	28 February 2016	Recruitment for maternity cover, (1x part time Benefit Officer post for 6 months) and Benefit Service Modern Apprentice, (1 full time post for 18 months) approved and underway. Shortlisting for Modern Apprentice post carried out and interviews scheduled.
	As Above	Continue ELC 'Right Benefit Programme' to maximise the opportunity to qualify for FERIS incentive payments, (in order to supplement losses from reducing HB Admin 'Subsidy).	Service Manager	Team Leaders & Corporate Communications	Maintain 'Right Benefit' publicity and marketing campaign and proactive interventions campaigns. Maintain FERIS activities throughout 2016/17	31 March 2016	31 March 2016	ELC Right Benefit publicity & marketing campaign underway. This has made use of a range of media channels including office based 'pop up' banners, vehicle posters, radio ads and social media. All carrying the same key message 'Change Happens, Tell us When it Does'. Media and letter heads promote the use of online change of circs form www.eastlothian.gov.uk/changehappens. Capita System 'FERIS Manager' module being used to identify and manage proactive intervention campaigns.
2	Performance is not being reported against all aspects of the service and therefore senior management and members can only have limited assurance that the service as a whole is delivering optimum performance.	Introduce a broader range of key Benefits administration performance indicators that will provide the Council Management Team a greater level of assurance of how the Service is performing.	Service Manager	Benefits Performance Officer	In addition to reporting on existing measures the Service Manager's monthly Highlight Reports will also include performance against; overpayments, accuracy and FERIS targets.	31 December 2015	31 January 2016	Inclusion of additional HB performance measures agreed with Head of Service.
3	The loss of benefit resources has impacted on the service's ability to improve claims processing times which were in decline, at 17 September 2015.	Carry out recruitment for temporary maternity cover post and the Modern Apprentice Vacancy, (18 months) to ensure that current establishment is maintained.	Service Manager	Team Leaders	Carry out interviews for posts & make appointments. Ensure consistent application of RBV process to support New Claims processing productivity.	02 February 2016	31 March 2016	Recruitment for maternity cover, (1x part time Benefit Officer post for 6 months) and Benefit Service Modern Apprentice, (1 full time post for 18 months) approved and advertised. Shortlisting for Modern Apprentice post carried out and interviews scheduled. RBV process refreshed and re-iterated to Decision Makers to ensure its consistent use.
4	The council has not been utilising the automated function within the DWP's ATLAS service and is therefore missing an opportunity to reduce the manual workload for the service, and free up resources to carry out other benefit-related tasks.	Investigate potential for The Capita Benefits Sytem to achieve 25% automation of ATLAS changes and implement new process to achieve target.	Service Manager	Team Leaders	Set initial target of 25% automation by 31 March 2015 Review performance against this target for Q4, (as well as considering any impact on claim accuracy) and incorporate a revised target in the 2016/17 Service Plan.	31 March 2016	31 May 2016	Initial investigations into what level of automation could be achieved with the Capita Benefits System has established that other sites using Capita Benefits System have achieved between 25% and 60% automation of ATLAS changes. This would suggest that an initial target of 25% automation could be achievable by 31 March 2015, however concerns over any potential impact on claim accuracy will need to be considered.
5	The council's overpayment recovery targets are not sufficiently challenging, and overpayment recovery performance is in decline when compared to 2012/13 performance levels.	Revise 2015/16 Service Plan to include Targets of 50% of HB Overpayments recovered in quarter and 20% of overall HB overpayments recovered. Following Review date consider revised targets of 60% and 25% respectively for these measures in 2016/17 Service Plan.	Service Manager	Benefits Performance Officer and Revenues Manager	Set revised Service Plan targets for both measures and review performance against revised targets for 2015/16. Revie targets for 2016/17 Service Plan. Implement consistent recovery rates for all tenures which are more consistent with DWP recovery rates. Implement phased return to work for Benefits Overpayment Officer.	31 March 2017	31 March 2016	Amended 2015/16 Service Plan Targets and proposed increase in HB Overpayment recovery rates discussed with Head of Service and Members of Rent Arrears Scrutiny Group. Benefits Overpayment Officer's long term absence is being managed under the Council's Managing attendance Policy.
	As Above	Revise ELC Corporate Write Off Policy to reflect current HB Overpayment process requirements. Make use of available bad debt provision under the terms of the revised Policy to reduce the extent of historic HB Overpayments which can no longer be collected.	Revenues Manager	Benefits Performance Officer and Benefits Service Manager	Complete revision of current Corporate write Off Policy. Secure Cabinet approval. Review historic HB debt to ascertain which overpayments may no longer be recovered and submit for write off approval.	31 March 2016	31 March 2016	Draft copy of revised Corporate Write Off Policy under development.

6	Since February 2015, cases have not been referred to the Sherriff's Officer for recovery action where the customer has not responded to the council's sundry debtor invoice, or subsequent payment reminder correspondence.	Refer cases for further recovery action	Benefits Performance Officer	Benefits Overpayments Officer and Sundry Debtors	Continue to refer these cases on a regular basis	01 October 2015	31 March 2016	Referral of these cases recommenced on 14th October 2015
<b>Outstanding Risks Identified</b>								
7	Although outcomes from management checks are recorded on a spreadsheet, it is not to the level of detail that could help the council identify trends, patterns and areas for learning and development of the service.	Amend the management checking process to include a greater degree of detail which can help identify trends, patterns and areas for further learning and development. Develop and adopt a Quality Performance Strategy.	Benefits Training & Development Officer	Benefits Performance Officer & Service Manager	Review current process to establish whether sufficient information is being captured to provide a sufficient level of intelligence about HB caseload. Develop and adopt a Quality Performance Strategy.	31 March 2016	31 March 2016	Existing management check outcomes spreadsheet amended to capture additional information. Best practice used by other similar sized Scottish Councils under consideration.
8	The council has not met its in-year overpayments recovery targets since 2008/09. In addition, fraud overpayments and administrative penalties are not prioritised for recovery.	Revise 2015/16 Service Plan to include Targets of 50% of HB Overpayments recovered in quarter and 20% of overall HB overpayments recovered. (Increasing to 60% and 25% in the 2016/17 Service Plan). Consider further options to review fraud overpayment and administrative penalty recovery. Consider 'Deductions from Earnings' as an additional method of recovery.	Benefits Performance Officer	Benefits Overpayments Officer and Sundry Debtors	Set revised Service Plan targets for both measures and monitor HB recovery performance against revised targets for remainder of 2015/16). Adopt revised targets in 2016.17 Service Plan. Implement consistent recovery rates for all tenures which are more in line with DWP recovery rates. Implement phased return to work for Benefits Overpayment Officer & Investigate potential for Sundry Debtors to increase priority for recovery of fraudulent overpayments and administrative penalties. Consider 'Deductions from Earnings' as an additional method of recovery.	31 March 2016	31 May 2016	Amended 2015/16 Service Plan Targets and proposed increase in HB Overpayment recovery rates discussed with Head of Service and Members of Rent Arrears Scrutiny Group. Benefits Overpayment Officer's long term absence is being managed under the Council's Managing attendance Policy.
9	Due to the limitation of the council's debt recovery system there is only limited analysis of overpayments data.	Establish extent of limitations. Amend the management checking process to include a greater degree of detail which can help identify trends, patterns and areas for further learning and development which can reduce overpayments occurring and increase effectiveness of O/Payment collection.	Benefits Performance Officer	Benefits Training & Development Officer, Service Manager	Review current management checking process to ensure sufficient information can be captured to provide a sufficient level of intelligence about causes of HB overpayments.	31 March 2016	31 March 2016	Existing management check outcomes spreadsheet amended to capture additional information. Best practice used by other similar sized Scottish Councils under consideration.



*John C*

Ms Angela Leitch  
Chief Executive  
East Lothian Council  
John Muir House  
Brewery Park  
Haddington  
East Lothian  
EH41 3HA

14 December 2015

East Lothian Council  
15 DEC 2015  
Executive Support

Dear Ms Leitch

**The audit of housing benefit – benefits performance audit risk assessment**

I would like to thank you for your letter of 11 December 2015 including the response to our risk assessment report sent to you on 12 November 2015.

I have considered the proposals to reduce the risks identified in our report and I am satisfied the council's proposed actions and note those already in place, will make a positive contribution to the continuous improvement of the council's housing benefit service. I am therefore pleased to conclude that no further scrutiny is required at this stage.

I would like to thank you and your benefits management team, in particular John Cunningham for the positive and helpful approach displayed throughout the risk assessment process.

Yours sincerely

*Russell A J Frith*

Russell Frith  
Assistant Auditor General

Copied to: John Cunningham  
Alex McCrorie  
Jim Lamond



Risk Number	Description of risk	Action to be taken	Responsibility		List of task to be carried out to remove risks	By when	Review date	Progress Made (as @31 March 2016)	Action Status
			Lead officer	Partners					
<b>New Risks Identified</b>									
1	The level of resources within the benefit service may not be sufficient to enable the service to continually improve or sustain current performance levels across all of its activities while delivering new initiatives such as the <i>Right Benefit</i> programme, and preparing for the rollout of UC.	Carry out recruitment for temporary maternity cover post and the Modern Apprenticeship Vacancy, (18 months) to ensure that current establishment is maintained.	Service Manager	Team Leaders	Carry out interviews for posts & make appointments	02 February 2016	28 February 2016	Benefit Processing for 2015/16 performance improved and has exceeded performance targets. However recruitment efforts must continue in order to sustain overall performance. Maternity cover resolved. Modern Apprenticeship appointed in February 2016 however post in vacancy by 31 March 2016. More recent Benefit Officer vacancy filled by external recruitment. Currently negotiating further funding under Universal Credit Delivery Partnership Agreement to create 1 additional grade 6 (temporary) Benefit Officer post.	Complete
	As Above	Promote ELC 'Right Benefit Programme' to maximise the opportunity to qualify for FERIS incentive payments, (in order to supplement losses from reducing HB Admin 'Subsidy).	Service Manager	Team Leaders & Corporate Communications	Maintain 'Right Benefit' publicity and marketing campaign and proactive interventions campaigns	31 March 2016	31 March 2016	Whilst the ELC 'Right Benefit Programme' has yet to meet its benefit saving baseline target, (to qualify for FERIS incentive payments) the successful bid for FERIS Maintenance funding, (£18k) has provided some additional resource to augment Benefit Service capacity in 2016/17. This funding will be used to create a temporary grade 4 Benefit Assistant post to support the Right Benefit Programme.	Ongoing
2	Performance is not being reported against all aspects of the service and therefore senior management and members can only have limited assurance that the service as a whole is delivering optimum performance.	Introduce a broader range of key Benefits administration performance indicators that will provide the Council Management Team a greater level of assurance of how the Service is performing.	Service Manager	Benefits Performance Officer	In addition to reporting on existing measures the Service Manager's monthly Highlight Reports will also include performance against; overpayments, accuracy and FERIS targets.	31 December 2015	31 January 2016	Inclusion of additional HB performance measures agreed with Head of Service, however overpayments and accuracy performance has not been consistently reported in Service Manager's monthly highlight report since more pressing business activity has taken precedence, (e.g. implementation of the Universal Credit 'Full' Service across East Lothian).	Ongoing
3	The loss of benefit resources has impacted on the service's ability to improve claims processing times which were in decline, at 17 September 2015.	Carry out recruitment for temporary maternity cover post and the Modern Apprenticeship Vacancy, (18 months) to ensure that current establishment is maintained.	Service Manager	Team Leaders	Carry out interviews for posts & make appointments	02 February 2016	28 February 2016	Benefit Processing for 2015/16 performance improved and has exceeded performance targets. However recruitment efforts must continue in order to sustain overall performance	Complete
4	The council has not been utilising the automated function within the DWP's ATLAS service and is therefore missing an opportunity to reduce the manual workload for the service, and free up resources to carry out other benefit-related tasks.	Investigate potential for The Capita Benefits System to achieve 25% automation of ATLAS changes and implement new process to achieve target.	Service Manager	Team Leaders	Set initial target of 25% automation by 31 March 2015 Review performance against this target for Q4, (as well as considering any impact on claim accuracy) and incorporate a revised target in the 2016/17 Service Plan.	31 March 2016	31 May 2016	Processes in place to maximise 'safe' use of Benefit System automation Automation of 22.2% ATLAS changes achieved as @ 31 March 2016.	Ongoing
5	The council's overpayment recovery targets are not sufficiently challenging, and overpayment recovery performance is in decline when compared to 2012/13 performance levels.	Revise 2015/16 Service Plan to include Targets of 60% of HB Overpayments recovered in quarter and 20% of overall HB overpayments recovered.	Service Manager	Benefits Performance Officer and Revenues Manager	Set revised Service Plan targets for both measures and review performance against revised targets for Q4 period, (1 January 2015 to 31 March 2015). Implement consistent recovery rates for all tenures which are more in line with DWP recovery rates. Implement phased return to work for Benefits Overpayment Officer.	01 January 2016	31 May 2016	Amended Service Plan Targets and proposed increase in HB Overpayment recovery rates discussed with Council Management Team Members of Rent Arrears Scrutiny Group. Benefits Overpayment Officer returned to work on 7 March 2016, (following long term absence due to a serious illness. Increased recovery rates implemented for Public Sector HB cases as part of year end process. This will begin to achieve greater parity in recovery rates across all tenures in 2016/17. Impact of Council rent arrears collection will be monitored.	Ongoing
	As Above	Revise ELC Corporate Write Off Policy to reflect current HB Overpayment process requirements. Make use of available bad debt provision in order to reduce amount of legacy HB overpayments which can no longer be collected.	Revenues Manager	Benefits Performance Officer and Benefits Service Manager	Complete revision of current Corporate write Off Policy. Secure Cabinet approval. Review historic HB debt to ascertain which overpayments may no longer be recovered and submit for write off approval.	31 March 2016	31 March 2016	Benefit Service revisions made to draft Corporate Write Off Policy. Service Manager Revenues still to secure Cabinet Approval.	Ongoing

6	Since February 2015, cases have not been referred to the Sherriff's Officer for recovery action where the customer has not responded to the council's sundry debtor invoice, or subsequent payment reminder correspondence.	Refer cases for further recovery action	Benefits Performance Officer	Benefits Overpayments Officer and Sundry Debtors	Continue to refer these cases on a regular basis	01 October 2015	31 March 2016	Referral of these cases recommenced on 14th October 2015	Complete
<b>Outstanding Risks Identified</b>									
7	Although outcomes from management checks are recorded on a spreadsheet, it is not to the level of detail that could help the council identify trends, patterns and areas for learning and development of the service.	Amend the management checking process to include a greater degree of detail which can help identify trends, patterns and areas for further learning and development. Develop and adopt a Quality Performance Strategy.	Benefits Training & Development Officer	Benefits Performance Officer & Service Manager	Review current process to establish whether sufficient information is being captured to provide a sufficient level of intelligence about HB caseload. Develop and adopt a Quality Performance Strategy.	31 March 2016	31 March 2016	Existing management check outcomes spreadsheet amended to capture additional information. Quality Performance Strategy being used by other similar sized Scottish Councils still under consideration.	Ongoing
8	The council has not met its in-year overpayments recovery targets since 2008/09. In addition, fraud overpayments and administrative penalties are not prioritised for recovery.	Revise 2015/16 Service Plan to include Targets of 60% of HB Overpayments recovered in quarter and 20% of overall HB overpayments recovered. Consider options to review fraud overpayment and administrative penalty recovery. Consider 'Deductions from Earnings' as an additional method of recovery.	Benefits Performance Officer	Benefits Overpayments Officer and Sundry Debtors	Set revised Service Plan targets for both measures and review performance against revised targets for Q4 period, (1 January 2015 to 31 March 2015). Implement consistent recovery rates for all tenures which are more in line with DWP recovery rates. Implement phased return to work for Benefits Overpayment Officer & Investigate potential for Sundry Debtors to increase priority for recovery of fraudulent overpayments and administrative penalties. Consider 'Deductions from Earnings' as an additional method of recovery.	31 March 2016	31 May 2016	Amended Service Plan Targets and proposed increase in HB Overpayment recovery rates discussed with Council Management Team Members of Rent Arrears Scrutiny Group. Benefits Overpayment Officer's long term absence managed under the Council's Managing attendance Policy. Increased recovery rates implemented for Public Sector HB cases as part of year end process. This will begin to achieve greater parity in recovery rates across all tenures in 2016/17. Impact of Council rent arrears collection will be monitored. Target setting will be reviewed as part of 2016/17 Service Planning.	Ongoing
9	Due to the limitation of the council's debt recovery system there is only limited analysis of overpayments data.	Establish extent of system limitations. Amend the management checking process to include a greater degree of detail which can help identify trends, patterns and areas for further learning and development which can reduce overpayments occurring and increase effectiveness of O/Payment collection.	Benefits Performance Officer	Benefits Training & Development Officer, Service Manager	Discuss systems limitations with Systems Team and software provider. Review current management checking process to ensure sufficient information can be captured to provide a sufficient level of intelligence about causes of HB overpayments.	31 March 2016	31 March 2016	Existing management check outcomes spreadsheet amended to capture additional information. Quality Performance Strategy being used by other similar sized Scottish Councils still under consideration.	Ongoing

**REPORT TO:** Policy Performance and Review Committee

**MEETING DATE:** 10 May 2016

**BY:** Depute Chief Executive (Partnership and Services for Communities)

**SUBJECT:** East Lothian Works

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**3**

## **1 PURPOSE**

- 1.1 To provide an evaluative summary of East Lothian Works activity reflecting particularly on the range of employability support, interventions, outcomes and progress achieved to date.
- 1.2 Raise awareness of various proposals for improvement/ areas for development to help reduce unemployment, particularly youth unemployment and help raise attainment in schools and particularly for those pupils more economically deprived.

## **2 RECOMMENDATIONS**

- 2.1 To note the contents of this report and acknowledge the wide range of interventions generally available to improve employability outcomes for individuals and communities across East Lothian.
- 2.2 Encourage ongoing joint evaluation across employability services, schools and education providers building on benchmarking and learning from best practice across the partnership and beyond to help support and guide improvements and lead to a reduction in inequalities across and within our communities

## **3 BACKGROUND**

### **STRATEGIC CONTEXT**

- 3.1 East Lothian Works, East Lothian's employability hub was established in April 2013 and brings together all employability-related services under the East Lothian *One Council Approach*. East Lothian Works is the central point of contact for employment advice and training and works

closely in partnership with a number of external partners including Queen Margaret University, Edinburgh College, Skills Development Scotland, DWP Job Centre Plus and a range of Third Sector Agencies.

- 3.2 In October 2014 East Lothian Council agreed to note the two-year review of the Council Plan and priorities for the remaining three years of the Plan, especially the priority: To reduce inequalities across and within our communities including
- Reducing unemployment, particularly youth unemployment and improving positive outcomes for school leavers, principally through the initiatives developed and supported by East Lothian works.
  - Also Raising attainment in schools, particularly for pupils from more economically 'deprived' areas, and providing a broader work based education experience through working with Edinburgh College and Queen Margaret University on initiatives such as the Academies

### **HEADLINE INDICATOR CHANGES**

- 3.3 Regional Skills Assessments, first launched in 2014 by Skills Development Scotland provides a single, agreed evidence base which to build future investment in skills. The data helps provide a framework for aligning Skills Development Scotland's investment in individuals and businesses and assists partners in their strategic and operational planning.
- 3.4 From analysis East Lothian's economic performance has undoubtedly improved. Gross value added (GVA) (£m) increased 9.0% from £1,318 in 2012 to £1,436 in 2013. GVA per worker increased by 5.4% from £27,600 to £29,100.
- 3.5 The number of businesses over 2013 -2014 increased by 2.2% from 3,230 to 3,300 and the profile of the workforce has changed with an increase in total employment of 2.9% for the same period. A reduction of 6.1% of those in professional occupations within this timeframe was also evident.
- 3.6 Total population over 2013 – 2014 increased by 0.7% and it is most encouraging that International Labour Organisation (ILO) figures for unemployed notably reduced by 27.6% (2,900 to 2,100) over the period 2013/14 to 2014/15.
- 3.7 Unemployment amongst 16 -24 year olds also significantly reduced from 502 to 254 or 49.4% over the period 2014 to 2015.
- 3.8 Workless households also reduced from 5,870 to 4,869 (17.1%) in the period 2012 and 2013, and modern apprentice starts increased 13.1% from 420 to 475 in the 2013/14 to 2014/15 period.

- 3.9 The overall population in East Lothian is considered relatively affluent, with the proportion of workless households falling, and below the Scottish and UK averages. The challenge in East Lothian is therefore to continue to meet the demands of growing sectors, embedding them more fully in the area, whilst meeting the needs of employers in more traditional sectors that remain a large proportion of the economy. Further increasing the number of jobs in the area, and attracting people to work in East Lothian, will help reduce effects of commuting to Edinburgh on the local economy

## **STRATEGIC SKILLS PIPELINE**

- 3.10 The Strategic Skills Pipeline (SSP) is used by all Local Authorities and is the framework within which the county's employability services are organised. It provides a route map of national and local provision to support people into employment through a five-staged process with individuals need at the core of this approach.
- 3.11 The rationale for adopting a pipeline approach is to facilitate more effective partnership working; to make better use of resources; to align our approach with national employability policy; to access funding and to ensure there is a strong linkage between people and jobs. **Appendix 1** outlines the pipeline in more detail and provides example of how resources from East Lothian Works are deployed; also how partner's contributions, are designed to support young people through employability fund provision. **Appendix 2** sets out in more detail the range of East Lothian Works interventions across the pipeline and includes several operational suggestions for taking forwards improvements as a result of ongoing evaluation.
- 3.12 Key strategic challenges and ongoing areas for development for East Lothian regarding utilising the potential of the pipeline are:
- The continued development of partnership working, particularly with the third sector
  - Improving our monitoring systems to ensure they are robust and effective and the data is used to inform strategic decision making
  - Continuing to improve the referral process throughout the local authority and with other providers.
  - Accessing European Social Funding and other external funding opportunities

## **DEVELOPING THE YOUNG WORKFORCE (DYW)**

- 3.13 In December 2014, Scottish Government published Developing the Young Workforce – Scotland's Youth Employment Strategy -

Implementing the Recommendations of the Commission for Developing Scotland's Young Workforce.

- 3.14 The complexity of delivering on DYW should not be underestimated. The strategic recommendations span the education and training system and call for more effective joint working between schools, colleges, training providers and employers across the board. The ultimate aim, to provide the best possible blend of learning for young people, to equip them for work and ultimately lead to a sustained reduction in youth unemployment.
- 3.15 The Developing East Lothian's Young Workforce (DYW) Group in East Lothian comprise key partners including East Lothian Works, Schools & Education Department, Skills Development Scotland, Edinburgh College, Queen Margaret University, Department for Work and Pensions and the Third Sector interface Strive. Partners have rigorously assessed their collective progress in terms of moving forwards implementation of the strategy over the first two and reported to the Sustainable Economy Partnership (SEP) in March of this year. SEP acknowledged the work ongoing in relation to evaluating progress of DYW noting that work plans and actions to date are in line with or ahead of timescales/ milestones set and that this is bringing about the needed cultural change across the range of organisations and agencies involved at both local and national levels.
- 3.16 SEP also recommended a number of suggestions for improvements for example, promoting My World of Work resource to primary schools and encouraging partner organisations to increase the number of work placements available. SEP also posed a challenge, the 'How do we know it's working' question, and reinforced the case for further joint evaluation, benchmarking and learning from best practice across the partnership and beyond to help support and guide improvement.

## **MONITORING AND MEASURING OUR PERFORMANCE**

- 3.17 Two key measures remain at the heart of skills and employability performance measurement and are determined by Scottish Local Authorities Economic Development (SLAED). Firstly, the numbers of unemployed people participating in Council funded or operated employability programmes and secondly, the numbers of unemployed people assisted into work from Council funded or operated employability programmes. Each are reported quarterly on AspireView.
- 3.18 Tables 1 and 2 over provide a summary of this key performance information to date:



<b>Number of unemployed people participating in Council funded or operated employability programmes</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>2013/14</b>	NA	232	181	260	673
<b>2014/15</b>	222	236	349	281	1088
<b>2015/16</b>	253	187	172	183	795

**Table 1: Number of unemployed people participating in Council funded or operated employability programmes**

<b>Number of unemployed people assisted into work from council funded or operated employability programmes</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>2013/14</b>	NA	35	28	54	117
<b>2014/15</b>	94	101	179	100	474
<b>2015/16</b>	72	45	42	50	209

**Table 2: Number of unemployed people assisted into work from council funded or operated employability programmes**

3.19 It is apparent that the number of people participating has reduced over the past year with a corresponding reduction in the numbers assisted into work. This is due to a number of reasons

- Systems and processes have become more robust thus there has been a reduction in double counting of clients
- An increase in targeted support for clients further from the labour market. These clients require intensive support for longer and are further from the labour market, making it much harder to obtain a positive job outcome. However, many are continuing to slowly move along the pipeline
- The conclusion of a large targeted employer recruitment incentive for local businesses to recruit unemployed young people had an impact on the number of people assisted into sustainable work
- A refocusing and realignment of specific services, such as a the previous Guideline and career guidance service resulting in less specific 1-2-1 time spent with clients at stages 4 and 5 in the pipeline.

- 3.20 Local authorities across Scotland also have concerns with the two SLAED indicators. Despite the guidance, it is apparent that local authorities are still interpreting this differently and are counting different services, programmes and therefore outcomes and a SLAED sub-group has been established to review this process.
- 3.21 Since 2013 strict attention has been given to how and what performance information East Lothian Works is capturing. There have been concerns with duplication (double counting of clients) with the systems used to collate client information. As a result a new Management Information System (MIS) Caselink has been procured. This has been rolled out and will be fully embedded for capturing performance information for 2016/17.
- 3.22 Key performance data continues to be collated and monitored across a number of Local Authorities including Midlothian, Angus, East Dunbartonshire, East Renfrewshire and Scottish Borders to enable comparison, identify best practice and support continuous service improvement.
- 3.23 To assist local authorities and schools to target resources effectively, Skills Development Scotland (SDS) provides information about school leaver destinations on an annual basis. The most recent report signals 91.9% of young people in the last leaver cohort (winter 2014 and summer 2015) have moved into a positive destination. Whilst this is a 0.3% reduction (2 young people) there has been an incremental upward trend in East Lothian for the preceding 5 years. This is shown in Table 3 below.

<b>SLDR statistics – Initial Positive Destinations trends</b>					
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
86.8%	88.9%	89.9%	91.4%	92.2%	91.9%

**Table 3: SLDR Figures 2009/10- 2014/15**

In partnership with Education Colleagues, Skills Development Scotland and other external partners, East Lothian Works has amassed significant level of detail regarding those young people in a negative destination and resource is currently being targeted to engage them further.

## **RESOURCING THE EMPLOYABILITY PIPELINE**

- 3.24 Aside from the local authority core funding, external funding has also enhanced provision of services in the pipeline. In particular, the Youth Employment Scotland Fund provided much needed funding to deliver a wage subsidy scheme to support the creation of sustainable job opportunities (including Modern Apprenticeships) within the private sector for unemployed 16-24 year olds. This has enabled the introduction and

creation of Modern Apprenticeships, Graduate Programmes and Paid Work Experience (Jobs Training Programme) across the local authority.

- 3.25 Opportunities for All funding is another example of where funding from Government is harnessed to target the hardest to reach in our communities. An annual grant award is used to support a programme of activity agreements with young people often the most challenging and vulnerable in our communities.
- 3.26 More recently the Scottish Employer Recruitment Incentive has been providing opportunities albeit with a sharper focus on young people with additional barriers to employment, such as care leavers, young carers, disability, lone parents, etc. While the sharper focus ensures those that require most help are able to access funding, the limited size of the programme does not make it as far reaching. 26 job opportunities were created in Phase 1, whilst Phase 2 only has grants for eight young people with additional barriers for the whole of 2016/17.
- 3.27 Strategic Intervention and Operational Applications have also been submitted to the Scottish Government to access the European Social and Investment Fund 2014-2020 for the following interventions:
- **Employability Pipeline** – providing additional funding to enhance and develop current pipeline delivery, ensuring a holistic person-centred approach is available to assist clients on their journey into employment
  - **Challenge Fund** – develop and deliver a scheme for local 3<sup>rd</sup> sector providers to deliver employability services to meet the needs of clients and ensure there are no gaps in employability provision.
  - **Employer Recruitment Incentive** - administer a small grant scheme for local private and 3<sup>rd</sup> sector organisations to create sustainable job opportunities for young people facing additional barriers to employment.

A decision is awaited on 31<sup>st</sup> May 2016 from Scottish Government and if successful the three operational programmes will help enhance and improve capacity across the range of employability and skills services currently delivered.

## 4 POLICY IMPLICATIONS

- 4.1 As per the East Lothian Community Planning Economic Development Strategy – Strategic Project, Develop More Sustainable Employment Pathways in East Lothian.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - none  
6.2 Personnel - none  
6.3 Other - none

## **7 BACKGROUND PAPERS**

- 7.1 The Scottish Government Economic Development Strategy  
<http://www.gov.scot/Topics/Economy/EconomicStrategy>
- 7.2 East Lothian Community Planning Economic Development Strategy  
[http://www.eastlothian.gov.uk/downloads/download/1831/east\\_lothian\\_economic\\_development\\_strategy\\_2012\\_-2022](http://www.eastlothian.gov.uk/downloads/download/1831/east_lothian_economic_development_strategy_2012_-2022)
- 7.3 Education Working for All – Commission for Developing Scotland’s young workforce final report  
<http://www.scotland.gov.uk/Publications/2014/06/4089/downloads>
- 7.4 Developing the Young Workforce – Scotland’s Youth Employment Strategy - Implementing the recommendations of the Commission for Developing Scotland’s young workforce  
<http://www.gov.scot/Publications/2014/12/7750/downloads>
- 7.5 Council Plan two year review  
[http://www.eastlothian.gov.uk/meetings/meeting/5500/east\\_lothian\\_council](http://www.eastlothian.gov.uk/meetings/meeting/5500/east_lothian_council)
- 7.6 Sustainable Economy Partnership (SEP) – Developing the Young Workforce update  
[http://www.eastlothian.gov.uk/meetings/meeting/5778/east\\_lothian\\_partnership-sustainable\\_economy\\_partnership](http://www.eastlothian.gov.uk/meetings/meeting/5778/east_lothian_partnership-sustainable_economy_partnership)
- 7.7 East Lothian Youth Employment Activity Plan  
<http://www.employabilityinscotland.com/policy-and-partnership/local-employability-information/>
- 7.8 2016 Regional Skills Assessment

<https://www.skillsdevelopmentscotland.co.uk/what-we-do/partnerships/regional-skills-assessments/>

**7.9 List of Appendices:**

**Appendix 1** East Lothian Strategic Skills Pipeline

**Appendix 2** East Lothian Works – Pipeline Interventions

<b>AUTHOR'S NAME</b>	Colin Forbes
<b>DESIGNATION</b>	Team Manager Employability
<b>CONTACT INFO</b>	<a href="mailto:cforbes@eastlothian.gov.uk">cforbes@eastlothian.gov.uk</a> Tel 01620 827851
<b>DATE</b>	28 April 2016



### East Lothian Strategic Skills Pipeline

- **Stage 1 – Registration, Assessment and Case Management** – This stage involves the initial referral and engagement and is the entry point into the employability pipeline for all clients. Initial meeting will involve checking eligibility and assessing the client's needs, assessing what provision is most suited to the client's circumstances, and agreeing the first steps of the pipeline journey (suitable stage and activity). An action plan will detail this information and information will be gathered via the Management Information System (Caselink). A Case Manager will be assigned to the individual and will maintain responsibility for the client's journey and ongoing engagement and support.
- **Stage 2 – Overcoming Barriers** - At this stage, clients require a significant level of support to help them to remain engaged and move forward in terms of meeting their educational, skills, personal and social development needs. Barrier removal often involves specialist provision and a wide ranging package of intensive, often prolonged, support tailored to the needs of the individual. This stage will identify and address barriers e.g. childcare, debt, addictions, criminal record, homelessness, confidence, motivation, core skills deficit, health, etc.
- **Stage 3 – Employability Training** – Stage 3 activity has a specific employability focus and are usually designed for clients who are closer to the labour market but require to brush up on their general employability skills, develop some sector specific skills and potentially gain some work experience in a workplace. Developing the clients employability skills would aim to improve skills in jobsearching, job application, and interview technique. Specific vocational training, work experience and volunteering activities.
- **Stage 4 – Work Focused Activity** – Activity at this stage are designed for clients who are job ready and require support to access appropriate employment. Activity will focus on employer support, engagement and job matching. This will involve supporting client's source vacancies through a range of employers, supporting employees through submitting CV's, application forms and preparing clients for real interviews. Individually tailored work experience placements designed to provide a realistic insight into the working environment, whilst providing ongoing support by Employment Support Workers. Jobmatching for young people to employers who receive a wage subsidy to employ the young people for 6 months.
- **Stage 5 – Inwork Aftercare and Workforce Skills Development** – This stage focuses on ensuring clients are able to sustain work, clients who have secured work will receive ongoing support through regular contact and reviews, any issues can be addressed and if further training is required this can be identified to ensure employment is sustained. Debt and money management advice will be available to support clients who have moved from benefits into work and may need ongoing support around managing money and debt. Vocational skills training for low skills and low waged employees. Specific training to up-skill around self employment and business start-up.

Stage 1: Engagement, Assessment and Referral	Stage 2: Needs Assessment & Barrier	Stage 3: Vocational Activity	Stage 4: Employer Engagement & Job Matching	Stage 5: In Work Support & Aftercare
<b>15+</b>				
Activity Agreements	Business Mentoring	Prevocational delivery		In Work Support Programme
Disability Transitions Service				
Early Intervention Programmes in Schools	Pre Yes Fund	ELC's YES Fund Paid Work Experience Programme (incl. Certificate of Work Readiness)		
		Community Benefits in Procurement		
Youth ESOL				
	Work Experience		Certificate of Work Readiness (Private Sector via ERI)	
		Pre Apprenticeship Support	Employer Recruitment Incentive (ERI)	
		Capacity and Confidence Building (Guideline Programme)		
		Guideline		
<b>Adults</b>				
Criminal Justice Team Awareness Raising	Pre Yes Fund	NOEL		In Work Support Programme
	Mini Noel	Community Benefits in Procurement		
		ELC's YES Fund Paid Work Experience Programme (incl. Certificate of Work Readiness)		
		Skills for Work (partnership with Edinburgh College)		
	FSF ICT Digital/Support	ICT Skills for Work, Digital/Support & SQA Units		
ALN (SQA Communication and Numeracy Units, Invigilation National 4 Mathematics)				
ESOL (including SQA Units)				
Adult Supported Employment Service				
		Pre Apprenticeship Support	Employer Recruitment Incentive (ERI)	
		Capacity and Confidence Building (Guideline)	Certificate of Work Readiness (Private Sector via ERI)	
		Guideline		



**East Lothian Strategic Skills Pipeline – Young People 16 – 24 yrs (post school)**

1 Referral/Engagement Activity Life and Personal Skills	2 Barrier Removal and Development Activity Core Skills	3 Vocational Skills and Work Focussed Training	4 Employer Engagement and Support – Job Matching/Broking	5 In-Work/Skills Development Aftercare
<p><b>Bridges Project</b> <a href="#">Engagement Programmes</a> <a href="#">Transitions Service</a> <a href="#">Homemaker</a></p> <p><b>Social Work</b> Adult Social Care Worker</p> <p><b>Real Jobs East Lothian</b> Transition Service for disabilities</p> <p><b>Throughcare Aftercare (TCAC)</b> Specialist support, e.g. homelessness</p> <p><b>RUTS</b> Motorcycle Project</p> <p><b>Rathbone X-Ceed</b> Service for vulnerable young people</p> <p><b>East Lothian Council (ELC)</b> <a href="#">Activity Agreements</a></p>	<p><b>Bridges Project</b> <a href="#">Engagement Programmes</a> <a href="#">Transitions Service</a> <a href="#">Homemaker</a></p> <p><a href="#">Literacy/Numeracy &amp; Personal Development Worker</a> <a href="#">Young Carers Service</a></p> <p><b>East Lothian Council</b> <a href="#">Learn2Work</a></p> <p><b>Skills Development Scotland (SDS)</b> <b>Skills Development Scotland</b> Career Coach/Work Coach</p> <p><b>ENABLE</b> <a href="#">Inspire Me Project</a></p> <p><b>Strive</b> <a href="#">Saltire Award</a></p> <p><b>Action for Children (Employability Fund Programme – EF)</b></p> <p><b>Barnardos Works (EF)</b></p> <p><b>Canongate Youth (EF)</b></p> <p><b>Midlothian Training Services (EF)</b></p> <p><b>Rathbone (EF)</b></p> <p><b>Right Track (EF)</b></p> <p><b>Street League (EF)</b></p> <p><b>Jobcentre Plus</b> Work Club Work Experience Flexible Support Fund (FSF)</p> <p><b>No 6 (Autism Initiatives)</b></p>	<p><b>Skills Development Scotland</b> Career Coach/Work Coach Individual Learning Account (ILA) <a href="#">My World of Work</a></p> <p><b>Bridges Project</b> <a href="#">Engagement Programmes</a></p> <p><b>East Lothian Council</b> Supported Employment Service for Disabilities: <b>15-20 &amp; 20+</b> <a href="#">Paid Work Experience</a></p> <p><b>Action for Children ( EF)</b></p> <p><b>Barnardos Works (EF)</b></p> <p><b>Canongate Youth (EF)</b></p> <p><b>Direct Partners (EF)</b></p> <p><b>Edinburgh College (EF)</b></p> <p><b>Limelight (EF)</b></p> <p><b>Maximize (EF)</b></p> <p><b>Mentor M.A. (Scotland) Ltd (EF)</b></p> <p><b>Midlothian Training Services (EF)</b></p> <p><b>Port of Leith (EF) &amp; Paid Work Experience</b></p> <p><b>Rathbone (EF)</b></p> <p><b>Right Track (EF)</b></p> <p><b>The Ridge (EF)</b></p> <p><b>Street League (EF)</b></p> <p><b>Training for Care (EF)</b></p> <p><b>Working Rite (EF)</b></p> <p><b>Jobcentre Plus</b> IES / Work Experience / Work Club</p>	<p><b>Skills Development Scotland</b> Career Coach/Work Coach Adopt an Apprentice Employer Recruitment Incentive (ERI) <a href="#">Our Skillsforce</a></p> <p><b>Bridges Project</b> Flexible Work Programmes</p> <p><b>East Lothian Council</b> Supported Employment Service for Disabilities: <b>15-20</b> <b>20+</b></p> <p><b>Action for Children (Employability Fund Programme – EF)</b></p> <p><b>Direct Partners (EF)</b></p> <p><b>Edinburgh College (EF)</b></p> <p><b>Maximize (EF)</b></p> <p><b>Midlothian Training Services (EF)</b></p> <p><b>The Ridge (EF)</b></p> <p><b>Training for Care (EF)</b></p> <p><b>Working Rite (EF)</b></p> <p><b>Jobcentre Plus</b> Disability Employment Adviser Work Placements Work Club Flexible Support Fund (FSF) Sector Based Work Academies (SBWA)</p>	<p><b>Skills Development Scotland</b> Career Coach/Work Coach Modern Apprenticeships <a href="#">Our Skillsforce</a></p> <p><b>East Lothian Council</b> Supported Employment Service for Disabilities: <b>15-20</b> <b>20+</b></p> <p><b>Bridges Project</b> Aftercare Support</p> <p><b>Jobcentre Plus</b> Work Placements Work Club Flexible Support Fund (FSF) Community Jobs Scotland</p> <p><b>Bright Green Business</b> <a href="#">Environmental Placement Programme (EPP) &amp; Step Programmes</a></p>



## **EAST LoTHIAN WORKS**

### **STRATEGIC SKILLS PIPELINE INTERVENTIONS**

#### **YOUTH EMPLOYMENT ACTIVITY PLAN**

The East Lothian Youth Employment Activity Plan (YEAP) reflects local partnership delivery arrangements and details referral routes for 16+ opportunities. The YEAP provides a simple route map highlighting local provision to support young people into employment through a staged process, at the core of which is the identification of individual need. This provision is mapped against the employability pipeline stages 1- 5 and gives practitioners throughout East Lothian key information to help them in their day to day contact with young people (aged 16 – 24) providing a clear picture of the range of services available. The guide is arranged to correspond with the pipeline approach to skills and employability as referenced in Scottish Government's *Youth Employment Strategy*.

*Lead* responsibility for the regular review of the YEAP sits with the Developing Scotland's Young workforce Strategy Group. The current membership is as follows:

- Skills Development Scotland
- East Lothian Council
- Job Centre Plus (DWP)
- Third Sector
- Edinburgh College

The YEAP is a living document and will be updated, monitored and evaluated on a regular basis to ensure that it supports the work of Opportunities for All in the East Lothian area.

#### **DYW REGIONAL INVEST IN YOUTH GROUPS**

Following the recommendations contained in Developing the Young Workforce – Scotland's Youth Employment Strategy Scottish Government established 13 regional groups to deliver employer engagement recommendations as set out in the strategy. DYW Edinburgh, East and Midlothian is a regional partnership involving Edinburgh Chamber of Commerce (lead partner), City of Edinburgh Council, East Lothian Council, Midlothian Council, Edinburgh College, Skills Development Scotland, East and Midlothian Chamber of Commerce and Federation of Small Businesses.

The overall principles of the partnership are to deliver an improvement in employers' engagement with schools and colleges in the region by encouraging and supporting more employers to actively collaborate with schools, colleges and other learning structures to better align skills supply and demand, delivering increased economic and societal impact from investment. Also to encourage and support employers to open up job and development opportunities to more young people and invest in their career development, stimulating increased economic growth, productivity, and earnings.

The 3 year programme is funded by a Grant of £954,000 over the 3 year life cycle from Scottish Government. Year 1: £378,000, Year 2: £298,000, Year 3: £278,000. It is important to harness this additional resource and scale of business engagement to bring about increased local benefit.

## **EAST LOTHIAN CONSTRUCTION ACADEMY**

East Lothian Council has been instrumental in starting and supporting the 'Academies Model' in partnership with Queen Margaret University and Edinburgh College where students can, as part of their Senior Phase options, study for qualifications in Hospitality and Tourism, Creative Industries, Food Science and Nutrition and Health and Social Care

Building on this a Scottish Futures Trust grant award of £300,000 will support the capital investment needed to refurbish a vacant property in the town centre area of Musselburgh to provide a Future Technologies Centre with focus on the Construction Sector and promoting Science, Technology, Engineering and Maths (STEM). The Centre will provide an additional local option for pupils in the Senior Phase across East Lothian and offer qualification opportunities in relation to future technologies and skills and traditional crafts, alongside development and enhancement of core skills and attitudes for employability.

Feedback from local and national employers, employability services and young people have identified a local skills shortage in this field. It is anticipated that the project will take 5 months to complete, starting on-site in February 2016, completing in July 2016 and will be delivered by East Lothian Council in partnership with Edinburgh College, East Lothian Schools, local and regional employers.

The Construction Academy will build on and enhance the curricular offer and in partnership help deliver the Scottish Government's Youth Employment Strategy and East Lothian's Developing the Young Workforce Action Plan. Locating the project in Musselburgh provides a real opportunity to improve the outcomes of young people in East Lothian's most deprived area and links with a targeted approach by community planning partners to focus on prevention and early intervention in this area. It is anticipated that skills shortages in this area will become more acute as significant capital investment in key infrastructure projects ('Edinburgh 20') and house building, 10,000 new homes in East Lothian over the next 10 years is made

## **FORT KINNAIRD RECRUITMENT & SKILLS CENTRE**

The Recruitment and Skills Centre (RSC) at Fort Kinnaird Shopping Centre supports Employers' current recruitment and staff development needs and also Jobseekers to gain and retain employment in the area. The RSC is a partnership with [British Land](#) (Fort Kinnaird) and the [Joined Up For Business](#) Partners including [Business Gateway](#), [Capital City Partnership](#), [City of Edinburgh Council](#), [Cyrenians](#), [East Lothian Works](#), [Jobcentre Plus](#), [Midlothian Council](#), and [Skills Development Scotland](#).

Our all-agency partnership provides a fully joined up service and allows a 'one stop shop' for all employers' recruitment and development needs. 40% of the footfall at FKRSC is from East Lothian residents compared to 50% from Edinburgh and 10% Midlothian. These percentages are also reflected in the increasing numbers of people being supported on to employment and the successful model is currently being developed across other similar sites in Edinburgh and Midlothian.

## **SUPPORTED EMPLOYMENT SERVICES**

East Lothian Works continues to support 57 people with either physical or learning disabilities or with a mental health issue, over the full range of stages on the Strategic Skills Pipeline. All are supported and involved in a variety of activities, with 11 in volunteer or work experience placements, 4 on training and 12 in paid employment, with 22 being supported to find jobs and the remainder at the early stages of engagement. Figures also include eight ASD clients, who are at various stages of the pipeline and East Lothian Works is an integral to the success of contributing to the delivery of East Lothian Partnership's Autism strategy.

Continuing the strong working relationships with Intowork and East Lothian Works, 122 disabled East Lothian residents gained benefits totalling £188,320 during the year 2015/16 on top of the £140,000 for 2014-15 that they would not normally have been made aware they were entitled to.

Numbers supported have reduced from 86 in 2014-15 and the with resource capacity diverted to focus attention on working with younger people at earlier stages of transition from schools. This earlier intervention has been much welcomed and plans are to continue and raise awareness of this freed up now additional quality resource in this area and to maintain an ongoing review of supported employment services engagement.

## **ENGLISH FOR SPEAKERS OF OTHER LANGUAGES**

Rates of retention remain high with some learners having commenced assessments for SQA units ensuring a high level of Individual Learning Account receipts to support provision. Targeted engagement of Syrian families in Musselburgh have resulted in them be welcomed by our Esolwithus group and this in addition to ongoing support offered in parallel

with their ESOL class. A pilot class in Dunbar to fulfil unmet demand has been a success and it is planned to be continued in 2016/17. Several learners have completed NOEL/mini NOEL and ALN Computing courses and there is a need for a Conversation class in Musselburgh, to run in conjunction with the established one in Haddington.

There is currently no ESOL presence in North Berwick and plans for the future include recruiting a volunteer tutor to lead the potential Musselburgh Conversation class, advertising extensively in the North Berwick area for our next assessment sessions in late August. Also the possible introduction of a study-skills type class for learners who would like to study for more than the current 2 hours per week and further progression from ESOL to ALN.

## **ICT SKILLS FRO WORK/ EMPLOYABILITY**

In early 2016 a decision was made by Department of Work and Pensions to cease the Flexible Support funding for the ICT Skills for Work programme. A total of 177 participants benefitted from the course from January 2013 to August 2015. Tutors delivering the course identified an employability skills gap in participants, therefore, a decision was made to continue providing employability courses which support learners to create their own CV, offer guidance with application forms and preparation for interviews. From October 2015 to March 2016 18 learners have engaged in the courses offered.

## **ACTIVITY AGREEMENTS**

At Stages 1 and 2 of the pipeline and typically for those young people aged 16 to 19 years who are furthest from the labour market, Activity Agreements (AA) continues to support young people including those young people with disabilities and mental health issues. In 2015 – 2016 we welcomed the Disability Youth Transition Service (DYTS) to our service, which is proving to be a big success both in schools and post school. Young people are supported towards positive destinations and possibly onto AA as a next step but still supported by the same worker for continuity. AA Young people are currently engaging in a variety of bespoke programmes to best address their needs. Services include personal development wilderness journeys; equine assisted therapy; green woodworking and bushcraft skills; counselling; literacy support, and aromatherapy.

In 2015-16 we converted 100% of AA referrals to Agreements with 62% of these to positive outcomes over the year. The addition of DYTS aims to address the profound multiple barriers which are at the moment restrict any move to employment or training for some clients.

From 1 April 2016 Scottish Government, informed by feedback from Trusted Professionals are now encouraging AA engagement in schools. This will enable us to set up a 3 phase approach to the programme so that targets are met in a timely manner (phase 1 engagement [pre AA]; phase 2 training; phase 3 transition). All the young people on AA are considered to have particular needs and many have significant hurdles to overcome in order to

access employment or engage with education or training. Many have poor mental health and many take medication to alleviate symptoms of ADHD; anxiety; disrupted sleep; psychosis, etc.

Plans for the future include embedding the merger of DYTS and AA, improve reporting and recording in a timely manner, delivering group sessions/training to both services by combined staff and making the suitability assessment process for services more robust to help reduce the numbers of young people considered to be in a negative destination.

## **PROMOTING SKILLS FOR WORK**

21 learners attended Early Education & Childcare and Introduction to Health & Social Care courses over the period in 2015 with almost all reporting improved outcomes in relation to their employment or further courses of accredited learning. Already in 2016 there are 22 learners attending Early Education & Childcare with 8 learners attending Introduction to Health & Social Care courses in Musselburgh East Community Learning Centre.

It is intended to introduce this course structure to other skills for work vocations in particular retail and tourism & Hospitality with further plans for Early Education & Childcare and Introduction to Health & Social Care courses starting August/September 2016.

I.T Skills for Work courses continue in Haddington and Musselburgh with a short course offered in Wallyford due to high demand. A total of 31 learners registered with 13 learners achieving their SQA unit Information Communication Technology SCQF Level 3. It is planned to advertise additional courses in North Berwick and Dunbar areas and to promote and extend provision to local businesses.

## **COMMUNITY BENEFITS IN PROCUREMENT**

As a key area of work prioritised necessary to support the implementation of Developing the Young Workforce, the East Lothian Works review of adult supported employment services enabled a further dedicated resource to support this activity.

Community Benefits in Procurement provides a vital contribution to DYW and a range of local and well known companies including Hart Builders, Clark Contracts, British Gas, Hamilton Waste & Recycling, Bateleys, Wm Coates, Campbells Meat, Allan-Ross, Midlothian Physiotherapy, A G Thomson amongst others all continue to provide much valued employment related opportunities in addition to the services they are contractually obliged to deliver. These opportunities are available to a wide audience, both youth and adult services, internal to East Lothian Council and across the partnership.

## **NEW OPPORTUNITIES EAST LOTHIAN (NOEL)**

This longstanding and widely recognised project helps remove the barriers to returning to employment or starting employment for the first time. Participants are engaged in a short course to help build their personal confidence to learn, help them develop IT skills and provides qualifications for those who have few or no recognised qualifications (e.g. SQA units in employability, communication and numeracy/certificated emergency first aid and food hygiene).

Of the 11 participants who just finished the Musselburgh course (which covered Prestonpans, Tranent and Musselburgh) in March 2016., 10 achieved SQA Building Own Employability Skills (9 at SCQF Level 4 and 1 at Level 3), Elementary Food Hygiene and Emergency First Aid certificated courses. 3 have also gained employment with 4 continuing in work placements. 5 have continued their learning in an Adult literacy and numeracy group working towards an SQA in Communication. Currently planning a further course in Haddington for the first time with 10 participants supported with travel from North Berwick, Haddington and Dunbar, as well as Musselburgh.

Acknowledging the potential gap of individuals who are further away from the job market than NOEL participants but who would benefit from confidence building and some aspects of the NOEL course and following discussion with Job Centre+ plans include holding an information session at the end of April where 16 people are expected to attend. We will then look to establish what needs there are and whether we can offer a pre- NOEL course and possibly in conjunction with Supported Employment. Also to promote a 'male only' NOEL and to provision in Musselburgh and targeting participants from the west of county.

The most recent course evaluation makes recommendation to keep the same format for the next main NOEL course, to continue with involvement of Work Experience Co-ordinator to co-facilitate and source placements, to use an ALN volunteer to assist the development officers as this provided valuable additional support. Also, Mini NOELs – to ensure that participants have a certain level of English in order to fully benefit from the course, the potential to offer a follow up course for some ESOL mini NOEL participants to further develop their employability skills and to continue to improve administration of project (especially with regards to the SQA element).



**Policy and Performance Review Committee: Annual Work Programme 2015/16 (3<sup>rd</sup> May 2016)**

Date	Performance Monitoring/ Inspection Reports	Other Reports / Reports Requested by Members
10 <sup>th</sup> May 2016	Housing Benefit Performance Risk Audit Report	Update on East Lothian Works Presentation on Keystone Report on Core Paths and Cycleways
21 <sup>st</sup> June 2016	Q4 Performance Indicators Customer Feedback Annual Report	Report on Fly-tipping Report on Literacy Levels (including writing and communications) Impact of Universal Credit on Rent Arrears
14 <sup>th</sup> September 2016	Q1 Performance Indicators Draft Annual Performance Report Social Work Complaints and Feedback Annual Report Adult and Child Protection Annual Monitoring Report	Report on Delayed Discharge

Report on Community Payback (no date)