

Scrutiny Committee
28 February 2011

IRVINE, 28 February 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

John Hunter, Anthea Dickson, Andrew Chamberlain Alex Gallagher, Anthony Gurney, Jean Highgate, Pat McPhee and Alan Munro.

Also Present

Tom Barr, John Ferguson and Margaret McDougall.

In Attendance

I. Mackay, Solicitor to the Council, I. Colvin, Corporate Director and O. Clayton, Head of Community Care and Housing (Social Services and Health), A. Herbert, Corporate Director, Y. Baulk, Head of Finance and N. Dowling, Internal Audit Manager, A. Kirk, Manager Design and Property and J. Steadman, Energy Officer (Finance and Infrastructure), J. Leckie, Head of Community and Culture (Education and Skills); A. Osborne, M. Adams and S. Bale, Policy and Performance Officers and A. Little, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Hunter in the Chair.

Apologies for Absence

Matthew Brown and David Munn.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16.

2. Minutes

The Minutes of the previous meeting of the Committee held on 14 February 2011 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973, subject to the following amendment:-

- 4.4 "the benefit **that Social Services believe has been received** in developing a robust SLA to set down the roles and responsibilities of each Service".

3. Call-In: Community Warden Service

Submitted report by the Chief Executive on a call in request in relation to a decision taken by the Executive at its meeting held on 18 January 2011 on the above matter.

At its meeting on 18 January 2011, the Executive of North Ayrshire Council received a report by the Corporate Director (Social Services and Health) on proposals for the future location and deployment of the Community Warden service. The Executive agreed to approve Option 2 for the location and deployment of Community Warden teams, as described in Section 2.6 of the report and illustrated in Appendix 2.

At its meeting on 31 January 2011, the Scrutiny Committee considered a call in request in relation to the decision taken by the Executive. After discussion, the Committee agreed to scrutinise the decision of the Executive.

Councillors McNicol and Gibson addressed the Committee in support of the call-in.

Councillor T. Barr was also present as the relevant portfolio holder. In response, he advised that it was the view of the Executive that the matter was within its terms of reference. On 14 December 2010, the Executive examined the options presented and agreed that a report exploring a range of options for the future delivery of the Warden Service be submitted to a future meeting.

Councillor Barr sought advice from the Solicitor to the Council on whether this item was within the remit of the Executive. The Solicitor to the Council advised the Committee that it was his view that it had been competent for the Executive to have considered the report in terms of Parts 7, 8, 9 and 43 of Section 3 of the Scheme of Administration.

Councillor Gurney sought advice from the Solicitor to the Council on whether the Council should have progressed the budget process, in light of the call in of this item. The Solicitor to the Council advised the Committee that the call in was in relation to the operational aspect of the service and it was appropriate for the Council to progress the budget process.

Councillor Ferguson addressed the Committee in support of the decision of the Executive. He referred to the recent multi-agency initiative that had taken place in Pennyburn to address crime and antisocial behaviour and asked that the Committee did not revert to the proposals contained in the report to the Executive of 14 December 2011, to withdraw the service from Pennyburn, Kilwinning.

Discussion took place on:-

- The reasons for the officers being requested to provide further options;
- The overall purpose of the service to focus mainly on community safety and public reassurance linked to community engagement and support;
- The role of Community Wardens and the Review's findings that Wardens should not have an enforcement role, or patrol in town centres;
- The creation of a mobile team covering Ardrossan, Saltcoats and Stevenston;
- The evaluation by the Consultants on the appropriate locations for the service;
- The anticipated savings in travel and staff downtime by basing the mobile team in Saltcoats; and
- The dilution of the service which was likely to occur if the geographical areas proposed were expanded.

Members asked questions and were provided with information in relation to:-

- The mapping exercise that produced heat maps highlighting hotspots of community safety issues;
- Factors that determine Community Warden staffing levels, including geographical, shift patterns and staff pairings;
- The establishment of a Member/Officer Steering Group to agree the detailed brief for a review of the Community Warden Service and to oversee the progress of the review;
- The approximate Consultant costs of £17,000;
- The overlapping timeline of the Review undertaken by the Consultant and the budget exercise to identify efficiencies;
- The use by the Member/Officer Steering Group of the Consultant's report to inform the budget exercise;
- The view of the Member/Officer Steering Group that the Consultant be advised of the budget exercise and the savings required;
- The various models considered by the Steering Group; and
- The monitoring and evaluation framework that will be put in place for the new model;

Councillor Gurney, seconded by Councillor Hunter, moved that the Committee agree to recommend to the Executive that the report be referred to the Council for consideration.

As an amendment, Councillor Gallagher, seconded by Councillor Chamberlain, moved that the Committee endorse the decision of the Executive

On a division, there voted for the amendment 6 and for the motion 2, and the amendment was declared carried.

Accordingly, the Committee agreed (a) not to scrutinise further the decision of the Executive taken on 18 January 2011, to approve Option 2 for the location and deployment of Community Warden teams, as described in Section 2.6 of the report and illustrated in Appendix 2; and (b) that the Corporate Director (Social Services and Health) provide information to Members on the anticipated savings as a result of basing the mobile team in Saltcoats.

4. Revenue Budget 2010/11: Budgetary Control Statement

Submitted report by the Corporate Director (Finance and Infrastructure) on the budgetary control position for the Council at the end of November 2010.

The Revenue Budgets for 2010/11 were approved at a Special Meeting of the Council held on 11 February 2010. The Council budgeted for a General Services surplus of £0.390m in 2010/11, allowing for in-year flexibility. A reduction of £0.157m in a savings measure for the Children's Outreach Service was subsequently approved. However, following a review of the costs of the service, it was established that the full savings could be achieved in-year and, therefore, the £0.157m from flexibility would no longer be required.

At a meeting on 30 June 2010, the Council agreed to maintain an uncommitted balance of 1.5% of its gross revenue expenditure. The final accounts for 2009/10 reflected an uncommitted balance of £4.535m at 31 March 2010, which was within the parameters established. Current indications for the final out-turn for 2010/11 suggest that a net in-year surplus of £5.800m will arise by 31 March 2011. In terms of the Council's policy on uncommitted balances, any resources in excess of the 1.5% will be earmarked for specific purposes related to service reform and a report presented to the Council on completion of the statutory accounts.

The final accounts for 2009/10 reflected a Housing Revenue Account surplus of £3.672m, with a surplus of £1.780m projected for 2010/11.

Explanations for significant variances were set out in the report and its appendices. Action will be required to address any potential overspends where these exist, excluding those issues which the Council has previously agreed to meet from balances.

The Committee was advised that future reports will provide a breakdown of planned income.

Members asked questions and were provided with information in relation to:-

- A future report on the Streetscene Service; and
- Savings within Social Services and Health as a result of outsourcing parts of the Care at Home service, the closure of two residential homes, redeployment of staff and delays in service users with learning disabilities being discharged from hospital.

Noted.

5. Capital Monitoring to 30 November 2010

Submitted report by the Corporate Director (Finance and Infrastructure) on the position at 30 November 2010.

At its meeting on 23 November 2010, the Executive approved revisions to the Capital Plan for the years 2010 to 2013. A further report on 14 December 2010 gave detailed estimates of the 2010/11 out-turn, identifying a net projected overspend at that time of £0.205m.

Movements in budgets between 30 September and 30 December 2010 were outlined in Appendix 1 to the report. The report also gave details of full-life underspends which have been identified in relation to the construction of 2 new children's units, the effect of which has been to reduce the overall net projected overspend to £0.006m.

The report provided information on the level of the budgets within Capital and the Major Revenue Projects as at 30 November 2010, taking into account movements since the report submitted to the Executive at its meeting on 23 November 2010. Actual expenditure to 30 November 2010 amounted to £10.601m, or 39.3%, of the revised annual budget for 2010/11 of £29.976m. This compares with an actual spend of 55.4% for the same period in 2009/10. Details of actual spend by project against the revised budget for 2010/11 were set out in Appendix 2. Income for 2010/11 was estimated at £8.7m and mainly comprises capital grants.

Actual expenditure in terms of major revenue expenditure to 30 November 2010 amounted to £2.454m or 34% of the revised annual budget for 2010/11 of £7.209m. Details of actual spend by project were set out in Appendix 3 to the report.

In relation to the Housing Revenue Account, actual expenditure to 30 November 2010 totalled £12.451m, or 46.3%, of the annual budget of £26.867m, compared to an actual spend of 44.3% the same period in 2009/10. Details of the annual budget for 2010/11 and expenditure to 30 November 2010 were provided in Appendix 4 of the report. Income from the sale of Council houses in the period to 30 November 2010 amounted to £1.094m, or 42.4%, of the annual budget of £1.9m.

Members asked questions, and received clarification, on:-

- The achievement of savings in the Pennyburn and Redstone Children's Unit projects as a result of improved procurement practices;
- The projection of income from the sale of Council houses, based on the information available at the time; and
- The work of the Capital Working Group in bringing projects forward in order to progress and achieve the capital expenditure targets.

Noted.

6. Internal Audit Update Report

Submitted report by the Corporate Director (Finance and Infrastructure) on the internal audit work carried out since 1 October 2010.

The Council's local Code of Corporate Governance requires effective arrangements to be in place for the objective review of risk management and internal control. The Internal Audit Section reviews internal controls and provides an objective and independent appraisal of how effectively resources are being managed.

At its meeting on 11 October 2010, the Scrutiny Committee received an update report highlighting the outcomes from Internal Audit work for the period up to 30 September 2010.

Since September 2010, a number of internal control reviews have been completed. The results of each Internal Audit assignment have been notified in writing to the relevant Corporate Directors and service managers and, where appropriate, action plans detailing recommendations for improving internal control have been produced. Executive Summaries and Action Plans for each of the areas reviewed were appended to the report. Full copies of audit reports have been provided to the Scrutiny Committee Members, redacted where appropriate.

Members asked questions and were provided with information in relation to:-

Advance Payments in Social Services and Health

- Prepayments which resulted in the manipulation of the budgetary position to show future expenditure in the current financial year, and appropriate budget corrections undertaken;
- The culture of prepayments in the belief that it protected future budgets and resulted in additional funds for the coming financial year;
- The management investigation undertaken and appropriate actions put in place to ensure compliance with financial procedures, including Social Services and Health and Finance meetings, joint training by Finance and Social Services and Health, and work underway to provide a comprehensive staff handbook; and
- The financial authority of Social Services Managers and the provision of clarity on the level of financial delegation within Social Services and Health.

Payments to Key Housing Associations

- Financial corrections required to include the payment in the list of prepayments;
- An investigation that found no personal connection between the staff authorising, and the businesses receiving payments;
- The appropriate Human Resource actions in respect of the staff concerned; and
- Full recovery of the funds paid to the Housing Association.

Alleged Misuse of Council Funds at Rosemount

- The legal advice that payments may be made in exceptional circumstances;
- The requirement that any future payments would require to be authorised by the Corporate Director or Head of Service; and
- Steps taken to ensure reconciliation of petty cash vouchers with receipts.

The Committee (a) noted the position on the audit reports referred to above; and (b) agreed to continue consideration of the remaining reports to their meeting on 14 March 2011.

7. North Ayrshire Council's Actions Towards Energy Efficiency

Submit report by the Corporate Director (Finance and Infrastructure) on the Council's actions and performance in relation to Audit Scotland's Report "Improving Energy Efficiency – A follow-up report," of December 2010.

In December 2008, Audit Scotland published a report subsequent to an audit of how the public sector was improving its energy efficiency. A follow-up report was published in December 2010 following a further audit. Audit Scotland's report comprises three main sections, energy use, improving energy efficiency and the CRC Energy Efficiency Scheme. The key messages of each of these sections was detailed in Appendix 1.

In support of existing initiatives, work will also be undertaken in relation to:-

- Issuing energy saving advice to commercial tenants when leases are renewed;
- Ensuring recommendations of Energy Performance certificates are considered when improvement or refurbishment works are being carried out; and
- Working to overcome difficulties with delegated budgets which deter CEEF expenditure on schools.

Members asked questions and were provided with information in relation to:-

- Plans to use split electricity meters within PPP schools and their recreational facilities to provide accurate information on energy usage and enable efficiencies to be introduced; and
- The use of energy saving measures in new build and during refurbishment of Council buildings.

Noted.

8. Roles And Working Relationships: Are You Getting It Right? (Audit Scotland August 2010)

Submitted report by the Chief Executive on the key issues raised in Audit Scotland's report.

At its meeting on 18 January 2011, the Executive considered a report by the Chief Executive on the key issues raised in Audit Scotland's report and agreed that the Chief Executive prepare a programme of activity in response to the issues raised in the report, for consideration at a future meeting.

The report, prepared by Audit Scotland for the Accounts Commission, forms part of the new "how councils work" series of reports which aims to stimulate change and improve performance. The report examined how well councillors and officers work together and included information from Audit Scotland's Best Value audit work in all 32 councils, as well as interviews with a sample of 60 councillors from across 6 councils of varying size, geography and political control.

The key messages arising from the report are:-

- good working relationships are central to good performance;
- councillors and officers generally understand their roles and responsibilities, but there can be difficulties in practice;
- governance arrangements that are fit for purpose and up-to-date are critical in clarifying roles, responsibilities and expected behaviour;
- statutory officers have a vital role in supporting good governance and decision-making; and
- councillors need to ensure they have the skills and tools to carry out their complex and evolving role.

Sections 2.5 - 2.26 of the report explored each of these key messages in more detail and set out a series of points for action for both councillors and councils in relation to each key message.

Members asked questions and were provided with information in relation to:-

- The attendance and role of senior officers at the Scrutiny Committee;
- The report's intention to stimulate discussion among councillors and officers that will lead to change and improvement;
- The opportunity for the Scrutiny Committee to contribute to the preparation of the programme of activity; and
- The information requirements of the Committee and work to develop a secure site for Members to access the full range of Internal Audit reports.

Noted.

9. Annual Equality Report 2009/10

Submit report by the Chief Executive on the Annual Equality Report and equality developments during 2009/10.

The Scrutiny Committee on 30 November 2009 approved the Council's Annual Equality Report for 2008/09 and agreed to continue to review performance in the delivery of the equality improvement agenda.

The Annual Equality Report 2009/10 provides information on the Council's performance in promoting equality and implementing the public sector equality duties over the period April 2009 to March 2010. The report highlights some key achievements during the year and analyses the quality monitoring information gathered. A summary of the annual report was attached at Appendix 1.

The report provided information on:-

- The establishment of a Corporate Equality Group to oversee the implementation of equality work within services and receive quarterly reports on developments;
- The development of further action on preventative work and on public awareness raising campaigns in conjunction with the White Ribbon Scotland campaign; and
- The recognition by Audit Scotland in a recent Shared Risk Assessment, of the Council's work in promoting equality.

The Equality Act 2010 introduces new requirements on public authorities which will have implications for how the Council develops and reports on this performance in the future. In order to meet some of the key elements of the new duties it is proposed that the minutes of the Corporate Equality Group be submitted for information to the Executive to monitor progress in this work.

Members asked questions and were provided with information in relation to:-

- The draft Best Value 2 (BV2) Audit that highlighted the progress the Council has made in promoting equalities and the insufficient measures in the Single Outcome Agreement to demonstrate that they are making progress across their intended outcomes in this theme.

Noted.

10. Urgent Item

The Chair agreed that the following item of business be considered as a matter of urgency in order to update Members.

10.1 Review of Community Facilities and Libraries

The Committee was advised of a request from local representatives for a meeting with officers of the Council to discuss the future of both Fairlie Village Hall and Dalry Library and Housing.

The Committee noted that these meetings would not take place until the Call In process in relation to the Review of Community Facilities and Libraries has been concluded.

The meeting ended at 4.25 p.m.