Audit and Scrutiny Committee

A Meeting of the **Audit and Scrutiny Committee** of North Ayrshire Council will be held in the **Council Chambers**, **Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 10 September 2019** at **10:00** to consider the undernoted business.

1   Declarations of Interest
Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

2   Minutes
The accuracy of the Minutes of the Ordinary Meeting of the Audit and Scrutiny Committee held on 18 June 2019 and the Special Meeting held on 27 June 2019 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copies enclosed).

3   HSCP Budget Monitoring
Submit report by Caroline Whyte, Chief Finance and Transformation Officer on the projected financial outturn for the financial year as at June 2019 (copy enclosed).

4   Early Learning and Childcare Update
Submit report by the Interim Executive Director (Communities) on progress with the expansion of Early Learning and Childcare (copy enclosed).

5   School and Early Learning and Childcare Inspections Annual Report 2018/19
Submit report by the Interim Executive Director (Communities) on the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2018/19 (copy enclosed).

6   Seafield House, Ardrossan
Submit report by the Executive Director (Place) on the actions taken by Planning Services to date in respect of Seafield House, Ardrossan (copy enclosed).

7   Annual Assurance Statement to the Scottish Housing Regulator 2018/19
Submit report by the Executive Director (Place) on the Council's Annual Return on the Charter 2018/19 submission and endorsement of the Annual Assurance Statement (copy enclosed).

8   Councillor Development
Submit report by the Head of Democratic Services on the development sessions provided to Councillors to 30 June 2019 and on future planned sessions (copy enclosed).

9   Audit and Scrutiny Self Evaluation
Submit report by the Chief Executive on the outcome of the self-evaluation of the Audit and Scrutiny Committee undertaken as part of the improvement actions identified in the External Audit Interim Report 2018/19 (copy enclosed).

10   Complaint Report 2018/19
Submit report by the Head of Democratic Services on the Council's complaint performance and the volume and trends of complaints received in 2018/19 (copy enclosed).

11   Planning for EU Exit
Submit report by the Head of Democratic Services on Council planning arrangements in relation to a no-deal EU exit (copy enclosed).

12   Internal Audit and Corporate Fraud Action Plans: Quarter 1 Update
Submit report by the Executive Director (Finance and Corporate Support) on progress made by services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 June 2019 (copy enclosed).

13   Internal Audit Reports Issued
Submit report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between May and July 2019 (copy enclosed).

14   Urgent Items
Any other items which the Chair considers to be urgent.

15   **Exclusion of the Public - Para 1**
Resolve in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraph 1 of Part 1 of Schedule 7A of the Act.

Non Disclosure of Information
In terms of Standing Order 19 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

16   **Corporate Fraud Reports Issued**
Submit report by the Executive Director (Finance and Corporate Support) on the finding of the corporate fraud investigations completed between May and June 2019 (copy enclosed).

17   **Corporate Fraud Report Timeline Update**
Submit report by the Executive Director (Finance and Corporate Support) on an update to a Corporate Fraud report (copy enclosed).

Audit and Scrutiny Committee Sederunt

Marie Burns (Chair) Margaret George (Vice Chair) Joy Brahim Alan Hill Tom Marshall Donald Reid John Sweeney	Chair: Apologies: Attending:

Audit and Scrutiny Committee
18 June 2019

IRVINE, 18 June 2019 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present
Marie Burns, Joy Brahim, Tom Marshall, Donald Reid and John Sweeney.

In Attendance
C. Hatton, Chief Executive, L. Friel, Executive Director and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); C. Whyte, Chief Finance and Transformation Officer (Health and Social Care Partnership); R. McCutcheon, Head of Service (Commercial) (Place); A. McClelland, Head of Service (Learning, Teaching and Curriculum) (Education and Youth Employment); C. Mcauley, Head of Service (Economic Growth) (Economy and Communities) and A. Fraser, Head of Democratic Services, N. Sugden, Policy and Performance Officer and A. Little, Committee Services Officer (Chief Executive's Service).

Also In Attendance
Pat Kenny (Deloitte).

Chair
Councillor Burns in the Chair.

Apologies
Margaret George.

1.   Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

2.   Minutes

The Minutes of the meeting of the Audit and Scrutiny Committee held on 28 May 2019 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3.   External Audit Interim Report

Submitted report by the Executive Director (Finance and Corporate Support) on the findings from the External Audit Interim Report for 2018/19. Appendix 1 to the report detailed the audit findings and action plan from the report. A report on sector developments was attached at Appendix 2 to the report.

The Committee was provided with a revised page 21 of Appendix 1 to the report and advised that this would be uploaded to the Council's website.

The Committee agreed to note (i) the audit findings and action plan from the External Auditor's Interim report and (ii) the sector developments as outlined in the External Auditor's Sector Developments report.

4. Local Government in Scotland: Challenges and Performance 2019

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of the recent Audit Scotland national report, Local Government in Scotland: Challenges and Performance 2019. A summary of the key messages and recommendations was attached at Appendix 1 to the report.

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

- the Transformation Think Tank which has been established to develop a pipeline of initiatives to will help the council address its future funding challenge, share best practice and generate innovative ideas;
- work underway to streamline the governance for transformation projects across the Council ensuring that this is robust and accountable with regular reporting to the Chief Officer Leadership Team; and
- the roll out of "Consul" a new tool for community conversations and briefings for Members that can be provided by the Head of Service (Connected Communities).

Noted.

5. Performance End of Year 2018/19 Council Plan/Directorate Plan

Submitted report by the Chief Executive on the end of year 2018/19 Council Plan/Directorate Plan Performance reports. Appendix 1 to the report provided a status summary from April 2018 to March 2019 for each of the 31 performance measures. The Council Plan Exception Report for those measures adrift of target were outlined at Appendix 2. The Directorate performance reports were attached at Appendices 3 – 8 of the report and provided more narrative about the 2018/19 performance of Directorates to deliver the strategic priorities of the Council Plan.

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

Democratic Services

- a report on Brexit that will be presented to the Audit and Scrutiny Committee in September 2019;
- lessons learned from the European Elections;
- further details that will be provided to Members on the European electors issued with Poll Cards;
- 97.5% of invoices processed by Democratic Services and forwarded to Finance for payment that were paid within 30 days;

- ongoing work by Connected Communities that will assist in improving the percentage of respondents who agree that Locality Partnerships are helping to address local issues and local inequalities; and
- the low absence level within Democratic Service when compared to other services that can be partly attributed to the workforce being office-based and having facilities to work from home.

Finance and Corporate Support

- the migration of staff from Lotus Notes to O365 that will be completed in July 2019 and the phased migration of Elected Members to O365 that is underway;
- the Blue Wave of Change Leadership programme that challenges the current model of working, encourages collaborative working, a culture of innovation and creativity which in turn will support the Council's transformation agenda;
- the national Benefits system that is used across Scotland and work that will be undertaken to simplify the system for clients;
- issues with the Lagan system that will be investigated to ensure actions are not closed off until they have been completed; and
- continued work to encourage the take up of Ebilling.

Economy and Communities

- the range of supports provided to modern apprentices and the fact that approximately 70-80% move onto full time employment;
- the national trend of decreasing footfalls in town centres;
- further details of town centre footfalls and the location of the footfall trackers that will be provided to Members;
- the national tourism survey results which are compiled from returns completed by tourist operators;
- the COIG - progress with the route development and work on the marketing and app that is underway; and
- plans that are underway for the wind up of Better Off North Ayrshire in March 2020.

The Committee congratulated the Service for the success in securing the Ayrshire Growth Deal and additional funding for local communities.

Education and Youth Employment

- a range of supports for ASN pupils, including an Inclusion Group and a Strategy that is in place for schools;
- a review of the Quality Improvement Framework that is underway and will increase the focus on school empowerment; and
- an Early Years Update Report that will be presented to Committee in September.

Place

- unsightly gap sights that can be left following demolition of buildings;
- detailed plans and programmes that are in place for Council developments to minimise the length of time sites remain in an unsightly condition; and

- extensive consultation which takes place with the public and interested parties and which exceeds the recommended guidelines.

The Committee congratulated the Service for the prompt responses they provide to service requests.

Health and Social Care Partnership

- the repayment of £0.668m towards the £1.5m debit to the Council during 2018/19, with the remainder to be repaid in future years;
- continuing work to reduce the levels of delayed discharges; and
- a range of factors that can impact on the number of days people spend in hospital when they are ready to be discharged.

The Committee agreed (a) that the Executive Director (Economy and Communities) provide further details of town centre footfalls and the location of the footfall trackers to Members; (b) that the Head of Service (Learning, Teaching and Curriculum) provide an Early Years Update report to the Committee meeting in September 2019; and (c) to otherwise note the report.

The meeting ended at 12 noon

Audit and Scrutiny Committee
27 June 2019

IRVINE, 27 June 2019 - At a Special Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present
Marie Burns, Margaret George, Alan Hill, Tom Marshall, Donald Reid and John Sweeney.

Also Present
Joe Cullinane, Robert Barr, Timothy Billings, Anthony Gurney, Ellen McMaster, Ronnie McNicol and Davina McTiernan.

In Attendance
C. Hatton, Chief Executive; R. McCutcheon, Head of Service (Commercial Services), C. Dempster, Senior Manager, J. Godwin, Business Development Manager and L. Cree, Senior Manager (Physical Environment) (Place); C. Amos, Head of Service (Inclusion) (Education and Youth Employment) and A. Fraser, Head of Democratic Services, M. Sugden, Communications Officer and A. Little, Committee Services Officer (Chief Executive's Service).

Chair
Councillor Burns in the Chair.

Apologies
Joy Brahim.

1.   Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

2.   Call In: Ardrossan Community Hub - Proposed Development of new Education and Community Provision in Ardrossan

Submitted report by the Chief Executive on a Call In Request received in respect of the decision taken by Cabinet at its meeting on 11 June 2019 that the principle of a multiple facility community campus at Ardrossan North Shore be further developed as the preferred solution to secure a much-needed replacement for Ardrossan Academy and Winton Primary School. A copy of the Cabinet report was provided at Appendix 1 to the report and a briefing paper from the Services at attached at Appendix 2.

At its meeting on 11 June 2019, the Cabinet received a report by the Head of Service (Education and Youth Employment) on the pre-consultation engagement activities undertaken, early public feedback in respect of the proposal and a petition in respect of the proposed relocation of leisure facilities. The school pre-consultation responses and the wider community pre-consultation responses were set out as appendices to the report.

The Cabinet agreed that (a) the principle of a multiple facility community campus at Ardrossan North Shore be further developed as the preferred solution to secure a much needed long-term replacement for Ardrossan Academy and Winton Primary School; (b) the relocation of Auchenharvie swimming pool to the proposed campus be subject to further community engagement during August to determine a definitive position for consideration at the September 2019 meeting of the Cabinet; (c) the consultation framework be co-produced with key stakeholders; and (d) subject to a clear indication of Scottish Government funding and completion of the formal business case for a community campus, statutory public consultation would commence in October 2019.

Subsequently, a Call In request was received from Councillors McNicol, Billings and Barr in the following terms:-

Reason for Call in

"No decision on the proposed site for the replacement of Ardrossan Academy and Winton Primary School at Ardrossan North Shore be considered until a full and final Risk Assessment for land contamination on the whole site has been completed and presented to the Full Council for consideration."

Desired Outcome

"The decision on the preferred site for the replacement of Ardrossan Academy and Winton Primary School be referred to the Full Council for Determination."

The Head of Democratic Services summarised the procedure for considering the Call In request and set out the circumstances surrounding the Cabinet decision.

Thereafter, the Members who had requested the Call In were invited to speak. Councillor McNicol addressed the Committee in support of the Call In request, referring to the issues around contaminated land and flooding risks at the site, as outlined in Appendix 2 to the Cabinet report.

He referred to the conditions of previous Planning Permission that required a study to be undertaken to assess the contamination of land prior to development and asked whether soil investigations had been completed.

Councillor Barr referred to the former use of the site as a petrochemical plant and known historic contamination issues. He expressed his concern regarding the seawall defence.

Councillor Billings also referred to Appendix 2 to the Cabinet report which highlighted that despite various site investigations having been carried out over a number of years to establish the nature and extent of contamination, further investigations were undertaken in May 2019 and more are planned. It was his view that it was not possible to provide assurances when the investigations were ongoing.

The Chair then invited Councillor Cullinane to address the meeting on behalf of Councillor Bell as the relevant Cabinet Member.

Councillor Cullinane made reference to the cross-service work that had been undertaken to identify a site for the replacement of Ardrossan Educational Campus. Contamination of the site is well-known and a number of site studies previously carried out, along with further investigations, will be used to assess the risk of any contaminants to the environment and users of the facility and inform the overall masterplan for the site.

Councillor Cullinane further advised that the North Shore location is closely aligned with the Council's Ayrshire Growth Deal proposals, including Ardrossan Harbour and the town centre proposals. The Scottish Government will announce a funding decision in August 2019, linked to the national school estate strategy and it is considered that the case for the replacement of Ardrossan Academy merits the early award of funding.

The Chief Executive provided an assurance that development of the site for Ardrossan Community Campus would only be progressed if the contamination could be appropriately addressed.

Members then asked questions, and received clarification, on the following:-

- the investigations and assessments undertaken to date that confirm the site is viable for development and ongoing contamination investigations that are taking place;
- other sites that are available but would not present the opportunity to replace Ardrossan Academy, deliver Ayrshire Growth Deal proposals and redevelop a vacant site that has blighted central Ardrossan for many years;
- further consultation which will take place on proposals for the swimming pool and fitness suite and which will be reported to Cabinet;
- that Members will be provided with the final contamination report; and
- the final decision on whether a new Ardrossan Academy and Winton Primary would be constructed on this site would be taken following the statutory consultation.

The Leader agreed to the final decision following the statutory consultation being presented to a Council meeting.

Councillor Hill, seconded by Councillor George, moved that, on the basis that the final decision on the location of Ardrossan Campus will be taken by a full meeting of the Council, the Call In be rejected. There being no amendment, the motion was declared carried.

3. **Call In: Decriminalised Parking Enforcement and the Introduction of Car Parking Charges**

Submitted report by the Chief Executive on a Call In Request received in respect of the decision taken by the Cabinet at its meeting on 11 June 2019 to decriminalise parking enforcement and introduce car parking charges. A copy of the Cabinet report was provided at Appendix 1 to the report and a briefing paper from the Services at attached at Appendix 2.

At its meeting on 11 June 2019, the Cabinet received a report by the Head of Service (Commercial Services) on the proposal to introduce decriminalised parking enforcement (DPE) in North Ayrshire and introduce car parking charges at identified short stay car parks in Irvine, Kilwinning, Saltcoats, Largs and charges for on street parking at Brodick, as detailed within the appendix to the report.

The Cabinet agreed (a) that an application seeking the introduction of Decriminalised Parking Enforcement across the North Ayrshire Council area be finalised and submitted to Scottish Government; (b) to the introduction of car parking charges at identified short stay car parks and identified on-street parking at Brodick as detailed in Appendix 1 to the report; (c) that a review of the current Town Centre Car Parking Strategy in support of proposals to introduce car parking charges be carried out; (d) to note the proposed recruitment of a Car Parking Manager to progress the introduction of car parking charges and application for Decriminalised Parking Enforcement; (e) to further engagement with local Ward members, to review existing parking restrictions, potential vehicle displacement and the introduction of resident parking permit schemes, as appropriate; (f) that officers proceed with the necessary Traffic Regulation Orders required to introduce parking charges in the designated car parks and on-street in Brodick; (g) to note the next steps as outlined in section 2.31 of the report; and (h) to receive progress update reports as appropriate.

Subsequently, a Call In request was received from Councillors Billings, McMaster and Gurney in the following terms:-

Reason for Call In

"This Call In relates to section 2.23 of the Cabinet report and the map of Brodick contained within Appendix 1."

Brodick Car Parking

"This call in relates to the proposed introduction of car parking charges to Brodick. This paper will show that the Brodick parking proposals are contrary to the Council's agreed Car Parking Strategy and will not achieve the supposed benefits of introducing parking charges as set out in the proposal.

As a reminder, the stated aims of the Car Parking Strategy are:

- Enhance and support local economies
- Improve traffic flows and reduce congestion
- Manage parking spaces to ensure adequate availability

The stated benefits of introducing parking charges are:

- Safer traffic conditions
- Improved safety for pedestrians and vulnerable groups
- Short stay is for shoppers, and long stay is for business community
- Reduced competition for road spaces
- Community will benefit from improved parking that will support the local economy

Brodick currently has a clear separation of parking, with the majority of the long stay parking happening close to the ferry, where people leave cars when visiting the mainland, and the majority of short stay parking is further along the shore road for people using the village facilities.

Parking is available at the ferry terminal, however, long stay overnight parking at the terminal is in the process of being stamped out as there are not enough parking spaces for the volume of traffic/parking required for day long journeys to the mainland. Consequently, Arran residents long stay parking is carried out predominantly along the sea front as this is the nearest available area. Free long stay parking is necessary for Island residents when using the ferry to access mainland based medical services, retail centres, onward travel destinations for trains and flights; as due to our Island geography there is often no choice but to travel to the mainland to gain access to services which most mainlanders take for granted.

With this geographical restriction on access to services in mind it is important to note that according to the Scottish Index of Multiple Deprivation (SIMD) approximately 44% of Arran's population live in data zones that are in the top 15% most access deprived in Scotland. Access being defined by SIMD as the measure of private vehicle and public transport drive times to GP surgeries, Post Offices, retail centres, schools and petrol stations and that's before we attempt to access services on the mainland!

This SIMD information and the Council's Fair for All strategy was to the forefront during the development of the Locality Priorities for Arran and consequently the priorities which emerged from community engagement are; transport, social isolation and housing. Lack of good public transport to service connections between all Arran's villages and the main town of Brodick being a major cause for concern due to lack of accessibility to basic services and a cause of social isolation for many islanders. Hence many islander's reliance on the use of private vehicles and the need for free and accessible car parking as a requisite to quality of life on the island. The introduction of parking charges would impose an unnecessary extra layer of inequality on the islanders. Using public transport is not an option for many journeys and making parking more difficult within the main commercial centre on Arran will further deprive residents access to services. Isolation is one of the priority issues to address on Arran and making it harder to park will make this even worse.

In addition to the parking already mentioned, owners of businesses can park in areas behind their businesses, leaving on-street parking for customers. Lastly, on-road parking is supplemented with specific parking for the large Co-op, Arran Active, and the car park behind the small co-op.

There is an adequate supply of these different types of parking, that naturally separate themselves out because the ferry is at one end and the village facilities towards the other end, or businesses have their own customer parking.

The system works well with minimal issues of inappropriate parking, disruptions to traffic flow and people can get easily to where they want to go. This encourages people to park and stay within Brodick, supporting the shops and businesses along the front with no pressures about how long they are allowed to stay or fear of 'getting a ticket'.

The Isle of Arran is a place that people come to live and visit because it has a fundamentally different feel to the mainland. It is relaxed, easy-going with a holiday feel. This is what makes Arran special.

The introduction of parking charges will disrupt this status quo and has the potential for significant disruption to traffic flow, increased congestion, poor management of parking spaces, and will cause inconvenience to both residents and visitors, and will be detrimental to the economy making it harder to people to visit shops and other village facilities.

With free parking continuing to exist in close proximity to the charged parking spaces, parking behaviour will change leading to displacement parking. Affected areas will be the Douglas Hotel, large Co-op, Arran Active, Brodick medical centre, and in parking bays outside the row of small shops further along the front. In addition, the narrow roads behind the main street will see an increase in parking, and these roads don't have pavements.

The easy-going approach to life on Arran will be lost, and that feeling Arran has of being 'different' will be eroded.

There is no local support to these proposals, and it is clear that the proposals were written without any understanding of how the existing car parking is used, what effects the introduction of parking charges will have on peoples parking behaviour, and what the consequences of these changes will be on residents, businesses or visitors. The report makes sweeping assumptions about the benefits of parking charges whilst providing no evidence to back them up.

In the case of Arran, the Cabinet has made a mistake as this proposal is clearly in opposition to the stated and agreed aims of the Council. Therefore, the Audit and Scrutiny Committee should recommend that parking charges are not introduced on Arran, and that Arran is excluded from the Decriminalised Parking Enforcement proposals.

Discussion on Specific Benefits and Policy Aims

Disruption of the Status Quo – as has already been said, there is a natural distribution of longer and shorter-term parking that meets the needs of residents and visitors. Any introduction of parking charges will change people's behaviour displacing cars to where parking is free. This will lead to:

- Long term parking in front of shops and services
- Longer parking in free car parks, such as the Co-op, Arran Active and the public car park, leading to poorer turnover of parking, thereby making it harder for customers to park and use these facilities.
- Increased on-street parking along the opposite side of the shore road, where it will remain free, leading to congestion and disruption to traffic flow
- Increased on-street parking in rear residential streets, making it more difficult for traffic to navigate, and creating a hazard for pedestrians where there is no footpath on either side of the road.

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It has been suggested that resident permits can be used, however, not every resident will get a permit for their car, some will not be able to afford it, some will make do with remaining free parking arrangements. Also, visitors looking for longer term parking will not be able to park along the front, moving them to spaces currently used as short-term parking.

Disruption to Traffic Flow – it has already been stated that currently there are limited occasions where traffic is disrupted due to inappropriate parking. With an increase in parking in areas that will continue to be free will:

- prevent residents from parking in their streets,
- create bottle necks along roads where having two-way traffic past parked cars is challenging,
- increase in cars going along side roads looking for free parking.

Poor Management of Parking Spaces – there is currently a good management of parking spaces. Introducing charging for one area of the front will move long stay parking towards what should be short stay parking, and short stay parking on to deregulated areas or private ground. Even if exemptions are allowed for some residents, there will be sufficient other drivers who will be affected by these changes.

Disruption to the Economy – Brodick is an important hub for trade, and is used by residents and visitors for shopping, attractions, restaurants and banking services. The current parking arrangements support all these commercial activities by providing free and accessible parking close to where people want to go. There is a good turnover of cars in front of shops, with longer term parking taking place along the front where there are more visitor attractions, and resident long-term parking at the ferry end.

Disruption to the current parking patterns that will displace parked cars will mean that people will no longer have easy access to where they want to go, thereby making visiting village facilities less attractive by clogging up parking spaces.

Decreased Community Benefits – Brodick currently has good availability of parking spaces located in areas that support the surrounding businesses and activities. This proposal will not increase the numbers of parking spaces and will force car drivers in to areas away from where they would naturally want to park. Almost half Arran's population already live in the most access deprived areas of Scotland. Using public transport for many trips is not an option, so making it harder to park in Brodick will increase the island's transport deprivation.

People want to come to live and visit Arran because, like other Scottish islands, there is a perception that they are places of refuge away from the hustle of the mainland. Creating parking restrictions and the subsequent chaos will chip away at that special feeling that Arran has, making it less attractive as a place to stay and visit. Once that specialness is lost it cannot be recovered, and people will go elsewhere. There are national policies encouraging people to living in the more remote areas of Scotland, so the introduction of parking charges is working against that policy.

Decreased Pedestrian Safety – all along Brodick's sea front road there are parking bays marked. Parking takes place within those bays. It is very uncommon to have parking on that road outside of a marked bay. However, there are other areas that could be used for parking, such as the other side of the road from the bays, but it just does not happen at the moment.

The roads running back from the sea front will have a few cars parked along them, mostly residents parking outside their homes. Many of these roads don't have any pavements and are only wide enough for one line of traffic, but with the minimal number of parked cars, and the roads normally used by residents there is little traffic along the roads.

When cars are displaced from the sea front parking in to alternative free parking spaces, there will be an increase in cars being parked on both sides of the shore road, and cars parked along residential streets. This will make it harder for pedestrians to cross the main road due to reduced sight lines, and along residential streets not only will there be more traffic, pedestrians will have to walk in the road to avoid the cars.

Reduced Enforcement of Parking Across the Island – the proposal is that North Ayrshire Council will take over control of all parking issues across Arran, not just in Brodick. Around the island there are car parks and parking areas that have controls in place. Currently, the police are able to act if there is a specific parking issue. They are resident on the island, and they have additional staff employed to cover the busier summer period.

A parking attendant whilst they may be able to come over to Arran from time to time will not be available on the island and will not be able to respond to specific issues as they arise. This will lead to a decrease in enforcement of parking issues at a time when they are likely to increase due to the new parking regulations being put in place.

Mitigation Actions

The proposal does include suggestions that are aimed to mitigate the adverse effects that will be seen from the introduction of parking charges. These include:

- Island resident parking permits
- All day charges for the 'short term' parking area (shown in green on the map)

These mitigating actions may reduce the impact of some elements of the proposal for some people. However, the majority of the adverse effects will not change, and will not prevent the significant changes to parking behaviour that will be seen.

Resident Parking Permits – it is suggested that they could be available so that residents could park for the longer term in the short-term parking. The proposal is silent on the possible cost of the permit or the cost of the longer-term parking. However, this will be a regressive tax on island living. Islanders don't have a choice when leaving the island; they have to use the ferry. If travelling as a foot passenger one can use the bus, however, they don't connect to all the ferries, are often very busy and not suitable for carrying large luggage, and for the majority of the island run every 3 hours or so, which does not allow passengers returning to the island to pop in to the Co-op on the way home. Therefore, there are a large number of islanders who park their cars, sometimes for days at a time, when visiting the mainland. Residents with cars will have no option but to purchase 'a resident parking permit if they want to be able to park within reasonable walking distance of the ferry terminal. This will hit those less able to pay most hard, such as those on low incomes and the elderly. If they cannot afford a parking permit, then those least able to walk the extra distance will be the ones having to park at the far end of the street. Hardly 'Fair for All' and would further increase the island's already high levels of access deprivation.

Long term parking in the short-term parking areas – if one does not have a resident parking permit, allowing people to park longer term all along the front does offer a solution that would enable everybody to park in that area. However, common sense would suggest that rather than pay say £5 for all day parking, one could walk another 100 meters and park for free in front of the shops, or in the Co-op or Arran Active's car park. This is not a viable solution as people will change behaviour if a free option is available close by.

Conclusion

It is clear that the parking proposals are not appropriate for introduction to Brodick, and the suggested mitigating factors will not address the adverse consequences of this proposal. The proposals work against the stated aims of the Council's Parking Policy, are contrary to the Council's priorities for Arran, will reduce fairness, and not only will the benefits suggested in the report not be achieved, the traffic situation will actually get worse.

Therefore, the Audit and Scrutiny Committee should recommend to the Cabinet that it is not appropriate to charge for parking in Brodick, and that the current system of parking and parking control for Arran should be retained."

Desired Outcome

"Parking charges should not be introduced to Brodick; and
Enforcement of parking on Arran should remain under the control of the Police."

The Head of Democratic Services summarised the procedure for considering the Call In request and set out the circumstances surrounding the Cabinet decision.

Thereafter, the Members who had requested the Call In were invited to speak. Councillor McMaster addressed the Committee in support of the Call In request, advising that Arran does not have the same parking issues as the rest of North Ayrshire. Brodick has a clear separation of parking, with the majority of the long stay parking happening close to the ferry and the majority of short stay parking further along the Shore Road for people using the village facilities. Approximately 44% of Arran's population live in SIMD data zones that are in the top 15% of the most access deprived in Scotland. There is a lack of good public transport to service connections between all Arran's villages, the main town of Brodick and the ferry. Free long stay parking is necessary for Island residents when using the ferry to access mainland based services.

Councillor Billings, as a signatory to the Call In, referred to a map that had been circulated which illustrated the existing parking areas in Brodick and the proposed chargeable areas. This showed that there is an adequate supply of different types of parking, with ferry parking at one end and village parking at the other. The system works well with minimal issues of inappropriate parking.

The Chair then invited Councillor Cullinane to address the meeting on behalf of Councillor Montgomerie, as the relevant Cabinet Member.

Councillor Cullinane made reference to involvement of Members in the budget process that had included decriminalised parking enforcement and the introduction of car parking charges. Concerns had been raised by local Arran Members at the Policy Advisory Panel relating to Lamlash and had these had been accommodated. He advised that local Members would play a key role in co-designing and co-development arrangements to help address local needs such as reviewing current on street restrictions, long and short stay parking, potential vehicle displacement and island parking permit schemes.

Members then asked questions, and received clarification, on the following:-

- the findings of a business case, that DPE would not be financially viable without the support of the introduction of car parking charges; and
- that officers will work with ward members to develop local controls.

Councillor Hill, seconded by Councillor George, moved to accept the Call In on the basis that the removal of Brodick from the proposal would be cost neutral.

As an amendment, Councillor Reid, seconded by Councillor Sweeney, moved that the Call In be rejected in order to prevent any further delay to the process.

On a division, there voted for the amendment 3 and for the motion 3, and on the casting vote of the Chair, the motion was declared carried. Accordingly, the Committee agreed that the terms of the Call In be referred to the Cabinet for further consideration.

4. Call In: Maximising Opportunities from Advertising on North Ayrshire Land Assets

Submitted report by the Chief Executive on a Call In Request received in respect of the decision taken by the Cabinet at its meeting on 11 June 2019 to maximise opportunities from advertising on North Ayrshire land assets. A copy of the Cabinet report was provided at Appendix 1 to the report and a briefing paper from the services at attached at Appendix 2.

At its meeting on 11 June 2019, the Cabinet received a report by the Head of Service (Commercial Services) on the proposed pilot approach to maximising resources from the sale of advertising opportunities on Council land assets.

The Cabinet agreed (a) to approve the proposed approach to testing the market for maximising opportunities from advertising on Council land assets (roundabouts); (b) to delegate authority to the Head of Service (Commercial) to progress with the pilot as outlined; and (c) note the advertising principles detailed within the report to protect the Council's interests and reputation.

Subsequently, a Call In request was received from Councillors Brahim, Gurney and Larsen in the following terms:-

Reason for Call In

"Information provided does not satisfy concerns regarding traffic safety, landscape impact, potential future expansion of advertising into other public assets such as schools, justification of use of resources and staff for such relatively small and long-term potential income gain at this particular point in time."

Desired Outcome

"That the decision is called in and referred to Full Council for a decision."

The Head of Democratic Services summarised the procedure for considering the Call In request and set out the circumstances surrounding the Cabinet decision

Thereafter, the Members who had requested the Call In were invited to speak. Councillor Gurney addressed the Committee in support of the Call In request. He clarified that if Audit and Scrutiny and Cabinet agreed to the call-in, there was no need to refer to Council for a decision. It was his view that that advertising on roundabouts would be detrimental to road safety. He referred to a previous decision where a local farmer was instructed to remove advertising from his land on the grounds that the advert would be distracting to drivers. He advised that any revenue generated would be impacted by the costs of procuring a third party supplier with advertising skills and experience and officers' time in ensuring all necessary permissions were obtained.

The Chair then invited Councillor Cullinane to address the meeting on behalf of Councillor Montgomerie as the relevant Cabinet Member. Councillor Cullinane made reference to the involvement of Members in the budget process that had included the generation of a potential income of £20,000 through advertising. The proposal was considered at the Policy Advisory Panel, where Members' views were sought, and concerns relating to road safety were discussed. It was confirmed at Cabinet that there was no evidence to suggest any increase in road safety incidents associated with advertising on roundabouts by other Councils who run similar schemes and to progress the pilot to test the market for maximising opportunities from advertising on Council land assets (roundabouts).

Members then asked questions, and received clarification, on the following:-

- the Council's policy on fly posting and its previous decision to ban political posters;
- short term promotion of community events that can be arranged via Streetscene;
- statutory consultation that will require to take place in terms of road safety; and
- the Policy Advisory Panel that allows Members to debate policies.

Councillor Hill, seconded by Councillor Burns, moved to accept the Call In on the basis of road safety and limited financial return.

As an amendment, Councillor Reid, seconded by Councillor Sweeney, moved that the Call In be rejected in order to prevent any further delay to the process.

On a division, there voted for the amendment 4 and for the motion 2, and the amendment was declared carried.

The meeting ended at 3.35 p.m.

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit & Scrutiny Committee

Title:	**HSCP – Budget Monitoring Report**
Purpose:	To provide an update on the projected financial outturn for the financial year as at June 2019
Recommendation:	It is proposed that the Committee note the attached report.

1. Executive Summary

1.1 The attached report provides an overview of the financial position for the partnership and provides and early indication of the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services.

2. Background

2.1 The Audit and Scrutiny Committee agreed to receive regular reports on the financial performance of the Health & Social Care Partnership. The Budget Monitoring report presented to the IJB on 29 August 2019 outlines the projected financial outturn for the financial year as at June 2019 and is attached as an appendix.

3. Proposals

3.1 It is proposed that the Committee note the report and the intention for the financial monitoring report to the IJB on 26 September to clearly outline the actions the partnership will require to take to bring the financial position back into balance for 2019-20.

4. Implications

Financial:	The implications are outlined in the attached report.
Human Resources:	The implications are outlined in the attached report.

Legal:	The implications are outlined in the attached report.
Equality:	The implications are outlined in the attached report.
Environmental & Sustainability:	The implications are outlined in the attached report.
Key Priorities:	The implications are outlined in the attached report.
Community Benefits:	The implications are outlined in the attached report.

5.   Consultation

5.1   The attached report outlines the consultation that has taken place.

Stephen Brown
Director Health & Social Care Partnership

For further information please contact **Caroline Whyte** on **01294 324954**.

Background Papers
None

Subject:	**Budget Monitoring – Month 3 (June 2019)**
Purpose:	To provide an update on financial performance to June 2019, including the projected outturn for the 2019-20 financial year.
Recommendation:	It is recommended that the IJB: a) Note the early indication of a projected year-end overspend of £2.801m; b) Notes the further planned actions to address the projected overspend and deliver financial balance; c) Approve the changes in funding as detailed in section 2.11 and Appendix E; and d) Note the potential impact of the Lead Partnerships.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
CAMHS	Child & Adolescent Mental Health Services
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
CRES	Cash Releasing Efficiency Savings
NES	NHS Education Scotland – education and training body
NRAC	NHS Resource Allocation Committee

1.	**EXECUTIVE SUMMARY**
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. It should be noted that although this report refers to the position at the June period end that further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn is a year-end overspend of £2.801m for 2019-20, it should be noted that this is the first monitoring period and at a point relatively early in the financial year. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings. The position has been adjusted to reflect the potential impact of Lead Partnership services. In the absence of any alternative risk sharing agreement for lead partnership services an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years.
1.3	Overall the main areas of pressure continue to be learning disability care packages, care homes, care at home, looked after children, and adult in-patients within the lead

	partnership. There are mitigating actions outlined in Appendix D specifically for Learning Disability Care packages as this area is the most significant in terms of the financial impact of high cost care packages and the service change programme. This will potentially further improve the position and services will continue to deploy tight financial management controls across services to bring expenditure overall back into line with budget.
1.4	It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis as financial balance needs to be achieved. The service transformation programme and the delivery of those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services.
2.	**CURRENT POSITION**
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and action required to work towards financial balance.
	FINANCIAL PERFORMANCE
2.2	Against the full-year budget of £243.622m there is a projected overspend of £2.801m (1.1%). An integrated view of the financial position should be taken; however, it is useful to note that this overall position consists of a projected overspend of £2.924m in social care services offset by a projected underspend of £0.123m in health services.
	The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year.
	Appendix A provides the financial overview of the partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets with detailed analysis provided in Appendix B.
2.3	**Health and Community Care Services**
	Against the full-year budget of £67.738m there is a projected overspend of £1.511m (2.2%). The main reasons for the projected overspend are:
	a) Care home placements including respite placements – projected to overspend by £0.313m which is mainly due to respite placements (£0.393m). This overspend is assumed to the first call on any uncommitted Carers Act funding. Permanent placements are projected to overspend by £0.120m and would require a reduction of one less residential and one less nursing placement than the number discharges for each month from August 2019 to bring budget back in line. The projection can vary due to factors other than the number of placements e.g. the impact of interim funded places, outstanding requests for funding etc so this will continue to be monitored closely. These overspends are partially offset by a projected over-recovery of Charging Order income of £0.200m which is based on income received to date and improved processes to track the charging orders.
	b) Independent Living Services are projected to overspend by £0.421m which is due to an overspend on physical disability care packages within the community and residential packages. Both the community and residential packages continue to be reviewed and reduced where appropriate. There will be further

work undertaken with the implementation of the Adult Community Support framework which will allow further monitoring of delivery. There is also potential for a pilot using further technology to reduce sleepovers and higher cost care packages.

c) Packages of care are projected to overspend by £0.057m due to the use of supplementary staffing, this has improved from the 2018/19 position.

d) Care at home (purchased and in house) projected overspend by £0.776m due to an increase in provided hours and the budget being reduced to reflect the 2019-20 approved saving (purchased care). The overspend on in-house services relates to providing additional hours to cover a service that a provider handed back and the in-house service had to increase capacity to ensure the safety of vulnerable service users within the community of the North Coast locality. To mitigate the overspend in purchased care the purchased hours would need to by 1,300 hours per week which is a 15% reduction. The service currently has, between hospitals and community, over 90 individuals waiting on a care at home package and 50 individuals waiting on an increase in their care packages. Therefore, there is a requirement of the service to manage risk so to reduce the current hours dramatically would have a negative impact on the communities and lead to further hospital and care home admissions. To prevent this level of reduction and subsequent build-up of waiting lists the care at home team are reviewing options to reduce spend. This includes reduce the level of hours being delivered on an incremental week to week basis to achieve financial balance and reviewing the process for reducing packages to ensure reduction in need is actioned quicker.

e) Long Term Conditions (Ward 1), projected overspend of £0.261m which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure for which funding requires to be identified. This will be reviewed during 2019/20 along with other wards. Ward 2 is projected to be online, but this is subject to receiving £0.504m of funding from East HSCP for their patients, East have indicated their intention to reduce the number of commissioned beds.

f) District Nursing is projected to underspend by £0.028m due to vacant posts. This is after applying £0.075m of payroll turnover.

g) Community Care employee costs are projected to overspend by £0.254m due to supernumerary / unfunded posts.

h) Carers Act Funding is projected to underspend by £0.500m based on the committed spend. This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments. This underspend will be used in the first instance to cover the projected overspend on care home respite placements.

| 2.4 | **Mental Health Services** |

Against the full-year budget of £75.897m there is a projected overspend of £1.126m (1.5%). The main reasons for the projected overspend are:

- Learning Disabilities – projected overspend of £1.505m of which £1.431m is in relation to community care packages and £0.269m for residential placements. These overspends are partially offset by vacant posts.

Appendix D outlines the action plan to reduce the overspend in learning disability services.

- Community Mental Health – is projected to underspend by £0.114m mainly due to vacancy savings (after allocating £0.090m of payroll turnover) and an underspend in care packages.

- Lead Partnership – overall projected underspend of £0.184m which consists of:

Overspends:

- Adult inpatients £0.514m - mainly due to the delay in closing the Lochranza ward on Ailsa site. The projection also assumes that a fifth bed will be sold by October 2019. The ability to close Lochranza will be dependent on achieving at least two discharges from Lochranza.

- Psychiatry £0.034m - primarily due to agency costs. Agency staff are used in the absence of being able to recruit permanent posts.

- UNPACS £0.120m – based on current placements and no fluctuation in the service level agreement with Glasgow.

Underspends:

- CAMHS £0.240m – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover.

- Psychology £0.157m – due to vacancies. This is after applying £0.150m of payroll turnover.

- Adult Community Mental Health £0.065m - due to vacancies.

- MH Pharmacy £0.110m – due to continued low substitute prescribing costs.

Note that elderly inpatients have an adverse position at month 3 due to holding vacancies in relation to reconfiguring the wards. This resulted in using supplementary staff in the interim, but it is assumed to be online pending implementation of the elderly mental health review.

2.5	**Children & Justice Services**

Against the full-year budget of £35.753m there is a projected overspend of £0.699m (2%). The main reasons for the projected overspend are:

a) Residential Schools and Community Placements – projected overspend of £1.052m. The projection is based on the current number of placements and estimated discharge dates for each placement based on the support from the mainstreamed Challenge Fund project. There are currently 28 placements including 1 on remand (ends September 2019) and 2 secure placements. The projection assumes 2 discharges in August 3 in October and 7 in December with the remaining 15 assumed to be still in a placement at the year end. There is no provision for any increase in placements. To bring this budget online the

	discharge dates for each person would need to be brought forward but this would not be possible for all placements. To minimise the impact of this overspend the underspends being reported below for looked after children and children with a disability will need to be maintained which means any additional demand will need to be cost neutral. b) Looked After Children Placements – projected underspend of £0.136m due to the current demand for fostering, adoption and kinship payments. c) Early Years – are projected to underspend by £0.028m mainly due to the level of vacancies in heath visiting. This is after allocating £0.200m of payroll turnover and accounting for £0.175m of potential additional costs for the regrading of HV posts. d) Children with Disabilities Residential Placements – projected underspend of £0.280m due to one child transitioning to adult services and another assumed to be transferring to Trindlemoss.
2.6	**Management and Support Costs**
	Against the full-year budget of £9.627m there is a projected underspend of £0.704m (7.3%). This underspend relates to uncommitted pressure funding awarded as part of the 2019-20 budget, the requirement for this funding will need to be closely monitored and may require to be delegated to services as and when required.
2.7	**Primary Care and Prescribing** Prescribing is the responsibility for the Health Board to fund and under the terms of the Integration Scheme and it underwrites the prescribing risk across all three Ayrshire IJBs. At month 3 prescribing is projected to be online at the year end.
2.8	**Savings Progress** a) The 2019-20 budget included £6.134m of savings.

BRAG Status	Position at Budget Approval £m	Position at Period 3 £m
Red	-	0.543
Amber	2.980	2.389
Green	3.154	3.202
Blue	-	-
TOTAL	**6.134**	**6.134**

b) The projected year-end outturn position assumes:
 i) £0.215m of the Red savings in relation to reducing LD sleepovers will not be delivered as planned and this is reflected in the overall projected outturn position.
 ii) The £0.328m risk of savings delivery relating to Trindlemoss is not currently included in the projected overspend position as there is ongoing work to establish the achievability of the saving.

If progress is made to deliver the savings this would improve the overall outturn position (LD sleepovers) or prevent the overspend increasing further (Trindlemoss).

		The projected financial position assumes that all remaining savings on the plan will be delivered. Progress with savings delivery requires to be closely monitored to ensure the impact on the financial position can be assessed and corrective action taken where necessary. Appendix C provides an overview of these savings, further detail will be provided in future monitoring reports. The Transformation Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track.
2.9	**Financial Recovery Plan**	
		Each service area has developed mitigating action to address the overspend in their area and there are several actions noted in this report which will assist in reducing the projected overspend. These will be monitored and if they don't reduce the overspend a formal financial recovery plan will be brought to a future IJB.
2.10	**Financial Risks**	
		The 2019-20 budget setting paper noted unfunded pressures which could present a risk to the projected outturn position. This included: a) Intermediate Care and Rehab investment was funded by the Health Board on a part-year basis in 2018-19. The business case was predicated on acute hospital savings offsetting the investment, however with the approach taken to pass through the funding uplift there is an expectation that the IJBs will fund the full year impact of the investment. Currently there is part year funding in the IJB budget to support the investment for about 6 months, the full year impact would be a further £0.322m assuming no recruitment to unfilled posts. b) Paid as if at work is a pressure relating to health employed staff and the payment of a holiday pay element for regular additional payments, e.g. overtime. The cost across the Health Board is estimated to be £1.4m but is unclear at this stage what the cost will be for each service, for North Ayrshire this is estimated to be around £0.2m. When the cost pressure value is known the partnership will look to services to fund from within existing resources where possible. c) There is a potential pressure in relation to GP practices in difficulty. This is a dynamic pressure which we will look to manage in-year. If this cannot be achieved, then the default position would be to fund the North fair share of this (circa £0.2m) from any underspend in the Primary Care Improvement Fund (PCIF). The IJB may be asked to take further decisions during 2019-20 in relation to managing the above pressures. In addition to these pressures there is a potential reduction to the funding available for Ward 2 as East HSCP are reviewing the level of beds they require in this ward.
2.11	**Budget Changes**	
		The Integration Scheme states that "*either party may increase it's in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the*

Integration Joint Board nor Services managed on a Lead Partnership basis…..without the express consent of the Integration Joint Board".

Appendix E highlights the movement in the overall budget position for the partnership following the initial approved budget.

Reductions Requiring Approval:

The specific reductions that the IJB are required to approve are:

1) Procurement posts £0.085m – funding transferred to the corporate procurement team on a temporary basis to provide additional capacity until March 2020. This will be used to increase the level of 'in contract' spend.
2) TEC Contribution £0.050m – funding transferred to Facilities to allow TEC team and Hub Services to continue for a further 6 months.
3) AMD to Medical Director £0.096m – funding for sessions relating to Associate Medical Director role transferred to Medical Director as current AMD works in North and is retiring.

It is recommended that the IJB approve the budget reductions outlined above.

Future Planned Changes:

Further areas which are outstanding and will be included in future reports include:

The transfer of the Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire & Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and working to reduce the projected overspend prior to any transfer.

| 2.12 | **Lead Partnerships** |

North Ayrshire HSCP
Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.184m underspent. Full detail on the underspend is given in section 2.4 above.

South Ayrshire HSCP
Services hosted and/or led by the South Partnership are forecast to be online. An overspend on incontinence advisors is more than offset by an underspend on the Community Equipment Store. The Community Equipment Store was funded an additional £0.280m in budget setting, although it should be noted that expenditure is volatile depending on the timing of purchases.

East Ayrshire HSCP
Services managed under Lead Partnership arrangements by East Ayrshire Health and Social Care Partnership are projected to marginally overspend by £0.288m in total. The overall Primary Care Lead Partnership projected overspend is £0.266m and this projected variance mainly relates to additional payments within Primary Medical Services to GP practices currently experiencing difficulty (mainly practices that the NHS Board is administering due to previous GPs handing back contracts). The GP practices in difficulty issue is extremely fluid however negotiations are progressing with practices with a view to them returning to independent contractor status.

	Additional Ayrshire Urgent Care Services costs resulting from increased rates being paid to attract GPs over certain periods can prove challenging to fill without financial incentives. These additional costs are partially offset by savings in Dental services.
3.2	Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements. This is to ensure the IJB are fully sighted on the impact for the North Ayrshire partnership. The IJB will be kept informed of progress with this work which is being progressed by the Ayrshire Partnership Finance Leads.

At month 3 the impact of the Lead Partnerships has been calculated based on the average NRAC share which is the method that was used in previous years and has been agreed by the Ayrshire Finance Leads.

The NRAC shares are: North 36.6%, South 30.5% and East 32.9% |
| 2.14 | **Set Aside**

The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process. The 2019-20 set aside budget for North HSCP is £30.094m, based on expenditure in 2018-19. The acute directorate, which includes the areas covered by the set aside budget, is overspent by £3.7m after 3 months.

58 additional and unfunded beds were open at the 31st March 2019. This had reduced to 40 by the 30th June. The high level of delayed discharges at both Crosshouse and Ayr is causing increased operational pressure and additional expenditure.

During 2018-19 the North Partnerships use of the set aside resources was £30.094m against the NRAC 'fair share' of £28.697m which is £1.127m above the 'fair share'. There is an expectation that the North Partnership will move towards its 'fair share'. The Models of Care programmes including the Intermediate Care and Rehab investment and the Palliative End of Life proposals being developed represent agreed or potential investment by NHS A&A to invest in community services with a view to reducing acute beds. This is in effect a mechanism to reduce the set aside resources. |
| **3.** | **PROPOSALS** |
| 3.1 | **Anticipated Outcomes** |
| | Continuing to closely monitor the financial position will allow the IJB to take corrective action where required to ensure the partnership can deliver services in 2019-20 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.

The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line. |
| 3.2 | **Measuring Impact** |

	Updates to the financial position will be reported to the IJB throughout 2019-20.
4.	**IMPLICATIONS**

Financial:	The financial implications are as outlined in the report. Against the full-year budget of £243.622m there is a projected overspend of £2.801m (1.1%). The report outlines the action being taken and proposed action to reduce the projected overspend. This is an early indication of the projected outturn at the first quarter of the financial year, there are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported. The main areas of financial risk which may impact on this position are highlighted in the report.
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	Within the projected outturn there are various over and underspends including the non-achievement of savings which need to be addressed.
Community Benefits:	None

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	√

4.	**CONSULTATION**
4.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team. The report is shared with the Director of Finance for NHS Ayrshire and Arran and the Executive Director Finance and Corporate Support for North Ayrshire Council.
5.	**CONCLUSION**

5.1	It is recommended that the IJB: a) Note the early indication of a projected year-end overspend of £2.801m; b) Notes the further planned actions to address the projected overspend and deliver financial balance; c) Approve the changes in funding as detailed in section 2.11 and Appendix E; and d) Note the potential impact of the Lead Partnerships.

For more information please contact:

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2019-20 Budget Monitoring Report–Objective Summary as at 30 June 2019   **Appendix A**

Partnership Budget - Objective Summary	2019/20 Budget								
	Council			Health			TOTAL		
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	**54,733**	**56,133**	**1,400**	**13,005**	**13,116**	**111**	**67,738**	**69,249**	**1,511**
: Locality Services	25,385	26,070	685	4,504	4,530	26	29,889	30,600	711
: Community Care Service Delivery	25,962	27,152	1,190	0	0	0	25,962	27,152	1,190
: Rehabilitation and Reablement	1,225	1,286	61	1,918	1,798	(120)	3,143	3,084	(59)
: Long Term Conditions	1,802	1,258	(544)	4,587	4,800	213	6,389	6,058	(331)
: Integrated Island Services	359	367	8	1,996	1,988	(8)	2,355	2,355	0
MENTAL HEALTH SERVICES	**23,449**	**24,988**	**1,539**	**52,448**	**52,035**	**(413)**	**75,897**	**77,023**	**1,126**
: Learning Disabilities	17,686	19,308	1,622	513	396	(117)	18,199	19,704	1,505
: Commmunity Mental Health	4,366	4,283	(83)	1,616	1,585	(31)	5,982	5,868	(114)
: Addictions	1,397	1,397	0	1,350	1,269	(81)	2,747	2,666	(81)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,969	48,785	(184)	48,969	48,785	(184)
CHILDREN & JUSTICE SERVICES	**32,127**	**32,792**	**665**	**3,626**	**3,660**	**34**	**35,753**	**36,452**	**699**
: Intervention Services	3,859	3,938	79	327	375	48	4,186	4,313	127
: Looked After & Accomodated Children	16,323	17,002	679	0	0	0	16,323	17,002	679
: Fieldwork	4,713	4,802	89	0	0	0	4,713	4,802	89
: CCSF	311	283	(28)	0	0	0	311	283	(28)
: Criminal Justice	2,621	2,621	0	0	0	0	2,621	2,621	0
: Early Years	394	389	(5)	2,880	2,852	(28)	3,274	3,241	(33)
: Policy & Practice	3,906	3,757	(149)	0	0	0	3,906	3,757	(149)
: Lead Partnership NHS Children's Services Area Wide	0	0	0	419	433	14	419	433	14
PRIMARY CARE	0	0	0	47,719	47,719	0	47,719	47,719	0
ALLIED HEALTH PROFESSIONALS				5,151	5,106	(45)	5,151	5,106	(45)
MANAGEMENT AND SUPPORT COSTS	7,715	7,034	(681)	1,912	1,889	(23)	9,627	8,923	(704)
CHANGE PROGRAMME	655	656	1	1,082	1,082	0	1,737	1,738	1
TOTAL	**118,679**	**121,603**	**2,924**	**124,943**	**124,607**	**(336)**	**243,622**	**246,210**	**2,588**
Return Hosted Over/Underspends East	0	0	0		0	56			56
Return Hosted Over/Underspends South	0	0	0		0	52			52
Receive Hosted Over/Underspends East	0	0	0		0	105			105
REVISED PROJECTED OUTTURN	**118,679**	**121,603**	**2,924**	**124,943**	**124,607**	**(123)**	**243,622**	**246,210**	**2,801**

2019-20 Budget Monitoring Report – Detailed Variance Analysis per service   **Appendix B**

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	**67,738**	**69,249**	**1,511**	
Locality Services	29,889	30,600	711	**Older People permanent care homes** - projected overspend of £0.120m based on 815 placements (551 Nursing and 264 Residential). Respite care is projected to overspend by £0.393m based on the spend to date. **Income from Charging Orders** - projected over recovery of £0.200m' I**ndependent Living Services :** * Direct Payment packages- projected underspend of £0.079m on 53 packages and a net decrease of 2 packages expected during the year.. * Residential Packages - projected overspend of £0.142m based on 38 packages. * Community Packages (physical disability) - projected overspend of £0.200m based on 50 packages **NHS Packages of Car**e - projected overspend of £0.057m due to use of supplementary staffing. **District Nursing** - projected underspend of £0.028m due to vacancies.
Community Care Service Delivery	25,962	27,152	1,190	**Care at home** - in house service - projected overspend of £0.071m based on the current level of contracted costs remaining until the year end. Care at home staff have been incurring additional hours as there are moratoria on four of the purchased care providers. - Purchased Care at home - projected overspend of £0.705m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving. There are four moratoria in place but the hours purchased from other providers has increased. **Direct Payments** - projected underspend of £0.094m based on 39 packages with an assumed reduction of one package during the year. **Transport costs** - projected overspend of £0.054m due to increase in staff mileage within care at home. **Admin costs** - projected overspend of £0.071m mainly due to mobile phone equipment. **Voluntary Organisations** - projected overspend £0.088m mainly in relation to the Alzheimer service. **Income** - projected over recovery £0.020m mainly in relation to Community Alarm income and CM2000 non compliance charges.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	3,143	3,084	(59)	**Employee costs -** projected underspend £0.079m due to vacancies.
Long Term Conditions	6,389	6,058	(331)	**Ward 1 -** projected overspend of £0.261m due to the use of supplementary staffing. **Ward 2 -** projected online assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients. **Elderly CMHT -** underspend of £0.040m due to vacancies. **Carers Act Funding** - projected underspend of £0.500m based on the committed spend. This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments. This underspend will be used in the first instance to cover the projected overspend on care home respite placements.
Integrated Island Services	2,355	2,355	0	
MENTAL HEALTH SERVICES	75,897	77,023	1,126	
Learning Disabilities	18,199	19,704	1,505	**Residential Packages-** projected overspend of £0.269m based on 39 current packages and a net increase of 1 package until the year end. **Community Packages -** projected overspend of £1.431m based on 291 current packages less 5% invoice variances and a net movement in year of 3 new packages for provided packages. The projection assumes savings of £0.490m will be achieved. The projection for direct payments is based on 39 current packages with a net increase of 2 to the year end less £0.100m recovery of unspent balances. **Employee costs -** projected underspend £0.127m mainly due to vacant posts
Community Mental Health	5,982	5,868	(114)	**Residential Packages -** projected underspend of £0.050m based on 25 current placements with an assumed net reduction of 4 places by the year end. **Employee costs** - projected underspend £0.091m mainly due to vacant posts
Addictions	2,747	2,666	(81)	**Employee costs -** projected underspend £0.081m due to vacant posts **ADP** - projected online position.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	48,969	48,785	(184)	**Adult Community** - projected underspend of £0.065m due to vacancies. **Adult Inpatients**- projected overspend of £0.514m due to a delay in closing the Lochranza wards. Assumes a 5th bed is sold from October. **UNPACs** - projected overspend of £0.120m assuming the charge for the Forensic Services SLA is similar to the 18-19 charge. **LDS -** assumed online pending completion of the relocation of services to Woodland View. **Elderly Inpatients** - assumed online pending the finalisation of the elderly mental health bed redesign. **Addictions** - projected underspend of £0.056m due to vacancies. **CAMHS** - projected underspend of £0.240m due to vacancies. **MH Admin** - projected underspend of £0.109m due to vacancies.. **Psychiatry** - projected overspend of £0.034m due to agency costs. **MH Pharmacy** - projected underspend of £0.110m mainly within substitute prescribing. **Psychology**- projected underspend of £0.157m due to vacancies. **Action 15** - assumed online position
CHIDREN'S AND JUSTICE SERVICES	**35,753**	**36,452**	**699**	
Intervention Services	4,186	4,313	127	**Employee costs -** projected overspend of £0.042m mainly due to incremental drift. **Supported Carers Scheme -** projected overspend of £0.024m based on 6 carers supporting 6 children. **Transport Costs -** projected overspend of £0.026m in relation to mileage costs.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	16,323	17,002	679	**Looked After Children placements - projected underspend of £0.136m based on the following:-** **Kinship -** projected overspend of £0.105m. Budget for 339 placements, currently 339 placement but projecting 356 placements by the year end. **Adoption -** projected online. Budget for 74 placements, currently 74 placements. **Fostering** - projected underspend of £0.076m. Budget for 120 placements, currently 121 placements but projecting 113 placements by the year end. **Fostering Xtra** - projected underspend of £0.155m. Budget for 32 placements, currently 28 placements but projecting 24 placements by the year end. **Private fostering -** projected online. Budget for 11 placements, currently 11 placements. **IMPACCT carers** - projected underspend of £0.016m. Budget for 4 placements, currently 2 placements. **Residential School placements including community packages -** projected overspend of £1.052m. The projection is based on the current number of placements and estimated discharge dates for each placement based on the support from the mainstreamed Challenge Fund project. There are currently 28 placements including 1 on remand (ends September 2019) and 2 secure placements. The projection assumes 2 discharges in August 3 in October and 7 in December with the remaining 15 assumed to be still in a placement at the year end. There is no provision for any increase in placements. **Employee Costs -** underspend of £0.270m due to vacancies.
Fieldwork	4,713	4,802	89	**Employee costs -** projected overspend if £0.056m due to non achieved payroll turnover.
CCSF	311	283	(28)	**Outwith the threshold for reporting**
Criminal Justice	2,621	2,621	0	**Outwith the threshold for reporting**
Early Years	3,274	3,241	(33)	**Outwith the threshold for reporting**
Policy & Practice	3,906	3,757	(149)	**Employee costs -** projected overspend of £0.087m due to non achieved payroll turnover. **Residential Placements -** projected underspend of £0.280m due to one child transitioning to adult services and another assumed to be transferring to Trindlemoss. **Private Foster Placements** - projected overspend of £0.057m due to one new placement.
Lead Partnership (CS)	419	433	14	**Outwith the threshold for reporting**

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
PRIMARY CARE	47,719	47,719	0	
ALLIED HEALTH PROFESSIONALS	5,151	5,106	(45)	**Outwith the threshold for reporting**
MANAGEMENT AND SUPPORT	9,627	8,923	(704)	**Projected underspend** - this underspend relates to pressure funding awarded as part of the 2019-20 and the pressures have not yet arisen. This funding will be closely monitored ad delegated to services as and when required.
CHANGE PROGRAMME & CHALLENGE FUND	1,737	1,738	1	**Outwith the threshold for reporting**
TOTAL	**243,622**	**246,210**	**2,588**	

Threshold for reporting is + or - £50,000

2019-20 Savings Tracker   **Appendix C**

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 3
	Health and Community Care				
SP-HSCP-19-02	Roll out of multidisciplinary teams - Community Care and Health	Helen McArthur	Amber	55,000	Amber
SP-HSCP-19-04	Day Centres - Older People	Helen McArthur	Green	38,232	Green
SP-HSCP-19-05	Deliver the Strategic Plan objectives for Older People's Residential Services	Helen McArthur	Green	130,350	Amber
SP-HSCP-19-09	Care at Home - Reablement Investment	Helen McArthur	Amber	500,000	Amber
SP-HSCP-19-12	Assessment and Self Directed Support	Isabel Marr	Green	150,000	Amber
NHS - HSCP-9	Packages of Care	Isabel Marr	Amber	150,000	Green
	Mental Health and Learning Disabilities				
SP-HSCP-19-01	Integration of the Learning Disability team	Jan Thomson	Amber	56,000	Green
SP-HSCP-19-07	Mental Health - Tarryholme / Trindlemoss (Council element)	Jan Thomson	Amber	328,000	Red
NHS - HSCP-1	Trindlemoss (full year impact is £0.370m)* NHS element	Jan Thomson	Amber	250,000	Green
SP-HSCP-19-10	LD - Reduction to Sleepover Provision	Jan Thomson	Amber	215,000	Red
SP-HSCP-19-11	Reprovide Fergushill/Hazeldene at Trindlemoss & redesign commissioned services	Jan Thomson	Green	111,000	Amber
SP-HSCP-19-06	Adult Community Support - Commissioning of Services	Jan Thomson /Julie Barrett	Green	388,000	Amber
NHS - HSCP-4	UnPACs - 7% reduction*	John Taylor	Green	200,000	Green
NHS - HSCP-5	Substitute Prescribing - 5% reduction*	John Taylor	Green	135,000	Green
NHS - HSCP-3	Review of Elderly Mental Health Inpatients*	William Lauder	Green	727,000	Green
NHS - HSCP-6	See a 5th bed at Woodland View - MH inpatients*	William Lauder	Amber	90,000	Green
	Children, Families and Justice Services				
SP-HSCP-19-03	Fostering - reduce external placements.	Mae Henderson	Green	127,408	Green
SP-HSCP-19-08	Children's residential placements (CF)	Mae Henderson	Amber	355,000	Amber

	Partnership Wide					
SP-HSCP-19-13	Charging Policy	Lisa Duncan	Green	200,000		●
NHS - HSCP-10	Reduce business admin services	Julie Davis	Green	50,000		●
NHS - HSCP-11	ICF Project - Partnership Enablers	Michelle Sutherland	Amber	27,000		●
NHS - HSCP-12	ICF Project - Buckreddan care home	Michelle Sutherland	Amber	16,000		●
NHS - HSCP-13	Uncommitted ICF Funding	Michelle Sutherland	Green	80,000		●
SP-HSCP-19-20	Living Wage	n/a	Green	187,000		●
NHS - HSCP-7	Resource Transfer to South Lanarkshire	n/a	Green	40,000		●
SP-HSCP-19-14	19/20 impact of 18/19 part year savings	Stephen Brown	Green	113,000		●
SP-HSCP-19-15	Respite	n/a	Green	200,000		●
SP-HSCP-19-16	Payroll Turnover Target	Stephen Brown	Amber	500,000		●
SP-HSCP-19-17	Lean Efficiency Programme	Stephen Brown	Green	50,000		●
NHS - HSCP-2	Payroll Turnover Target - Mental Health *	Thelma Bowers	Amber	300,000		●
NHS - HSCP-8	Payroll Turnover Target - Other Services	Thelma Bowers	Amber	365,000		●

6,133,990

Ref	Action	Lead	Deadline
1	Appointment of temporary agency social workers to enhance team capacity. There are several vacancies and maternity leave in the team which is impacting on the ability to undertaken reviews.	Jan Thomson	August 2019
2	Appointment of permanent social workers to fill existing vacancies.	Jan Thomson	August 2019
3	Appointment of a Transformation development manager as additional leadership capacity to support the senior management team in the delivery of the LD programme. Areas of priority identified with focused work to be undertaken on delivery and pace acceleration of case reviews as mitigation for team capacity.	Thelma Bowers	June 2019
4	Review of Community Packages – management scrutiny of spend for community care packages and residential care packages to map and identify ongoing areas for targeted reviews and anticipated reductions in care provided *Note that the projection already assumes £240K will be achieved so only any projected saving above £240K will impact on the projected outturn.*	Phil Cummins and the LD review team	Ongoing but expected to complete x reviews per month.
5	Roll out CM2000 to the larger providers in advance of the new contracts going live in 2020. A project group is in place and plans are developed for a shadow roll out to providers in 2019/20 in alignment with Commissioning tender for adult community services completed and framework in place by January 2020. *Note that the projection already assumes £50K will be achieved so only any projected saving above £50K will impact on the projected outturn.*	Helen McArthur	January 2020
6	Sleepovers – the case for the clustering of sleepovers will be finalised and a proposal to integrate, where possible, into current provision within care at home responder service or identify alternative partnership approaches.	Jan Thomson supported by the Change Team	August 2019

7	Review community packages for people aged 65+ *Note that the projection already assumes £200K will be achieved so only any projected saving above £200K can be included.*	LD Team Manager	August 2019
8	Supported accommodation – planning and referrals for the new provision to be finalised by September 2019 with savings modelled.	Norma Bell Jan Thomson Stuart McKenzie and Helen McArthur	September 2019

2019/20 Budget Reconciliation   **Appendix E**

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			95,074
Resource Transfer	3	P	22,993
ICF Procurement Posts - Transfer to Procurement	3	T	(85)
FPC under 65's Scottish Government Funding	3	P	702
Roundings	3		(5)
Period 3 reported budget			**118,679**

HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget (based on month 9 of 2018-19)			145,425
Adjustments to reflect month 10 -12 of 2018-19 including non recurring amounts			(1,845)
Opening baseline budget for 19-20			**143,580**
Resource Transfer	3	P	(22,993)
Superannuation Uplift	3	P	2,994
Voluntary Redundancy Scheme	3	P	271
Post from acute - PA to Clinical Nurse Manager, Long Term conditions	3	P	15
Post from acute - Clinical Nurse Manager, Long Term Conditions	3	P	34
Functional Electrical Stimulation (Physio Equip) Equipment from acute			10
Pharmacy Fees	3	P	19
HPV Boys Implementation	3	P	18
Action 15 (anticipated increase)	3	P	930
Post from Acute -Specialist Pharmacist in Substance Misuse	3	T	12
Old age liaison psychiatrist from acute	3	P	108
Patient Transport Service	3	P	49
Infant feeding nurse	3	T	41

Associate Medical Director responsibility payment to Medical Director	3	T	(24)
Associate Medical Director sessions to the Medical Director	3	T	(71)
Contribution to the Technology Enabled Care (TEC) project	3	T	(50)
Period 3 reported budget			**124,943**

GRAND TOTAL	**243,622**

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Early Learning and Childcare Update**
Purpose:	To provide the committee with an update on progress with the expansion Early Learning and Childcare
Recommendation:	That the Audit and Scrutiny Committee notes the contents of this report.

1. Executive Summary

1.1 The expansion of Early Learning and Childcare to 1140 hours will become operational in a further six North Ayrshire sites as well as in a further six funded provider establishments. This will be alongside the completion of a number of infrastructure projects to enhance existing provision in North Ayrshire establishments.

1.2 New working arrangements for Early Learning and Childcare staff are being implemented.

2. Background

2.1 At the Audit and Scrutiny Committee on 18 June 2019, a request was made for an update on the Early Learning and Childcare expansion programme in North Ayrshire, based on the key areas of focus for the next six months identified in the Education and Youth Employment Quarter 4 Performance Report.

2.2 **Key Area of focus 1:** *"Continuing further roll out of 1140 Early Years Expansion. This will include a further 6 sites becoming operational with 3 partner providers also delivering 1140 hours. Eight infrastructure projects will be completed as part of this project."*

2.3 **Update 1:**

- The six new NAC sites are now scheduled to go live with the delivery of 1140 hours from 20 October 2019. This is a slight delay from the original plan to implement from August 2019 due to finalising negotiations with Trade Unions on staff working arrangements. A further 6 partner providers (now referred as Funded Providers) commenced delivery of 1140 hours from August 2019.

In addition, one further Funded Provider in Dalry has worked closely with the Care Inspectorate to gain registration to commence 1140 hours provision in August 2019.

- As at August 2019, a total of eleven early years infrastructure projects have been completed, enhancing existing learning spaces for Early Learning and Childcare provision within the North Ayrshire education estate.

2.4 **Key Area of Focus 2:** *"Implementing new working arrangements for Early Learning and Childcare staff."*

2.5 **Update 2:**

- Following extensive discussions with Trade Union colleagues, the expanded ELC delivery model and staff working arrangements have been agreed and noted by Cabinet on 11 June 2019. Implementation of the agreed staffing arrangements and delivery model are now underway. Some accommodation has been made to resolve individual issues and circumstances resulting from staff who were impacted by the change to the pilot operating model.
- The new working arrangements have resulted in a greater number of part time vacancies being available.
- Officers are now stabilising the contractual framework for the ELC workforce with permanent contracts being put in place.
- The amended delivery model has been embraced by parents with further flexibility being built into the provision they are receiving.

3. Proposals

3.1 It is proposed that the Audit and Scrutiny Committee notes the contents of this report.

4. Implications/Socio-economic Duty

Financial

4.1 None arising directly from this update.

Human Resources

4.2 None arising directly from this update.

Legal

4.3 None arising directly from this update.

Equality/Socio-economic

4.4 The expansion of Early Learning and Childcare will have a positive impact on children and families across North Ayrshire.

Environmental and Sustainability

4.5 None arising directly from this update.

Key Priorities

4.6 Aspiring Communities priority: "Children and young people experience the best start in life".

Community Wealth Building

4.7 Provision of extended early learning and childcare hours could enable more parents and carers to go into training, education or employment.

5. Consultation

5.1 Extensive consultation with trade unions took place to reach agreement on new staffing arrangements for the expansion of Early Learning and Childcare.

Audrey Sutton
Executive Director, Communities (Interim)

For further information please contact **Caroline Amos, Head of Service (Education),** on **01294 324416**.

Background Papers
0

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Annual Report – School and Early Learning & Childcare Inspections 2018-19**
Purpose:	To inform the Audit and Scrutiny Committee of the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2018-19.
Recommendation:	That the Audit and Scrutiny Committee: a) notes the contents of this report; b) commends the performance of our schools in inspections led by Education Scotland and the Care Inspectorate; and c) agrees to receive an update report from the Head of Education after the follow-through inspection of Loudoun-Montgomery Primary School and Early Years Class.

1. Executive Summary

1.1 Education Scotland published inspection reports on seven educational establishments in North Ayrshire in session 2018-19. The performance of our schools and centres was, in the main, very positive.

1.2 The Care Inspectorate published inspection reports on twenty local authority early learning and childcare establishments in North Ayrshire in session 2018-19. The performance of these establishments was extremely positive.

1.3 Following an inspection of the Education Authority, Education Scotland published a report in July 2018 which concluded that North Ayrshire Council is making very good progress with improving learning, raising attainment and closing the poverty related attainment gap.

1.4 Action has been taken by individual schools, supported by the service, to celebrate strengths and to address areas for improvement identified in the inspection reports.

2. Background

2.1 Schools are subject to periodic external evaluation by the national inspection agency, Education Scotland. Early Learning and Childcare settings are inspected by both Education Scotland and the Care Inspectorate.

2.2 Education Scotland reports on the quality of school and early years provision under the following quality indicators, taken from the self-evaluation framework *How Good is our School? (4th edition)*:
   - Leadership of change
   - Learning, teaching and assessment
   - Raising attainment and achievement (primary, secondary, ASN schools)
   - Securing children's progress (Early learning & childcare)
   - Ensuring wellbeing, equality and inclusion

2.3 The Care Inspectorate reports on the quality of early learning and childcare provision under the following quality indicators:
   - Quality of care and support
   - Quality of environment
   - Quality of staffing
   - Quality of management and leadership

2.4 All inspections focus on at least two quality indicators. In session 2018-19, Education Scotland carried out over 275 inspections and around 30 follow-through inspections in schools and early learning and childcare settings across Scotland. The number of Education Scotland inspections in North Ayrshire over the same period was seven. The inspection outcomes are summarised at Appendix 1 (attached) and the inspection reports are attached at Appendices 2 (click here) and 3 (click here).

2.5 Education Scotland uses a six-point scale to report on the performance of the educational establishment in each of the assessed quality indicators. The categories of the six-point scale are: excellent, very good, good, satisfactory, weak and unsatisfactory. Further detail on the meaning of the six-point scale is included at Appendix 4 (click here)

2.6 In session 2018-19 the performance of North Ayrshire schools in Education Scotland inspections was, in the main, very positive. By way of comparison in the table below, each grade has been assigned a numerical value to show our average performance against the national performance. The higher the value, the better the performance.

Quality Indicator	National Average Performance 2018-19*	North Ayrshire Average Performance 2018-19*
Leadership of change	3.56	4.00
Learning, teaching and assessment	3.67	4.29
Raising attainment and achievement	3.59	4.14
Ensuring wellbeing, equality and inclusion	3.73	4.00

* Excellent = 6; Very Good = 5; Good = 4; Satisfactory = 3; Weak = 2; Unsatisfactory = 1

2.7   The Education Scotland inspection reports (at Appendix 2 - click here) highlight a number of key strengths common to several of the establishments they visited in North Ayrshire. Notable strengths have been identified in the following areas:

- Strong leadership of the head teacher and senior leadership team
- Nurturing and inclusive learning environments
- Strong sense of partnership and community
- Very positive relationships
- Good evidence of staff teamwork having a positive impact on children's learning
- High quality learning and teaching

2.8   Areas for improvement in North Ayrshire were identified through the inspection reports. The improvement actions frequently include the wording "continue" or "build on", demonstrating that the establishments are already beginning to take steps to address these points. Common themes in 2018-19 are:

- Continue to take steps to raise attainment
- Build on existing approaches to assessment and moderation
- Continue to focus on improving the quality of learning, teaching and assessment.

2.9   Following the inspection of Loudoun-Montgomery Primary School and Early Years Class, a full action plan was developed to support the school to make improvements in the key areas identified by inspectors. Education Scotland will carry-out a follow-up inspection in this school within the next 6-12 months. An interim Head Teacher was appointed to lead the work of the school, following the retirement of the previous Head Teacher in March 2019. Ongoing support is being provided to the school in the implementation of this plan. An interim school review is planned by the service to take place in October 2019, where progress towards the action plan will be evaluated.

2.10 In session 2018-19 the performance of North Ayrshire Early Learning and Childcare centres and classes in Care Inspectorate inspections was very positive. A total of twenty Local Authority Early Years Centres and Classes were inspected and the average performances of these establishments is listed below. Comparator data with the national picture is not available. In addition to this, there were eight Care Inspectorate inspections among our funded providers. The inspection outcomes for all establishments are summarised at Appendix 1, attached.

Quality Indicator	North Ayrshire Average Performance 2018-19*
Quality of care and support	5.00
Quality of environment	4.92
Quality of staffing	4.29
Quality of management and leadership	4.67

* Excellent = 6; Very Good = 5; Good = 4; Adequate = 3; Weak = 2; Unsatisfactory = 1

2.11 Common strengths from the Care Inspectorate reports (at Appendix 3 - click here) on early learning and childcare settings in North Ayrshire in 2018-19 are
:

- Children are happy, settled, confident and having fun
- Relationships in the early learning and childcare setting are positive
- Staff know the children and families well

- Staff are responsive and consult children about play and learning
- There are high quality resources and equipment
- There is effective communication with parents/carers
- The provision is underpinned by Getting it Right for Every Child (GIRFEC)
- There are strong community links

2.12 Care Inspectorate reports included one improvement requirement and five recommendations in total for early learning and childcare establishments in North Ayrshire. Plans are in place to address all requirements and recommendations.

2.13 Education Scotland published an inspection report on North Ayrshire Council Education Authority in July 2018. This inspection focused on an evaluation of how well North Ayrshire Council is improving learning, raising attainment and closing the poverty related attainment gap. The report (attached at Appendix 5 - click here) is very positive and concludes that North Ayrshire Council is making very good progress toward this aim.

2.14 As part of the service's commitment to continuous improvement, inspection outcomes

have been used alongside feedback and engagement sessions with head teachers and other senior officers, to feed into an evaluation of the service's Quality Improvement Framework, which has been refreshed for session 2019-20. The updated framework will be implemented from September 2019 and is supported by a programme of professional learning opportunities for schools. The Quality Improvement Framework is designed to give schools, the service and elected members assurance that self-evaluation is a key aspect of the work of our schools and that this leads consistently to planned improvements, based on local contexts.

3.   Proposals

3.1   It is proposed that the Audit and Scrutiny Committee:

(a) notes the contents of this report;
(b)   commends the performance of our schools in inspections led by Education Scotland and the Care Inspectorate; and
(c) agrees to receive an update report from the Head of Education after the follow-through inspection of Loudoun-Montgomery Primary School and Early Years Class.

4.   Implications/Socio-economic Duty

<u>Financial</u>

4.1   None.

<u>Human Resources</u>

4.2   None.

<u>Legal</u>

4.3   None.

<u>Equality/Socio-economic</u>

4.4   None.

<u>Environmental and Sustainability</u>

4.5   None.

<u>Key Priorities</u>

4.6   Aspiring Communities priority: "Children and young people experience the best start in life".

<u>Community Wealth Building</u>

4.7   None.

5.   Consultation

5.1   There has been no specific consultation on the contents of this report, beyond what has been described above at paragraph 2.14.

Audrey Sutton
Executive Director Communities (Interim)

For further information please contact **Andrew McClelland, Head of Service (Education),** on **01294 324413**.

Background Papers
None.

APPENDIX 1
External Evaluations

Education Scotland reported on 7 inspections in our schools in the period between 1st August 2018 and 31st of July 2019. The Care Inspectorate carried out 7 inspections in our Early Years during the same period. The evaluations were as follows:

Education Scotland (HMIe) – Primary/Secondary Schools

Establishment	Date of inspection published	Leadership of Change	Learning, Teaching and Assessment	Raising attainment and achievement	Ensuring wellbeing, equality and inclusion
St. Palladius' Primary School	30/10/2018	Not Assessed	Good	Good	Not Assessed
Mayfield Primary School	04/12/2018	Very Good	Very Good	Very Good	Very Good
Loudoun-Montgomery Primary School	12/03/2019	Weak	Weak	Weak	Weak
St. Winning's Primary School	12/03/2019	Not Assessed	Good	Good	Not Assessed
St. Matthew's Academy	30/04/2019	Not Assessed	Very Good	Very Good	Not Assessed
St Mary's Primary School	25/06/2019	Very Good	Very Good	Good	Very Good
Haysholm School	25/06/2019	Not Assessed	Very Good	Very Good	Not Assessed

Education Scotland (HMIe) – Early Learning & Childcare Settings

Establishment	Date of inspection published	Leadership of Change	Learning, Teaching and Assessment	Securing Children's Progress	Ensuring wellbeing, equality and inclusion
Mayfield PS Early Years	04/12/2018	Very Good	Very Good	Very Good	Very Good
Loudoun-Montgomery PS Early Years	12/03/2019	Weak	Satisfactory	Satisfactory	Weak

Care Inspectorate – Early Learning & Childcare Settings

Establishment	Date of inspection published	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
Hayocks PS Early Years	05/09/2018	Very Good	Not Assessed	Not Assessed	Very Good
Stanley PS Early Years	12/09/2018	Very Good	Not Assessed	Not Assessed	Very Good
Kilmory PS Early Years	25/09/2018	Very Good	Not Assessed	Good	Not Assessed
Shiskine PS Early Years	25/09/2018	Very Good	Not Assessed	Good	Not Assessed
Corrie PS Early Years	25/09/2018	Very Good	Not Assessed	Good	Not Assessed
Largs Early Years Centre	25/10/2018	Very Good	Very Good	Very Good	Very Good
Springvale Early Years Centre	14/11/2018	Excellent	Not Assessed	Very Good	Not Assessed
St Luke's PS Early Years	22/11/2018	Very Good	Very Good	Not Assessed	Not Assessed
St. Bridget's PS Early Years	30/11/2018	Excellent	Excellent	Not Assessed	Not Assessed
Mayfield PS Early Years	04/12/2018	Very Good	Very Good	Very Good	Very Good
Blacklands PS Early Years	05/12/2018	Very Good	Very Good	Not Assessed	Not Assessed
Abbey PS Early Years	07/12/2018	Excellent	Very Good	Not Assessed	Not Assessed
Elderbank PS Early Years	11/12/2018	Excellent	Very Good	Not Assessed	Not Assessed
Garnock CC Early Years	29/01/2019	Good	Very Good	Not Assessed	Not Assessed
Garnock Valley Early Years Centre	01/02/2019	Very Good	Very Good	Not Assessed	Not Assessed
St John's PS Early Years	27/02/2019	Very Good	Not Assessed	Not Assessed	Very Good
Loudoun-Montgomery PS Early Years	12/03/2019	Adequate	Good	Adequate	Adequate
Fairlie PS Early Years	18/04/2019	Good	Good	Not Assessed	Not Assessed
St Peter's PS Early Years	03/05/2019	Very Good	Very Good	Not Assessed	Not Assessed
Ardeer PS Early Years	24/05/2019	Very Good	Very Good	Not Assessed	Not Assessed

Care Inspectorate – Early Learning & Childcare Settings (Funded Providers)

Establishment	Date of inspection published	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
Rainbow Cottage Nursery	05/07/2018	Good	Not Assessed	Adequate	Not Assessed
Whitehirst Park Private Nursery	06/12/2018	Good	Not Assessed	Good	Not Assessed
Little Deers Nursery	13/12/2018	Adequate	Adequate	Adequate	Adequate
Owl & Pussycat Too Nursery	19/03/2019	Very Good	Very Good	Not Assessed	Not Assessed
Playtime Nursery	02/05/2019	Very Good	Very Good	Not Assessed	Not Assessed
Yellow Brick Road Nursery	16/05/2019	Very Good	Very Good	Very Good	Good
West Kilbride Village Nursery	22/05/2019	Very Good	Not Assessed	Not Assessed	Very Good
Treetops Too Nursery	29/05/2019	Good	Very Good	Good	Very Good

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Seafield House, Ardrossan**
Purpose:	To update the Committee in respect of the actions requested of Planning Services in respect of the above property.
Recommendation:	That the Committee note: (1) the actions taken by Planning Services to date; (2) the decision of the Planning Committee in respect of an 'Amenity Notice;' and (3) that no further action be taken, at this time, in respect of the service of a Repairs Notice.

1.   Executive Summary

1.1   The Committee considered a petition in relation to Seafield House, Ardrossan at its meeting of 26th March 2019. The petition requested the Council take action to ensure the fire damage to the building was repaired soon by the owners, that the owners were insured and that it be determined whether there was a reliable commitment by the owners to save, restore and convert the building for a future use, such as subdivision as flats.

1.2   The Committee agreed the following;
(a) to note Planning Services' actions to date;
(b) that Planning Services again contact the owner to;
(i) seek assurances regarding the long term condition of the building and any proposals to develop the site; and
(ii) recommend increased fencing and/or security to further secure the site;
(c) that Planning Services continue to inspect the property as necessary to ensure that the minimum steps have been taken to prevent further deterioration of the building;
(d) that Planning Services seek authority from the Planning Committee for the issue of notices available under the powers available to the Planning Authority, as considered necessary and including Section 179 of the Town and Country Planning (Scotland) Act;
(e) that Planning Services explore the option of a Compulsory Purchase Order and subsequent sale to a third party (a back-to-back arrangement); and
(f) that an update be provided to the Committee at the September meeting.

1.3   This report represents the update requested under (f) above and outlines the action taken in respect of points (b) to (e).

2.   Background

2.1 The property was listed Category B as a building of special architectural or historic interest, on 26th February 1980. This listing includes the boundary gates, piers and railings. The former stable block within the grounds of the property is listed Category B under its own designation.

2.2 The property was last used as a residential school. It has been vacant since at least June 2015. The property was subject of a fire in October 2017 which damaged the eastern wing of the property. The property and the former stable block have been the subject of vandalism. Windows on both properties have been smashed. Some windows have been boarded over and some have required to be re-boarded, after the boarding was smashed/removed.

2.3 A Planning Authority cannot compel a land owner to develop a site. The powers available to a Council, as Planning Authority, were set out in the report to the Committee of 26th March 2019. It was in this context that the Committee agreed the actions set out at 1.2 above. In respect of those actions, the following can be advised;

2.4 Action (b) - Planning Services wrote to the owner on the 2nd April 2019. This letter set out the findings of the Committee and asked that steps be taken to secure the site and remove the remaining demolition rubble. The letter gave advice on further securing the site and also asked for confirmation of their intentions for the repair and long term use of the site. This letter resulted in a meeting between Planning Services and the owner on the 23rd April 2019. The owner was again advised of ways to secure the site and improve its condition. It was agreed that the rubble could be moved to a position north of the former stable block. This would improve the condition of the land, making the rubble less visible, whilst allowing it to be retained for future development. The owner also advised that they were considering developing the site for residential purposes. Planning Services requested that a structural report for the building and a plan for conversion be provided by the owner. The owner was also advised to move the rubble and fence as necessary. Planning Services requested a further meeting in 3 months. No further details have been provided and the owner has not responded to requests for a further meeting.

2.5 Action (c) - Planning Services has inspected the property on a monthly basis with the owner having been contacted each month to request the re-boarding/boarding of windows on both Seafield House and the former stables and re-erection of fencing as necessary.

2.6 Action (d) - The rubble has not been moved as requested and there is also rubbish and refuse on the site. Some windows within the property have not been boarded as requested. The condition of the land is such that it is considered to harm local amenity. A report has been prepared for the 4th September 2019 Planning Committee recommending that authority under Section 179 of the Town and Country Planning (Scotland) Act be granted for the issue of an 'Amenity Notice.' Such a notice, if served, would require the removal of all litter and refuse from the site, movement of all demolition rubble to the north of Seafield Stables and boarding all windows and door opening, with the exception of those on the first floor of the eastern wing of Seafield House (the fire damaged area). There is a right of appeal against such a notice. If such a notice is not complied with the Council can carry out the works itself and seek its costs from the land owner.

2.7 Action (e) - Legal Services has advised regarding a potential CPO, that any CPO promoted under the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 requires a 'Listed Building Repair Notice' to be served and thereafter not complied with as a pre-cursor to any action.

2.8 The Act makes clear that the compensation value for such action will be based on the assumption that listed building consent would be granted for demolition and/or redevelopment. The cost of CPO could therefore be based on the market value of the site for housing. It is known that £847,500 was paid for the site in 2015 without any permission/consent having been granted for any redevelopment. Therefore, CPO cost could be in excess of the price paid in 2015. The Council can seek a direction from the Scottish Government that the listed building has been left deliberately derelict and therefore the minimum of compensation should be paid. However, there is no guarantee that this would be granted, and therefore the Council could be exposed to significant financial risk.

2.9 There are also issues regarding the curtilage of the listed building and the land that would accompany a CPO. The former stable block is listed in its own right. While it has been the subject of some vandalism it is not in need of repair to the extent of Seafield House. Also, within the grounds of Seafield House there is a modern gymnasium building, currently under separate use from the rest of the site. All three buildings share an access from Eglinton Road.

2.10 In terms of any back-to-back transfer, the Council would need to identify a developer who was willing to take on a site with an uncertainty over both the price that would have to be paid and the extent of the land which would be purchased. The developer would require the funds to purchase and additional funds to then repair and develop the property. Any development potential would be difficult to calculate without clarity over site area.

2.11 For the period from 7th August 2019 to approx. 11th August 2019, part of the site was occupied as a traveller's encampment. The Council's Gypsy and Travellers Officer gave the land owner advice on the powers available to them. It is understood the owner took legal action and the travellers left. An inspection of the property on the 13th August 2019 revealed some more dumping had occurred and windows were again unsecure in the main building.

2.12 The Council's Building Standards Service has also been monitoring the site in terms of safety and has advised the owner that improved security for the main building is required, including potentially bricking up ground floor openings. If the owner does not take satisfactory action, Building Standards will consider formal enforcement action under the terms of the Building (Scotland) Act 2003.

3.   Proposals

3.1 In terms of Actions (b) and (c), that the Committee note the action taken by Planning Services to date. That the Committee note the action taken by Building Standards under the Building (Scotland) Act 2003.

3.2 In terms of Action (d), that the Committee note the action taken by Planning Services, including the decision of the Planning Committee in respect of the service of an 'Amenity

Notice.' Planning Services to proceed with any Amenity Notice in accordance with any instructions from the Planning Committee.

3.3 In terms of Action (e), that the Committee note the compulsory purchase procedure (CPO) available under the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, including the financial risk to the Council. Given the financial risk, it is recommended that any CPO action not be taken at this time.

4. Implications/Socio-economic Duty

Financial

4.1 Should any requirement of an Amenity Notice not be complied with following expiry of the compliance period, the Council, as Planning Authority, may enter the land and carry out such steps in order to achieve compliance with the requirements of the Notice. The Council may then seek to recover from the person(s) who was the then owner or lessee any expenses reasonably incurred during the carrying out of these works. Cleansing has been made aware of the condition of the land and the possibility of the Council carrying out the works itself.

The service of a Listed Buildings Repair Notice and subsequent compulsory purchase action carries significant financial risk to the Council, as outlined above.

Human Resources

4.2 None

Legal

4.3 Any action taken under the Planning Acts would be in accordance with Statutory Regulations.

Equality/Socio-economic

4.4 None

Environmental and Sustainability

4.5 None

Key Priorities

4.6 The proposed Amenity Notice and attempts to secure/repair the site supports the Council Plan priority – "Vibrant, welcoming and attractive environment,"

Community Wealth Building

4.7 Any direct action taken under the Planning Acts can support progressive procurement.

5.   Consultation

5.1   Finance has been advised of the report relating to the proposed Amenity Notice in terms of its budgetary provision.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **James Miller, Senior Planning Services Manager,** on 01294 324315.

Background Papers
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NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Annual Assurance Statement to the Scottish Housing Regulator 2018-19**
Purpose:	To advise the Committee of the Council's Annual Return on the Charter 2018-19 submission, and request authorisation of the Annual Assurance Statement to be submitted to the Scottish Housing Regulator.
Recommendation:	That (i) the Committee notes the Annual Return on the Charter submission 2018-19, attached as Appendix 1; (ii) the Committee notes the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation attached as Appendix 2; and (iii) the Committee Chair signs the Annual Assurance Statement attached as Appendix 3.

1. Executive Summary

1.1 In February 2019, the Scottish Housing Regulator issued a revised framework for the regulation of social housing in Scotland, which introduces the requirement for an Annual Assurance Statement to be submitted to them alongside the Annual Return on the Charter. The statement has to be authorised by the appropriate Committee within the organisation prior to submission.

1.2 Authorisation of the Annual Assurance Statement will ensure that the Council complies with the regulatory requirements set out in the Housing (Scotland) Act 2010.

2. Background

2.1 The Housing (Scotland) Act 2010 sets out the statutory objective, functions, duties and powers of the Scottish Housing Regulator (SHR), a non-ministerial department responsible for regulating social housing in Scotland.

2.2 In 2012, the Scottish Government's Social Housing Charter was established. It sets out the standards and outcomes that tenants, homeless people, homeowners and gypsy/travellers can expect from social landlords. This is monitored via landlords' Annual Return on the Charter (ARC) submission to the Housing Regulator.

Revised Framework

2.3 In February 2019, the SHR issued a revised framework for the regulation of social housing in Scotland. Included in this is the requirement for all landlords to submit an Annual Assurance Statement, which has been agreed by a Committee within the organisation.

2.4 The Assurance Statement is confirmation that as a landlord, the Council complies with:

- all relevant regulatory requirements set out in Section 3 of the Regulatory Framework;
- all relevant standards and outcomes in the Scottish Social Housing Charter; and
- all relevant legislative duties.

The Council must also confirm plans to fix any instances where there is a material non-compliance and notify the SHR about any material changes in their level of assurance during the year.

2.5 The ARC 2018-19, which is attached in full at Appendix 1 to this report, demonstrates the Council's performance against the outcomes in the Scottish Social Housing Charter.

2.6 Supporting evidence to demonstrate compliance with the regulatory framework and relevant legislation is attached at Appendix 2. Included in this evidence is a diagram outlining performance/compliance versus impact on tenants and/or governance.

2.7 The Annual Assurance Statement, which is attached at Appendix 3, confirms that the Council has complied with the regulatory framework, all standards and outcomes, and the relevant legislation. This Statement will be made available to tenants as part of the Council's performance reporting process.

Performance

2.8 Whilst comparative information from other local authorities for the 2018-19 ARC is not yet available, the 2017-18 comparisons from the Scottish Social Housing Charter show that North Ayrshire Council remains a top performing local authority housing service.

2.9 North Ayrshire's ambitious house-building programme includes the provision of 1,375 new, high quality, accessible, affordable homes by 2022. The Council is the top performing local authority in Scotland in terms of managing void properties quickly and efficiently. Despite the roll out of Universal Credit Full Service in North Ayrshire in 2017, the position as third in Scotland for rent arrears levels was retained.

2.10 There is a robust process for managing antisocial behaviour, and North Ayrshire are ranked first in Scotland for the percentage of cases resolved within locally agreed targets. The efficient homeless service ensures applicants spend the least amount of time in temporary accommodation across Scotland, whilst over 98% of homeless customers are satisfied with the quality of their temporary accommodation.

2.11 The Scottish Housing Network confirmed in 2018 that North Ayrshire Housing Services remains the top performer amongst local authority members in terms of both level of service and value for money.

2.12 The overall performance of the Housing Service is continuously reviewed by the Head of Service and Housing Senior Management Team, with key performance information and action plans presented to the North Ayrshire Network, Business Plan Implementation Group and Council's Cabinet regularly during each year.

3.   Proposals

3.1   That (i) the Committee notes the Annual Return on the Charter submission 2018-19, attached as Appendix 1; (ii) the Committee notes the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation attached as Appendix 2; and (iii) the Committee Chair signs the Annual Assurance Statement attached as Appendix 3.

4.   Implications/Socio-economic Duty

Financial

4.1   None

Human Resources

4.2   None

Legal

4.3   Noting of the Annual Return on the Charter submission 2018-19 and supporting evidence, and signature of the Annual Assurance Statement, will ensure that the Council complies with regulatory requirements set out in the Housing (Scotland) Act 2010.

Equality/Socio-economic

4.4   None

Environmental and Sustainability

4.5   None

Key Priorities

4.6   None

Community Wealth Building

4.7   None

5.   Consultation

5.1   Consultation has taken place with Services within Physical Environment, Directorate Performance, the Health and Social Care Partnership and the Scottish Housing Regulator during the preparation of the Annual Return on the Charter and Annual Assurance Statement.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **Jacqueline Cameron, Senior Manager,** on 01294 485652.

Background Papers
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37. Average length of time taken to complete non-emergency repairs (Indicator 12)

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Annual Return on the Charter (ARC) 2018-19

North Ayrshire Council

Social landlord contextual information

The information you give us here will allow us to build a profile of you as a landlord and the housing sector. We will use this information to assess performance against the Charter.

Lets

The information you give us here will allow us to build a profile of your lets.

![Scottish Housing Regulator]

72

Number of lets during the reporting year, split between 'general needs' and 'supported housing' (Indicator C7)

Please state, excluding mutual exchanges:

C7.1 The number of 'general needs' lets during the reporting year

807

C7.2 The number of 'supported housing' lets during the reporting year

203

72

The number of lets during the reporting year by source of let (Indicator C8)

Please state:

C8.1 The number of lets to existing tenants

211

C8.2 The number of lets to housing list applicants

573

C8.3 The number of mutual exchanges

95

C8.4 The number of lets from other sources

0

C8.5 The number of lets to homeless applicants

226

Scottish Housing Regulator

74

Types of tenancies granted for lets during the reporting year (Indicator C9)

Please state, excluding mutual exchanges:

C9.1 The number of occupancy agreements granted in the reporting year

0

C9.2 The number of short SSTs granted in the reporting year

3

C9.3 The number of SSTs granted in the reporting year

1007

74

Housing lists (Indicator C10)

Please state:

C10.1 What type of housing list do you operate (select all that apply)

Common housing register

C10.2 The number of new applicants added to the housing list(s)

4316

C10.3 The number of applicants on the housing list(s) at end of reporting year

5437

C10.4 The number of suspensions from the housing list at end of reporting year

104

C10.5 The number of applications cancelled from the housing list during the reporting year

1817

76

Stock

The information you give us here will allow us to build a profile of your stock and your average weekly rents.

76

Scottish Housing Regulator

The landlord's wholly owned stock (Indicator C14)

Self contained dwellings are properties where the household has exclusive use of WC, bathroom and kitchen facilities contained within the property.

Non-self contained units/bedspaces are properties where WC, bathroom or kitchen facilities are communal or shared.

Non-housing units are properties that could be used for respite care; commercial activities; office space.

Please note, parts (a), (b) and (c) of indicator C14 are located at the 'Organisation details' section on the Portal and are not included in the ARC return itself. Further information on this is available in the FAQs at the 'Help & Guidance' section.

Please state:

		Of the stock at year end:					
		(d) Low Demand		(e) unlettable		(f) used for temporary accommodation	
For the landlord's wholly owned stock	C14.1 The number of self-contained units	2072		43		178	
	C14.2 The number of non self-contained units / bedspaces	0	0	0	0	10	31

Stock by house types, apartment sizes and average weekly rents (Indicator C17)

The stock by type and apartment size reported in this indicator are wholly owned by the landlord and should match the totals provided at C14.

The average weekly rent in this indicator includes service or other charges and is calculated for lettable stock only.

For all wholly owned stock, please state:

C17 Stock by type, apartment size and rent	House	High rise	Tenement	4 in a block	Other flat / maisonette	Total	Nos. of lettable units	Average weekly rent £
1 Apt	17	0	39	0	9	65	53	56.08
2 Apt	1351	0	924	569	14	2858	2798	69.04
3 Apt	3166	276	402	1849	96	5789	5666	70.13
4 Apt	3219	0	76	399	131	3825	3799	71.26
5 Apt +	380	0	0	23	8	411	411	72.30
Total SC	8133	276	1441	2840	258	12948	12727	70.24

Number of lettable non self contained units at year end | 5

Number of lettable non self contained bed spaces at year end | 5

Average weekly rent charge per bed space for the reporting year | 70.86

The number of self-contained and non self-contained units and bedspaces, at the year end by age band (Indicator C19)

The stock by age band reported in this indicator are wholly owned by the landlord and should match the totals provided at C14.

For all wholly owned stock, please state:

	(a) pre-1919	(b) 1919 - 1944	(c) 1945 - 1964	(d) 1965 - 1982	(e) 1983 - 2002	(f) Post-2002	Total
C19.1 The number of self-contained units	36	2709	5557	3260	835	551	12948
C19.2 The number of non self-contained units	0	0	0	0	10	5	15
C19.2 The number of non self-contained bed spaces	0	0	0	0	31	5	36

The number of self-contained properties void at the year end and of those, the number that have been void for more than six months (Indicator C20)

Please state the number of self-contained properties that:

C20.1 were void at the year end   92

C20.2 have been void for more than six months   1

Comments (Social landlord contextual information)

Please use the comment field below to tell the regulator about any exceptional circumstances regards the figures supplied in the "Social landlord contextual information" section.

82

Overall satisfaction

The information you give us here will tell us how satisfied your tenants are with the overall service you provide.

Percentage of tenants satisfied with the overall service provided by their landlord (Indicator 1)

1.1 In relation to the overall tenant satisfaction survey carried out, please state:

1.1.1 the number of tenants who were surveyed

| 1500 |

1.1.2 the fieldwork dates of the survey

| August 2018 |

1.1.3 the method(s) of administering the survey

| Face-to-Face |

1.2 In relation to the tenant satisfaction question on overall services, please state the number of tenants who responded:

1.2.1 very satisfied

| 930 |

1.2.2 fairly satisfied

| 465 |

1.2.3 neither satisfied nor dissatisfied

| 60 |

1.2.4 fairly dissatisfied

| 15 |

1.2.5 very dissatisfied

| 30 |

1.2.6 no opinion

0

Percentage of tenants satisfied with the overall service provided by their landlord (Indicator 1)	93.00	%

Comments (Overall satisfaction)

Please use the comment field below to tell the regulator about any exceptional circumstances regards the figures supplied in the "Overall satisfaction" section.

We carry out a large scale Tenants Satisfaction Survey every 3 years. Research Resource carried out our latest survey in August 2018. Satisfaction levels have improved in all areas.

86

The Customer/Landlord relationship

The information you give us here will tell us about the relationships you have with your tenants and other service users.

86

![Scottish Housing Regulator logo]

Ethnic origins and disability details of service users, staff and for RSLs only, governing body members (Indicator 2)

Ethnic origins are as based on The Scottish Government and General Register Office for Scotland official Ethnicity Classification for Scottish Official Statistics.

Disability is as defined under the Equality Act 2010.

Please state:

2.1 The ethnic origins of:

		(b) existing tenants	(c) applicants on housing list	(d) new tenants
2.1.1	White (total)	11754	4422	787
	(a) Scottish	11297	4161	749
	(b) Other British	316	186	28
	(c) Irish	54	17	4
	(d) Gypsy/traveller	14	3	1
	(e) Polish	0	0	0
	(f) any other white background	73	55	5
2.1.2	Mixed or multiple ethnic background	6	4	2
2.1.3	Asian, Asian Scottish, Asian British (total)	16	6	2
	(a) Indian	3	2	0
	(b) Pakistani	1	0	0
	(c) Bangladeshi	0	0	0
	(d) Chinese	6	2	1
	(e) Any other Asian background	6	2	1

2.1.4	**Black, Black Scottish, Black British (total)**	18	13	5
	(a) Caribbean	1	1	0
	(b) African	7	7	1
	(c) Any other black background	10	5	4
2.1.5	**Other ethnic background**	0	1	6
	(a) Arab, Arab Scottish or Arab British	0	1	6
	(b) any other group	0	0	0
2.1.6	**Unknown**	4040	991	208
2.1.7	**Total**	15834	5437	1010

2.2 The number of people who consider themselves to have a disability by:

		(b) existing tenants	**(c) applicants on housing list**	**(d) new tenants**	
		326	2089	189	

Scottish Housing Regulator

Percentage of tenants who feel their landlord is good at keeping them informed about their services and decisions (Indicator 3)

In relation to satisfaction with how well their landlord keeps tenants informed about their services, please state:

3.1 "How many tenants answered the question How good or poor do you feel your landlord is at keeping you informed about their services and decisions?"

1500

3.2 Of the tenants who answered, how many said that their landlord was:
3.2.1 very good at keeping them informed

855

3.2.2 fairly good at keeping them informed

570

3.2.3 neither good nor poor at keeping them informed

60

3.2.4 fairly poor at keeping them informed

15

3.2.5 very poor at keeping them informed

0

Percentage of tenants who feel their landlord is good at keeping them informed about their services and decisions (Indicator 3)	95.00	%

![Scottish Housing Regulator]

Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes (Indicator 6)

In relation to satisfaction with opportunities given to tenants to participate in their landlord's decision making process, please state:

6.1 "How many tenants answered the question How satisfied or dissatisfied are you with opportunities given to you to participate in your landlord's decision making processes?"

| 1500 |

6.2 Of the tenants who answered, how many said that they were:
6.2.1 very satisfied

| 885 |

6.2.2 fairly satisfied

| 540 |

6.2.3 neither satisfied nor dissatisfied

| 75 |

6.2.4 fairly dissatisfied

| 0 |

6.2.5 very dissatisfied

| 0 |

Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes (Indicator 6)	95.00	%

Comments (The customer / landlord relationship)

Since the launch of the 'Customer Connections', our Tenant Participation Strategy for 2017-22, we have continued to offer customers a range of opportunities to influence decisions about the housing service they receive. We have developed innovative methods of participation using digital engagement, this will be progressed over the strategy lifespan. We have increased partnership working between communities by embedding a culture of participation in Housing and at the same time continually building community capacity to encourage and support evolving participation.

Our recent Tenant Satisfaction Survey was carried out in July 2018, where 1500 face to face interviews were undertaken with tenants to gain feedback on the satisfaction with the services they receive. The survey shows significant increase in satisfaction in a range of areas, however we do recognise that our service can be improved in some areas.

Our latest achievement is the TPAS Reaccreditation which was carried out March /April. Early indications show we have been awarded the gold accreditation for 2019-2022.

Housing Quality and Maintenance

The information you give us here will tell us about the quality of the housing you provide and the repairs service you offer.

Scottish Housing Regulator

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Quality of Housing

The information you give us here will tell us about the quality and energy efficiency of the housing you provide and the repairs service you offer.

Scottish Housing Regulator

Scottish Housing Quality Standard (SHQS) – Stock condition survey information (Indicator C24)

Please state:

C24.1 The date your organisation's stock was last surveyed or assessed for compliance with the SHQS

March 2019

C24.2 What percentage of stock did your organisation fully assess for compliance in the last four years?

99.22

C24.3 The date of your next scheduled stock condition survey or assessment

June 2019

C24.4 What percentage of your organisation's stock will be fully assessed in the next survey

8

C24.5 How did your organisation use the survey data stated at C24.2 to establish how the stock complied overall with the SHQS

Full house condition surveys are carried out based on type/age and geographic location. Each property survey assesses the internal and external aspects of the property along with a minRDSap energy survey. The survey information is collected by an external Chartered Surveyor and uploaded from the surveyor's handheld device to our dedicated Housing Asset Management System (Innovation Apex). The data is validated, and each set of property information is assessed for compliance with the SHQS and EESSH.The System is also updated monthly with asset improvements and major repairs completions to ensure that it is kept up to date. Properties which fail the standards are highlighted and placed on capital or major revenue improvement programme.
Between 1 April 2018 and 31 March 2019, 1343 surveys were carried out.
For the 2019-20 period it is intended to carry out new surveys in 1,000 properties.

Scottish Housing Quality Standard (SHQS) – Stock summary (Indicator C25)

Please state:

	End of the reporting year	End of the next reporting year
C25.1 Total self-contained stock at the end of the reporting year	12944	12908
C25.2 Self-contained stock exempt from SHQS	0	0
C25.3 Self-contained stock in abeyance from SHQS	50	0
C25.4.1 Self-contained stock failing SHQS for one criterion	50	0
C25.4.2 Self-contained stock failing SHQS for two or more criteria	5	0
C25.4.3 Total self-contained stock failing SHQS	55	0
C25.5 Stock meeting the SHQS	12839	12908

Scottish Housing Quality Standard (SHQS) – Stock failing by criterion (Indicator C26)

How many of your organisation's properties did not meet the Standard at the end of the reporting year, and how many are projected to not meet the Standard at the end of the next reporting year?

	End of the reporting year	End of the next reporting year
C26.1 Because they were Below the tolerable standard	3	0
C26.2 Because they were in serious disrepair	1	0
C26.3 Because they were not energy efficient	22	0
C26.4 Because they did not have modern facilities and services	27	0
C26.5 Because the were not healthy, safe and secure	8	0
C26.6 If any properties are failing SHQS at the end of the reporting year, or are projected to fail for the next reporting year, then explain what actions your organisation is taking or planning to take to address these	The properties that currently fail are due to access not being available to carry out planned improvement works. The properties will be revisited in the coming year. The fails associated with C26.5 are in the process of being addressed through the assistance of the Council's Factoring Service in order to reach agreement with owners to have the works carried out.	

Scottish Housing Quality Standard (SHQS) – Working towards the standard (Indicator C27)

Please state:

C27.1 How many properties did your organisation plan to bring fully up to the SHQS during the reporting year?

112

C27.2 How many properties did your organisation fully bring up to the SHQS during the reporting year

53

C27.3 If C27.1 and C27.2 are not the same, please provide an explanation for the difference

We were unable to improve 49 of the properties which were previously in abeyance due to tenant objection or no access. We also had a new abeyance during the reporting period. The total number of abeyance properties is therefore 50.

C27.4 How many properties does your organisation plan to bring fully up to the SHQS during the next reporting year

105

C27.5 The number of properties at C27.4 should equal the difference between the projected pass rates for the end of the reporting year and the end of the next reporting year (as reported at C25.5). If it does not, please explain the difference

Due to programmed demolitions and new builds over the period the stock figure will reduce from 12944 to 12930.

98

Scottish Housing Quality Standard (SHQS) (Indicator C28.1)

Please state:

C28.1.1 The number of self-contained properties with anticipated exemptions

| 0 |

C28.1.2 The range of elements not met

| |

C28.1,3 The reason(s) the elements are not met

| |

C28.1.4 What action is your organisation taking or planning to take to address these exemptions

| |

98

Scottish Housing Quality Standard (SHQS) – Abeyances at the year end (Indicator C28.2)

Please state:

C28.2.1 The number of self-contained properties with anticipated exemptions

50

C28.2.2 The range of elements not met

A Below Tolerable Standard: 1 - 12 Tolerable Standard
B Free from Serious Disrepair: 29 Common windows and common roof lights
C Energy Efficiency: 32 100mm minimum loft insulation
C Energy Efficiency: 35 An energy efficiency rating of NHER 5 or SAP 2001 of 50 (oil, LPG, electric, solid fuel and biomass systems) or 60 (oil, LPG, electric, solid fuel and biomass systems)
D Modern Facilities and Services: 36 A-D Bathroom Condition
D Modern Facilities and Services: 37 A-C Kitchen Condition
D Modern Facilities and Services: 38 Kitchen Facilities: safe working arrangements
D Modern Facilities and Services: 39 Kitchen Facilities: adequate electrical sockets
D Modern Facilities and Services: 40 Kitchen Facilities: adequate food storage space
E Healthy, Safe & Secure: 52 Adequate public lighting
E Healthy, Safe & Secure: 54 Secure common external front door entry system (and / orconcierge)

C28.2.3 The reason(s) the elements are not met

(a) Work cannot be done because the tenants objects
(b) Work cannot be done because owners object to common repairs

C28.2.4 What action is your organisation taking or planning to take to address these exemptions

We will continue to work with tenants and owners through our tenant liaison officers, local housing officers, factoring section and
Legal Services where appropriate to gain access for outstanding works.

Scottish Housing Quality Standard (SHQS) – Actual and projected investment by criteria/element (Indicator C29)

Please state:

	(i) in the reporting year		(ii) projected for the next reporting year	
	(a) the actual number of homes improved	(b) the amount invested (£s)	(a) the actual number of homes to be improved	(b) the amount to be invested (£s)
C29.1 Because they were/are below the tolerable standard	18	3161	4	9833
C29.2 Because they were/are in serious disrepair	1	3570	1	3570
C29.3 Because they were/are not energy efficient	5	6070	24	21050
C29.4 Because they did/do not have modern facilities and services	25	21670	49	118451
C29.5 Because they were/are not healthy, safe and secure	8	2000	37	43700
C29.6 The total number of properties improved	53	36471	105	196604
C29.7 The number of properties demolished as a direct result of the SHQS and the cost of demolition	0	0	0	0

Percentage of stock meeting the Scottish Housing Quality Standard (SHQS) (Indicator 7)

For properties within scope of the SHQS, please state:

7.1 The total number of properties within scope of the SHQS:
7.1.1 at the end of the reporting year

| 12944 |

7.1.2 projected to the end of the next reporting year

| 12908 |

7.2 The number of properties meeting the SHQS:
7.2.1 at the end of the reporting year

| 12839 |

7.2.2 projected to the end of the next reporting year

| 12908 |

| **Percentage of stock meeting the SHQS at the end of the reporting year (Indicator 7)** | 99.19 | % |

| **Percentage of stock meeting the SHQS projected to the end of the next reporting year (Indicator 7)** | 100.00 | % |

![Scottish Housing Regulator]

Percentage of properties at or above the appropriate NHER or SAP ratings specified in element 35 of the SHQS, as at 31 March each year (Indicator 8)

8.1 The total number of properties within scope of the SHQS:

8.1.1 at the end of the reporting year

| 12944 |

8.1.2 projected to the end of the next reporting year

| 12908 |

8.2 The number of properties meeting the appropriate NHER or SAP ratings specified in element 35 of the SHQS:

8.2.1 at the end of the reporting year

| 12939 |

8.2.2 projected to the end of the next reporting year

| 12908 |

| Percentage of properties at or above the appropriate NHER or SAP ratings specified in element 35 of the SHQS at the end of the reporting year (Indicator 8) | 99.96 | % |

| Percentage of properties at or above the appropriate NHER or SAP ratings specified in element 35 of the SHQS projected to the end of the next reporting year (Indicator 8) | 100.00 | % |

Scottish Housing Regulator

Percentage of tenants satisfied with the standard of their home when moving in (Indicator 9)

In relation to tenant satisfaction with the standard of their home when moving in this year, please state:

9.1 Of the tenants who moved into their property in the last year, how many answered the question "Thinking about when you moved in, how satisfied or dissatisfied were you with the standard of your home?"

| 658 |

9.2 Of the tenants who answered, how many said that they were:

9.2.1 very satisfied

| 454 |

9.2.2 fairly satisfied

| 156 |

9.2.3 neither satisfied nor dissatisfied

| 18 |

9.2.4 fairly dissatisfied

| 15 |

9.2.5 very dissatisfied

| 0 |

Percentage of tenants satisfied with the standard of their home when moving in (Indicator 9)	92.71	%

Scottish Housing Regulator

Percentage of tenants satisfied with the quality of their home (Indicator 10)

In relation to tenant satisfaction with the quality of their home, please state:

10.1 How many tenants answered the question "Overall, how satisfied or dissatisfied are you with the quality of your home?"

| 1500 |

10.2 Of the tenants who answered, how many said that they were:

10.2.1 very satisfied

| 915 |

10.2.2 fairly satisfied

| 495 |

10.2.3 neither satisfied nor dissatisfied

| 45 |

10.2.4 fairly dissatisfied

| 30 |

10.2.5 very dissatisfied

| 15 |

| Percentage of tenants satisfied with the quality of their home (Indicator 10) | 94.00 | % |

Repairs, Maintenance & Improvements

The information you give us here will tell us about the quality and energy efficiency of the housing you provide and the repairs service you offer.

Scottish Housing Regulator

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Average number of reactive repairs completed per occupied property (Indicator C13)

Please state:

C13.1 The total number of reactive repairs completed during the reporting year | 21103.0

C13.2 The number of occupied properties during the reporting year | 12647

Average number of reactive repairs completed per occupied property (Indicator C13)	1.67	

Scottish Housing Regulator

Average length of time taken to complete emergency repairs (Indicator 11)

Emergency repairs are reactive repairs necessary to prevent serious damage to the building, danger to health, risk to safety or risk of serious loss or damage to the occupier's property.
Please state:

11.1 The number of emergency repairs completed in the reporting year	8758

11.2 The total number of hours taken to complete emergency repairs	18914

Average length of time taken to complete emergency repairs (Indicator 11)	2.16	**hours**

Scottish Housing Regulator

Average length of time taken to complete non-emergency repairs (Indicator 12)

Please state:

(i) The number of non-emergency repairs completed in the reporting year

(ii) The total number of working days taken to complete non-emergency repairs in the reporting year

12.1 The total number of non-emergency repairs completed in the reporting year | 12345

12.2 The total number of working days taken to complete non-emergency repairs | 67304

Average length of time taken to complete non-emergency repairs (Indicator 12)	5.45	days

Percentage of reactive repairs carried out in the last year completed right first time (Indicator 13)

Please state:

13.1 The number of reactive repairs completed right first time during the reporting year

10798

13.2 The total number of reactive repairs completed during the reporting year

10971

Percentage of reactive repairs carried out in the last year completed right first time (Indicator 13)	98.42	%

Percentage of repairs appointments kept (Indicator 14)

Please state:

14.1 Does your organisation operate a repairs appointment system?
Yes

14.2 The number of reactive repairs appointments made in the reporting year	13849

14.3 The number of reactive repair appointments kept in the reporting year	13800

Percentage of repairs appointments kept (Indicator 14)	99.65	**%**

Percentage of properties that require a gas safety record which had a gas safety check and record completed by the anniversary date (Indicator 15)

Please state:

15.1 As at the end of the reporting year, how many properties required gas safety records

11594

15.2 For properties which had current gas safety records in place at the end of the reporting year, how many had been renewed by their anniversary dates

11577

Percentage of properties that require a gas safety record which had a gas safety check and record completed by the anniversary date (Indicator 15)	99.85	%

![Scottish Housing Regulator logo]

Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (Indicator 16)

In relation to tenant satisfaction with the repairs service provided for those with a repair carried out in the reporting year, please state:

16.1 Of the tenants who had repairs carried out in the last year, how many answered the question "Thinking about the LAST time you had repairs carried out, how satisfied or dissatisfied were you with the repairs service provided by your landlord?"

370

16.2 Of the tenants who answered, how many said that they were:

16.2.1 very satisfied

288

16.2.2 fairly satisfied

36

16.2.3 neither satisfied nor dissatisfied

12

16.2.4 fairly dissatisfied

7

16.2.5 very dissatisfied

27

Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (Indicator 16)	87.57	%

Comments (Housing quality and maintenance)

The housing stock is in very good condition and well maintained. We take a proactive approach to Housing Asset Management and target improvements to ensure that our properties are SHQS compliant. Properties are refurbished to ensure they remain attractive, meet modern requirements and tenant expectations. We have a range of planned maintenance programmes which are designed to achieve economies by replacing major element components just before they would otherwise require responsive repairs; anticipate changes in minimum acceptable standards; and reduce future requirements for cyclical maintenance.

Our responsive maintenance repairs service is very effective and designed to ensure that tenants remain satisfied with their accommodation and with the quality of any repairs carried out. An efficient and effective void repairs service provides a quick turn around on void property which helps to speed the repairs process and reduce void rent loss. Although we take a proactive and professional approach to gas maintenance we were unfortunately unable to access 17 properties to ensure that the annual gas safety checks and records were completed by the anniversary date for each of these properties. The 17 properties failed because of a clerical error by one of the contractors' administration team who did not update the status of the properties from in progress to tenant refusing access to their property. A review of the end to end processes used by the Council and Gas Contractor is being carried out to ensure that this does not happen again.

Separately, in December 2018 the Council's Cabinet approved an ambitious Estate Based Regeneration Programme (EBRP) which makes provision for £10m regeneration investment across a variety of our estates over the next 10 years.

The EBRP will involve selective demolition of our lowest demand stock, and replacement with attractive, accessible and energy efficient housing.

Neighbourhood and Community

The information you give us here will tell us about the neighbourhoods and communities you manage.

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Estate Management, anti-social behaviour, neighbour nuisance and tenancy disputes

The information you give us here will tell us about the neighbourhoods and communities you manage.

Percentage of 1st and 2nd stage complaints resolved by the landlord (Indicators 4 & 5)

Equalities related issues:

	4.1.1 1st Stage complaints		4.1.2 2nd Stage complaints	
	Number	Percentage	Number	Percentage
Received in the reporting year	0	N/a	1	N/a
Carried forward from the previous reporting year	0	N/a	0	N/a
4.1.3 Complaints responded to in full by the landlord in the reporting year	0	0	1	100.0
4.1.4 Complaints upheld by the landlord in the reporting year	0	0	0	0.0
5.1 Complaints responded to in full within the timescales set out in the SPSO Model CHP	0	0	1	100.0

Other issues:

	4.2.1 1st Stage complaints		4.2.2 2nd Stage complaints	
	Number	Percentage	Number	Percentage
Received in the reporting year	248	N/a	16	N/a
Carried forward from the previous reporting year	0	N/a	0	N/a
4.2.3 Complaints responded to in full by the landlord in the reporting year	248	100.0	16	100.0

4.2.4 Complaints upheld by the landlord in the reporting year	138	55.65	1	6.25
5.2 Complaints responded to in full within the timescales set out in the SPSO Model CHP	240	96.77	16	100.0

All complaints:

	4.3.1 1st Stage complaints		4.3.2 2nd Stage complaints	
	Number	Percentage	Number	Percentage
Received in the reporting year	248	N/a	17	N/a
Carried forward from the previous reporting year	0	N/a	0	N/a
4.3.3 Complaints responded to in full by the landlord in the reporting year	248	100.0	17	100.0
4.3.4 Complaints upheld by the landlord in the reporting year	138	55.65	1	5.88
5.3 Complaints responded to in full within the timescales set out in the SPSO Model CHP	240	96.77	17	100.0

Percentage of 1st stage complaints on equalities issues responded to in full by the landlord (Indicators 4 & 5)	0	%

Percentage of 1st stage complaints on other issues responded to in full by the landlord (Indicators 4 & 5)	100.0	%

Percentage of 1st stage complaints on equalities issues upheld by the landlord (Indicators 4 & 5)	0	%

Percentage of 1st stage complaints on other issues upheld by the landlord (Indicators 4 & 5)	55.65	%

Percentage of 2nd stage complaints on equalities issues responded to in full by the landlord (Indicators 4 & 5)	100.0	%

Percentage of 2nd stage complaints on other issues responded to in full by the landlord (Indicators 4 & 5)	100.0	%

Percentage of 2nd stage complaints on equalities issues upheld by the landlord (Indicators 4 & 5)	0.0	%

Percentage of 2nd stage complaints on other issues upheld by the landlord (Indicators 4 & 5)	6.25	%

Percentage of 1st stage complaints on equalities issues responded to in full by the landlord within SPSO CHP timescales (Indicators 4 & 5)	0	%

Percentage of 1st stage complaints on other issues responded to in full by the landlord within SPSO CHP timescales (Indicators 4 & 5)	96.77	%

Percentage of 2nd stage complaints on equalities issues responded to in full by the landlord within SPSO CHP timescales (Indicators 4 & 5)	100.0	%

Percentage of 2nd stage complaints on other issues responded to in full by the landlord within SPSO CHP timescales (Indicators 4 & 5)	100.0	%

Percentage of tenants satisfied with the management of the neighbourhood they live in (Indicator 17)

In relation to tenant satisfaction with their landlord's management of the neighbourhood in which they live, please state:

17.1 How many tenants answered the question "Overall, how satisfied or dissatisfied are you with your landlord's management of the neighbourhood you live in?"

| 1500 |

17.2 Of the tenants who answered, how many said that they were:

17.2.1 very satisfied

| 990 |

17.2.2 fairly satisfied

| 390 |

17.2.3 neither satisfied nor dissatisfied

| 60 |

17.2.4 fairly dissatisfied

| 45 |

17.2.5 very dissatisfied

| 15 |

Percentage of tenants satisfied with the management of the neighbourhood they live in (Indicator 17)	92.00	%

Percentage of tenancy offers refused during the year (Indicator 18)

Please state:

18.1 The number of tenancy offers made during the reporting year

| 2377 |

18.2 The number of tenancy offers that were refused

| 1362 |

| **Percentage of tenancy offers refused during the year (Indicator 18)** | 57.30 | % |

Scottish Housing Regulator

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Percentage of anti-social behaviour cases reported in the last year which were resolved within locally agreed targets (Indicator 19)

Please state:

19.1 The number of cases of anti-social behaviour reported in the reporting year | 901

19.2 Of those at 19.1, the number of cases resolved in the reporting year | 887

19.3 Of those at 19.1, the number of cases resolved within locally agreed targets in the reporting year | 885

Percentage of anti-social behaviour cases reported in the last year which were resolved within locally agreed targets (Indicator 19)	98.22	%

121

Percentage of the court actions initiated which resulted in eviction and the reasons for eviction (Indicator 24)

Court actions are initiated by the landlord following the issue of a Notice of Proceedings and raising of a court order.

Please state:

24.1 The total number of court actions initiated during the reporting year	888

24.2 The number of properties recovered: 24.2.1 because rent had not been paid	59

24.2.2 because of anti-social behaviour	5

24.2.3 for other reasons	0

Percentage of the court actions initiated which resulted in eviction because rent had not been paid (Indicator 24)	6.64	%

Percentage of the court actions initiated which resulted in eviction because of anti-social behaviour (Indicator 24)	0.56	%

Percentage of the court actions initiated which resulted in eviction for other reasons (Indicator 24)	0.0	%

Percentage of the court actions initiated which resulted in eviction (Indicator 24)	7.21	%

Abandoned properties (Indicator C11)

As defined by the Housing (Scotland) Act 2001, a property is abandoned where the landlord has reasonable grounds to believe that:
the property is unoccupied; and
the tenant does not intend to occupy the property as their home
Please state:

C11.1 The number of properties abandoned during the reporting year | 78 |

124

Number of notices of proceedings issued and court action initiated (Indicator C12)

Notices of Proceedings are legal documents issued during the first stage in the process of evicting tenant.
Orders for recovery of possession are issued by the court and give a landlord the right to repossess a property.
Please state:

C12.1 The number of notices of proceedings issued during the reporting year

| 1718 |

C12.2 The number of orders for recovery of possession granted during the reporting year

| 215 |

Comments (Neighbourhood & community)

The Council continue to perform well in responding to anti-social behaviour within agreed timescales. The roll out of the highly successful Prevention First and locality policing model in 2017/18 across North Ayrshire, resulted in a significant increase in referrals to the Anti-Social Behaviour team in an effort to intervene early and reduce crime. 2018/19 has seen a 15.4% reduction in referrals. We are in the process of carrying out a review of the North Ayrshire Community Safety service in line with the development of a new 5 year Community Safety Strategy, which will inform service delivery moving forward.

Access to housing and support

The information you give us here will tell us about how people access your housing stock and how you support new and existing tenants.

Housing Options and Access to Social Housing

The information you give us here allows us to monitor the arrangements your organisation has for providing service users access to its housing, and managing its re-lets.

Scottish Housing Regulator

Percentage of lettable houses that became vacant in the last year (Indicator 21)

Please state:

21.1 The number of empty dwellings that arose during the reporting year in self-contained lettable stock

1093

Percentage of lettable houses that became vacant in the last year (Indicator 21)	8.59	%

Average time to re-let properties in the last year (Indicator 35)

Please state:

35.1 The total number of properties re-let in the reporting year	927

35.2 The total number of calendar days properties were empty	18463

Average time to re-let properties in the last year (Indicator 35)	19.92	**days**

Scottish Housing Regulator

Percentage of approved applications for medical adaptations completed during the reporting year and the average time to complete applications (Indicators 22 & 23)

Please state:

22.1 The number of approved applications on the list for medical adaptations at the start of the reporting year plus any new, approved applications made during the reporting year

| 1369 |

22.2 The number of approved applications completed between start and end of the reporting year

| 971 |

23.1 The total number of days taken to complete approved applications

| 59321 |

23.2 The number of medical adaptations completed in the reporting year

| 1026 |

Percentage of approved applications for medical adaptations completed during the reporting year (Indicator 22)	70.93	%

Average time to complete approved applications for medical adaptations in the reporting year (Indicator 23)	61.09	days

![Scottish Housing Regulator]

Percentage of new tenancies sustained for more than a year, by source of let (Indicator 20)

Please state:

20.1 The number of tenancies which began in the previous reporting year by:

20.1.1 existing tenants

134

20.1.2 applicants who were assessed as statutory homeless by the local authority

270

20.1.3 applicants from your organisation's housing list

563

20.1.5 others

0

20.2 The number of tenants at 20.1 who remained in their tenancy for more than a year by:

20.2.1 existing tenants

124

20.2.2 applicants who were assessed as statutory homeless by the local authority

220

20.2.3 applicants from your organisation's housing list

508

20.2.5 others

0

Percentage of new tenancies to existing tenants sustained for more than a year (Indicator 20)	92.54	%

Percentage of new tenancies to applicants who were assessed as statutory homeless by the local authority sustained for more than a year (Indicator 20)	81.48	%

Percentage of new tenancies to applicants from the landlord's housing list sustained for more than a year (Indicator 20)	90.23	%

Percentage of new tenancies to others sustained for more than a year (Indicator 20)	0.0	%

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Homeless people

The information you give us here will tell us about the services you offer homeless people.

133

Scottish Housing Regulator

Average length of time in temporary or emergency accommodation by type (Indicator 25)

For cases that were closed in the reporting year, please state:

25.1 The total number of days households spent in temporary or emergency accommodation by:
25.1.1 Ordinary local authority dwelling

51515

25.1.2 RSL dwelling

0

25.1.3 Local authority-owned hostel

6455

25.1.4 RSL-owned hostel

8153

25.1.5 Other hostel

6679

25.1.6 Bed and breakfast

0

25.1.7 Women's refuge

4665

25.1.8 Private sector lease

0

25.1.9 Other

0

25.2 The total number of different households who occupied temporary or emergency accommodation by:

25.2.1 Ordinary local authority dwelling

502

25.2.2 RSL dwelling

0

25.2.3 Local authority-owned hostel

354

25.2.4 RSL-owned hostel

281

25.2.5 Other hostel

297

25.2.6 Bed and breakfast

0

25.2.7 Women's refuge

76

25.2.8 Private sector lease

0

25.2.9 Other

0

Average length of time in temporary or emergency accommodation (ordinary local authority dwelling) (Indicator 25)	102.62	**days**

Average length of time in temporary or emergency accommodation (RSL dwelling) (Indicator 25)	0.0	days

Average length of time in temporary or emergency accommodation (local authority-owned hostel) (Indicator 25)	18.23	days

Average length of time in temporary or emergency accommodation (RSL-owned hostel) (Indicator 25)	29.01	days

Average length of time in temporary or emergency accommodation (other hostel) (Indicator 25)	22.49	days

Average length of time in temporary or emergency accommodation (bed and breakfast) (Indicator 25)	0.0	days

Average length of time in temporary or emergency accommodation (women's refuge) (Indicator 25)	61.38	days

Average length of time in temporary or emergency accommodation (private sector lease) (Indicator 25)	0.0	days

Average length of time in temporary or emergency accommodation (other) (Indicator 25)	0.0	days

Average length of time in temporary or emergency accommodation (all types) (Indicator 25)	51.30	days

Percentage of households requiring temporary or emergency accommodation to whom an offer was made and offers refused in the last year by accommodation type (Indicators 26 & 27)

Please state:

26.1 The number of households where the landlord was required to make an offer of temporary or emergency accommodation in the reporting year

| 1656 |

26.2 The number of offers of temporary or emergency accommodation made in the reporting year by:

26.2.1 Ordinary local authority dwelling

| 512 |

26.2.2 RSL dwelling

| 0 |

26.2.3 Local authority-owned hostel

| 400 |

26.2.4 RSL-owned hostel

| 322 |

26.2.5 Other hostel

| 352 |

26.2.6 Bed and breakfast

| 0 |

26.2.7 Women's refuge

| 70 |

26.2.8 Private sector lease

`0`

26.2.9 Other

`0`

27.1 The number of offers of temporary or emergency accommodation refused in the reporting year by:

27.1.1 Ordinary local authority dwelling

`13`

27.2.2 RSL dwelling

`0`

27.2.3 Local authority-owned hostel

`44`

27.2.4 RSL-owned hostel

`39`

27.2.5 Other hostel

`52`

27.2.6 Bed and breakfast

`0`

27.2.7 Women's refuge

`0`

27.2.8 Private sector lease

`0`

27.2.9 Other

`0`

26.2			1656

Percentage of households requiring temporary or emergency accommodation to whom an offer was made (Indicator 26)	100.00	%

Percentage of offers of temporary or emergency accommodation refused (ordinary local authority dwelling) (Indicator 27)	2.54	%

Percentage of offers of temporary or emergency accommodation refused (RSL dwelling) (Indicator 27)	0.0	%

Percentage of offers of temporary or emergency accommodation refused (local authority-owned hostel) (Indicator 27)	11.00	%

Percentage of offers of temporary or emergency accommodation refused (RSL-owned hostel) (Indicator 27)	12.11	%

Percentage of offers of temporary or emergency accommodation refused (other hostel) (Indicator 27)	14.77	%

Percentage of offers of temporary or emergency accommodation refused (bed and breakfast) (Indicator 27)	0.0	%

Percentage of offers of temporary or emergency accommodation refused (women's refuge) (Indicator 27)	0.0	%

Percentage of offers of temporary or emergency accommodation refused (private sector lease) (Indicator 27)	0.0	**%**

Percentage of offers of temporary or emergency accommodation refused (other) (Indicator 27)	0.0	**%**

Percentage of offers of temporary or emergency accommodation refused (all types) (Indicator 27)	8.94	**%**

Scottish Housing Regulator

Of those households homeless in the last 12 months the percentage satisfied with the quality of temporary or emergency accommodation (Indicator 28)

Please state:

28.1 For each placement in temporary or emergency accommodation in the last year, how many households answered the question How satisfied or dissatisfied were you with the overall quality of the temporary or emergency accommodation you were provided?

| 408 |

28.2 Of the households who answered, how many said that they were:
28.2.1 very satisfied

| 342 |

28.2.2 fairly satisfied

| 47 |

28.2.3 neither satisfied nor dissatisfied

| 12 |

28.2.4 fairly dissatisfied

| 3 |

28.2.5 very dissatisfied

| 4 |

Of those households homeless in the last 12 months the percentage satisfied with the quality of temporary or emergency accommodation (Indicator 28)	95.34	%

Comments (Access to housing and support)

We undertook a review of homeless service provision during 2018/19. The review determined that:

- The quality of temporary accommodation within North Ayrshire is of a high standard, with high levels of customer satisfaction and low refusal rates
- Homelessness appears to be a more complex problem in North Ayrshire than is the case nationally, with a higher than average proportion of cases with severe and multiple disadvantage (1.8 per 1,000 of the North Ayrshire population compared to the Scottish average at 1.3)
- There is a substantially greater proportion of homeless people in North Ayrshire (14%) experiencing tri-morbidity of drug, alcohol and mental health problems than is the case nationally (6%)
- The outcomes for people with complex needs are better met through the provision of Housing First than would have been delivered by the traditional homeless resettlement model. A Housing First pilot undertaken during 2017, resulted in higher levels of tenancy sustainment, no repeat homelessness, reduced criminal activity from participating tenants and better engagement with the Health and Social Care Partnership.

The Homeless service review has informed the integrated vision for the way services will be delivered in the future for people who are homeless or potentially homeless. Our improved service delivery plans are detailed within the North Ayrshire Rapid Rehousing Transition Plan. We are committed to the provision of 100 Housing First Tenancies over the next five years for Homeless People with the most complex needs

Getting good value from rents and service charges

The information you give us here will tell us about your charges and the value for money you achieve.

Value for money

The information you give us here will tell us about the value for money you achieve.

Percentage of tenants who feel that the rent for their property represents good value for money (Indicator 29)

In relation to tenant satisfaction with the value for money provided by the rent they pay, please state:

29.1 How many tenants answered the question "Taking into account the accommodation and the services your landlord provides, do you think the rent for your property represents good or poor value for money?"

1500

29.2 Of the tenants who answered, how many said that their rent represented:

29.2.1 very good value for money

555

29.2.2 fairly good value for money

825

29.2.3 neither good nor poor value for money

60

29.2.4 fairly poor value for money

45

29.2.5 very poor value for money

15

Percentage of tenants who feel that the rent for their property represents good value for money (Indicator 29)	92.00	%

Percentage of factored owners satisfied with the factoring service they receive (Indicator 33)

In relation to tenant satisfaction with the factoring services provided, please state:

33.1 How many factored owners answered the question "Taking everything into account, how satisfied or dissatisfied are you with the factoring services provided by your landlord?"

| 131 |

33.2 Of the factored owners who answered, how many said that they were:
33.2.1 very satisfied

| 52 |

33.2.2 fairly satisfied

| 53 |

33.2.3 neither satisfied nor dissatisfied

| 20 |

33.2.4 fairly dissatisfied

| 1 |

33.2.5 very dissatisfied

| 5 |

Percentage of factored owners satisfied with the factoring service they receive (Indicator 33)	80.15	%

Rents and service charges

The information you give us here will tell us about how you maximise your income.

Scottish Housing Regulator

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Rent collected as percentage of total rent due in the reporting year (Indicator 30)

Please state:

30.1 The total amount of rent collected in the reporting year | 46247905

30.2 The total amount of rent due to be collected in the reporting year (annual rent debit) | 46095318

| Rent collected as percentage of total rent due in the reporting year (Indicator 30) | 100.33 | % |

148

Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year (Indicator 31)

Please state:

31.1 The total value (£) of gross rent arrears as at the end of the reporting year

1564903

31.2 The total rent due for the reporting year

46804551

Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year (Indicator 31)	3.34	%

Scottish Housing Regulator

Average annual management fee per factored property (Indicator 32)

A factored property is where a landlord is responsible for the delivery of a management service to the owner of the property.

32.1 The number of residential properties factored	3165

32.2 The total value of management fees invoiced to factored owners in the reporting year	3029

Average annual management fee per factored property (Indicator 32)	**£**	0.96

Scottish Housing Regulator

151

Percentage of rent due lost through properties being empty during the last year (Indicator 34)

Please state:

34.1 The total amount of rent due for the reporting year

46804551

34.2 The total amount of rent lost through properties being empty during the reporting year

211511

Percentage of rent due lost through properties being empty during the last year (Indicator 34)	0.45	%

152

Rent increase (Indicator C21)

Please state:

C21.1 The percentage average weekly rent increase to be applied in the next reporting year

| 2.93 |

Scottish Housing Regulator

The number of households for which landlords are paid housing costs directly and the total value of payments received in the reporting year (Indicator C22)

Please state:

C22.1 The number of households the landlord received housing costs directly for during the reporting year

7303

C22.2 The value of direct housing cost payments received during the reporting year

21807133

154

Amount and percentage of former tenant rent arrears written off at the year end (Indicator C23)

Please state:

C23.1 The total value of former tenant arrears at year end

674440

C23.2 The total value of former tenant arrears written off at year end

296582

Amount and percentage of former tenant rent arrears written off at the year end (Indicator C23)	43.97	%

Comments (Getting good value from rents and service charges)

North Ayrshire Council, Housing Services focus on providing value for money through a number of measures, such as operating robust financial management processes, implementing value for money principles, exploring efficiency opportunities, and managing competitive contractual arrangements. North Ayrshire Council's average weekly rent charge is lower than the national average and is lower than neighbouring authorities and landlords, however we continue to invest significantly in our stock and new house building programme. We face challenges in for example, changes to welfare reform, demographics and the housing stock profile. We are committed to delivering services in new, improved and more cost-effective ways.

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Other Customers

The information you give us here will tell us about the services you offer to Gypsies/Travellers.

Gypsies/travellers – Average weekly rent per pitch (Indicator 36)

A pitch is a defined serviced area provided by a landlord for mainly Gypsies and Travellers to place their homes. Please state:

36.1 The total amount of rent set for all pitches during the reporting year

71460

36.2 The total number of pitches

16

Gypsies/travellers - Average weekly rent per pitch (Indicator 36)	**£**	85.89	

For those who provide sites – percentage of gypsies/travellers satisfied with the landlord's management of the site (Indicator 37)

In relation to the satisfaction question on the management of sites provided to gypsies/travellers, please state:

37.1 How many Gypsies/Travellers answered the question "How satisfied or dissatisfied are you with your landlord's management of your site?"

8

37.2 Of the Gypsies/Travellers who answered, how many said that they were:

37.2.1 very satisfied

3

37.2.2 fairly satisfied

0

37.2.3 neither satisfied nor dissatisfied

5

37.2.4 fairly dissatisfied

0

37.2.5 very dissatisfied

0

For those who provide sites – percentage of gypsies/travellers satisfied with the landlord's management of the site (Indicator 37)	37.50	%

Comments (Other customers)

Gypsy/Travellers

North Ayrshire Council continue to provide services, advice and assistance to Gypsy/Travellers who live permanently within North Ayrshire and those who visit on a temporary basis. The Gypsy/Traveller Coordinator supports Gypsy/Traveller families at our permanent site at Redburn, Irvine. The site has 16 pitches and each pitch has its own amenity block with separate kitchen, shower toilet facilities and utility room. A community room is available on site for partner services to meet tenants and their children within a safe and comfortable environment. The room is used by a number of Services, including: Education, Welfare Reform team, Tenancy Support, Community Link team and a weekly GP surgery.

North Ayrshire Council ensures that the response to unauthorised encampments is consistent, in line with our Unauthorised Encampment Policy and the guidance issued by the Scottish Government. Our Gypsy/Traveller Encampment Officer works to build a friendly relationship with visiting families and assess their needs. Where necessary, he will make referrals to partner organisations and will also provide advice on other housing options.

In 2018 Housing Services staff surveyed the tenants at Redburn Grove to gather their views on their current and future housing needs. Tenants were asked for their opinion on the current facilities and amenities at Redburn Grove. Tenants were also asked for their opinion on what accommodation at Redburn should look like in the future. Even though the accommodation provided at Redburn Grove meets the Scottish Government's minimum recommended standard, it is clear from the survey outcomes that there is dissatisfaction with certain aspects at Redburn. This has been reflected in a reduction in satisfaction levels overall and the main reason for the reduction in the percentage satisfied with our management of the site. Housing Services and Property Management and Investment staff have met to review the outcomes from the survey and discuss the options for future development.

Syrian Refugees

In 2015, North Ayrshire Council pledged a commitment to participate in the UK Government's Syrian Resettlement Programme. The Council agreed to resettle 160 vulnerable Syrian refugees over a four-year period and to coordinate the programme, a Refugee Support Team was introduced to deliver the required objectives. This service along with input from Community Planning Partners, such as Health and Social care partnership, Education, Department of Work and Pensions, Police Scotland and voluntary organisations, deliver robust resettlement packages to assist all the families integrate into the local area and access vital services to meet their individual needs. The Council remains on course to complete its target by December 2019.

Annual Assurance Statement
September 2019

Introduction and purpose

In February 2019, The Scottish Regulator issued a revised framework for regulation of Social Housing in Scotland. As part of this there is a requirement for landlords to submit an Annual Assurance Statement which has been agreed by the Board or Committee within the organisation.

We must provide assurance that the organisation complies with the relevant requirements of chapter 3 of the Regulatory Framework. This includes regulatory requirements that apply to all social landlords and the Standards of Governance.

The main risks for social landlords are:

- Poor outcomes for tenants, people who are homeless & other service users
- Poor quality of tenants' homes and investment failures

North Ayrshire Council give assurance that we are:

- Giving due regard to equality and human rights in all decision making
- Meeting our statutory duty to alleviate homelessness
- Engaging with staff and tenant representatives on the results of the Charter Standards and Outcomes

North Ayrshire's approach to assurance is to plot the Charter Standards on a compliance matrix showing performance that we consider high compared Scottish averages v's governance. There follows a drill down on each Standard, detailing arrangements we have as a landlord which gives assurance that we are meeting our responsibility to tenants, people who are homeless and other service users.

This document will be published on North Ayrshire Council's website and be widely available to our staff and tenants

Standards & Outcome mapping showing high performance v governance

Performance/Assurance (vertical axis): High, Med, Low

1, 3, 5, 2, 4, 6 (plotted points)

Impact on Governance (horizontal axis)
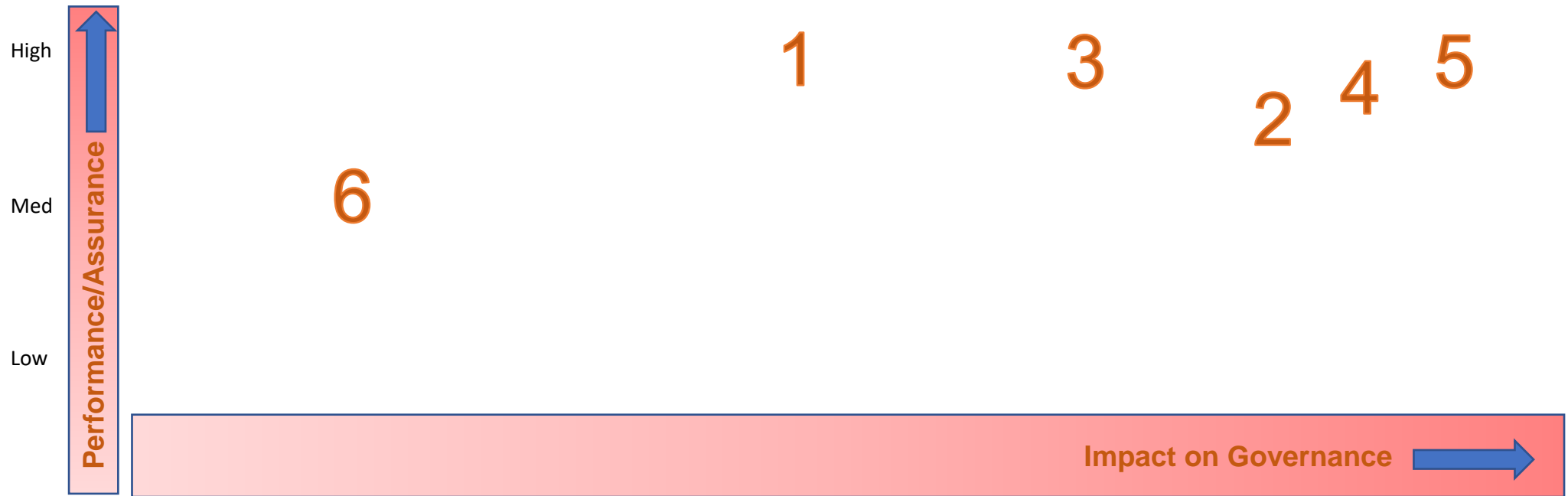
1 The Customer/Landlord Relationship

EQUALITIES COMMUNICATION PARTICIPATION

2 Housing Quality & Maintenance

QUALITY OF HOUSING REPAIRS, MAINTENANCE & IMPROVEMENT

3 Neighbourhood & Community

ESTATE MANAGEMENT, ASB, NEIGHBOURHOOD NUISANCE & TENANCY DISPUTES

4 Access to Housing & Support

HOUSING OPTIONS & ACCESS TO SOCIAL HOUSING HOMELESS PEOPLE

5 Getting good value from rents & service charges

VALUE FOR MONEY RENTS & SERVICE CHARGES

6 Other Customers

GYPSY/TRAVELLERS

1 — We set clear Regulatory Requirements

2 — We assure ourselves, our tenants and service users that we meet the Standards and Requirements

3 — We prepare an Annual Assurance Statement confirming that we meet the Standards and Requirements. We will notify the Regulator of any material changes in our level of assurance during the year

4 — We will submit our Annual Assurance Statement to the Regulator and make it available to tenants and service users

5 — We will include any Statement and notifications as part of our risk assessment

6 — We will publish our Statements on our website

Assurance ✓

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North Ayrshire Network
The current role of the Network is to examine the work of North Ayrshire Council's Housing Service. It is responsible for making sure that North Ayrshire Council's Housing Service continually improves the way they deliver services to tenants and customers. It ensures North Ayrshire Council embeds the requirements of the Scottish Housing Regulator and Scottish Social Housing Charter by monitoring and challenging the set indicators, outcomes and standards. This is achieved by:

➢ Presentation on performance prior to annual submission for approval.
➢ Presentation on performance at 6-month point.
➢ Performance Matters developed with tenants, approved and published.
➢ Any changes to the presentation of performance approval by North Ayrshire Network.
➢ Any changes from the Regulator communicated to Network.

North Ayrshire Inspection Panel
The Inspection Panel carry out one scrutiny inspection of service per year. The areas for inspection can be submitted by Senior Management and/or Tenant representatives. The purpose and remit of tenant scrutiny is to improve services.

Strategy
The Customer Connections Tenant Participation Strategy 2017 – 2022 encompasses and reflects the requirements of the Scottish Social Housing Charter and the Council's priorities. These support communities' tenants and residents to grow and develop opportunities for active engagement and participation for all citizens by listening to local needs and aspirations.

Communication
Housing Services provide a comprehensive range of information including leaflets, Council website and social media. All leaflets have a Language Transcript and tenant approved logo displayed on them. The tenant editorial panel approves all leaflets prior to issuing to ensure they are fit for purpose and easy to understand. A tenant approved logo is then assigned to the leaflet to show tenants have approved the document and endorsed it is easy to read. Housing Services Facebook and Twitter social media platforms have been developed to encourage digital engagement with a wider customer base.

Equalities
Housing Services has a good approach to promoting equality and embracing diversity in relation to customer participation. The Housing Service has an accessibility policy and the Councils equality and diversity policy outlines how equalities and diversity is implemented throughout the organisation. Equality impact assessments are carried out for all strategies and policies at the start of their review.

All the information we produce conforms to the North Ayrshire Council Communications Strategy. All leaflets and a number of documents are published in Plain English and can be made available in large print, braille, tape, CD and can be translated on request.

Research Resource carried out an independent face to face tenant satisfaction survey in 2018 (this is completed every 3 years) results have seen an improvement across all areas.

Standard 2 – Housing Quality & Maintenance   **Assurance** ✓

Outcomes: Quality of Housing
            Repairs, maintenance & Improvements

Housing Asset Management Plan
Our Housing stock is in very good condition and well maintained.   We take a proactive approach to Housing Asset Management and target improvements to ensure that our properties are SHQS compliant. Properties are refurbished to ensure they remain attractive, meet modern requirements and tenant expectations. We have a range of planned maintenance programmes which are designed to achieve economies by replacing major element components prior to the requirement for responsive repairs; anticipate changes in minimum acceptable standards; and reduce future requirements for cyclical maintenance.

North Ayrshire Council Housing Repairs Policy
North Ayrshire Council is committed to delivering a high quality, efficient and effective reactive and planned maintenance service to all of our tenants and factored owners in a manner which maintains high customer satisfaction. The policy sets out the service provided by the Council for repair and maintenance and aims to ensure the needs of our current and future tenants are met in relation to the provision of high quality housing. The policy was developed in consultation with tenant representatives.

We will carry out the repairs we are responsible for in our tenanted homes and will manage common repairs on behalf of our tenants and factored owners. We will:

➢ Ensure, where possible, all our homes meet the Scottish Housing Quality Standard and Scottish Housing Energy Efficiency Standards
➢ Ensure homes are in good condition and well maintained
➢ Give tenants a choice of when work is done
➢ Make sure empty homes are clean, in a good state of repair and meet our agreed minimum letting standard when re-let
➢ Make it easy for tenants to report repairs
➢ Provide opportunities for tenants to influence decisions about the quality of our service
➢ Ensure repairs and maintenance works to properties factored by North Ayrshire Council are carried out in accordance with the Factoring Code of Conduct and written Statement of Services.

Gas safety
Although we take a proactive and professional approach to gas maintenance, over the last two years we have not ensured 100% compliance with all properties that required a gas safety record having one completed by the anniversary date. This is a key are of focus for us. An improvement plan has been implemented, and includes an end to end review of processes to ensure compliance moving forward.

Estate based regeneration programme
An ambitious estate based regeneration programme was approved in 2018 which makes financial provision for regeneration investment across a variety of our estates over the next 10 years. This will involve selective demolition of our lowest demand stock, and replacement with attractive, accessible and energy efficient housing.

Standard 2 - Neighbourhood & Community

Outcomes: Estate Management
Anti Social Behaviour
Neighbour nuisance & tenancy disputes

Assurance ✓

Estate Management Policy, Procedure and good practice procedure
The Council's policy in respect of Estate Management is to provide services that meet the Council's responsibilities as landlord and to ensure that tenants also meet their responsibilities in respect of their Tenancy Agreement. Whilst every effort will be made to support tenants to address breaches of tenancy, if the tenant is unwilling to do so the Council will pursue appropriate legal action.

There is no agreed definition of 'Estate Management'. It covers a broad range of situations and activities such as new tenant visits, permissions for garages and driveways in garden ground, abandoned tenancies, untidy gardens, neighbour disputes, problems with pets, abandoned vehicles, tackling graffiti and illegal dumping/fly-tipping.

Prevention First and locality policing model
In 2017/18 we rolled out a highly successful Prevention First and locality policing model across North Ayrshire, which resulted in a significant increase in referrals to the Antisocial Behaviour Investigation Team in an effort to intervene early and reduce crime. 2018/19 seen a 15.4% reduction in referrals.

Community Safety Strategy 2019-2024
We are in the process of reviewing community safety in line with the development of the Community Safety Strategy 2019-2024 along with our Community Planning partners which will inform service delivery moving forward. The Strategy will set our our key commitments arranged around five strategic priorities:
- ➢ Reduce crime and antisocial behaviour
- ➢ Improve public protection and safety
- ➢ Reduce accidental harm
- ➢ Reduce gender based violence
- ➢ Improve road safety

North Ayrshire Council's Complaints Handling Procedure
Our complaints handling procedure reflects North Ayrshire's commitment to valuing complaints. It seeks to resolve customer dissatisfaction as close as possible to the point of service delivery and to conduct thorough, impartial and fair investigations of customer complaints so that, where appropriate, we can make evidence-based decisions on the facts of the case. The procedure has been developed by the Council's complaints handling experts working closely with the Scottish Public Services Ombudsman (SPSO). We have produced a standard approach to handling complaints across local government, which complies with the SPSO's guidance on a model complaints handling procedure.

Our latest tenant satisfaction survey, carried out in summer 2018, has seen an increase in tenants satisfied with the management of the neighbourhood they live in

North Ayrshire Rapid Rehousing Transition Plan
We undertook a review of homeless service provision during 2018/19. This has informed the integrated vision for the way services will be delivered in the future for people who are homeless or potentially homeless. Our improved service delivery plans are detailed within the North Ayrshire Rapid Rehousing Transition Plan. We are committed to the provision of 100 Housing First tenancies over the next five years for homeless people with the most complex needs. The review determined that:

- The quality of temporary accommodation in North Ayrshire is of a high standard, with high levels of customer satisfaction and low refusal rates
- Homelessness appears to be a more complex problem in North Ayrshire than is the case nationally, with a higher than average proportion of cases with severe and multiple disadvantage (1.8 per 1,000 of the North Ayrshire population compared to the Scottish average at 1.3)
- There is a substantially greater proportion of homeless people in North Ayrshire (14%) experiencing tri-morbidity of drug, alcohol and mental health problems than is the case nationally (6%)
- The outcomes for people with complex needs are better met through the provision of Housing First than would have been delivered by the traditional homeless resettlement model. A Housing First pilot undertaken during 2017 resulted in higher levels of tenancy sustainment (a key area of focus for us), no repeat homelessness, reduced criminal activity from participating tenants and better engagement with the Health & Social Care Partnership

We have no control over the percentage of lettable houses that become available for re-let, however following on from our response to the Grentfell Tower fire and the decision to demolish our high rise accommodation in Irvine, our process for rehousing tenants into accommodation of a high standard, with upgrade works being completed at void stage is having an effect on the average time taken to re-let properties. This is a key are of focus for us where a review of end to end processes is underway between Housing and Building Services.

The Health and Social Care Partnership has introduced a board, with representation from Housing Services, to continually look at improving the performance around medical adaptations.

Housing Revenue Account Business Plan

Our robust Housing Revenue Account Business Plan provides clear strategic direction, ensuring that effective short, medium and long term financial planning is undertaken. The plan clearly details how we will plan for, and deliver, key priorities such as; compliance with the Scottish Housing Quality Standard; the ongoing Council house building programme; rent setting and our Older People Housing Strategy.

The business plan was developed by a cross stakeholder working group which included representation from Elected Members, tenant representatives and officers from within Housing and Finance Services. This approach ensured balanced decision making that stands up to both internal and external scrutiny.

The plan provided a platform to develop an effective performance management and reporting framework that makes certain that we continue to provide value for money services to our tenants and, at the same time, keep rents at affordable levels. This is achieved while recognising that we are currently operating within an everchanging and evolving economic environment that requires the flexibility to change and adapt.

The plan is easily accessible to stakeholders. It provides information to demonstrate that the Council has a clear picture of its strategic direction and the associated financial position of the service in order to deliver this, over the 30-year planning period.

This plan is reviewed annually, and we are focused on providing value for money through a number of measures, such as operating robust financial management processes, implementing value for money principles, exploring efficiency opportunities, and managing competitive contractual arrangements. Our average weekly rent charge is lower than the national average and is lower than neighbouring authorities and landlords, however we continue to invest significantly in our stock and new house building programme. We continue to face challenges such as changes to welfare reform, demographics and the housing stock profile. We are committed to providing services in new, improved and more cost-effective ways.

Gypsy/Travellers

North Ayrshire Council provide services, advice and assistance to Gypsy/Travellers who live permanently in North Ayrshire and to those who visit on a temporary basis. North Ayrshire manages one permanent site. The site has 16 pitches and each pitch has its own amenity block with separate kitchen, shower, toilet facilities and utility room. A community room is available on site for partner services to meet tenants and their children within a safe and comfortable environment.

Gypsy/Traveller survey

In 2018 the tenants who live in our permanent site were surveyed to gather their views on their current and future housing needs. Tenants were asked on their opinion of the amenities at the site and what accommodation should look like in the future. Although our current accommodation meets the Scottish Government minimum standard, it was clear from the survey that some tenants are not happy with the standard of our site. This is a key area of focus for us. Housing and Property Management & Investment have met to review the outcomes of the survey and are currently in discussion regarding the options for future development. Separately, COSLA have agreed to develop a joint action plan to improve lives of Scottish Gypsy/Travellers, provided that there is sufficient resources to assist Local Government delivery.

Unauthorised Encampment Policy and guidance

Our response to unauthorised encampments is in line with the policy issued by the Scottish Government. Our Gypsy/Traveller encampment officer works to build relationships with visiting families to assess their needs. Where necessary we will make referrals to partner organisations and will provide advice on other housing options.

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Annual Assurance Statement 2018/19

North Ayrshire complies with the regulatory requirements set out in Chapter 3 of the Regulatory Framework.

North Ayrshire Council gives assurance that we are:
- Giving due regard to equality and human rights in all decision making
- Meeting our statutory duty to alleviate homelessness
- Engaging with staff and tenant representatives on the results of the Charter Standards and Outcomes

1 We set clear Regulatory Requirements

2 We assure ourselves, our tenants and service users that we meet the Standards and Requirements

3 We prepare an Annual Assurance Statement confirming that we meet the Standards and Requirements. We will notify the Regulator of any material changes in our level of assurance during the year

4 We will submit our Annual Assurance Statement to the Regulator and make it available to tenants and service users

5 We will include any Statement and notifications as part of our risk assessment

6 We will publish our Statements on our website

Assurance ✓

Authorised by:_____   Date_____
        PRINTED NAME
        Chairperson of the Committee

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Councillor Development**
Purpose:	To provide information and seek views on the development sessions provided to Councillors over the 18 months to 30 June 2019, and on future planned development sessions
Recommendation:	The Committee is recommended to note the report and to provide feedback a) on the Member Development sessions held in the period January 2018 to June 2019, b) on means to support Member attendance c) on how future programmes might be improved and d) to suggest additional topics for the next year.

1. Executive Summary

1.1 This report provides information on development support provided to Councillors over the last 18 months, on attendance rates, feedback from current activities and on future planned development.

2. Background

2.1 The Audit and Scrutiny Committee of 13 February 2017 agreed to submission of an annual report providing details on the Council's learning events programme for Councillors, and individual Councillor attendance figures. The March 2018 Committee meeting considered information for 2017. This report provides further information for the 18-month period 1 January 2018 to 30 June 2019.

2.2 The background to the original report was the Audit Commission report on "Roles and Working Relationships - Are you still getting it right?" That report emphasised that Councillors need the skills and tools to carry out their role. It noted that evidence from Best Value Audits indicates that Councillors' take-up of training is at best variable and sometimes they have poor perceptions of the training they receive. It also noted the need to receive training in relation to ALEO responsibilities, as well as scrutiny, audit and financial decision making. Finally, it noted that training and development should be an ongoing process, not a one-off induction.

2.3 Recent Best Value audit reports from Audit Scotland have continued to stress the importance of Member training. For example, the most recent report on Midlothian Council issued on 4 July 2019, included a recommendation that "Elected Members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities". This was a specific issue for Midlothian Council as two thirds of their councillors were newly elected in 2017. Nevertheless, it is likely this will also be scrutinised as part of our Best Value audit in 2020.

2.4 Following a very extensive welcome training programme in 2017, following the Council election, North Ayrshire Council has continued to offer a very full training programme for Members. The number of development sessions provided during the current Council and average Member attendance thereat is: -

- **2017** (post-election) - 41 sessions, of which 19 formed part of the Welcome Sessions following the election. Average attendance at the Welcome Sessions was 16.5 and attendance at the remaining sessions in 2017 was 9.5
- **2018** - 43 sessions, average attendance of 10 Members
- **2019** (Jan to June) – 8 sessions, average attendance of 12 Members.

2.5 Appendix 1 contains details of 41 of the 2018 sessions, excluding Appeals training which is covered later in this report. The best attended sessions were those on the Local Development Plan and the Citizen's Basic Income, which 21 Members attended.

2.6 Appendix 2 contains details of the eight development sessions between January and June 2019, again excluding Appeals training. The best attended was the session on Hunterston by the Office of Nuclear Regulation which 20 Members attended.

2.7 On average each Member attended 16 development sessions during this 18-month period. This equates to approximately 23.4 hours of CPD per annum, albeit the true figure will be higher as a result of on-line training and individual Members attendance at external events and conferences. Individual Member attendance from January 2018 to June 2019 varied between attendance at 43 sessions to attendance at two. If there is a trend, it is again that Members who have other employment find it more difficult to attend these sessions. This might be because of other commitments, general time constraints, the timing of development sessions or because the development was not suited to their needs. Following feedback last year, attempts were made to schedule sessions on days when there are no other committees i.e. Mon / Fri and to schedule 2 sessions per day to make best use of Members time/ travel to Cunninghame House. One of the ASP sessions in January 2018 was in the evening, to try to accommodate working members and those with childcare, although this was only attended by one Member. Further views from the Committee would be helpful.

2.7 Overall there were 425 separate Member attendances at development sessions in 2018 and 106 in the first half of 2019. These figures include those at Appeals Committee training.

2.8 The Council also offers a training needs analysis as part of annual PDP discussions with Members, with or without a self-assessment and/or 360 Assessment. During 2018 11 Members opted to have a PPD discussion, 4 with self-assessment and 3 with a 360 Assessment. To date in 2019, 3 Members have opted to have a PPD discussion, all 3 with a self-assessment.

2.9 Council previously agreed that all Members who sit on the Appeals Committee should receive training before they sit on the Committee. Two externally facilitated sessions were held in 2018 and a further session in 2019. As a result, all Members of the Appeals Committee are trained and now sit on the Committee. This has also improved the gender balance on the Committee.

2.10 Members can provide feedback by electronic means on sessions attended. During 2018 the feedback response rate was 47% and in the first half of 2019 it was 37%. Feedback results for each session are available. Generally training is well received with Councillors confirming that their skills/knowledge has increased by attending the training. A sample of specific comments are included in Appendix 3.

2.11 In addition to this there is online learning available hosted both internally and externally by the Improvement Service (IS). Also provided by the IS are Briefing notes, masterclasses, newsletters and more recently webinars. On 12 November Greenwood was used as the venue for a Scotland-wide Improvement Service seminar on inclusive growth. Our intranet Connects site hosts information, such as the slides from learning events. Councillors also have the opportunity to attend learning events throughout the year that are hosted for staff as part of their continued leadership development (E.g. menopause, stalking, trauma-informed, employees of the future, breaking the silence.)

2.12 Members and Officers are consulted on future training topics and any views from the Committee are also welcome. The Elected Member Learning and Development Event Schedule for the remainder of 2019 is attached at Appendix 4.

2.13 For completeness, the work of the Policy Advisory Panel should also be mentioned. As well as enabling Members to have early input into proposals and policy, the detailed and early discussion of reports serves to brief Members on topics which might otherwise be covered in a development session. The Ayrshire Growth Deal is an obvious example.

2.14 In conclusion, the Council continues to offer an extensive development programme for Members. While attendance levels vary from one session to another and between individual councillors, on average Members attend a significant volume of development, particularly when on-line and external events are included. Nevertheless, it is important that the Committee has the opportunity to review the current development arrangements and suggest improvements.

3. Proposals

3.1 The Committee is recommended to note the report and to provide feedback a) on the Member Development sessions held in the period January 2018 to June 2019, b) on means to support Member attendance c) on how future programmes might be improved and d) to suggest additional topics for the next year.

4. Implications/Socio-economic Duty

Financial

4.1 Investment in development produces more informed decisions and better outcomes. both for officers or Members. As this supports good governance and better decision making, Member development is likely to be an area of focus in next year's Best Value audit of the Council.

Human Resources

4.2 Effective development is key to keeping North Ayrshire Council as a high performing Council.

Legal
4.3 Effective development is a key component of good governance, leading to better decisions.

Equality/Socio-economic

4.4 Effective equalities training is essential for Members, and Council previously agreed that Members should receive equalities training. All Members have now received such training. Training in the work of those Council services which impact on children and young persons helps inform Members to develop policies which most benefit children and young persons.

Environmental and Sustainability

4.5 No implications

Key Priorities

4.6 Effective developmental support for Members is essential if the Council is to fully maximise its potential and deliver on its new Council Plan priorities.

Community Benefits

4.7 There are no direct community benefits although trained and skilled Members will be better placed to support their communities.

5. Consultation

5.1 Organisational Development have been involved in the preparation of this report. All sessions have been evaluated.

Craig Hatton
Chief Executive

For further information please contact Andrew Fraser **, Head of Democratic Services,** on **01294 324125**.

Background Papers
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Appendix 1 - Learning & Development Session Attendance 2018

M/T/W/Th/F	M	F	M	F	M	M	Th	M	M	M	M	M		F																												
	Local Development Plan Brief - 15 January 2018	Early Years - 19 January 2018	ASP - 22 January 2018	Overnight Support Packages in the LD Service - 26 January 2018	Healthy Eating - 29 January 2018	Equalities - 5 February 2018	CPP - 8 February 2018	CPR & Defibrillator Training - 12 February 2018	Update of HSCP - 12 March 2018	GDPR - 19 March 2018	Carer (Scotland) Act 2016 Update	Equalities - 16 April 2018	121 GDPR - 25 April 2018	Citizen's Basic income Update - 4 May 2018	Health & Safety - 14 May 2018	GDPR - 14 May 2018	LGBTI - 21 May 2018	CSGN - 4.6.18	Update on HSCP 11.06.18	Participatory Budget Update - 11.06.18	Biodiversity - 12 & 15 June 2018	Changing our Approach to Particiption	Equalities - 27.06.18	Biodiversity - 10 August 2018	Scottish Attainment Challenge - 20.08.18	ASN Update - 20 August 2018	Improving Children's Outcomes - 29 August 2018	Personal Safety / Lone Working - 10 Sept 2018	Lagan Training (Refresher) - 10 Sept 2018	Licensing 'Lite' - 17 September 2018	Update on HSCP - 17 September 2018	MCR Pathways - 8 October 2018	Standing Orders - 23 October 2018	Coding the Future - 26 October 2018	A New Approach to Tourism - 9 November 2018	Public Health Priorities - 15 November 2018	Adverse Childhood Experiences - 19 November 2018	Transformation - 19 November 2018	Personal Safety/Lone Working - 22 November 2018	Update on HSCP - 26 November 2018	Hour of Code - 4 December 2018	Overall Attendance
Alan Hill													Y	Y													Y															3
Alex Gallagher	Y		Y			Y			Y	Y	Y			Y				Y	Y	Y		Y			Y	Y	Y				Y	Y	Y		Y	Y		Y		Y	Y	23
Angela Stephen	Y		Y					Y				Y				Y					Y																					6
Anthea Dickson						Y	Y	Y	Y	Y				Y	Y			Y				Y			Y	Y	Y				Y	Y			Y	Y	Y	Y		Y	Y	20
Anthony Gurney														Y														Y												Y		3
Christina Larsen	Y	Y	Y		Y				Y	Y	Y			Y	Y			Y		Y		Y			Y	Y			Y	Y	Y		Y							Y	Y	20
Davina McTiernan	Y	Y	Y	Y	Y	Y			Y	Y	Y			Y	Y			Y	Y	Y		Y			Y	Y				Y	Y	Y	Y		Y			Y		Y		25
Donald L Reid	Y	Y	y	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y		Y			Y	Y	Y			Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	36
Donald Reid	Y	Y	Y		Y	Y		Y	Y	Y				Y			Y	Y	Y						Y	Y	Y			Y							Y	Y	Y			19
Ellen McMaster							Y						Y	Y																Y												4
Ian Clarkson	Y	Y	y		Y	Y	Y		Y	Y	Y														Y	Y				Y	Y		Y	Y				Y	Y	Y		19
Ian Murdoch	Y								Y	Y		Y		Y		Y		Y												Y	Y	Y		Y								10
Jean McClung	Y	Y		Y	Y	Y			Y	Y				Y		Y	Y	Y	Y	Y		Y			Y	Y	Y	Y		Y	Y	Y	Y			Y		Y		Y		24
Jim Montgomerie																						y																				1
Jimmy Miller	Y		y		Y	Y			Y	Y	Y				Y				Y	Y		y			Y	Y				Y			Y		Y	Y	Y	Y		Y		20
Joe Cullinane	Y				Y	Y								Y						Y																						5
John Bell		Y				Y					Y			Y		Y						Y			Y	Y	Y														Y	10
John Easdale	Y	Y	y	Y	Y				Y	Y				Y			Y	Y	Y			Y					Y		Y	Y	Y		Y			Y		Y		Y	Y	21
John Glover	Y			Y	Y			Y	Y	Y					Y		Y	Y	Y			Y								Y						Y						12
John Sweeney	Y				Y				Y	Y	Y			Y	Y	Y	Y	Y	Y	Y		Y			Y	Y	Y	Y		Y	Y		Y		Y	Y	Y	Y		Y		24
Joy Brahim	Y																						Y																			2
Louise McPhater														Y						Y																			Y			3
Margaret George																							Y																			1
Marie Burns			y		Y	Y			Y	Y				Y			Y	Y	Y	Y		Y			Y	Y									Y					Y		15
Robert Barr	Y				Y		Y	Y						Y			Y	Y	Y									Y	Y						Y	Y						10
Robert Foster					Y			Y						Y	Y	Y	Y	Y	Y									Y	Y				Y	Y						Y		13
Ronnie McNicol	Y				Y																	Y						Y			Y					Y			Y			7
Scott Davidson			y			Y	Y		Y	Y				Y	Y			Y	Y			Y			Y	Y	Y	Y		Y	Y		Y		Y	Y						19
Scott Gallacher			y													Y		Y		Y		Y			Y											Y		Y				7
Shaun Macaulay	Y			Y		Y			Y					Y																											Y	6
Timothy Billings	Y			Y		Y		Y	Y	Y				Y					Y		Y									Y			Y					Y		7		13
Todd Ferguson	Y		y			Y			Y			Y		Y						Y								Y					Y							Y		9
Tom Marshall	Y													Y											Y	Y	y	Y			Y	y	Y					Y		Y	Y	10
Totals	21	8	13	4	9	16	9	9	15	14	11	7	1	21	12	5	8	11	14	20	8	13	6	3	15	12	15	10	7	14	9	7	14	5	10	9	2	9	2	13	10	421
% Feedback rec'd	33%	62%	62%	75%	56%	56%	78%	67%	47%	36%	27%	29%	n/a	33%	50%	60%	25%	27%	35%	20%	38%	54%	16%		53%	42%	60%	70%	29%	57%	44%	43%	43%	60%	20%	56%	50%	55%	100%	31%	40%	47%

Appendix 2 - Learning & Development Session Attendance 2019	ASP/ CPC Update 14.01.19 & 16.01.19	Scottish Attainment Challenge - 28.01.19	Largs Campus Visit - 11.02.19	Update on HSCP 25.02.19	Update on Expansion in Early Learning & Childcare - 11.03.19	Moorpark Design - 11.03.19	Consul Digital Platform 25.03.19	ONR 03.06.19				
Alan Hill								Y				1
Alex Gallagher	Y	Y			Y		Y	Y				5
Angela Stephen								Y				1
Anthea Dickson	Y	Y						Y				3
Anthony Gurney							Y					1
Christina Larsen	Y	Y	Y	Y	Y							5
Davina McTiernan	Y	Y		Y	Y		Y					5
Donald L Reid	Y	Y		Y	Y	Y	Y	Y				7
Donald Reid			Y	Y	Y		Y					4
Ellen McMaster		Y	Y	Y			Y					4
Ian Clarkson	Y			Y	Y		Y	Y				5
Ian Murdoch								Y				1
Jean McClung	Y	Y		Y	Y			Y				5
Jim Montgomerie								Y				1
Jimmy Miller	Y	Y			Y		Y					4
Joe Cullinane					Y			Y				2
John Bell	Y	Y										2
John Easdale	Y	Y					Y	Y				4
John Glover							Y	Y				2
John Sweeney	Y				Y		Y	Y				4
Joy Brahim												0
Louise McPhater								Y				1
Margaret George								Y				1
Marie Burns	Y	Y		Y								3
Robert Barr		Y	Y	Y	Y			Y				5
Robert Foster	Y			Y			Y					3
Ronnie McNicol	Y	Y	Y	Y				Y				5
Scott Davidson	Y	Y		Y								3
Scott Gallacher												0
Shaun Macaulay				Y	Y							2
Timothy Billings	Y		Y		Y			Y				4
Todd Ferguson	Y							Y				2
Tom Marshall		Y	Y	Y				Y				4
Totals	17	15	7	14	13	1	12	20	0	0	0	99
% Feedback rec'd	47%	47%		28%	38%		33%	35%				38%

Elected Member CPD Report
Jan 2018 – June 2019

Session Feedback

Each event is evaluated, via surveymonkey. In 2018 there was a 47% response rate and in 2019 a 38% response rate.

The feedback is passed onto the presenter of each session and is used by the L&OD Team to influence and improve future sessions.

Overall the feedback is positive, below is a sample of the comments received:

Early Years (Jan)	Overall a very positive session highlighting the changes that will be introduced to early years provision. NA.
De-fib (Feb)	First class presenter from KA Leisure who knows her subject. Introduction by NAC Health Officer and all in all a good session with only 9 members in attendance.
Carer (Scotland) Act 2016 update (Mar)	Learning about Carer issues in North Ayrshire and where we sit in terms of the wider Scottish perspective. Also impressed by the voluntary role of the Carers Centre and the service they provide.
Equalities (Apr)	Over the years I have received training on equalities both in the work place and outside, several times over. The quality and extent of past training was actually a lot more relevant to my current role as a Councillor. However, this session did act as a reminder.
Health & Safety (May)	First class and very important lecture. Ensures that H&S issues are part of our ongoing agenda. Thanks.
CSGN (Jun)	I learned much information that I wasn't previously aware of which is good because I have an interest in environmental issues and linking up cycle routes.
Improving Children's Outcomes (Aug)	The seminar was very informative with good participation.
Update on HSCP (Sept)	Very worthwhile having such regular updates from Stephen Brown and his team keeping elected members in the loop with what is happening in NA.
MCR Pathways (Oct)	Truly inspirational. I now wish to volunteer as a mentor at Auchenharvie Academy.
Personal Safety / Lone Working (Nov)	Make it compulsory part of elected members introduction to council working.
Hour of Code (Dec)	Excellent having pupils in showing their skills and learning from them and how the use coding as a hobby as well as learning tool

HSCP Update (Jan)	The costs of providing LDS. The asset-based approach being effectively applied to this sector to reduce unnecessary overspend and target spend more effectively with better outcomes for individuals' quality of life and living.
Consul Digital Platform (Mar)	This is a major change and addition to normal consultation processes and a widening of democracy. It will take some time to bed in and for the elected members and citizens to become acquaint. It was a very valuable input by both speakers, Audrey and Michelle.
Early Years – Moorpark (Mar)	Receiving key updates on progress. It was also very important to receive progress report towards the new Primary School in Kilbirnie on the GA site.
ONR (Jun)	It was good to get the opportunity to meet with key decision makers regarding the future of Hunterston and I think all members were of that view. Learning about the failure in the carbon bricks was helpful but reassured that it was not critical to the continuation of the station if safety issues can be fully met.

There are on occasions comments in relation to the visibility of the front two screens particularly when slides are busy, that they are difficult to read. Presenters are encouraged to keep their slides simple, clean and uncluttered.

Official

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
July 2019				
n/a	n/a	n/a	n/a	n/a
August 2019 (from 19th onwards)				
Monday 19th 1pm – 2pm	**Removal of the 4 weekly pay cycle briefing**	Jackie Hamilton	Craig Hatton	*This session is to provide Elected Members with an overview of why the 4-weekly pay cycle is being removed, covering the rationale for change, impact on employees and Elected Members and timescale for the change.*
Friday 23rd 12:30 – 1:30pm	**Hall Lets**	Rhona Arthur	Audrey Sutton	*You will be aware that in February 2018, at the request of the North Ayrshire Federation of Community Organisations (NAFCO), Cabinet and the North Ayrshire Federation of Community Organisations (NAFCO) agreed to set up a short life working group to develop proposals for more effective ways of working in relation to community facilities, enabling the Council to achieve savings.* *As a result of the deliberations, the working group identified a range of themes and areas for discussion. These formed the basis for community engagement and review in relation to how we can best, together with communities, deliver local services, including libraries and community services, in ways which meet community need.* *Cabinet approved this engagement with our residents in January 2019 and an extensive programme of discussion took place between March and May this year. This included 14 face-to-face meetings across*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
				North Ayrshire with 514 attending. Online discussion took place on Consul and community venues offered options for feedback, resulting in 1050 comments. Views and reflections have now been analysed and used to form options or recommendations for a public consultation. As discussed previously at Policy Advisory Panels earlier this year, the public consultation will take place from the week beginning 26th August until 27th September 2019. You are invited this session to hear more about the emerging options and the forthcoming public consultation.
Monday 26th 11am – 12:30pm	**British Sign Language Awareness**	Andrew Hale, Roisin Scrimshire	Andrew Fraser	*Following the introduction of the British Sign Language (Scotland) Act 2015 and subsequent Scottish Government and Ayrshire British Sign Language (BSL) Plans, this interactive session will provide:* • *An overview of deaf awareness and effective communication* • *An overview of BSL* • *How to finger spell in BSL* • *How to access BSL and Sensory Impairment Services* • *A brief overview of the Pan-Ayrshire BSL Plan*
September 2019				
Monday 2nd	**Update on HSCP - Thinking**		Stephen Brown	*This session will take Elected Members round the*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
11am – 12:30pm	**Differently, Doing Better Staff Experience** ***Location - 47 West Road, Irvine, KA12 8RE**			*Thinking Different, Doing Better Staff Experience.*
Monday 9th 11am – 12:30pm	**Risk Management**	Paul Doak Alex Fitzharris	Fiona Walker	*North Ayrshire council recognises that effective Risk Management is an enabler which supports business processes and effective decision making. Risk Management is an essential part of corporate governance and forms part of the Councils internal controls.* *The Council requires to recognise the 'upside of risk' and a risk aware workforce is essential for the Council to successfully meet its objectives. This briefing will provide you with an overview of how we encourage staff to view risk, how risk management is an enabler, the principles of risk management and why it is important for the Council to manage relevant risk effectively. We will touch on risk psychology, risk controls and why some controls work better than others and where and how to apply good risk management.*
Friday 13th 11am – 12:30pm	**The Coig - Update**	n/a	Karen Yeomans	*This session will be to provide Members with an update following on from the briefing last November.*
October 2019 (recess from 14th – 18th)				

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
Monday 7th 10:30am – 12noon	**Climate Emergency Council**	tbc	Yvonne Baulk	*A session has been arranged for elected members to learn more about the climate change agenda, following on from the recent Cabinet decision to declare a climate change emergency in North Ayrshire. Please come along to find out more about our work to date, the challenges ahead, and how you can encourage communities to become involved in shaping our response to the climate change.*
Monday 7th 1pm – 2pm	**Private Housing Issues – Private landlords, Tenants, and Owner Occupiers**	Emma Anderson	Yvonne Baulk	*This session will provide information about two new exciting services launched by the Housing Services Private Sector Team this year. Please come along to find out more about our 'Pre-Tenancy Support Service for landlords' and our ''Missing Shares' Scheme. We will also provide an empty homes' update on the properties which have been brought back into use in North Ayrshire.*
Monday 21st 11am – 12:30pm	**Disability Employment Gap**	Greig Robson Linda Ford	Caitriona McAuley	*The Disability Employment Gap in Scotland sits at 37%. There is a consensus that this situation needs to change and national and local priority is being given to action to address this. North Ayrshire Council's Cabinet agreed in 2018, to make a new investment in Employability Services for disabled residents. This briefing is designed to:* • *Inform members of the challenges nationally and locally* • *Outline some of the barriers to securing employment for disabled people*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
				• *Detail what the new Disability Employment Service in North Ayrshire looks like – our ethos and service offer* • *Provide some case study examples of the difference the service can make* • *Inform and discuss with members how an "all council" approach to addressing this issue can be employed*
Monday 21st 1:30pm – 3pm	**Scottish Water**	Ruaridh Macgregor	Russell McCutcheon	*This session has been arranged to provide members with an opportunity to get to know our Scottish Water contacts, understand what Scottish Water do in relation to their role in our local community and find out a bit more about their investment strategy.*
Monday 28th 11am – 12:30pm	**Fairer Scotland Duty**	Morna Rae	Andrew Fraser	*The Fairer Scotland Duty places a duty on certain public bodies in Scotland to consider how to reduce inequalities of outcome caused by socio-economic disadvantage. It means that, as an elected member, you have a role in ensuring that the decisions you take for our authority are informed by consideration of socio-economic disadvantage in our area and the inequalities of outcome experienced by those living in socio-economic disadvantage. Officers should be considering the Fairer Scotland Duty at the outset and all the way through the development of any strategic plans, budget savings etc. You, as a decision maker at the end of the process, should be paying due regard to the requirements of the duty when making those*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
				decisions. *This briefing will provide a summary of the key aspects of the duty and how North Ayrshire Council are approaching it.*
Monday 28th 2:30pm – 3:30pm	**Rapid Rehousing Transition Plan**	Janeine Barrett	Yvonne Baulk	*Members approved the North Ayrshire Rapid Rehousing Transition Plan in March 2019. This briefing will provide an update on the implementation of the inter-agency plan and the initial outcomes for vulnerable homeless people.*
Thursday 31st 2pm – 4pm	**Our Digital Future**	Brendan Quigley, Sheila Paisley & Andrew Fox	Fiona Walker	*Invite will be sent out once the topic content has been agreed.*
November 2019				
Monday 11th 11am – 1pm	**Setting the Budget**	David Forbes	Mark Boyd	*In order to support members during the development of the 2020/21 budget, this session will provide an introduction to the budget setting process covering sources of funding, expenditure requirements, budget pressures, savings and efficiencies.*
Monday 11th 2pm – 3:30pm	**Education – Capital Projects Update**	tbc	Caroline Amos	*The purpose of the briefing is to provide Elected Members on all current Capital Plan projects within Education and Youth Employment.*
Monday 25th 2pm – 3:30pm	**Health & Safety Update**	Paul Doak James Walls	Fiona Walker	*Invite will be sent out once the topic content has been agreed.*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Elected Member Learning & Development Event Schedule
July to December 2019

Date	Topic	Delivered by	Lead	Comments
Thursday 27th (Full Day)	**Clyde Valley Waste Contract <u>visit</u>**		David Mackay	*Invite will be sent out on confirmation of the date. The day will start off with a morning visit to Viridor's new waste pre-treatment facility in Bargeddie, North Lanarkshire. Heading across to the Energy from Waste Facility at Dunbar, outside Edinburgh for lunch and then to view the Energy from Waste facility itself.* *Please note**: this will be a full day trip, transport has been arranged and will be leaving Cunninghame House at approx. 08:45 (to be confirmed) returning back to Cunninghame House at approx. 5pm. Places are limited to* **8** *in total.*
December 2019				
Monday 9th 11am – 12:30pm	**Update on HSCP**	Michelle Sutherland	Stephen Brown	*This session will provide an update on the key areas covered within the Strategic Plan.*
Monday 9th 1:30pm – 3pm	**Procurement Refresher**	Anne Lyndon Suzanne Quinn	Mark Boyd	*Effective public procurement is essential to the delivery of high quality public services and securing value for money. In the last financial year, North Ayrshire Council spent just over £209m on supplies, services and works. This session will provide you with an outline of procurement within North Ayrshire, the rules which govern the procurement process and the benefits that can be driven through procurement for services and the residents of North Ayrshire.*

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Audit and Scrutiny Self-Evaluation**
Purpose:	To report on the outcome of a self-evaluation of the Audit and Scrutiny Committee undertaken as part of the improvement actions identified in the External Audit Interim Report 2018/19.
Recommendation:	That the Committee (a) notes the findings of the self-evaluation, as set out at Appendix 1; (b) agrees the improvement actions identified in Appendix 1; and (c) agrees to repeat the self-evaluation exercise on an annual basis.

1. Executive Summary

1.1 The Audit and Scrutiny Committee was invited, as part of the External Audit Interim Report 2018/19, to undertake a self-evaluation of its performance. A self-evaluation toolkit was developed by officers in line with best practice frameworks. Members reflected on the toolkit independently in the first instance, before attending discussion sessions facilitated by officers.

1.2 The findings of the self-evaluation are set out at Appendix 1.

2. Background

2.1 At its meeting held on 18 June 2019, the Committee considered the External Audit Interim Report 2018/19 prepared by Deloitte LLP.

2.2 Among the recommendations for improvement identified in the accompanying Action Plan, was a suggestion that the Council undertake an annual self-evaluation of committee and Council performance. Given that CIPFA's "Delivering Good Governance in Local Government" is already adopted and an annual report to Council reviewing core governance documentation is produced, the auditors agreed that this recommendation could be met by assessing the effectiveness of the current Audit and Scrutiny Committee via a self-evaluation exercise, to be undertaken in line with best practice frameworks.

2.3 Officers reviewed a number of potential self-evaluation models, including toolkits produced by Deloitte and CIPFA, and took into account other relevant material, including the Statutory Guidance for England and Wales on Overview and Scrutiny in Local and Combined Authorities published by the Ministry of Housing, Communities and Local Government in May 2019. The self-evaluation toolkit set out at Appendix 1 was

developed as a result and comprises 67 questions covering all aspects of the committee's work under the broad headings of:

- Role of Committee Members
- Skills and Expertise
- Behavioural and Operational Aspects
- Information and Support
- Activities and Functions:
  Governance
  Assurance
  Risk Management
  Internal Audit
  External Audit
  Financial Reporting
  Scrutiny
- Review

2.4 Members of the Audit and Scrutiny Committee were invited to consider the self-evaluation questions independently in the first instance, before coming together for a discussion session, facilitated by the Head of Democratic Services and Senior Manager (Internal Audit, Risk and Fraud) on 23 August 2019. A subsequent follow-up was held on 3 September 2019 for two Members unable to attend the earlier session.

2.5 Appendix 1 to the report sets out the outcome of the discussion sessions, in terms of collating the consensus responses to the toolkit questions.

3. Proposals

3.1 The Committee is invited to:

(a) note the findings of the self-evaluation, as set out at Appendix 1;

(b) agree the improvement actions identified in Appendix 1; and

(c) agree to repeat the self-evaluation exercise on an annual basis

4. Implications/Socio-economic Duty

Financial

4.1 None arising from this report.

Human Resources

4.2 None arising from this report.

Legal

4.3 None arising from this report. There are no proposals which will require amendment of the Scheme of Administration or Standing Orders

Equality/Socio-economic

4.4 None arising from this report.

Environmental and Sustainability

4.5 None arising from this report.

Key Priorities

4.6 This self-assessment exercise supports the role of the Committee in providing effective assurance and oversight. In turn this promotes good decision making which supports all of the Council priorities, particularly that of A Council for the Future.

Community Wealth Building

4.7 None arising from this report.

5. Consultation

5.1 All Members of the Audit and Scrutiny Committee were invited to contribute to the self-evaluation.

Craig Hatton
Chief Executive

For further information please contact **Melanie Anderson, Committee and Member Services Manager,** on telephone number 01294 324131.

Background Papers
Correspondence in respect of self-evaluation arrangements
Deloitte Audit Committee Effectiveness toolkit
CIPFA Audit Committee Self-Evaluation tool
Statutory Guidance for England and Wales on Overview and Scrutiny in Local and Combined Authorities published by the Ministry of Housing, Communities and Local Government in May 2019

SELF-EVALUATION TOOLKIT FOR THE AUDIT AND SCRUTINY COMMITTEE

		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
	Role of Audit & Scrutiny Cttee Members					
1.	Does the committee have written terms of reference which are subject to periodic review?		X		The terms of reference are set out in the Council's Scheme of Administration (SOA), which is subject to annual review by the Council.	
2.	Is the role and purpose of the committee understood and accepted across the Council?		X		The SOA forms part of the Elected Member induction programme for new Members. The SOA is published on the Council's website and is accessible to Members, officers and the public.	
3.	Do the committee members clearly understand their roles and responsibilities?		X		The SOA forms part of the Elected Member induction programme.	
4.	Do committee members bring an independent mindset to their role?		X		No party whip has been declared at any meetings of the committee and its members are able to bring an independent mindset to their role.	
5.	Does the composition of the committee adequately reflect the political make-up of the Council? Are the majority of its members from outwith the Administration?		X		The committee comprises 7 Members: 3 from the main SNP Opposition Group, 2 from the Conservative and Unionist Group and 2 from the minority Labour Administration. The latter are not members of the Cabinet. There is currently no Independent Member representation, but the membership otherwise reflects the political make-up of the Council,	

1

		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					with a majority of Members coming from outwith the Administration.	
6.	Is the committee's remit clearly defined in respect of the following? • performance • value for money • good governance • assurance • risk management and internal control • internal audit • external audit • financial reporting • scrutiny		X		All of the elements mentioned are included within the committee's terms of reference, as set out in the Scheme of Administration.	
	Skills and Expertise					
7.	Is an induction programme provided for new committee members, covering the role of the committee, its terms of reference and the key risk and issues facing the Council, as well as specialised areas such as treasury management?	X			New Members receive a full induction programme which includes the remit of the Audit and Scrutiny Committee. Additional training is also available on specific areas such as cyber security. A number of other relevant topics are delivered to all Members as part of the wider training and development programme.	The committee has identified that further training on interpreting accounting information may be required and have tasked the Head of Service (Financial and Customer Services) with ensuring this is included in the programme of Members' development sessions. Vice-chair could also attend pre agenda meetings.
8.	Are the ongoing training requirements of committee members agreed each year according to their specific needs and developments arising?		X		Members have the opportunity to undertake a PPD exercise annually to identify training and development needs. There is also scope for Members to participate in 360 degree appraisal, as well as one-to-one feedback. Along with other Councillors, Committee	

2

		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					Members are regularly consulted on possible topics for Council. The Committee also receives an annual report on Member training which reviews past training and consults on ways to improve.	
9.	Do members feel they can request training if they consider this would help them in their role?		X		Members have the opportunity to undertake a PPD exercise annually to identify training and development needs. There is also scope for Members to participate in 360 degree appraisal, as well as one-to-one feedback. Along with other Councillors, Committee Members are regularly consulted on possible topics for Council. The Committee also receives an annual report on Member training which reviews past training and consults on ways to improve.	
10.	Does the Chair have appropriate knowledge and skills?		X		The Chair is the Leader of the Council's main Opposition Group and is experienced in chairing this and other meetings. Members of the committee agree that she is knowledgeable and capable in her role as Chair.	Chairing skills training to be arranged for the Vice-Chair.
	Behavioural and Operational Aspects					
11.	Is the number of meetings sufficient to meet the committee's role and responsibilities (and not fewer than three per year)?		X		Five ordinary meetings a year are scheduled and there is provision for Special Meetings to be arranged, as required. In 2019, a further three such meetings were held, to consider call in requests and to allow more	

3

		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					time to consider performance reporting.	
12.	Are committee meetings scheduled in good time in respect of important decisions and financial deadlines? And are the meetings are held to coincide with key dates within the financial reporting and audit cycle? Is there are clear plan for the year to ensure all matters within the committee's remit are covered?		X		The calendar of meetings is agreed following consultation with officers and Members, and to accord with key audit dates. The forward planner of committee business ensures that business is scheduled appropriately. In instances where the volume of business is likely to be onerous, there is provision to arrange additional meetings.	Consideration to be given to not scheduling on the week of Council
13.	Does the Agenda allow for flexibility, or for further meetings to be held where appropriate, should the committee need to spend additional time on issues?		X		Yes. See above.	
14.	Are meetings of the committee well-attended, with the majority of committee members present at each meeting?			X	Attendance levels since the start of the current Administration range from 71-94%.	
15.	Are all the committee members fully engaged and participative in meeting discussions? Do member participate in active discussion and debate around key agenda items, with appropriate contribution from each member? Do members ask questions, including 'tough' questions?		X		Members of the committee do engage and ask questions of officers and others attending the committee, and can ask for further clarification or reports, as required. The nature of the questions asked is summarised briefly in the Minutes.	
16.	Has each committee member declared their business interests? Is the register of interests checked on a regular basis? Is the register easily accessible?		X		Members have declared their business interests, which are published on the Council's website. A twice-yearly reminder to update the register of interests and this includes the statutory guidance that Members must update any	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					changes or register any new gifts or hospitality (over £50) within a month.	
17.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?		X		The committee has a positive and constructive relationship with officers of the Council and the Council's external auditors. Both attend committee to present their reports and are available to meet with the Chair outwith meetings.	
18.	Does the committee hold periodic private discussions with the chief internal auditor and also with the external auditor?		X		Discussion with the chief internal and external auditors takes place. This tends to be in public, in the course of committee meetings. In addition, however, the Chair holds Pre-Agenda meetings with officers in private and there is also provision for the chief internal and internal auditor to meet with the Chair if required.	
19.	Does the committee have clear criteria for assessing its effectiveness to inform their annual assessment?	X			The current self-evaluation process offers an opportunity and mechanism for the committee to assess its effectiveness.	It is proposed that further self-evaluation work is undertaken on an annual basis.
	Information and Support					
20.	Do the clerking arrangements for the committee ensure that the members' time is used effectively? For example: • is there a good reason for each item being on the agenda? • are all papers circulated sufficiently in advance (and none tabled) and distributed in sufficient time for members to give them due consideration?		X		The draft Agenda is discussed in detail with the Chair at a Pre-Agenda meeting and the finalised Agenda then issued at least three clear days prior to the meeting. Papers are circulated in advance of the meeting as part of the Agenda. The standard report template includes sections setting out the	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
	• do the reports prepared for the audit committee members make it clear what they are being asked to do/agree?				proposals and detailed recommendations.	
21.	Does the committee have a mechanism to keep it aware of topical legal and regulatory issues and institutional developments, for example, by receiving circulars, training or briefing papers? Is the committee briefed on significant changes?	X			The committee receives ad hoc briefings and updates in respect of topical matters, such as recent Accounts Commission reports on specific topics	It is proposed that this is supplemented via a periodic report to committee summarising key developments and matters of interest.
22.	Do the committee members receive reports that are comprehensive but concise and tailored to their needs? Is the information they receive robust and objective?		X		The volume of business considered can be extensive. However, the format of reporting has been improved to keep the reports as concise as possible, with key points highlighted and further information provided via appendices/links to external material/reference to background papers. The provision of electronic Agendas has assisted in ensuring that Members have the salient information and as well as access to further reading. The appendices to some performance reports are, by necessity, lengthy, although the covering report does identify key messages and highlights.	
23.	Are Minutes taken and appropriately circulated to all committee members in a timely manner, with actions arising noted and their resolution tracked?		X		Minutes include the purpose of the report, a summary of Members' questions, the committee's decision and how it is to be implemented. Committee Services publishes the Minute within five working days of the meeting and Members receive an electronic link to it.	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					Committee Services issues action notes to officers responsible for implementation as well as reminders about outstanding actions. A summary of overdue actions is also sent periodically to Executive Directors and Heads of Service.	
Activities and Functions: Performance						
24.	Does the committee receive regular detailed reports on the performance of services?		X		Council Plan progress reports are submitted annually and detailed reports on Service performance are considered twice yearly.	
25.	Is the committee involved in setting the strategy for performance review?		X		The committee does review the performance, but it is the Council as a whole which takes responsibility for setting the strategy via the Council Plan. Any concerns may, however, be raised via the committee.	
Activities and Functions: Governance						
26.	Does the committee provide support to the Council in meeting the requirements of good governance?		X		The committee receives an annual Governance Statement prepared by the Senior Manager (Internal Audit, Risk and Fraud) and is able to question/challenge its contents.	
27.	Does the committee oversee an assessment of the governance arrangements of the Council and advise on their effectiveness?		X		See above.	
28.	Does the committee consider reports and recommendations from external audit and regulators/agencies as appropriate and their implications for governance, risk management and control?		X		The committee does receive regular reports from the internal and external audit functions and wider regulatory and inspection agencies.	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
29.	Does the committee monitor arrangements for ensuring value for money and for managing exposure to the risk of fraud and corruption?		X		The committee receives regular reports on managing fraud and corruption, including an annual corporate fraud report, quarterly updates on corporate fraud action reports and regular reports on the outcome of investigations by Internal Audit and the Corporate Fraud team.	
30.	Does the committee scrutinise and challenge the finance committee (Cabinet) effectively?		X		The committee does hold the Cabinet to account, including via the call-in process. The committee has considered a number of call-in requests in recent years and has, on multiple occasions, recommended to the Cabinet that it reconsider its decisions.	If the Committee investigate any topic which requires further Cabinet explanation, it is proposed they invite the relevant Cabinet Member to the meeting to clarify decisions.
31.	Is the committee's role in relation to whistle blowing clear? Does the committee review the arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters?		X		The Council has a whistle-blowing policy which is currently under review. The outcome will be reported to the Cabinet. The committee, therefore, has assurance that the processes are in place.	
32.	Is the committee's role in relation to the Council's fraud and corruption procedures clear?		X		The committee receives regular reports on corporate fraud investigations undertaken by the Council's internal audit function. It also receives a quarterly update on the implementation of actions identified as a result of investigations undertaken and is invited to challenge Services which have not implemented actions within the agreed timescales.	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
Activities and Functions: Assurance						
33.	Does the committee seek to ensure that assurance is planned and delivered?		X		The Senior Manager (Internal Audit, Risk and Fraud) prepares an Annual Governance Statement which is included within the annual accounts and explains how the Council complies with the Code of Governance Framework.	
34.	Does the committee understand what assurance is available to support the annual governance statement?		X		The Council's internal audit service sometimes carries out audits on compliance with corporate governance and the outcome is reported to the committee.	
35.	Does the committee seek clarity regarding what assurance is required?		X		Yes. For example, at a meeting of the full Council, the Chair raised queried a change to the risk rating associated with climate change issue of climate change and this may be the subject of future scrutiny by the committee.	
36.	Does the committee gain assurance that the Council's risk management, control and governance arrangements are adequate and effective?		X		Yes. See above.	
Activities and Functions: Risk Management						
37.	Does the committee keep risk management on its agenda throughout the year?	X			The committee receives an annual report on Strategic Risk Register. However, there is currently no ongoing reporting/mid-year report.	It is proposed that a mid-year report is also prepared.
38.	Does the committee monitor how the Council assesses risk? Does it review the Council's risk register on a regular basis?		X		The Cabinet approves the Council's Risk Management Strategy. However, the committee does receive an annual report on	It would be helpful to make such monitoring reports twice yearly

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					the Risk Register and is able to question/challenge its contents. The committee receives reports on specific areas of risk, including cyber security and Brexit.	
39.	Is the nature, source, format and frequency of information on risk management and internal control submitted to the committee fit for purpose?		X		Yes. See above.	
40.	Is the committee aware of the Council's cyber risk activity? Does it receive regular updates on management and mitigation of cyber risk? Has it received appropriate training to meet its responsibilities?		X		External auditors have reported on the outcome of the national cyber risk survey. Performance reporting by the Finance and Corporate Support Service has included information on action taken to ensure appropriate cyber security arrangements and training are in place. The committee has received reassurance that the Council achieved 'Cyber Essentials Plus' accreditation in September 2018. Members have also received specific briefings on cyber security.	
	Activities and Functions: **Internal Audit**					
41.	Does the committee monitor and review the effectiveness of internal audit?		X		The committee receives an annual audit report, together with reports on the outcome of audits and is, therefore, able to question/challenge the work of the team. The Chair also meets with the Senior Manager (Internal Audit, Risk and Fraud).	
42.	Does the committee approve, annually and in detail, the internal audit strategic and annual plans? Does it		X		At its meeting on 26 March 2019, the committee was invited to	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
	ensure that the internal audit plan is aligned to the key risks of the business?				approve the Internal Audit plan for 2019- 2020, note the indicative programme for 2020-2024 and agree the indicators and targets set out in the report.	
43.	Does the committee consider the actions management have taken to implement the recommendations of internal audit? Are follow up audits by internal audit monitored by the committee?		X		Yes. These are the subject of quarterly reports.	
44.	Does the committee receive regular progress reports from the internal audit service summarising internal audit activity?		X		The committee receives regular reports on internal audit reports issued. These include the key findings of audits undertaken and the management response.	
45.	Is the internal audit plan sufficiently flexible and dynamic to help identify and address new risks and promptly meet the emerging needs of the audit committee?		X		The indicative programme of work will be reviewed each year and may change to reflect the priorities at that time	
46.	How does the committee ensure that a professional relationship is maintained between internal and external audit?		X		The Chair is able to meet separately with internal and external audit representatives.	
47.	Does the committee review the adequacy of internal audit staffing and other resources?		X		The committee receives information on audit staffing as part of the audit plan and the audit annual report.	
48.	Does the committee, in conjunction with the internal audit service and management, have a role in establishing and maintaining appropriate performance indicators to measure the work of the internal audit service?		X		The annual audit plan which is reported to committee includes performance indicators.	
	Activities and Functions: **External Audit**					
49.	Are follow up audits by external audit monitored by the committee?		X		The Committee receives progress reports on action plans arising from external audit.	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
50.	Does the committee consider the adequacy of implementation of external audit recommendations?		X		The external auditors include in their current report information on the action which has been undertaken by the Council to implement recommendations from the previous audit and this is duly presented to the committee. In addition, the Chair meets with the external auditors.	
51.	Do the external auditors present their audit plans and strategy to the committee for review?		X		The committee receives an annual report on the External Audit plan.	
52.	Does the committee assess the performance of external audit?		X		External auditors attend the committee to present their reports and are, therefore, open to questions and challenge.	
53.	Is the committee clear regarding its role in the rare event of external audit qualifying the Council's financial statements?		X		If the Council's accounts were qualified, the committee would require a further report and would undertake a review of areas qualified to ensure adequate improvement actions had been put in place.	
Activities and Functions: **Financial Reporting**						
54.	Does the committee monitor the integrity of financial statements and announcements and review significant financial reporting judgements?	X			In addition to the reports initiated by officers, the committee may also raise any other significant matters.	The committee has asked officers to produce more focussed reports in future to ensure this point is addressed.
55.	Does the committee review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit?		X		This information is presented to committee for consideration.	
56.	Does the committee consider significant accounting policies and any changes to them? Does it at least annually assess whether the Council has adopted appropriate accounting policies?		X		The committee approves Accounting Policies annually.	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
57.	Does the committee receive reports on significant matters such as Brexit and are the consequential risks and uncertainties in the political environment adequately reflected?		X		The committee has requested, and receives, quarterly updates on EU-Exit and the anticipated impact on the Council/community. The Council as a whole also receives reports on the long term financial overview for North Ayrshire.	Suggestion that EU-Exit reports now go to every Committee.
58.	Does the committee consider whether the financial statements satisfy all statutory and regulatory requirements to which the Council is subject?		X		The committee is guided by the professional advice of the officers presenting these reports but is able to question/challenge if appropriate. Proposed revised response – "The external auditors annual report provides assurance on the financial statements compliance with all statutory and regulatory requirements.	
	Activities and Function: **Scrutiny**					
59.	Does the committee consider key matters of their own initiative rather than relying solely on the work of the internal/external auditor or responding to call-in requests?	X			Although the committee has not formally initiated any reviews, scrutiny work has been undertaken on subjects such as Brexit, the financial monitoring of the Health and Social Care Partnership and a summary of finding from external regulators and inspectors.	It is proposed that the committee considers a programme of annual scrutiny activity. It is suggested that reports arising from smaller scale scrutiny activity (e.g. regular reporting on Brexit) is more clearly highlighted on Agendas as scrutiny activity. It is also suggested that committee members have an informal discussion following each meeting to discuss future agenda items.
60.	Does the committee agree an annual programme of scrutiny and review activity?	X			Officers have been asked to submit an annual report to the committee proposing a programme of scrutiny and review work.	See above.

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
61.	Does the committee have sufficient resources to undertake investigations or review work?		X		The committee has received an assurance that the necessary resources would be made available to it in order to conduct reviews.	
Review						
62.	Does the committee assess its performance and effectiveness on a regular basis? Do members assess how they could carry out their business more effectively, e.g. timetabling of business?	X			The committee intends to conduct self-evaluation work on an annual basis. See previous comment re appropriateness of this level of frequency.	It is proposed that self-evaluation work is undertaken annually.
63.	Are there KPIs in place against which committee members can assess their performance?		X		The committee does not consider that KPIs are necessary given that the external auditor's interim and final reports, internal audit reports and best value reports provide necessary assurance.	
64.	Has the committee evaluated whether and how it is adding value to the Council?		X		The committee has not sought to evaluate the value it adds to the Council. Members are unclear on how such an evaluation might be undertaken.	Officers to investigate whether there is any other good practice elsewhere.
65.	Does the committee produce an annual report and have an action plan to improve any areas of weakness?		X		The committee does not currently produce an annual report or action plan. Members consider that to do so would represent duplication, in that its Minutes set out all of the business which has been transacted and this information is placed in the public domain.	
66.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		X		The committee has not formally sought feedback on its performance. Members feel it would be difficult to establish who would be surveyed and how the	

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		Area for focus?	Performing as Expected?	Special Strength?	Evidence for assessment	Improvement Actions
					outcome might be usefully interpreted. For instance, a petitioner attending a meeting of the Audit and Scrutiny Committee to speak to their petition, or an Elected Member attending to present a call-in request, might be satisfied with the committee's work if they achieve their desired outcome, but this in itself will not necessarily be an effective gauge of the committee's effectiveness.	
67.	Does the committee benchmark its performance against good practice for committees elsewhere in local government/more widely as appropriate?	X			The committee tends to rely up officers (chiefly Section 95 and Monitoring Officer) to keep it advised on best practice elsewhere.	The Chair will in future meet with the Section 95 officer and Monioring Officer on an annual basis to formalise the discussion on good practice. This will have regard to the content of the external auditor's report re governance and scrutiny in the annual report, as well as wider reports.

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NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**2018/19 Complaint Report**
Purpose:	To inform the Audit and Scrutiny Committee of the Council's complaint performance and the volumes and trends of complaints received in Financial Year 2018/19.
Recommendation:	That the Committee notes the report and the information provided.

1. Executive Summary

1.1 The report details complaint information relating to North Ayrshire Council during 2018/19, covering the period from 1 April 2018 to 31 March 2019.

1.2 In order to allow comparisons the report also details complaint data covering 2016 and 2017 (referred to in the report as 2016/17 and 2017/18).

1.3 Performance is measured through a number of Scottish Public Services Ombudsman (SPSO) performance indicators, some of which have national targets.

2. Background

2.1 This section contains statistical information and commentary on some of the key complaint performance indicators devised by the SPSO in conjunction with all 32 Scottish councils. More information relating to all the indicators can be found in the attached report.

2.2 *Volume of complaints received and closed*

	1,813	1,817
1,538		
2016/17	2017/18	2018/19
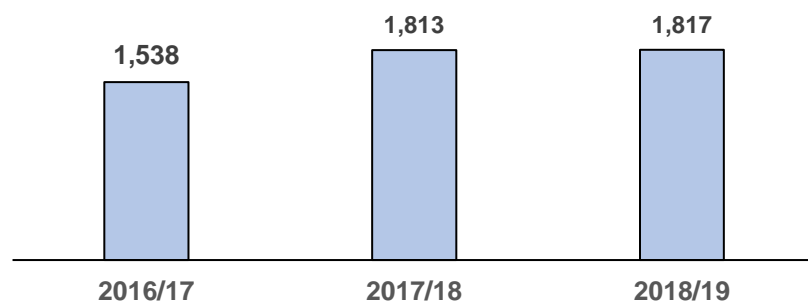
2.2.1 A similar volume of complaints was received in 2018/19 compared to the previous year but there are valid reasons for this. More details can be found in the attached report.

2.2.2 Although complaint volumes are recorded the key point is to ensure lessons are learned as a result of complaints in order to prevent reoccurrence.

2.3 *Complaints closed at each Stage*
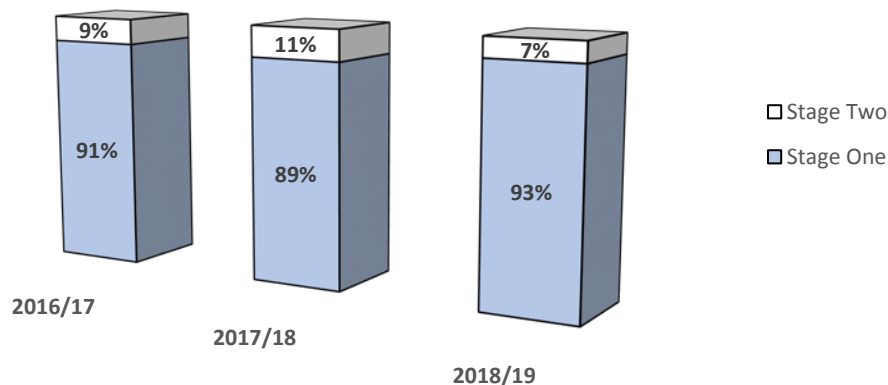
2.3.1 Whilst there is no national target for the number of complaints to be closed under each Stage, the Council always seeks to maximise closure at Stage One as complainants receive a quicker resolution than under Stage Two and reduces the impact on complaint handers' time and the possibility of ombudsman referrals.

2.4 *Complaint outcomes*

Outcome	Volume		
	2016/17	2017/18	2018/19
Fully Upheld	39%	37%	43%
Partly Upheld	16%	18%	15%
Not Upheld	45%	45%	42%

2.4.1 Fully Upheld complaints are those where the Council has had to take action to address or fix something. Partly Upheld complaints are complaints that have more than one complaint element where at least one of them was fully upheld.

2.4.2 Analysis shows the majority of Fully Upheld complaints in 2018/19 related to the Place Directorate (in particular Waste Services) and the majority of Partially Upheld complaints also related to Place (in particular Waste Services and Building Services). Although the bulk of complaints Not Upheld in 2018/19 were also associated with Place they related to a number of different Services.

2.4.3 Complaints that were not upheld related to policies, regulations or complaints that were poor quality submissions and/or proved to be unfounded.

2.4.4 Further analysis of complaint outcomes is detailed in Section 7 of the accompanying report.

2.5 *Average time in working days for a full response at each Stage*

Stage One

average days to resolve   — SPSO target (5 days or less)

Stage Two

average days to resolve   — SPSO target (20 days or less)
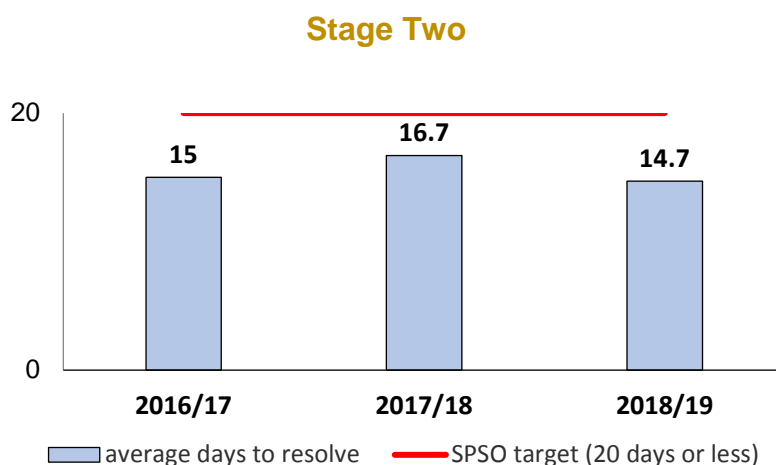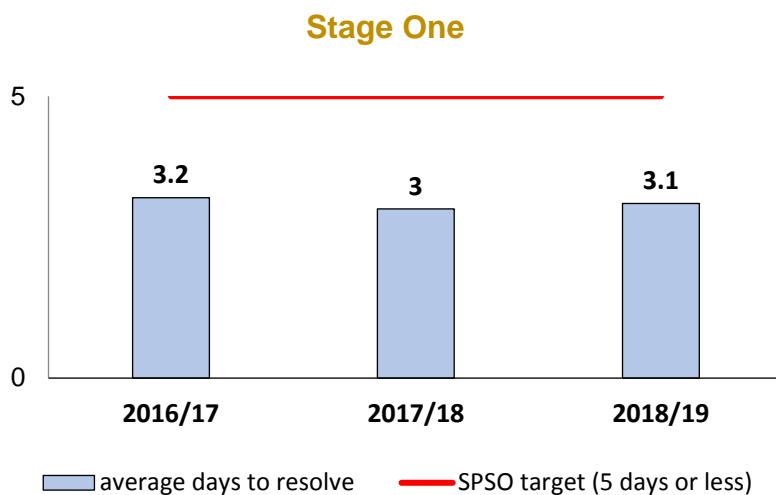
2.5.1 The average time in working days for a response under both Stages has met the SPSO target response timescales for the last three years.

2.6 *Complaints closed within timescale*

Stage One

■ Closed on time   ■ Not closed on time

Stage Two

■ Closed on time   ■ Not closed on time

2.6.1 The national target for complaints closed under Stage One is 80% or above. This target was exceeded by 12%.

2.6.2 The national target for complaints closed under Stage Two is 85% or above. This target was exceeded by 3%.

2.6.3 Complaints that did not meet timescale were due to several factors and extensions could have been approved for some of these. More details of complaints not closed on time are contained in the attached report.

2.7 *Complaint timescale extensions*

2.7.1 Stage One complaints should be responded to within 5 working days but we can extend them an additional 5 working days (10 if the complaint relates to Social Work) under certain circumstances. Stage Two complaints should be responded to within 20 working days but again we can extend the timescale of these to a date in the future if certain circumstances are met.

2.7.2 A total of 73 complaints had their timescales extended during the year and most were Stage Ones. Reasons for extension included complainants being unavailable to assist with investigations, information awaited from third parties to support investigations and the complexity of the complaints.

2.7.3 More information on complaints that were extended is contained in the attached report.

2.8 *Trends identified from upheld/partially upheld complaints*

2.8.1 Key complaint topics for upheld or partially upheld complaints within some of the Directorates are noted below:

Education & Youth Employment	Issues relating to pupil behaviour; teaching cover and/or arrangements.
Finance & Corporate Support	Contact Centre/Customer Service Centre waiting times; incorrect information provided; employee actions.
HSCP	Service delivery; employee actions.
Place	Communication; gas central heating issues; planned works for tenants, street lighting; grass or verge cutting; cemetery/churchyard management; missed bins/pullouts; employee actions.

2.8.2 Employee actions appears as a key topic in some Directorates but the definition is broad and can be used where complainants have perceived employee actions or behaviour to be unacceptable. Where any unacceptable behaviour was identified, appropriate action will have been taken to address.

2.8.3 More information on complaint topics is contained in the attached report.

2.9 *Changes or Improvements made as a result of complaints*

2.9.1 Not all Services can implement improvements as a result of complaints due to a number of factors, including the feasibility of making changes and resource/budget considerations. That said, improvements were made in some Services as a result of complaints received during the year and a selection are noted in the attached report.

3. Proposals

3.1 It is proposed the Committee approves the report and recognises NAC performance in relation to the information listed in Section 2 above.

4. Implications

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People:	None
Environmental & Sustainability:	None
Key Priorities:	The Two Stage CHP supports the Council's key priority of delivering more effective and efficient service provision. Timely reports are produced with the focus on determining trends and service improvements. Support and guidance from the Complaint Manager ensures greater consistency in complaint handling, improvements in response times and a reduction in duplication of effort.
Community Benefits:	The Two Stage CHP demonstrates a commitment to improve service delivery for North Ayrshire customers and residents.

5. Consultation

5.1 A working group comprising officers from a number of Scottish Local Authorities is producing a standard Complaint Handling Satisfaction Survey that Councils can issue to complainants to capture their views and feedback on how their complaints were handled. An further update on this piece of work will be provided in the half yearly 2019/20 complaint report.

For further information please contact **Darren Miller** on **(01294) 322988**.

Background Papers
Nil

Complaint Report
2018/19

Contents

Introduction

North Ayrshire Council always seeks to deliver the best services possible to its customers and residents but it is recognised that dissatisfaction will sometimes occur. When it does we want to know what went wrong, why it went wrong and what we can do to make things right.

The Council recognises valuable lessons can be learnt from complaints which are defined as being expressions of dissatisfaction from members of the public about actions, or lack of actions, or about the standard of service provided by or on behalf of the Council.

The Council's complaint handling procedure (CHP) has two stages for handling complaints from the public:-

1 **Stage One** complaints (also known as *Frontline Resolution*) are straightforward, non-complex complaints the Council can resolve at the initial point of contact or as close to the point of service delivery as possible. The Council has up to 5 working days to resolve these.

2 **Stage Two** complaints (also known as *Investigations*) are complaints the Council are typically unable to resolve at Stage One and need more time to carry out further investigation. This may be because the nature of the complaint is complex, serious or high risk. The Council has up to 20 working days to resolve these.

This report details the Council's complaint handling performance covering the period 1 April 2018 to 31 March 2019 (referred in the report as 2018/19). Performance is measured through a number of Scottish Public Services Ombudsman indicators, some of which have national targets. Where appropriate complaint information relating to previous years has been included in certain sections to allow yearly comparisons to be made.

Reporting complaints is a statutory requirement and is monitored by Audit Scotland.

1 Volume of complaints closed

1,817 complaints were closed during the year and the chart below provides a breakdown per directorate:
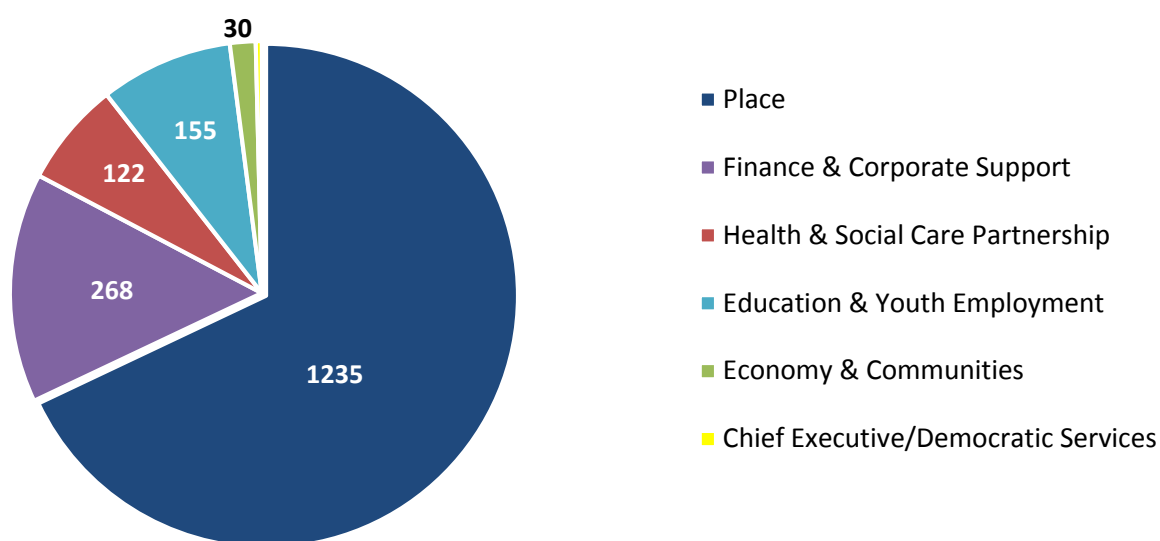
The following tables highlight complaint volumes per directorate under each Stage:

Place	Stage One	Stage Two
Building Services	185	1
Facilities Management	7	0
Housing	56	16
Property Management & Investment	112	4
Roads	73	4
Streetscene	134	1
Transport	0	2
Waste Services	637	3
Total	**1204**	**31**

Finance & Corporate Support	Stage One	Stage Two
Benefits	34	1
Business Support	1	0
Customer Services	125	2
Financial Management	1	0
Multi-Service	18	8
Revenues	56	5
Revenues & Benefits (other)	2	0
Risk & Insurance	3	0
Transformation	12	0
Total	**252**	**16**

Health & Social Care Partnership	Stage One	Stage Two
Children, Families & Criminal Justice	32	23
Health & Community Care	25	18
Mental Health	5	8
Support Services	8	3
Total	**70**	**52**

Education & Youth Employment	Stage One	Stage Two
Education HQ	52	8
Schools	80	15
Total	**132**	**23**

Economy & Communities	Stage One	Stage Two
Community Facilities	2	0
Learning & Development	1	0
Information & Culture	8	1
Planning	4	4
Protective Services	5	3
Regeneration	2	0
Total	**22**	**8**

Chief Executive/Democratic Services	Stage One	Stage Two
Committee/Member Services	0	1
Licencing	4	1
Legal	1	0
Total	**5**	**2**

- Although there is no target for the volume of complaints handled under each Stage, the Council seeks to maximise closure at Stage One wherever possible and 93% were handled at this Stage during the year.

- The majority of Stage One complaints were handled by Commercial Services within the Place directorate.

- In Education, Stage One complaints are normally handled by schools and if complainants remain unhappy with the resolutions the complaints are escalated to Stage Two and handled in Education HQ by Senior Managers. The reason there was a higher than expected volume of Stage One HQ complaints during the year is because some related to school employees that had to be handled by Senior Managers from the outset and not by the schools.

Year on Year comparison

The chart below shows a comparison of the volume of complaints received over the last three years.

1,538   **1,813**   **1,817**

2016/17   **2017/18**   **2018/19**
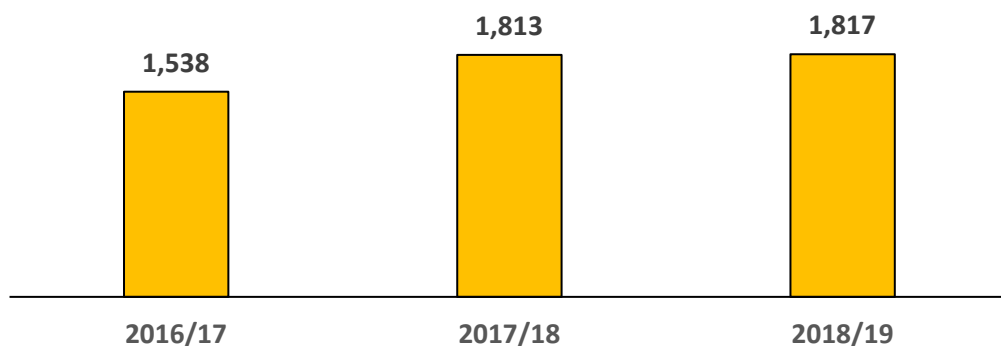
- Social Work complaints aligned with the Two Stage procedure the rest of the Council uses from 1 April 2017 and complaint volumes began to be included in the Council's complaint statistics from this date. This helps explain the higher complaint volumes reported in 2017/18 and 2018/19 when compared to 2016/17.

The table below shows the volume breakdown for each directorate over the three periods

Directorate	2016/17	2017/18	2018/19	Variance (17/18 – 18/19)
Chief Executive/ Democratic Services	7	6	7	neg.
Economy & Communities	44	33	30	-9%
Education & Youth Employment	84	116	155	+34%
Finance & Corporate Support	257	279	268	-4%
HSCP (Social Work complaints)	-	127	122	-4%
Place	1,146	1,237	1,235	neg.
Total	**1,538**	**1,798***	**1,817**	**+17%**

*15 complaints have been excluded from the 2017/18 volume as they were complaints about a decision made by Elected Members.

- The 34% increase in complaints in the Education directorate in 2018/10 (when compared to 2017/18) can be attributed to schools better identifying complaints as a result of extra complaint handling training provided during the year. This is therefore not seen as a negative trend but as a positive consequence of the additional training.

2 Complaints closed on time

The percentage of complaints closed on time during the period under both Stages are noted below:

Stage Ones

8%

92%

■ Closed on time ■ Not closed on time
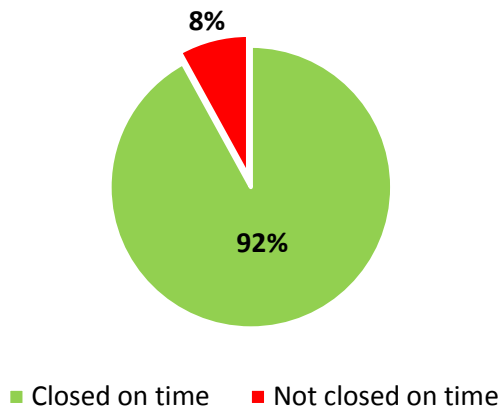
- The national target for closing Stage One complaints on time is 80% or above and the Council exceeded the target by 12%.

- The volume closed on time includes extended complaints that met their new due dates*.

Stage Twos

12%

88%

■ Closed on time ■ Not closed on time
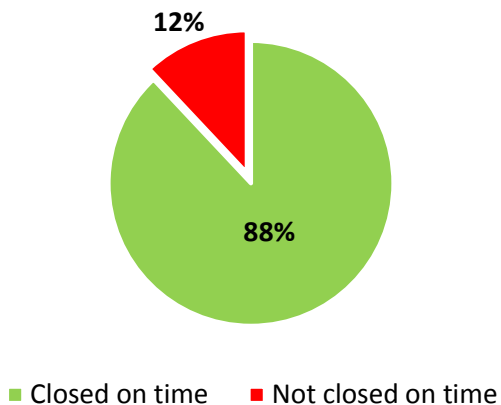
- The national target for closing Stage Two complaints on time is 85% or above and the Council exceeded the target by 3%.

- The volume closed on time includes extended complaints that met their new due dates**.

_____

* Stage One complaints can be extended an additional 5 working days (10 if they relate to social work)

**Stage Two complaints can be extended to any agreed date in the future

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3 Volume of complaints not closed on time per Directorate

This section provides details of complaints not closed on time under each Stage and includes extended complaints that did not meet their new timescales.

Stage Ones

Economy & Communities

Community Development — 1
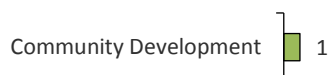
Notes

One Community Development complaint was not closed on time as the Service had to agree the complaint elements with the complainant and then engage with another service to resolve.

Education

HQ — 19
Schools — 20

Over half of all HQ complaints and over half of all school complaints did not have any reasons recorded why they breached. It is therefore unclear what caused the delays in resolving them.

The remainder that breached included complaints requiring further investigation or were received during school closure periods. Some of these could therefore have been escalated to Stage Two or had their timescales extended.

Finance & Corporate Support

Benefits — 1
Customer Services — 3
Multiservice — 1
Revenues — 4
Transformation — 2
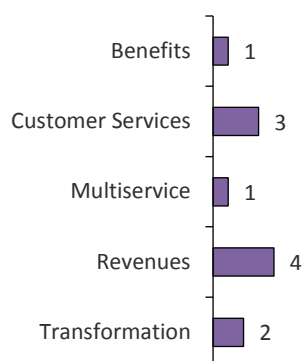
Some FACs complaints breached timescale due to delays with complaints reaching the relevant Services.

A number of complaints did not have reasons recorded why they breached.

HSCP (Social Work complaints)

Children & Families — 3
Health & Comm Care — 8
Support Services — 1
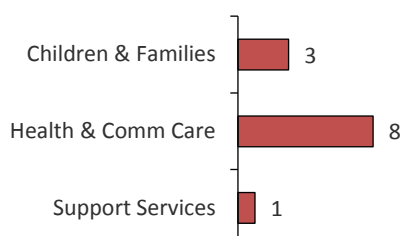
The majority of HSCP complaints that breached did not have reasons recorded why.

The remainder that breached included delays in third parties providing decisions, home visits having to be arranged to discuss complaints in person and complainants not being available to help determine the outcomes required/expected.

Place

Service	Count
Building Services	5
Facilities Mgmt	1
Housing	2
PMI	12
Roads	5
Streetscene	25
Waste Services	22
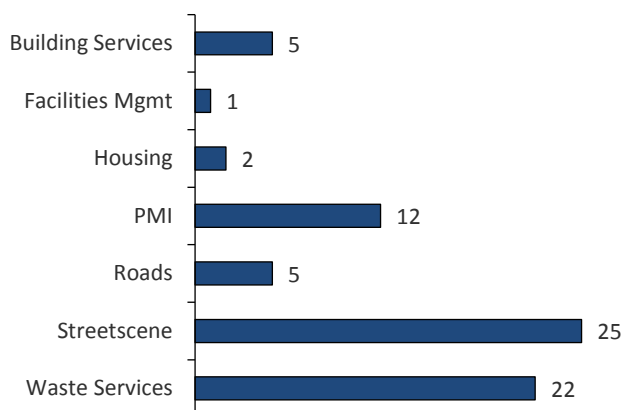
Half of all complaints that breached timescale across the Place directorate (relating mainly to Streetscene and Waste Services) did not have reasons recorded why they breached.

The other complaints that breached were various in nature and included delays in signoff for responses, complaints requiring further investigation, customers being unavailable to assist investigations and complaints requiring thorough investigation before the outcome could be provided. Some of these complaints could have had their timescales extended or been considered at Stage Two.

Stage Twos

Notes

Economy & Communities

Service	Count
Information & Culture	1
Planning	1
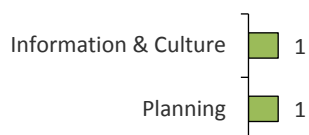
One Libraries complaint breached because the complaint handler went on annual leave and this hindered progress of the investigation. This complaint could have had its timescale extended.

One Planning complaint breached its due date due to a delay in the final response letter being approved.

Education

Service	Count
HQ	1
Schools	3
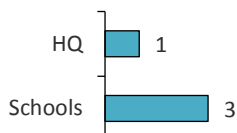
Due to school holidays and a parent being unavailable to assist with the investigation, one Education HQ complaint breached its due date.

The School complaints that breached had no reasons recorded why so it cannot be determined what caused the delays.

HSCP (Social Work complaints)

Service	Count
Children & Families	3
Health & Comm Care	5
Mental Health	1
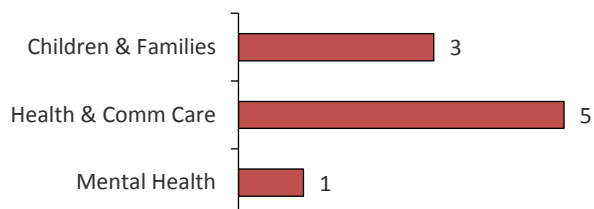
Some HSCP complaints breached due to delays in response letters being approved and additional information being sourced or provided.

The remainder had no reasons recorded why they breached.

Place

Service	Count
PMI	1
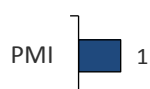
One Property Management & Investment complaint breached due to a delay in the response letter being signed off.

- 52% of all Stage One complaints that did not meet timescale had no reasons recorded why they breached. Analysis will be undertaken in 2019/20 to identify why and appropriate action taken to ensure reasons are recorded to allow better trends and patterns to be identified.

- Some complaints breached because no annual leave handovers took place. When a complaint handler is unavailable processes should be in place to allow complaints to continue to be progressed.

- Some Stage Two complaints could have had their timescales extended given the mitigating circumstances. If a complaint handler determines a Stage Two complaint will not meet timescale and there are good reasons for this, extending the timescale should always be considered.

- Complaint response letters should be approved and issued promptly by senior management to reduce the number of complaints breaching timescale this way.

4 Upheld/partially upheld key complaint topics

Key topics for upheld or partially upheld complaints within Services during the year are listed below. Services will not be listed if no trends were identified or too few complaints were upheld to allow meaningful analysis.

Education & Youth Employment

Service	Key complaint topic(s)
Schools / HQ	• Addressing bullying between pupils • Teaching cover/arrangements

Finance & Corporate Support

Service	Key complaint topic(s)
Customer Services	• Waiting times to speak to an Adviser • Incorrect information provided • Employee Actions
Revenues (Council Tax)	• Recovery of monies

HSCP (Social Work complaints)

Service	Key complaint topic(s)
Children, Families & Criminal Justice	• Employee Actions
Health & Community Care	• Employee Actions • Service delivery

Place

Service	Key complaint topic(s)
Building Services	• Quality issues (work incomplete or poor workmanship) • Follow ups not done • Communication
PMI	• Gas Central Heating (including maintenance) • Planned works for tenants
Roads	• Street lighting
Streetscene	• Grass/verge cutting • Cemetery/churchyard management
Waste Services	• Missed bins (all colours) • Missed pullouts (all colours) • Employee Actions

- For Waste Services, the majority of missed bins and pullouts that were upheld or partially upheld related to brown bins.

- Employee Actions appears as a key topic for some Services but the definition is broad and has been used where complainants perceived employee actions or behaviour to be unacceptable. This could include instances where:

  o The attitude of employees were considered inappropriate
  o The content/tone of letters from employees were considered inappropriate
  o Employees made inappropriate comments or offered inappropriate advice
  o Employees were considered 'officious' when quoting procedures, policies or regulations

  Where unacceptable behaviour was identified by Services appropriate action will have been taken to address.

5 Average time in working days for a full response

The average time in working days to close complaints under both Stages during the year are noted below. Values for previous years have been included to allow comparisons to be made and any complaints that had their timescales extended are excluded from the calculations.

Stage One
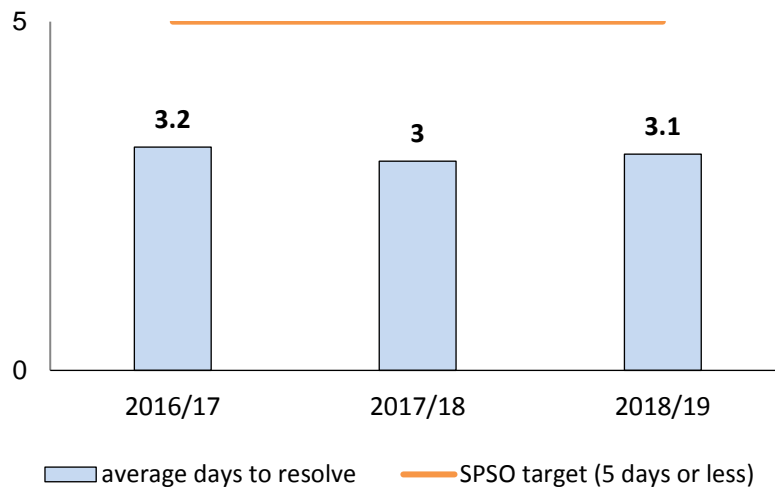
- The average time to close Stage One complaints over the last three years has consistently exceeded the target.

Stage Two
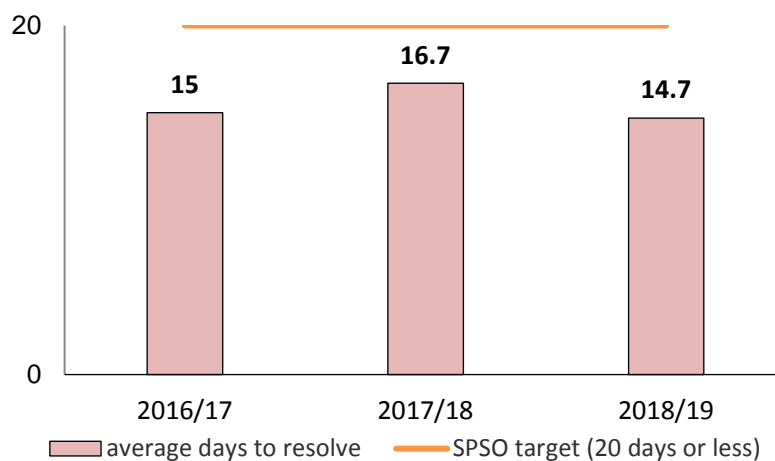
- The average time to close Stage Two complaints in 2018/19 reduced by two full days when compared to 2017/18.

The bar charts below detail Services that did not meet the average time in working days for a response under either Stage. Services that met the target are not listed and any complaints that had their timescales extended have been excluded from the calculations.

Education & Youth Employment
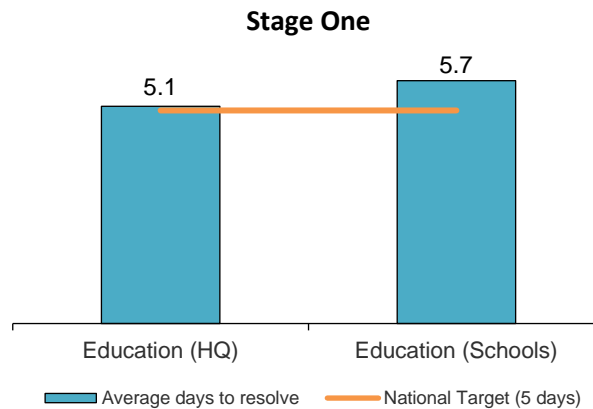
Stage One

Several Stage One complaints for both schools and HQ were closed beyond the 5 working day timescale, resulting in the target not being met. As highlighted in Section 3, over half of these complaints had no details why they breached so it cannot be ascertained what caused the delays.

Place
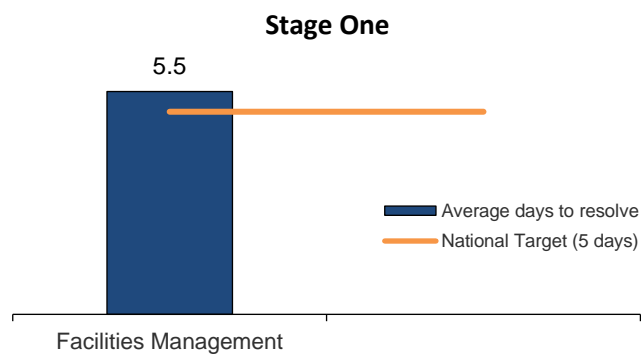
Stage One

Of all the Stage One complaints handled by Facilities Management, one complaint did not meet the 5 working day timescale which resulted in the target not being met. The reason it breached was due to the complaint being initially routed to the incorrect workflow queue and subsequent issues with access rights to the queue (which were subsequently addressed).

HSCP (Social Work complaints)

Stage One
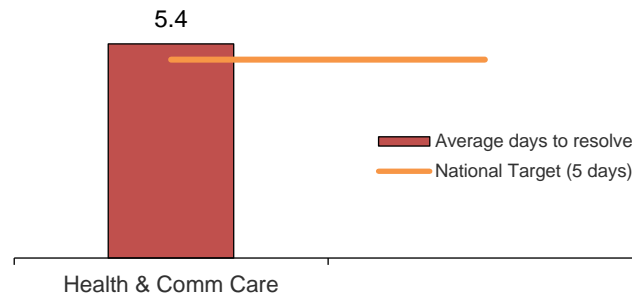
The Health & Community Care service handled many Stage One complaints during the year but several were closed outside the 5 working day timescale resulting in the target not being met. Most had no details recorded why they breached so it could not be ascertained what caused the delays.

Economy and Communities

Stage Two
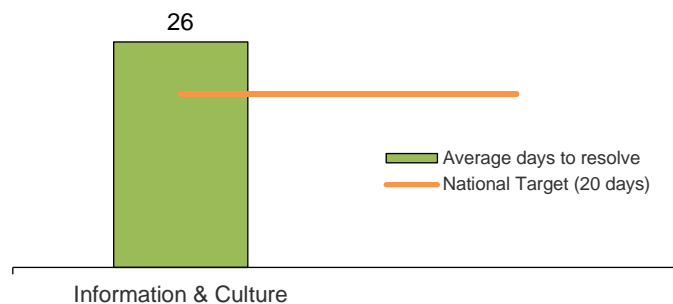
Information & Culture handled one Stage Two complaint during the period but as it was closed on working day 26 the target was not met. The complaint breached due to employee annual leave hindering progress of the investigation.

- As mentioned earlier in the report, when a complaint handler is unavailable contingency plans should be in place to allow complaints to continue to be progressed.

- Complaint handlers should always record the reason a complaint has not met timescale when being closed to allow trends and patterns to be identified.

- Extensions could have been considered for some of these complaints.

6 Extended complaints

- 73 complaints had their timescales extended during the year and most were Stage Ones. The complaints related mainly to services within the Place and HSCP directorates.

- There were sound reasons for extending, including complainants being unavailable to assist with investigations, information awaited from third parties to support investigations and the complexity of the complaints.

- Of the 73 complaints extended, 86% were closed within their new due dates.

7 Complaint Outcomes

Stage One

15%
39%
46%

☐ Not Upheld   ☐ Upheld   ☐ Partially Upheld
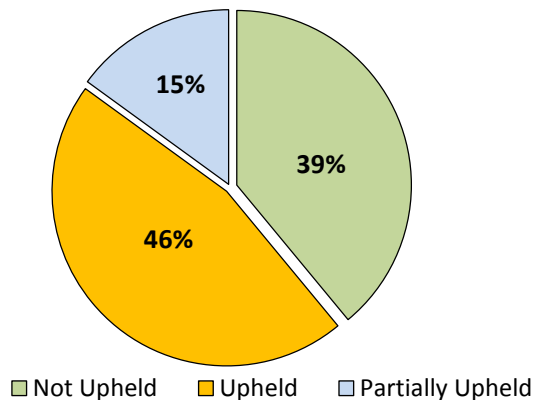
- Over one third of upheld and partially upheld* complaints related to Waste Services and in particular bin collections. The remainder related to various other Services.

- The majority not upheld were policy-related or were unproven/unfounded.

- The policy-related complaints were diverse in nature and related to internal and external policies.

Stage Two

23%
13%
64%

☐ Not Upheld   ☐ Upheld   ☐ Partially Upheld
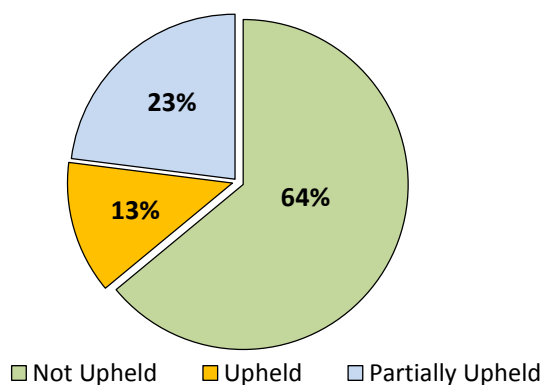
- One third of upheld and partially upheld* Stage Two complaints related to the Health and Social Care Partnership. The remainder related to various other services and directorates.

- The majority not upheld were unproven/unfounded.

*Partially Upheld complaints are those that contain more than one complaint element and only some have been upheld.

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8 Improvements made as a result of complaints

✓ As a result of complaints from some residents that their waste bins had been emptied but left in positions that was blocking driveways/pavements, a process was introduced with collection crews to ensure waste bins were replaced appropriately.

✓ A tenant's new heating system developed a fault and a delay occurred due to issues contacting the contractor to agree repairs. An apology was offered for the delay and a process introduced whereby changes to the contractor's contact details will be cascaded to all relevant teams, including the Contact Centre.

✓ A customer requested a form to apply for Universal Credit but was issued with an incorrect form which delayed the application. An apology was offered to the customer and remedial training provided to the team. A checking process was also introduced to ensure correct application forms are issued when requested.

✓ A customer complained that a document had been handed into a Customer Service Centre (CSC) but had not been scanned and forwarded to the relevant department. An apology was offered and a process introduced so when a document is scanned a check is made to ensure the scan has been saved before allowing the customer to leave the CSC. The original documents are also being retained for one month should any issues arise with the scans being received by the relevant department.

✓ As a result of incorrect letters being issued to customers requesting payment for outstanding Council Tax, the recovery process was reviewed and additional checks and parameters adopted to ensure such letters are supressed in future.

✓ A number of Housing Association tenants in a new development complained that their waste bins were not being serviced and they were having to contact the Council regularly requesting collection. A Council Officer contacted the tenants to explain the bins were not being emptied due to access issues with construction vehicles in the area and a process introduced where these particular waste bins would be collected earlier in the day to avoid construction traffic. It was also arranged for the Housing Association to issue letters to their tenants informing them of the new process.

✓ A customer raised a concern with the quality of grass cutting in an area where rubbish had been cut along with the grass. The area was inspected and it was agreed the debris presented a risk to dogs. As a result the operatives in that area were instructed to inspect their work and raise any issues with grass cutting that could present a safety risk.

The above are a few examples of actions taken and/or improvements made by Services as a result of complaints received.

9 Compliments

Over 500 compliments were recorded during the year and the table below details the volumes:

Directorate	Volume
Chief Executive/Democratic Services	3
Economy & Communities	69
Finance & Corporate Support	91
Health & Social Care Partnership	116
Place	229

Of the compliments recorded:

- A number were cross-Council, with customers commending or praising more than one service.

- Some were internal, with employees complimenting other employees.

- Many related to specific individuals as well as teams.

- Compliments received in the Education directorate were not recorded.

The word cloud below illustrates some of the feedback received from customers and residents:

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10 Complaint Handling Review

The Council's Two Stage complaint handling procedure improves Council services by learning from complaints, improves relationships with customers/residents and enhances the Council's reputation. The procedure also supports employees when complaints are received.

As the procedure was introduced in 2013, a review was undertaken during 2018/19 to ensure the procedure remains fit for purpose. This included reviewing the Council's corporate Two Stage complaint handling procedure document, complaint handling guidance, complaint reporting and other complaint-related processes. The review was Council-wide and involved many employees.

There were many outputs from the review and key ones are noted below.

The Council's corporate Two Stage complaint procedure was updated, which included:

- Enhancing Stage One and Stage Two complaint handling guidance

- Introducing checklists and audit trail documents to support complaint handlers

- Updating apology guidance.

The complaint pages in the Council's intranet were updated with new sections, including:

- A new section providing guidance on how employees/complaint handlers should handle/address complaints

- A new section providing examples of complaints and how employees should action them.

The corporate complaint handling study module was updated with new content, including:

- Guidance on how employees/complaint handlers should consider complaints

- Guidance to help complaint handlers find solutions to complaints

- Introducing a handy hints and tips section for employees to consider when handling complaints.

Making these changes ensures the Council's complaint handling processes remain robust and that employees have the appropriate tools, resources and support to manage and handle complaints.

11 ALEO complaints

An Arms-Length External Organisation (ALEO) is an organisation formally separate from a local authority but still subject to its control and influence. Given this, ALEOs must comply with the same complaint procedure used by its affiliated local authority.

North Ayrshire Leisure Limited (NALL) is an ALEO for North Ayrshire Council and this section highlights complaints handled in 2018/19 by NALL using the same Two Stage procedure the Council uses.

Complaints received per Business Area and Complaint Category

Business Area	Complaint Category	Volume
LEISURE		
Irvine	Activities & Programming	20
	Facilities General	26
	Facilities Cleanliness	4
	Customer Service	9
Three Towns	Activities & Programming	6
	Facilities General	16
	Facilities Cleanliness	6
	Customer Service	11
Garnock & Kilwinning	Activities & Programming	6
	Facilities General	11
	Facilities Cleanliness	2
	Customer Service	0
North Coast & Arran	Activities & Programming	9
	Facilities General	9
	Facilities Cleanliness	0
	Customer Service	0
PHYSICAL ACTIVITY		
Active Lifestyles	Activities & Programming	7
	Customer Service	0
Community Sport	Activities & Programming	0
	Customer Service	0
SUPPORT TEAM		
Support Team	Customer Service	1
	Policy General	9

- 152 complaints were received by NALL during the year.

- The majority related to the Irvine and Three Towns areas but this was expected given The Portal and Auchenharvie Leisure Centre are situated in these locales and attract higher visitor numbers compared to other NALL venues/facilities.

Complaints per 1,000 visits for each department

Department	Complaint Volume	Attendances	Complaint Rate
Leisure	135	2,546,206	0.05
Physical Activity	7	221,164	0.03
Support Team	10	n/a	n/a

- The volume of complaints received is negligible compared to the number of people visiting facilities/venues.

Complaint categories by volume

Category	Volume
Facilities General	61
Facilities Cleanliness	13
Customer Service	20
Activities and Programming	48
Policy/General	10
Marketing and Promotion	0
Total	**152**

Three-year Complaint Category comparison

Category	2016/17	2017/18	2018/19
Facilities General	41	55	61
Facilities Cleanliness	13	3	13
Customer Service	95	54	20
Activities & Programming	33	46	48
Policy/General	16	33	10
Marketing/Promotion	5	4	0
Total	**203**	**195**	**152**

- A year on year reduction seen in complaints received over the last three years, particularly around Customer Service and Policy/General complaints.

Complaints handled at each Stage by category

Category	Stage One	Stage Two
Facilities General	31	30
Facilities Cleanliness	5	6
Customer Service	6	16
Activities and Programming	16	32
Policy/General	3	7
Marketing and Promotion	0	0
Total	**61**	**91**

- Analysis shows all complaints were answered within the 20 working day target with 62% being answered within 5 working days.

Examples of complaints received

The Company values all complaints received and uses them to inform management and development decisions going forward. Examples of complaints received over the year and the Company's response is shown in the table below.

Category	Nature of Complaint	Response/Action
Facilities General	A complaint was received regarding noise levels at Auchenharvie Leisure Centre.	Investigations showed the noise was due to a boiler. This has been maintained and managed internally to eliminate noise and an apology offered.
Customer Service	Complaint received regarding a delay in transferring a membership to a corporate membership following several requests.	An investigation identified the delay was due to discounts for the specific company no longer being offered. Apology given, processes updated and discount was honoured given the circumstances.
Activities and Programming	A customer complained about the inconsistency of floats during fun swims. Concerns were also raised regarding employee attitude.	Apology offered for lack of consistency and customer care. Employees receiving on-going training to avoid re-occurrence.
Policy/General	A complaint was received regarding the no snorkel policy. The customer felt the policy was more relevant for children and would like to use a snorkel during early bird lanes or non-busy lunchtimes.	The customer was informed the decision to have a blanket ban on snorkels in our pools is an industry standard and that snorkels should be used at organised snorkelling or sub aqua sessions. Although the policy will be maintained, an apology was offered for the inconvenience caused.

12 SPSO referrals

The table below details the type and volume of complaints relating to North Ayrshire Council that were referred to the Scottish Public Services Ombudsman in 2018/19.

Type of complaint	Volume
Building Control	1
Economic Development	1
Education	4
Environmental Health & Cleansing	1
Finance	7
Housing	11
Land & Property	3
Legal & Admin	2
Planning	3
Recreation & Leisure	3
Roads & Transport	1
Social Work	3
Subject unknown or Out of Jurisdiction	1

- The SPSO received 1,301 complaints about Scottish Local Authorities during the year and 41 (3%) related to North Ayrshire Council. The referral rate is consistent with previous years (which is typically between 2% to 3%).

- The table shows the highest number of referrals made to the SPSO about the Council related to Housing but this is unsurprising given a fifth of all LA referrals made to the SPSO related to Housing services.

The outcomes of the North Ayrshire Council complaints referred to the SPSO are noted below.

Stage	Outcome	Volume
Advice	Not duly made or withdrawn	3
	Premature	8
Early Resolution	Not duly made or withdrawn	1
	Out of jurisdiction (discretionary)	2
	Out of jurisdiction (non-discretionary)	2
	Outcome not achievable	1
	Premature	2
	Proportionality	17
	Resolved	2
Investigation	Fully upheld	0
	Some upheld	0
	Not upheld	0
	Resolved	0

- All SPSO referrals from North Ayrshire complainants were resolved at the Advice or Early Resolution stages. No complaints were taken to Investigation stage.

- Many of the referrals made were withdrawn by the complainants, out of SPSO jurisdiction or premature i.e. complainants approached the SPSO before exhausting the Council's Two Stage process.

- Many Early Resolution referrals were considered under proportionality meaning the SPSO decided it would not be proportionate to investigate the complaints given the need to use public resources effectively. Instances include where evidence suggests the Council has already carried out a thorough investigation or the sole outcome being sought by the complainant is not one the SPSO can achieve by investigating and making recommendations.

- The SPSO investigated two complaints at Early Resolution stage, both relating to the Health & Social Care Partnership. The SPSO determined one complaint was not upheld and the other was upheld with one recommendation.

More details regarding complaint referrals for North Ayrshire Council can be found on the SPSO website at **https://www.spso.org.uk/decision-reports**.

13 Glossary

Term	Explanation
Stage One	Stage One (aka *Frontline Resolution*) aims to resolve straightforward customer complaints that require little or no investigation. Any employee may deal with complaints at this stage and they can be resolved via any channel. The main principle is to seek resolution at the earliest opportunity and as close to the point of service delivery as possible. Stage One complaints must be responded to within 5 working days unless an extension (a maximum of 5 additional working days or 10 if the complaint relates to Social Work) is requested and approved by a senior manager. The Council should, however, always aim to resolve these types of complaints within 5 working days.
Stage Two	Not all complaints are suitable for Frontline Resolution and not all complaints will be satisfactorily resolved at that stage. Complaints therefore handled at Stage Two (aka *Investigation*) typically require a detailed examination before the Council can state its position. These complaints may already have been considered at Stage One, or they may have been identified from the outset as being complex, serious or high risk and needing immediate investigation. The investigation under a Stage Two should establish all the facts relevant to the points made in the complaint and give the customer a full, objective and proportionate response that represents our final position. Stage Two complaints must be responded to within 20 working days unless an extension is approved by senior manager in conjunction with the customer. Stage Two complaints require a written response, signed by a senior manager.

Complaint criteria

When an expression of dissatisfaction is received the Council determines if the issue falls into one of six complaint categories:

- A service the Council should be providing is not being provided (or is not available)
- A request for a service was provided but not to an appropriate standard
- A request for service has not been answered or actioned within the agreed timescale
- A Council employee was rude, unhelpful or unprofessional
- A Council employee did not attend an appointment or call-out on a date/time agreed
- The complaint relates to a policy (internal or external)

If the issue being raised relates to one or more of the above, the matter is considered a complaint and will be recorded and handled as such. If not, the matter will be handled as a request for a service, observation or enquiry and actioned accordingly.

END OF REPORT

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NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Planning for EU-Exit**
Purpose:	To provide an update on Council planning arrangements in relation to a no-deal EU exit
Recommendation:	It is recommended that Committee notes the planning arrangements in relation to a no-deal EU exit

1.   Executive Summary

1.1   This report provides an update on the Council's planning arrangements to address the risks arising from a no-deal exit from the European Union. The risks and actions are detailed in full in Appendix 1.

2.   Background

2.1   Since the last report to Committee on 26 March 2019, the date of the UK's departure from the EU has been extended to 31 October 2019. This resulted in elections to the European Parliament being held in May 2019. There are currently no signs of the EU being willing to renegotiate the deal agreed by them at the beginning of the year, which was subsequently rejected by the UK Parliament. Key to movement on this issue is likely to be the Irish border or backstop, or how an open border can be maintained in accordance with the Good Friday Agreement without any resulting trade differences between Northern Ireland and the UK mainland.

2.2   Appendix 1 details the potential reasonable worst-case scenarios of a no-deal, any specific risks to North Ayrshire and actions which are underway to attempt to mitigate these. These have had regard to the Scottish Government's no-deal EU-Exit planning assumptions published on 15 August 2019.Since the last report to Committee the likelihood of a no-deal has increased and the overall risk scores have increased to reflect this movement in likelihood.

2.3   Appendix 2 comprises a summary of the potential risks of a no-deal EU exit, taken from recent reports of the Office for Budget Responsibility, the Confederation of British Industry and the Institute for Government. These paint the same picture as earlier reports from the Bank of England, the International Monetary Fund, the Fraser of Allander Institute, and the Scottish Government which all suggest that regardless of underlying assumptions, a no-deal will have a detrimental impact on short- and long-term GDP, economic growth, investment and productivity, unemployment, exchange rates and house prices. The earlier Bank of England worst case stress test of a no-deal showed 8% reduction in GDP, 1 million extra unemployed (i.e 7.5% unemployed) and 16% reduction in house prices. In July 2019 The Office for Budget Responsibility (OBR) forecast that real GDP would fall by 2% by December 2020 (4% below the March 2019 forecast), and that borrowing would be almost £60bn if the UK leaves without a deal - up from £29.3bn if it does get a deal. Similarly, the IMF estimated that in year 1 and 2 of a no-deal there would be a reduction in UK GDP of 1.4% and 0.8% and in the long term, no-deal could knock 8% off the level of UK GDP compared to remaining in the EU.

2.4   COSLA have surveyed local authorities across Scotland and the following are expected to be the key risks to the local authority sector. Where relevant to North Ayrshire, these risks have been incorporated into Appendix 1.

- Currency fluctuation
- Increased cost of borrowing
- EU funding
- Infrastructure and regeneration
- Building Industry reduction in skilled workforce
- Increased costs and availability of building materials
- Impact on Scottish Welfare Fund
- Recruitment and retention of staff
- Reliance on EU nationals in specific workstreams such as hospitality, seasonal work, ancillary roles, tourism, teaching and health and social care
- Supply chain networks – shortages of food and animal feed
- Environmental Health Certification processes
- Impact on Trading Standards
- Waste recycling and environment
- Medical supplies
- EU Settlement Scheme
- Fuel supplies – aviation, transport, heating & ferries
- Operational resilience at ports
- Increased demand on council services
- Loss of market routes
- Lack of information from UK and Scottish Governments

2.5 Looking at Appendix 1, the most significant risk to North Ayrshire is linked to the combined impact of a no-deal on businesses, the economy and GDP. A combination of factors could result in the economy going into recession due to: -

- Continuing uncertainty will further delay investment
- Lack of trade deals, trade barriers and tariffs with EU and under WTO rules (best guess 2-4%)
- Port delays, supply chain issues, and higher costs
- Loss of key personnel and higher costs to recruit, etc
- Fall in sterling's value

2.6   It is expected that low-income groups will be most impacted by price rises in food, utilities and services. This is likely to increase demand for Council services. The Council will itself face higher costs and, for example food prices are expected to increase by 10% across the local authority sector. At the same time, the increased levels of public sector borrowing forecast by the Office of Budget Responsibility are likely to result in further cuts to public sector funding.

2.7 The other longer term risk which scores highest in Appendix 1 is that relating to trade deals. If the UK leaves with no-deal it will lose the benefit of trade deals, both with the EU and negotiated by the EU with third countries such as Canada. In the absence of an article 50 framework, a deal with the EU is likely to be harder to negotiate. Nor does the UK have a good negotiating position, due to lack of expertise and a weak starting point. A trade deal with the United States could give rise to rules limiting the UK's flexibility in social and foreign policy, human rights and impacting on the environment.

2.8 As regards immigration, Scottish Government research shows that the number of foreign workers in Scotland fell by 10% in 2018, over 50% being EU nationals. North Ayrshire tourism businesses already report recruitment difficulties. Immigration has been the primary means of Scottish population growth to support an increasingly elderly population. Lack of inward migration is also likely to result in skills shortages in key areas, as listed in Appendix 1.

2.9 EU residents have been able to apply for settled status and at 30 June 2019, 909,300 applications were made, (43,200 in Scotland), of which 805,500 applications were concluded. Of these, 65% were granted settled status, 35% granted pre-settled status. In mid- August the overall figure of applications reached 1 million, meaning that a further 2.2million EU resident citizens still have to apply before the deadline of 31 December 2019. The Council's Libraries service have registered with 'We are Digital' to provide assisted on-line support for Settled status applications and this will be operational later this month. They are also investigating the possibility of providing a service to Settled Status applicants whereby they scan supporting documents directly to the UK Government.

2.10 The Council also has a webpage containing links to sources of information on EU exit, and to Appendix 1. This can be viewed at
https://www.north-ayrshire.gov.uk/council/brexit-information.aspx

2.11 A national resilience structure based around a Multi-agency Coordination Centre (MACC) at Bilston Glen, Edinburgh will be fully operational from 21 October 2019 and daily responses from NAC via the Ayrshire Civil Contingencies Team will then be made to the MACC.

2.12 Senior Council officers have regular meetings to review EU-Exit risks and actions. Reports also go to the Executive Leadership Team. Appendix 1 remains the key tool for recording the potential reasonable worst-case scenarios and planning for them.

3. Proposals

3.1 It is recommended the Committee notes the planning arrangements in relation to a no-deal EU exit.

4. Implications/Socio-economic Duty

Financial

4.1 There will be financial impacts on the Council of a no-deal EU exit. In the short term there are likely to be increases in prices driven by customs delays and tariffs, and extra costs in certifying foodstuffs for export. COSLA estimate that food prices will increase by 10%. Longer term, as a no-deal is expected to impact most on the poorest, this is likely to result in an increased demand for Council services. A fall in GDP and extra Government borrowing is likely to put further pressure on public finances and result in greater cuts to Council budgets. The Scottish Government have provided funding to date of £50,000.

Human Resources

4.2 There are relatively few EU citizens working for North Ayrshire and the direct impact on the Council is likely to be limited

Legal

4.3 In the short term most of our legislation will remain aligned to European law, and in the longer term any trade deal may rely on this. However, there are concerns that a number of derogations required to enable UK companies to continue to operate in Europe are not yet in place.

Equality/Socio-economic

4.4 A key issue is whether the UK remain signatories to the European Convention on Human Rights, and if not, what will replace it.

Environmental and Sustainability

4.5 Much of our environmental legislation comes from Europe. In the short term this will continue, but the longer-term impact is more uncertain. In particular, the United States has a very different approach to the precautionary principle, whether to genetically modified foodstuffs or the environment, and is likely to seek concessions as part of trade deal negotiations

Key Priorities

4.6 A no-deal Brexit is likely to result in increased demand, less funding and higher borrowing costs, all of which will have a detrimental impact on the Council's key priorities.

Community Wealth Building

4.7 In the short term there is unlikely to be any impact. In the longer term it could be argued that if the UK no longer has to comply with EU procurement and State Aid rules, then it will be easier to support local procurement. However, any future trade deal with the EU is likely to depend on similar rules being in place. Likewise, a trade deal with the United States is likely to be based on greater free market principles which are unlikely to support community wealth building

5. Consultation

5.1 Appendix 1 has been prepared in consultation with officers from all services, has regard to the Scottish Government's planning assumptions, information from COSLA and other sources.

Craig Hatton
Chief Executive

For further information please contact Andrew Fraser**, Head of Democratic Services,** on **01294 324125**.

Background Papers
1- Appendix 1- Summary of Potential Risks and Actions
2- Appendix 2 -Summary of External Organisation Views

No Deal EU Exit - Summary of External Organisation Views

Updated v1.0 14-08-19

Organisation/Report	Publication Date	Main Economic Impact
Office for Budget Responsibility (OBR) – Fiscal Risks Report https://obr.uk/fiscal-risks-report-2019/	July 2019	Heightened uncertainty and declining confidence deter investment, while higher trade barriers with the EU weigh on exports. Together, these push the economy into recession, with asset prices and the pound falling sharply. Real GDP falls by 2 per cent by the end of 2020 and is 4 per cent below our March forecast by that point. Higher trade barriers also slow growth in potential productivity, while lower net inward migration reduces labour force growth, so potential output is lower than the baseline throughout the scenario (and beyond). The imposition of tariffs and the sterling depreciation raise inflation and squeeze real household incomes, but the Monetary Policy Committee is able to cut Bank Rate to support demand, helping to bring output back towards potential and inflation back towards target. Borrowing is around £30 billion a year higher than our March forecast from 2020-21 onwards. Lower receipts – in particular income tax and NICs (due to the recession) and capital taxes (due to weaker asset prices) – explain most of the deterioration. These are partly offset by lower debt interest spending (thanks to lower interest rates and RPI inflation) and the revenue raised customs duties (which are treated as EU rather than UK taxes in the baseline). Higher borrowing and the assumed rollover of Term Funding Scheme loans leave public sector net debt around 12 per cent of GDP higher than our March forecast by 2023-24.
CBI – What comes next? The business analysis of no deal preparations https://www.cbi.org.uk/articles/what-comes-next-the-business-analysis-of-no-deal/	July 2019	The CBI has analysed the no deal preparations of the UK, the EU and businesses in 27 key areas of the economy and we have concluded that – despite existing mitigations – disruption is likely in 24 of those areas immediately after no deal. At the moment, this analysis shows there are no areas of relevance to the economy where the UK, the EU and the business community are all prepared well enough for no deal. In all 27 areas analysed, negative impacts are anticipated in either the short- or long-term. Should no deal occur, the short-term shock will be severe. Queues at the UK border are inevitable, with the warnings of major supermarkets making clear the fears for food supply. Thousands of services firms will simply be legally unable to fulfil their obligations to their customers across borders – though many large regulated companies have made the changes they need to in order to mitigate no deal, it is prohibitively expensive for many small firms to do so. Meanwhile, no deal will mean everything from trucks crossing the Irish border to the free flow of data will be mired in legal uncertainty. The IMF estimates that, in the long-term, no deal could knock 8% off the level of UK GDP compared to remaining in the EU. Trade barriers will become permanent, removing a key to the UK's attractiveness as a place to create jobs. These barriers will make queues at borders a regular occurrence and risk fragmentation of the UK's leading services sectors – from broadcasting to legal practices.

Institute for Government – Preparing Brexit: No Deal
https://www.instituteforgovernment.org.uk/publications/preparing-brexit-no-deal

Before a no-deal exit

The whole of government must shift onto a no-deal footing: if the new prime minister believes there is a serious prospect that the UK will leave the EU on 31 October, he will need to kick-start the government's no-deal preparations immediately – moving thousands of civil servants into operational centres and starting extensive communications to business. In some areas the civil service has used the extension for further preparations, but in other areas preparations must be reinstated. Ministers, new in post, must resist the temptation to rip up existing no deal plans and policies unless vital to improve readiness.

Peak readiness may have been and gone: the PM cannot assume the UK – and UK business – is ready for no deal. Indeed, it may be less ready for no deal in October than it was in March. Many businesses may find it harder to prepare again (such as building up stocks), particularly in the run up to Christmas. Other businesses, who saw their competitors waste money in March, may decide it is not worth incurring further costs, for a prospect the new PM himself has described as "a million-to-one against".

Key Brexit bills are not needed for October 31: the prime minister does not need to complete the passage of the Brexit bills currently stuck in Parliament in order to leave without a deal. These can be brought back after 31 October. The previous prime minister has spent months trying to avoid Parliament, given its attempts to intervene and the government's tiny majority. The new prime minister, facing more activists on the backbenchers, can do the same with this legislation. But it means key policy areas will have EU law frozen into UK law and the government will have very limited powers to make changes.

New legislation will be needed to introduce direct rule in Northern Ireland: Johnson cannot avoid legislating entirely. Given the scale and the speed of the interventions likely to be necessary, the government should bring in legislation to introduce direct rule in Northern Ireland with immediate effect from 31 October if the Executive has not been restored. This will be extremely contentious, but without it Northern Ireland will be left even more exposed to the economic shocks of a no-deal Brexit than it is currently. That would itself raise the risk of all political backlash.

An emergency Budget may be needed: the prime minister may also wish to hold an emergency Budget. If this is done in September it will need to be voted on before the UK leaves. The earlier it is held, the more potential there is for supporting and incentivising business to prepare, but any action before 31 October leaves the PM open to more parliamentary pressure.

Immediately following a no-deal exit

No deal is a step into the unknown: the prime minister's second 100 days will even more unpredictable than his first. There can be little certainty about exactly how no deal will play out.

There is no such thing as 'managed no deal': it is unlikely that the EU will agree to negotiate a 'managed no deal', or any 'side deals', to soften the impact. It has continually ruled this out. The EU will take unilateral measures. But those will be aimed at cushioning

the impact on EU, not UK, citizens and will last for as long as the EU decides they are necessary.

It will be much harder and more complex to strike a deal with the EU: a quick deal with the EU, even one identical to the current deal, will not be possible once the UK has left. This is because the EU will no longer be negotiating under Article 50. Negotiations with 'third countries' take place on a different legal basis with a more complicated process and ratification requirements – which is likely to involve ratification in all 27 member state parliaments.

No deal means losing deals with many other non-EU countries: the UK will immediately lose access to a large number of important trade and co-operation agreements with other non-EU countries. It will take time to reinstate these, and in some cases countries may have little incentive to conclude a deal. Most recently, Canada has said that the UK's approach to cutting tariffs if there is no deal means it sees little benefit in a UK–Canada deal.

A showdown in Parliament cannot be avoided: the PM will not be able to avoid testing his majority in Parliament for long, as he will have to bring forward a Queens Speech, a Budget and, in time, new bills.

In the months following a no-deal exit

Brexit will dominate Whitehall: Brexit is likely to preoccupy the work of the civil service for years to come. There will be at least 16,000 officials working on it by the autumn, and that number could still increase.

The government will have to support struggling and failing businesses: rather than 'turbo-charging' the economy, as Johnson has suggested, the government is more likely to be occupied with providing money and support to businesses and industries that have not prepared or are worst affected by a no-deal Brexit – as well as dealing with UK citizens in the EU, and EU citizens here, who have been similarly caught out.

The Union will come under unprecedented pressure: Johnson may well find that having left one political union, he spends an increasing proportion of his time trying to keep another together. All nations will look to Westminster to help cushion them against any economic fallout from no deal. Northern Ireland, in particular, will face significant and lasting disruption to its economy and there is a potential for that to translate into increased political tension, particularly if direct rule has been reimposed. In Scotland, a no-deal exit will increase pressure to grant a second independence referendum as relations between Westminster and Holyrood deteriorate. Although the political fallout in Wales will be less acute, farming and manufacturing are both at risk.

No Deal EU- Exit- Summary of Potential Risks effecting Local Authorities

Impacts on North Ayrshire Updated v2.6 2-9-19

Note- this document examines the potential reasonable worst-case scenario, having regard to Scottish Government No-Deal planning assumptions issued on 15 August 2019

Number	Risk Area	Description	Key Risk Considerations	Potential Impacts on North Ayrshire	Risk to North Ayrshire Likelihood (1-5) x Impact (1-5)	Short Term Actions/Current Control Measures	Medium/Long Term Mitigation Actions

1	Economy and Growth	Economy &Growth- Risk of the UK economy going into recession due to:-
		
		a) Continuing uncertainty further delays investment
		b) Trade barriers and tariffs with EU and under WTO rules (best guess 2-4%)
		c) port delays- see risk 3
		d) higher import costs due to the fall in the pound
		e) most goods the UK sells have international supply chains linked to the EU- see risk 3
		f) lack of business investment due to uncertainty Until final trade deals are negotiated this will continue loss of key personnel and higher costs to recruit, etc
		g) Fall in sterling's value
		
		Analysis from the Bank of England, the UK Government's Office of Budget Responsibility, Scotland's Chief Economic Advisor, the Institute of Government, the Fraser of Allander Institute and the CBI all suggests that regardless of underlying assumptions a no-deal will have a detrimental impact on short- and long-term GDP, economic growth, investment and productivity, unemployment, exchange rates and house prices.
		Bank of England worst case stress test of a no-deal showed 8% reduction in GDP, 1 million extra unemployed (i.e 7.5% unemployed)and 16% reduction in house prices.
		
		In July 2019 The Office for Budget Responsibility (OBR) forecast that real GDP would fall by 2% by December 2020 and be 4% below the March 2019 forecast, and that borrowing would be almost £60bn if the UK leaves without a deal - up from £29.3bn if it does get a deal.
		IMF estimates that in year 1 and 2 of a no-deal there would be a reduction in UK GDP of 1.4% and 0.8% and in the long term, no-deal could knock 8% off the level of UK GDP compared to remaining in the EU.
			• Business failure- higher unemployment, reduced hours
			• Fraser of Allander Institute (FAI) estimate 18% of Scottish exports go to EU + this trade most at risk.
			• Also risk for businesses in supply chains for exporters.
			• FAI show top 5 EU exporting sectors are:
			  ○ Refined petroleum, coke + chemical products.
			  ○ Food + Beverages
			  ○ Professional, scientific + technical activities
			  ○ Wholesale, retail + vehicle repair
			  ○ Computer, electronic + optical products.
			• Potentially big reduction in jobs – 130,000 FAI estimate at the same time as a big loss of EU workers – max of c140,000, in unlikely scenario where all go. While these roughly cancel each other out many jobs where EU labour might be lost not concentrated in export sectors (e.g. 23,000 employees (15% of workforce) in tourism and 16,000 (4% of workforce) in health + social care. The big danger is of rising redundancies plus rising labour shortages (FAI)
			
			•
			
			The sectors that appear most vulnerable include agriculture, food and drink, fishing, chemicals, construction, transport, life sciences and other manufacturing sectors. Impacts are likely to be felt quickly.
			• In primary producing sub-sectors, e.g. meat (particularly lamb) and seafood, tariffs (EU average tariffs between 50% and 100% for the former and between 2% and
			20% for the latter) threaten the competitiveness of Scottish produce. The viability of some of the trade itself may be endangered, given the requirement to get fresh produce to market quickly to maximise its value.
			• Banks review lending to impacted sectors resulting in increased borrowing costs
			
			• Greater need to support local businesses
				It is estimated that exports to the EU support 2,600 jobs in North Ayrshire. NAC is more exposed on jobs side than on labour supply, particularly taking into account our relatively low employment rates. (FAI)
				
				• North Ayrshire does not have as resilient a business base, compared to the cities.
				
				• North Ayrshire has 15-19% of its workforce in sectors most exposed
				
				• Vulnerability of businesses to increased costs may result in business failure- impacts on business support required. On average manufacturing firms are four times more exposed to impacts from a no deal Brexit. Farming is also exposed.
				
				• Due to lack of investment there is a reduction in the productivity of business and industry in North Ayrshire-- impacts on business support required
				
				• Greater unemployment/ fall in disposable income- impacts on employability while increasing deprivation has widespread impacts -know from previous recession that NA takes longer to recover and this impacts on demand for Council services
					Short- 4x5=20
					
					Long 4x5=20
						• Working with CoSLA, Government and agencies to improve understanding of issues and preparatory work required.
						
						• Business and procurement teams collaborating to increase local suppliers' awareness of procurement opportunities, and their ability to engage.
						
						• Scottish Government have launched a 'Prepare for Brexit' website. A £4k grant for registered businesses is also launched. An updated Comms pack for advisers has been circulated.
						
						• Engaging North Ayrshire businesses with SE, HIE and Business Gateway for Brexit preparedness.
						
						• Working with Ayrshire Chambers to promote Brexit related information to local and regional business base- Chamber of Commerce has a website
						
						• SDI workshop for Business team advisers to increase skills and knowledge to enable them to assist local business with action planning
						
						• Planning for increased demand for Business Support, both in terms of advice from ourselves and partner organisations (specifically the Chamber of Commerce who specialise in international trade) and also in terms of need for funding support as businesses implement new operations/employ more people as they adapt to new trade processes/regulations
						
						• Ernst & Young "Sectoral Impact Analysis and Brexit Readiness Assessment" published January 2019 describes the Scottish Business
							• Ayrshire Growth Deal and regional skills programme give priority to inclusive growth and to developing skills in the region.
							
							• 'Economic Strategy for North Ayrshire' and 'Fair for All' identify skills development as a key component of the strategy to secure inclusive economic growth in North Ayrshire.
							
							• Strong commitment to 'Team North Ayrshire' connection with business, regional and strategic partners, and key decision makers.
							
							• Investigating potential development of export partnership in Ayrshire and consideration of export hub.
							
							• Investing in North Ayrshire Employability and Skills programmes and increasing support for Modern Apprenticeships.
							
							• Development of new Ayrshire Regional Partnership and Regional Economic Strategy
							
							• Scottish Govt have given £500k to Fairshare who are using it to gather information on foodbank arrangements across

No	Risk	Description			Rating	Mitigation	Further Actions
			• Fall in disposable income • Greater demand on public sector- e.g. foodbanks • Less funding for public services • Reducing growth triggers actuarial revaluation of public sector pension schemes • Loss in demand for local businesses • Low income groups likely to be disproportionately impacted by price rises in utilities and services • Slowdown in the housing market • Risk to predicted levels of private sector investment and economic outputs of AGD •	• Greater demand on public sector- e.g. social care, foodbanks • Less funding for public services from Government/continuation of austerity • Reducing growth triggers actuarial revaluation of public sector pension schemes and further cuts need to be found to pay for this • In the Aerospace industry in particular there are concerns around whether existing licenses and accreditations will still be recognised by European customers post-Brexit, impacting on their order pipeline. • Similar issues will impact on the Chemical and life science sector and with a number of major employers in the area there could be significant impact. • Scottish Enterprise have also identified manufacturing companies are at risk of being most affected – NA has a higher proportion of manufacturing companies. Likely if there is a no-deal that short-term measures will be announced by UK and Scottish Governments to support business It will become increasingly hard to attract investment into North Ayrshire		sector's key challenges and preparedness for Brexit. • The local NFU communicate with their members on Brexit, from roadshows to social media and on their website. www.nfus.org.uk . Trading Standards have offered support to NFU. • To check if framework agreement for business support is sufficient to bring in additional support if additional funds are paid. • July 2019 CBI publish 'What comes next? The business analysis of no deal preparations' containing over 200 recommended steps to mitigate the impact. Its conclusion is "there is no such thing as a no deal without negative consequences for jobs and growth" Database maintained by Business Team with detail of Brexit issues, impacts and comments raised by North Ayrshire business and industry, to inform Council engagement with influential stakeholders and decision makers. Good range of business and sectors included. • Prepare to re-align employability funds towards redundancy support/re-training initiatives. Explore possibility of quick procurement procedures to increase capacity quickly.	Scotland. Scottish Government's future model to support foodbanks will be informed by this analysis Connected Communities are in contact. • The Scottish Affairs Committee has launched an inquiry around the future of Scottish agriculture post-Brexit. • An increasing focus on community wealth building should in theory make local businesses more resilient to national and global swings • Brexit webpage to be developed for the Council • Lobbying of UK and Scottish Government to attract greater support to help maintain the local economy • In situations of emerging labour shortages, opportunity to improve by, upskilling + re-skilling, position of under-employed, poorly paid employees and priority groups -via the hub model we are committed to the upskilling of our supply chain and their staff via the "Skills Academy" and "Supply chain institute" initiatives. •
2	Finance and Higher Costs	**Inflation and cost of living Risk-including** • **increase in costs of goods- Draft Public Sector Food Plan July 2019 estimates 10% increases in local government sector** • **depreciation in the value of the pound results in higher inflation.** • **Possible interest rate increases to control inflation will further hurt economic growth.** • **Finance Risks-Increased cost of borrowing through higher interest rates and the liquidity of Money Market Funds (MMF)** • **-Cross border EU financial trading will be disrupted** • **- Impact on pension scheme returns and valuations**	• **If is a no-deal will have to be a new budget which will trigger a new Scottish budget.** • **UK Government has given a commitment to fund any additional local authority costs stemming from Brexit-Scottish Government have given no such commitment.** • **In 18/19 none of the £33m extra given to the Scottish Government was passed on to local authorities. Of the 19/20 £50m allocation by UK Government allocated**		4 x 3 = 1 2	• **Working with CoSLA, Government and agencies to improve understanding of issues and preparatory work required.** • **Check contracts with key suppliers** • **In liaison with financial advisers to keep a close watch on markets and Council funding requirements.** • **Check where our money is held and how quickly it might need to accessed.**	

		• **Extra UK Government monies to local authorities are not passed on by the Scottish Government** • **-Current Scottish Government budget based on a deal** • **Contracts- currency fluctuation clauses and price escalation clauses linked to the rate of inflation could result in cost increases** • **Impact of higher costs greatest on low income households with household incomes squeezed** • **OBR estimate that higher borrowing and roll-over of term funding scheme loans will leave public sector debt 12% higher than the March 2019 forecast by 2023/24** • **Overall- likely to be further cuts to local government budgets at a time of increased demand** **it is estimated that food inflation in the UK could increase drastically as a result of the UK departure from the European Union. As part of the public sector food plan COSLA are currently anticipating around 10% food inflation will result. The new departure deadline of 31st of October 2019 brings various additional challenges including the fact that the cost of living is generally higher from November to January and an increase in consumer prices could pull more people into household food poverty and could therefore increase the demand on the public food sector, for example greater uptake of school meals. Availability of fresh produce, which cannot be stockpiled, could also push food prices higher. Scotland Excel is also monitoring this and will be keeping councils updated on any changes.**	**to local authorities, only £1.6m has been agreed(£50k per authority)** • **If there is a deal then the unlocking of UK Government reserves held for Brexit could boost the economy.** • **Likelihood of more attempts to renegotiate contracts** • **The tendering process for a number of Scotland Excel framework agreements is likely to span the Brexit process.** • **Higher costs and higher wage demands at a time of further reduced funding- More cuts needed to fund this at a time of increasing demand.** • **Particular sectors are considered later Costs likely to increase more in remoter areas- cost of living already 33% higher in such areas giving a risk of depopulation.** **Concern that lack of a EU negotiated copyright agreement will impact on libraries and public access to £10,000s worth of ebooks, digital magazines, software licences, online reference resources, CDs, DVDs and music streaming services.** **A further increase in demand for assistance via the Scottish Welfare Fund (SWF) is also likely, and COSLA is engaging with Scottish Government around existing pressures on the SWF budgets and local authority concerns over expectations that the SWF will also support those impacted by Brexit (without additional resource being committed).**			• **COSLA negotiating withScottish government over funding required for extra local authority costs of a no deal exit** • **Audit Scotland have produced Guidance for auditors with examples of the action that audited bodies may have taken to prepare for EU withdrawal. Auditors should use this as a framework to assess what audited bodies have done, to help inform an overall judgement on how well the audited body had prepared for EU withdrawal.** • **Scottish Government made £50k available per local authority for Brexit in July 2019** • **On 1/8/19 UK Government announced a further £2.1bn to prepare for no deal. Funding will accelerate preparations at the border, support business readiness and ensure the supply of critical medicines." The key elements are** a) **£1.1 billion being provided to departments and the devolved administrations immediately to prepare critical areas for EU exit on 31 October. Barnett will apply in the usual way to all new funding given to UK government departments in devolved areas.** b) **A further £1 billion available to enhance operational preparedness this year if needed. Departments will be invited to submit bids to the Treasury if they require additional funding. The devolved administrations can bid for access to the £1 billion unallocated pot where they face disproportionate pressures compared to England, as they can with the existing reserve.**	
3	**Supply Chain Delays/General Procurement**	• **UK/EU Customs controls- Ports expected to operate at 15% capacity, resulting in significant reduction in the flow of goods over a 3-6 month period** • **Supply chains are very complex, (eg where do raw materials come from) Even Government does not have a full overview of vast, competitive and complex supply chains** • **Public panic results in shortages- e.g there is no fuel risk but unless the public know this they may attempt to stockpile.**	• **Significant delays and impact on lead times- travel delays are likely for a 3-6 month period,** • **Lack of products available, price increases.** • **UK registered hauliers may lose market access to the EU if UK contingency measures prove inadequate**	**Increased traffic and congestion at Scottish ports, Cairnryan, Grangemouth, Rosyth, Greenock - resulting in delay to the distribution of goods from these ports to the rest of Scotland. This would have residual consequences for a range of sectors that rely on just-in-time delivery of crucial supplies such as animal feed, food ingredients and water treatment**	4 x 4 = 1 6	• **Working with CoSLA, Government and agencies to improve understanding of issues and preparatory work required.** • **Roads impact of lorry traffic on Cairnryan- U Division to link in with colleagues in D Division.** • **Fuel and drinking water purification expected to be low risk** • **6 month derogations agreed by EU to allow UK hauliers and planes to access EU**	

		• Concerns that while the UK has put derogations in place to ease border delays, these still need to be reciprocated by the EU- the EU may only do so where this benefits then • UK citizens subject to increased immigration checks at EU borders	• Delays in lorry traffic on Holyhead to Dublin will result in lorry trade moving to Cairnryan at very short notice (6 hours) - impact on communities bordering A75, stacking arrangements etc.- HGVs may attempt to avoid stacking by using alternative routes including through Ayrshire and country roads • Current concern about insufficient warehousing space to deal with stockpiling, particularly given the Black Friday and Christmas period demand	Increased opportunities for Prestwick airport, Ayr, Troon and Hunterston ports Impact on delivery of major capital projects e.g Ayrshire Growth Deal , new schools etc • The risks re construction could impact development budgets and cause delays in programme completion. Delays could mean we miss out on government grant, which could impact the future of the development programme.		• Corporate Procurement are having discussions with key suppliers to understand their Brexit planning and any potential issues. Procurement have emailed all named contract managers for high value / high risk spend a they review their contracts and have discussions with key suppliers Procurement prepared a questionnaire to ensure these discussions capture the information needed consistently. For complex supply chains key suppliers were asked to cascade this exercise. • Generic "no deal" Brexit risk assessments have also been provided by Scotland Excel for all of their category B frameworks. In addition Corporate Procurement has access to category specific risk analysis reports from IBISWorld across more than 400 separate category sub-headings. Each of these contains specific risk analysis around a "no deal" Brexit. This is used to inform current and future procurement strategies. •Scotland Excel are continuing to undertake work • Monitor, particularly in relation to contract prices, number of tenderers and particularly of timescales. • • Place Directorate's Tier 1 Contractors do not import material directly. They are carrying out audits and risk assessments of their key suppliers and collaborating with their supply chain partners over potential Brexit contingency planning arrangements for construction programmes. This could include alternative shipping arrangements or early product delivery to the UK and storage. Where possible they will look to price fix. • When hub goes to contract with a participant, they enter into a fixed price lump sum contract. This removes the price fluctuation risk although we are beginning to receive requests for a Brexit relief clause in contracts going forward. • We may see some price volatility in the construction market, particularly for larger value projects with a long construction programme. However, it is expected that by the time we get to a price finalisation of a new project the uncertainty will have reduced irrespective of the outcome.	

						• The risks re construction could impact development budgets and cause delays in programme completion. Delays could mean we miss out on government grant, which could impact the future of the development programme. • Price escalation clauses are in Scotland Excel's Engineering Consultancy, Buildings Related Engineering Consultancy, Domestic Gas Boiler Maintenance and Outdoor Play and Artificial Surfaces and could be exposed to significant price hikes over their framework terms. • Scotland Excel have analysed and commented on key risks and steps in place. • Business and procurement teams collaborating to increase local suppliers' awareness of procurement opportunities, and their ability to engage. • Public messaging important Scottish Government are to issue national messages; their website went live on 6 Feb2019 https://www.mygov.scot/eu-exit ,	
4	Migration of EU workforce` back to EU	Workforce Migration Risk; Where EU migrant workers leave to go back to EU and it becomes increasingly difficult to attract new migrant workers- see risk 5	• All of Scotland's population growth over the next 25 years is projected to come from immigration. • At present, 2,000,000 EU nationals work in the UK including 400,000 in the food and drink supply chain. Of those, 30% are employed in manufacturing and another 60,000 are employed in a seasonal basis in agriculture. The percentage of non-UK nationals employed within the adult social care and childcare services in Scotland is 5.6%. Longer term issue of businesses being able to recruit skilled labour • In 17/18 143,000 EU nationals were employed in Scotland, albeit Scotland much less dependent on EU workers than most other regions of UK • Scottish Government research shows the number of foreign workers in Scotland fell by more than 10% in 2018. There were 198,000 non-UK nationals in employment in 2018 - 21,000 fewer than in the previous year. About 12,000 of those who left the Scottish labour market were EU nationals. • Current right to work checks (eg EU passport and/or national ID card) apply until the end of 2020 no change to the right and status of EU citizens living in the UK until 2021.	• There are approximately 2000 EU nationals in North Ayrshire. • North Ayrshire's population is forecast to decline and any reduction in immigration could have significant effects. • In 2017/18, 810 (1.4%) of all those employed in North Ayrshire were from EU (compared to 5.7% in Scotland) • NAC employ 38 EU nationals, 14 of which are in the Education sector- 0.4% of workforce. • Tourism and Arran hospitality sector rely heavily on EU workers. • The HSCP commission social care services from independent and third sector providers who will employ EU nationals, there is a risk of commissioned providers not retaining the workforce and the HSCP becoming the provider of last resort. • Resilience advice is that Local Authority economic development services should utilise systems to maximise contact with companies operating locally to promote the EU Settlement Scheme.	Risk re NAC employee s 2x1=2 Risk re knock-on from NHS/Care etc 3x3=9 Risk long term3x4= 12	• Each Directorate is responsible for workforce planning and where relevant will consider and address impact. • Hosted pan Ayrshire event with Scottish Government and CoSLA for EU migrants, stressing the value placed by government Ministers and Ayrshire Council Leaders on migrant contribution to local and regional economy. • Engaging in pan Ayrshire approach to raising awareness of EU Settled Status Scheme and supporting EU migrants who wish to continue to work in UK. • Close working with commissioned providers through contract management and engagement process • Libraries have registered with We Are Digital (Govt supplier) to provide assisted on-line support for Settled Status applications. To start in Sept • Comms to look to advertise Libraries service and at the same time make clear the value of EU nationals to our economy. • Applicants for settled status can take docs to 83 sites across the UK and scan documents directly. Locations nearest to KA12 8EE (Cunninghame House Post Code) are Kilmarnock Burns Monument Centre, Cumnock Registrars and Helensburgh and	• Supported SG commissioned research with EU migrants to identify key needs and aspirations re future migration policy (Arran workshop). • Promote social care as a career of choice, both internally and together with commissioned service providers • Libraries to support EU nationals to complete applications for Settled Status

			• Irish nationals do not need to apply • Figures from the Department for Work and Pensions in March 2019 show the number of overseas workers registering for a national insurance number in Scotland has fallen by 18% since 2015. • Issue of any looked-after children who are EU nationals	• Issue of supporting vulnerable people to apply and if we have any looked after children who need to apply • Delivery of construction related capital projects		Lomond Civic Centre. If using the service applicants need to check the actual details to see what services the LA is providing, some are charging for the service and the typical fee is £14. Libraries to investigate provision of this service in North Ayrshire • LA suggested actions - signpost residents to GOV.UK content and encourage them to sign up to email updates<https://gov.smartwebportal.co.uk/homeoffice/public/webform.asp?id=67&id2=627DF7>. Use community leader and local authority toolkit<https://www.gov.uk/government/publications/eu-settlement-scheme-community-leaders-toolkit> to update EU employees. Take part in telephone focus groups on the local authority tool kit and engagement strategy by emailing EUSettlementscheme@homeoffice.gsi.gov.uk<mailto:EUSettlementscheme@homeoffice.gsi.gov.uk> • Looked after children - Guidance was provided on 30th March for looked after Children review records to identify those in scope. Sign up to host an Identify • Joint Ayrshire approach being taken to provision of additional specialist support with EU Settlement Scheme applications for vulnerable individuals and communities (Home Office funded). COSLA are working in partnership with the Organisation for Migration and have an IOM officer embedded to provide specialist support via local authorities. Staff across Ayrshire, whose Services support vulnerable children, adults and young people, are invited to meet with IOM and CoSLA in the Council Chamber at Cunninghame House in Irvine, from 10:00 to 12:00 on Tuesday 20th August, to discuss the best way to use this specialist support in Ayrshire. • The Scottish Government 'Stay in Scotland' campaign and toolkit provides a package of support to help EU citizen stay. SG has printed leaflets and posters, Scottish Government are also funding CAS (who don't operate in North Ayrshire) to provide an advice service for EU citizens who live in Scotland. • SG Minister Ben McPherson came to (Ayr Town Hall on evening of 21 August) to speak with non UK-EU citizens, and to Arran on 21st daytime to engage with Arran businesses.	

						• 15 August- 1million out of 3.2million EU nationals living in the UK have applied for settled status. The deadline for applications is currently 31 Dec 2019	
5	Skills shortages in key areas	• **Particular areas at risk include: -** Maintenance and cleaning services Tourism/hospitality Social care Food Processing Agricultural sector Construction sector Education ancillary staff Early years staff Public health vets • To recruit EU workers will be the same procedure as recruiting workers from elsewhere in the world. Particular issues are the costs involved in applying for a visa, both for those applying and employers (for 5 year visa £3220 per person(ie £13k for a family of 4) and £5199 for business), and the proposed threshold of income precludes lower paid roles • Shortage of entry level workers • Fall in value of sterling makes the UK an unattractive option for workers who send money home	• **Proposed UK government scheme does not currently make provision for low skilled labour immigration.** • **Businesses will require to obtain a Sponsor Licence for EU workers, the application process for which is administratively burdensome and requires a set of prescriptive documents to demonstrate that the business is genuinely trading and that it has a genuine vacancy that cannot be filled by a settled worker. Cost is £199, plus £1000 per annum** • **Sponsor compliance is hugely time consuming. Sectors most affected include hospitality, agriculture, timber harvesting, security industry, contractors on the Energy Efficiency Contractors framework, food and drink, financial services, life sciences and creative sectors.** • **May exacerbate existing skills shortages in the construction industry- EU nationals comprise 10% of the construction of buildings sector London construction heavily reliant on EU workers- their departure could result in higher wages drawing workers into London, leaving shortages elsewhere.** • **Likely that the legislative demands of a no-deal will result in delays to the remaining legislative programme of the UK and Scottish Governments**	• **Proposed Tier 2 immigration rules aim to and have a required salary of £30,000 (level currently under review).** • **UK Govt are potentially looking at introducing a seasonal agricultural worker scheme. A small scale pilot will run in 2019** • **Uncertainty over transitional arrangements and harder policies for dependants may make it harder to fill key vacancies.** • **Potential workforce planning issues, not just losing staff but increased work- teachers, EH or TS Officers or social care.** • **Providers in care home sector may face recruitment difficulties, driving up salaries in an area where there are already shortages.** • **Council would need a Sponsor Licence if recruiting EU nationals, the procedures for which are bureaucratic and burdensome.** • **Impacts on Prestwick- 50% of those employed in Ryanair maintenance hanger are from EU and currently air traffic controllers with EU licences would not be able to land planes**	3x3=9	• **Support for business as mentioned in preceding paragraphs.** • **Council/ Comms messages about valuing EU nationals working in our area** • **All services considered critical have contingency plans in place** • **Roundtable event on Arran on 21st August engaging Scottish Government Minister and island businesses on the impact on the island's labourforce. Some businesses, particularly in hospitality and tourism sectors, are already experiencing shortage in critical elements of their labour force, and facing difficulties securing replacement.** •	• **Wage inflation and greater difficulty in recruiting to be kept under review** • **Employability support, regional skills investment plan will be developed as part of new Ayrshire Regional Partnership**
6		**Inward Migration- UK nationals in the EU return**	• **Generally thought low risk** • **Government Planning Assumptions assumes that UK nationals would lose their EU citizenship, removing rights to residency and essential services including non-emergency healthcare, and will become third country nationals.** • **There may be an influx of vulnerable expats who create significant pressure on Council services, H&SC partnerships and RSLs. Government Planning Assumptions for Scotland are, this number could be around 17,300, or around 7% of the total, of which around 3,300, would arrive in**	**Potential pressures on housing and primary and social care** **European Commission has published a proposed regulation that would commit EU member states to continue honouring coordination rules as a temporary measure in the event of a no deal. This is a substantial step forward and means that social security entitlements will be maintained even in the event of no deal. This should also help mitigate the risk of UK nationals returning to the UK - a key motivation for this would've been loss of financial support in the form of benefits and pensions.**	2 x 2 = 4	• **Working with CoSLA, Government and agencies to improve understanding of issues and preparatory work required.** • **Issues could be similar to those facing other resettlement groups** • **Contact Centre staff to be briefed on what to do should anyone get in touch** • **EU will continue to provide emergency life-saving treatment to UK nationals** • **EU will continue to pay the pensions it currently pays to UK nationals living in the UK**	

			the first 12 weeks following the UK leaving the EU, of which: 210 children (6%), 1,960 working age (56%) and 1,130 Pensioners (38%). It is likely that those in most acute need would return first. Recent EU actions have lowered this risk.				
7	Devolution/subsidiarity Risk	• Devolution/subsidiarity Risk- Powers returned are not repatriated to Scotland or the Scottish Government do not delegate them to local authorities. • Danger that Governments are so focussed on the political and reputational aspects of Brexit that they decline to share planning with each other or with local authorities	The Committee of the Regions has agreed to launch a joint committee with the UK, to continue sub-national dialogue and cooperation. This will involve COSLA		3x2=6		• COSLA has identified 64 returning powers of interest to local government • Scottish Government has committed to better sharing of its planning with resilience partners • The UK Government has reached an agreement in principle with the four UK local authority associations (including COSLA) about consultative arrangements for repatriated powers at a UK level. On the back of this the Cabinet Secretary for Communities and Local Government has given the Scottish Government's agreement in principle to put in place consultative arrangements for Scotland
8	Trade Deal Risks	Trade deal risks- • After a no-deal, it will be harder to negotiate any deal with the EU as it is no longer negotiating under Article 50. This may involve ratification by all 27 EU states • Many trade deals with non EU countries are negotiated with the EU and a no-deal will also terminate such deals. • Ability of UK to negotiate satisfactory trade deals- size matters and unlikely to be able to negotiate anything better than the EU. • Capacity of UK Government to negotiate so many trade deals. • Post Brexit economic vulnerability of UK is not a good negotiating position to start from. • The weakness of the UK's negotiating position may result in a trade deal which a) opens up areas of the public sector such as health to competition from US companies; b) weakens the precautionary principle resulting in lowering of standards (e.g food) and environmental impacts, (c) differs from EU regulatory standards making trade with the EU more difficult and d) gives US companies to sue national governments for policy decisions which cause them loss, discouraging social policy	• Risks of high tariffs prior to deals, impact on exports and prices, and in the longer term poor trade deals result in impacts on economic growth and lack of investment. • The threat of such action by global multinationals has often been enough to discourage governments from taking innovative social measures. For example, minimum pricing of alcohol might have been an obvious target had such rules been in place		4x5=20		• Keep a watch on developments

9	Human Rights	Human Rights- will the UK pull out of the European Convention on Human Rights?	ECHR has over the last 20 years been increasingly the means by with fundamental right, particularly those of minorities are protected.		2x4=8	EU laws will remain in place in the short and medium term	• Keep a watch on developments •

10	Health and Social Care	Particular risks include:-
		Interdependencies of actions taken by different public sector partners, particularly regarding acute and social care
		Workforce gaps, food supplies and medicines issues
		Supplies of medicine and medical supplies impacted by reduced flow rate across the Channel
			• Concern over effects of substitute medicines on the elderly.
			
			• Loss of key staff in the NHS may lead to non-essential operations being delayed, poorer health and an increased burden on social care. Equally workforce shortages in social care may have an impact onto hospitals
				• Actions of NHS , such as delaying non-essential operations may increase the burden on social care.
				
				• Glasgow Equal Pay payout shortly after Brexit will result in a large number of retirals in the social care, exacerbating the skills shortage. Glasgow demand could raise wages and see loss of Ayrshire social care staff.
					3x4=12	• UK Government requested pharmaceutical companies to ensure they have a 6 week supply of medicines, organising alternative transport channels away from Dover and possibly, supplementary warehousing space- expectation is the same will happen at the end of August 2019.
						
						• Current SG assumption is that NHS medicine stockpiles should last 6 weeks and they will buy more regularly- albeit some items have limited shelf life- biggest concern is radionuclides which are used in diagnostics.
						
						• Blood supplies are sourced in Scotland although some chemicals required to turn it into platelets come from the EU.
						
						    • An Ayrshire pharmacies group is being set up by the NHS.
						
						    • NHS Ayrshire are obtaining information on those who require specific foods, such as milk as medicine.
						
						    • SG has provided funding to Scottish Care to cover the costs of a coordinator with a specific focus on ensuring adequate supplies of medical devices and clinical consumables.	

11	Data Risks	Government Planning Assumption is that EU will not have made a data protection adequacy agreement with UK before exit and as part of this law enforcement data and security and information sharing systems may be impacted Risk that personal data flows between the EU and UK will cease and information currently in EU (including that stored on EU based cloud providers) will not be returned	• Potential disruption in flow of personal data.		4x2+8	• On 12 February 2019, the European Data Protection Board (EDPB) published an information note clarifying the steps that businesses should take to ensure the continued sharing of personal data with UK recipients in the event of a no-deal Brexit.
						
						    • https://edpb.europa.eu/sites/edpb/files/files/file1/edpb-2019-02-12-infonote-nodeal-brexit_en.pdf
						
						    • UK Govt issued guidance on 11-03-19.
						
						    • https://www.gov.uk/government/publications/accessing-data-from-the-european-economic-area-under-no-deal-brexit/accessing-data-from-the-european-economic-area-eea-under-no-deal-brexit.
						
						    • Use of Standard Contract Clauses may help in some circumstances.	

						• All NAC corporate IT systems are held on UK based cloud and the only Directorate one with EU cloud storage identified is CBUK who supply Education. They are not proposing changes until there is further political clarity	
12	Food Security	Food- the EU accounts for 30% of UK imports and 70% of fruit and veg, particularly in the winter months- issues include a) delays due to border controls, b) loss of labour, c) even for UK produced food, the complexity of supply chains mean they are often dependent on EU goods, d) Disruption to the food supply chain increases food safety risks Danger is that vulnerable communities and groups are particularly impacted. Increasing cost- Draft Public Sector Food Plan July 2019 estimates 10% increases in local government sector Government Planning Assumption is there will not be an overall shortage of food but there will be a reduction in choice and certain types of fresh food will be unavailable leading to price increases. A reduction in choice, particularly in perishable products may be more marked the further north the end of the distribution chain	• 400,000 EU workers are employed in the food and drink supply chain. Of those, 30% are employed in manufacturing and another 60,000 are employed in a seasonal basis in agriculture. • A no deal Brexit would also likely push up the cost of fruit, vegetables, meat and dairy products as fresh products would not be able to be stockpiled like packets or tins. At present, the UK only produces about 25% of the fruit and vegetables consumed and on the whole only produces 60% of what it needs to feed itself, compared with 74% 30 years ago. We import substantially more fresh produce in the winter. • Current estimates are that food price rises will be between 5-20% depending on the product •	• Food prices have already been going up as a result of Brexit • Question of whether might need to amend school nutrition standards • Risk that manufacturers will provide all supply to retail creating a shortage in public sector. Both DEFRA and the Scottish Government advise this is being looked at, but no real answer was given	4x3=12	• Scotland Excel have analysed and commented on key risks and steps in place. • Brakes have confirmed high levels of confidence in ability to continue supply. They have also done work to identify 10 high risk, 107 medium risk and 411 low risk items. Noting up to 4 day delay as reasonable worst case scenario. • Major suppliers, including Brakes are concerned about the availability of storage across Scotland after 31 Oct, due to the run-up to Black Friday/Christmas causing a reduction in available storage. • Scottish Government have given £0.5m to Fairshare for foodbanks. NA Foodbanks is a member of Fairshare. • NHS Ayrshire are obtaining information on those who require specific foods, such as milk aand medicine Scotland Excel have produced the following documents:- 1) Suppliers responses to the supply chain questions asked and 2) Scotland Excel Food Framework Brexit Product Analysis – this document provides details of the top 50 products (20 in the case of the fresh meat framework) supplied through the food frameworks by supplier. Details of where the products are sourced, risk factor and any supplier comments are also provided. • Scotland Excel estimate there will be a 10% increase in food costs to local authorities • UK Food Security Assessment published by DEFRA concludes that in the event of no access to trade UK agriculture has sufficient calorific content to feed the population, albeit with a restricted diet and a dramatic reduction in livestock production to enable all crop production to be used as human food. •	

13	Transport	Transport- increased lead-in times for obtaining required transport and spares, and higher costs	• For heavy vehicles, heavy plant and grounds maintenance equipment, most of this equipment is manufactured in Europe and we could see significant price increases post Brexit. • There is also a large dependence on where hire companies are on their vehicle inventory lifecycles. • In terms of fleet, this in an area that Brexit could have significant impact depending on the outcome of any trade deals that are (or not) agreed. Light and commercial vehicles are at high risk. • Potential impact for road salt as Cleveland Potash (who supply the Eastern side of Scotland) extract and ship much of their rock salt from their Spanish salt mines. Irish Salt Mines (who supply the Western side of Scotland) should not be affected as they are based in Carrickfergus in Northern Ireland.	• Lead time delays in getting spares for heavy vehicles could impact on services (e.g waste collection). • Cost increase for vehicle purchase or hire.	3x3=9	• Scotland Excel have analysed and commented on key risks and steps in place • Need to look at fleet to identify vulnerabilities in terms of parts replacement and future purchase/lease plans	
14	Fuel	Currently estimated as low risk, other than from panic buying	• Current assumptions are that neither should be an issue albeit fuel may be impacts from panic buying and in SE England due to traffic congestion. • Prestwick airport has 7-10 weeks supply of aviation fule, greater than other airports		2x1=2	• Scottish Government to undertake national publicity to minimise panic buying. • **https://www.mygov.scot/eu-exit/** • NAC increasing stocks of fuel • Under the Ayrshire Fuel Disruption Plan the Trading Standards Team have the role to monitor general fuel availability if the plan is activated and coordinate with the transport team and others if required.	
15	Waste Management	Waste – inability or delay in moving waste for disposal in EU and possible price rises. Key issues are general traffic disruption, workforce loss, exchange rate implications, additional gate fees, flow of more waste from England to Scotland and increased likelihood of waste crime If commercial operators fail, as local authorities have a duty to uplift waste, they may need to bail out such failures, resulting in higher costs.	With or without a deal, all existing consents which authorise the export of hazardous waste, known as 'notified waste', to any EU country will remain valid when we leave the EU. Companies that export waste from the UK will see no change in the processes that govern the export of 'non-notified waste' ('green-list' wastes) to the EU. However, in the event of no deal, changes to border controls may impact on some waste exports. Disruptions at container ports are not expected, but there may be some delays at ports which operate 'roll-on, roll-off' systems. The Port of Dover is predicted to be the most affected and steps are being taken to minimise the impact. Waste exports using the Eurotunnel may also experience disruptions.' More details can be found at:		2x4=8	• Scotland Excel have analysed and commented on key risks and steps in place. • SEPA are mapping Scottish Landfill capacity and establishing contact with smaller waste management operators.	

			https://www.gov.uk/government/news/no-deal-eu-exit-government-issues-reminder-to-waste-industry • **Potential impacts include Stockpiling of waste at source, sites or ports and associated environmental/regulatory issues.** • **Increase opportunities for organised crime** • **For the Scotland Excel DPS for Recyclable and Residual Waste, the most concerning impact is regarding refuse derived fuel. The landfill ban comes into force in January 2021 and this means potentially more material going to energy from waste.** • **Capacity, demand and infrastructure is arguably not at a sufficient level in the UK, at least for the moment.** • **Material has increasingly been sent to energy from waste plants in Europe, such as Norway and the Netherlands, however there is a fear in the industry that post Brexit the costs of sending material there may become uneconomic and not viable.** • **A key issue has emerged (3 April) regarding transport contracts. It would appear that exporters have not renewed contracts and are using the spot market during the current period of uncertainty which will inevitably lead to an increase in price.**				
16	**Legal and Regulatory Compliance**	•Leaving the EU will result in the UK leaving a number of regulatory regimes (e.g. REACH in the chemicals sector, and Clinical Trial Regulation EU No. 536/2014 in life sciences), and the end of passporting in financial services.	• **Competition and Markets Authority are to take over EU's role in state aid compliance- draft guidance issued, effective on 18 March**		**2x3=6**	**Paper to ELT on State Aid and proposed actions week commencing 4 Feb**	
17	**Environmental Health and Trading Standards**	**Insufficient EHOs to serve the potential increase in inspection & certification and general surveillance required in the event of a no-deal where the UK is listed as a 'third country'.**	• **Increased demand for surveillance, checks and inspections to satisfy bodies within and outwith the EU that our products meet relevant standards.** • **Export Health Certificates (EHC) will be required for exports of all animal products and live animals from UK to EU. Certification for high risk (non-animal origin) foods is also likely.** • **Estimate 150,000 extra certificates p.a. across Scotland will be required- current resources insufficient without derogations being put in place to allow risk based/remote certification.**	• **More work for Protective Services.** • **Current UK Government estimates are that a 350% increase in certification will be required (SG suggest 3-fold increase). However how this impacts individual authorities is unknown. Current estimates are that a small number of NAC premises attestations will be required for hub certification elsewhere.** • **Scottish Govt proposed to UK Govt on 406-19 that DFS Logistics be treated as a certification hub for Scottish Salmon, however 'mutual**	**4x3=12**	• **information on quantity and frequency of consignments is available.** • **SG have put forward suggestions for assisting LAs with capacity issues using APHA's proposed system of 1 certifying officer supported by 4 certifying support officers (with basic qualifications and online training). However, all EHO's in NAC will undertake online training and will be listed as certifying officers, to avoid the need for employment of certifying support officers.**	

			• Certain fish and fish product exports require rapid turnaround after landing to preserve freshness and fulfil customer orders in good time. Exporters of this type of catch may require an out of hours inspection and verification service due to local tides, species of shellfish, EU shipping or land transportation times. • Potential increased risk to domestic food safety if resources are diverted towards ensuring smooth export trade. • LA's will be subject to additional European (Sante F) audits, where there are companies exporting to EU27. • New EC Official Control Regulation requires implementation from Dec 2019 (in deal or no deal scenario). • Potential livestock health/welfare issues if sheep export market collapses (due to high tariffs). • Risk of losing key staff • Issues in adequately training sufficient support staff	aid' resources may be required from other Las and resources may be required to prepare 'premises attestations'. • SG have pushed for a derogation but to date have not been successful in this. Their guidance/checklist covers all the requirements but has not yet been published but will be shortly • LA officers may be asked to certify fish/shellfish exports. Currently only one company exports to Europe so weekly EHCs may be required. However, primary products can no longer go direct to EU27 – must go through approved premises. Inquiries are continuing to establish the customer base for this trade and whether this will have resource implications. A second shellfish company has expressed an interest in trading with EU 27, however quantities and frequency are currently unknown. • Increased requirement for market surveillance to monitor prices and standards. • • Guidance is being finalised for certifying authorities laying down rules regarding risk based inspections and their frequency in relation to export certification. • • Increased burden from updating documentation etc following legislative changes. • • Society of Chief EHOs are preparing report recommending a uniform charging regime for export certificates.		EHC application process & system currently being streamlined to expedite requests and cut down errors. • Need for Trading Standards Scotland, Food Standards Scotland, SCOTSS (Trading Standards Chief Officers) and SOCOEHS (Environmental Health Chief Officers) to prepare alternative systems to share knowledge of emerging risks such as dangerous imports and potential to establish a black market for goods such as medicines and the opportunity that this poses for internal manufacture of counterfeit medicines and other items. • Public messaging, communication and visibility of the service will be required. • NFU (Kirsteen Kirk) are linking to support farmers and Chambers of Commerce • On 12-03-19 Defra put together a guide that can be shared with exporters to explain the no deal export health requirements for fish and fishery products. The guide provides insight on the export process, illustrates export scenarios and clarifies frequently asked questions. • On 29 August 2019 Scottish Government Marine Scotland EU Exit team and the Food and Drink team will meet Local Authorities to discuss preparedness for a no-deal Brexit (especially in relation to support for businesses in the seafood sector with the provision of Export Health certificates). Catherine Boyd to attend. • Relevant businesses will be contacted with latest advice for no deal exports following 29th Aug teleconference and DEFRA EHC stocktake. • NAC Lead Food Officer attending regular BREXIT meetings organised by FSS/SCOCOEHS to keep up-to-date. Propose to implement standards EHC charge as per SOCOEHS recommendation.	
18	Safety of Imports	SAFETY OF IMPORTS - issue of the need to ensure that a "no-deal" withdrawal does not increase the risk of unsafe products reaching the UK.	• Sudden divergence from EU standards and regulations will put extreme pressure on UK businesses and cause uncertainty among consumers.	• More work for Protective Services as there will be an increased demand for advice from consumers and businesses.	3x3=9	• Requirement to ensure staff have adequate access to training and resources etc	

		US Trade deal- Unlike the EU, the US's approach to environmental issues and genetically modified foodstuffs is not based on the precautionary principle. A trade deal with the US may well open up the UK to foodstuffs which differ from EU regulatory standards, leading to greater border controls and concerns over safety Disruption to vetinary medicines may impact on UK's ability to prevent or control disease outbreaks with a potential impact on animal health and welfare UK will lose full access to all information provided by the European RASFF system which alerts MS to food failing food safety requirements. However, EU27 are obliged to notify MS of certain unsafe foods so limited information will be made available.	• Potential for panic buying will increase fear of shortages, drive up prices etc, The may mean some essential items will become beyond the means of the most disadvantaged, who will be forced to buy goods of questionable providence, with resultant public health consequences. • Local Authorities enforce food labelling. • A resurgence of foot and mouth, 'mad cow' disease etc, due to disruption of vetinary supplies	**Trading Standards Scotland, Food Standards Scotland, SCOTSS (Trading Standards Chief Officers) and SOCOEHS (Environmental Health Chief Officers) to prepare alternative systems to share knowledge of emerging risks such as dangerous imports and potential to establish a black market for goods such as medicines and the opportunity that this poses for internal manufacture of counterfeit medicines and other items.** • **Protective Services may be asked to undertake additional checks of imported foods on sale or passing through to alleviate pressure on other LAs. This will have resource implications and may require additional sampling budget. Estimated no increased risk from day one no deal but risk to domestic food safety will increase as flow is prioritised over compliance.** • **In addition to increased checks from overloaded border inspection posts, there's a small chance that increased surveillance will be needed for '3rd country checks' (currently undertaken by first EU country food arrives in, however, if destined for UK, it is likely that EU will no longer check these for us).**		• Lower risk on day 1 but will increase with time.	
19	**Resilience, Crime and Protest**	• **Protest – Likely to be large demonstrations.** • **Extreme right wing groups may choose to use this to exacerbate racial tension** • **Danger that over-reliance by Government on a centralised police-and resilience led response to Brexit results in and insufficient attention to the medium and longer term impacts** • **The legal status of the Irish border in a no-deal is unclear, Danger of recurrence of Irish troubles- Greater sectarian tensions in west of Scotland, including North Ayrshire lack of an agreement to share intelligence impacts on our ability to deal with terrorism and serious and organised crime** • **Fisheries- potential illegal fishing leads to clashes and stretched enforcement capacity** • **Increased opportunities for organised crime, particularly in human slavery**	• Currently no intelligence that events will not be law-abiding • Most likely to be in main cities. • UK Govt proposals to maintain an open Irish border appear unlikely to entirely deal with livestock and food checks required- this will only get worse if a UK-US trade deal provides US access to more genetically modified food	• **More work for the Council under the Prevent duty.** • **Ayrshire police could be deployed to help in cities and Northern Ireland**	**2x4=8**	• **Safety Advisory Group arrangements need to be finalised.** • **National Multi Agency Co-ordination Centre (MACC) to be fully staffed from 21 October 2019.- weekly responses from NAC via ACCT to Resilience Direct likely to be again, Internal Council reporting structures in place using a Brexit - Barometer.** • **Local Resilience Partnership and West of Scotland Regional Resilience Partnership have met. In turn the LRP Is pulling together a weekly pan-Ayrshire Agency Report for the MACC- Their focus is on short term contingencies over an initial 3 month period after which there is expected to be a 6 month recovery period (i.e. resilience community are not looking at the medium and long term economic implications)**	

					• July 19- Local authority Chief Officer appointed to chair the multi-agency EU-Exit Recovery Sub Group • Updated Risk and Mitigation document to be issued by Scottish Government in mid August • A Resilience Direct EU-Exit Response Site is hosted on WOSRRP and Police Scotland's Resilience Direct site- • Ayrshire multi-agency model based on Safer Shores to be used • Local Resilience Partnerships (LRPs) have met. • Police numbers have been increased to deal with the impacts of a no-deal • Any intelligence to be passed to Police. • Currently no increase in hate crime incidents in Ayrshire.	
20	Elections	Elections- Capacity Risk associated with delivery of Elections	Possibility of General Election, further EU referendum and in due course a Scottish Independence referendum.	• North Ayrshire Returning Officer will have to organise these	4x1=4	• Unplanned EU Election already held – a pan-Ayrshire de-brief with the ERO and Democracy Counts has been held to resolve issues. Polling scheme agreed, and caveats in place.	
21	Grant/Replace ment to ESF/ERDF	• Grant Funding Risk - Lack of clarity around the UK Prosperity Fund- UK spend on regional support is less, as a proportion of GDP than most EU countries, while regional disparities in productivity are higher • Danger is that the new model prioritises overall growth at the expense of inclusive growth, favouring the cities and not outlying areas (unlike the current EU schemes) • Less grants that can be applied for	• While the key objective of the new fund is to tackle inequalities between communities by strengthening the foundations of productivity, unresolved issues include how much funding will be made available, how it will be allocated and what it will fund.	• EU funding level of support for business, skills & employability, regeneration, tackling poverty, rural projects relatively safe given UK Treasury guarantee.	3x3=9	• Maximising benefit from current EU social, rural and regional development funding. • Council has effective audit and compliance procedures in place. • Applications submitted to extend EU support for local skills & employability and business growth programmes to 2022. • Influencing future of fund - Lobbying via COSLA, ICA, WoSEF, HIEP and consultation responses, attendance at events.	
22	Education	Access to Educational resource- access to future EU programmes eg Erasmus, Horizon, Interreg, Cross Border Impact on overseas school trips of border delays	Post EU withdrawal the UK Government remains committed to Erasmus and Horizon 2020	• Erasmus plays an important role in North Ayrshire's 1+2 modern languages programme	2x3= 6	• Working with local and strategic partners to influence government thinking on benefits of securing access to education, innovation and regional cooperation programmes post Brexit. • The case for continued access to Erasmus is being pressed through Education networks. • School trips- procedure in place to ensure that all foreign school trips are notified to Education HQ. • Insurance have confirmed that cover includes unlimited medical expenses, even	

					if pupils are no longer able to rely on the European Health Insurance Card (EHIC) or other reciprocal medical agreements.	

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Internal Audit and Corporate Fraud Action Plans: Quarter 1 update**
Purpose:	To advise the Audit and Scrutiny Committee on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 June 2019.
Recommendation:	That the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those Services that have not implemented actions within the previously agreed timescales.

1. Executive Summary

1.1 The CIPFA document 'Audit Committee Principles in Local Authorities in Scotland' highlights that Audit Committees should monitor and review the progress made in implementing audit recommendations.

1.2 Service managers are responsible for ensuring that agreed actions arising from Internal Audit and Corporate Fraud reviews are implemented. This provides assurance that identified control weaknesses have been addressed and are being managed effectively.

1.3 All actions are monitored on the Pentana system and service managers are responsible for updating Pentana as they progress each action. This enables Internal Audit to monitor progress on a 'real-time' basis and address any delays in implementation.

1.4 This report details the position at 30 June 2019.

2. Background

2.1 The last report to the Audit and Scrutiny Committee on 28 May 2019 highlighted that there were 35 actions outstanding at the end of March 2019: 7 that had not been started or were only partially implemented and 28 where the due date had not yet passed.

2.2 In addition to these 35 'carried forward' actions, there have been 58 new actions agreed during quarter 1, giving a total of 93 action points for review.

2.3 Services have completed 44 actions since the last report. All services are required to retain evidence of work carried out in completing their actions and Internal Audit carries out 'spot-checks' on a sample of completed actions on an ongoing basis.

2.4 Of the remaining 49 actions, 3 were either not started or only partially complete at 30 June and the remaining 46 were not due for completion until after that date.

2.5 Appendix 1 to this report provides the Committee with full details of the 3 actions that were not complete within the agreed timescales.

3. Proposals

3.1 It is proposed that the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those services that have not implemented actions within the previously agreed timescales.

4. Implications/Socio-economic Duty

Financial

4.1 None.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

4.5 None.

Key Priorities

4.6 The effective implementation of agreed Internal Audit and Corporate Fraud actions helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

Community Wealth Building

4.7 None.

5.   Consultation

5.1   Council Services are consulted during the completion of each Internal Audit and Corporate Fraud review and have also provided updates on progress made in implementing action points.

Laura Friel
Executive Director (Finance and Corporate Support)

For further information please contact **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud),** on **01294-324561**.

Background Papers
None.

Actions due by 30th June but not started or only partially complete

Generated on: 06 August 2019

Code	IA2016PA001c	Description	Employment Services should ensure that password rules are updated within CHRIS so that a mixture of upper- and lower-case letters, numbers and special characters are used.		
Priority	1	Latest Note	**2019/20 - Quarter One Update**: This was not feasible in CHRIS. However, the new XCD HR and Payroll system will force users to use an alphanumeric password and, in addition, use 2-factor authentication to verify users' identities. This is expected to be implemented by 31st March 2020.		
Progress Bar	20%	Original Due Date	30-Sep-2016	Due Date	31-Aug-2018
Parent Code & Title	IA2016PA001 HR/Payroll System			Managed By	Fiona Walker
				Assigned To	Tracy Nicol

Code	IA2019CFT1734d	Description	Senior management should ensure that ADP budget holders attend the Council's financial management and procurement training courses and obtain ongoing support from Finance.		
Priority	1	Latest Note	**2019/20 - Quarter One Update**: The soon to be appointed ADP Lead Officer will be supported to attend the Council's Financial Management & Procurement Training Courses. Dedicated finance support is now in place. Regular ADP finance meetings are undertaken. NAC Contracts & Commissioning are supporting all ADP Activities. It is anticipated that the new ADP Lead Officer will have completed their induction by the end of December 2019.		
Progress Bar	75%	Original Due Date	30-Jun-2019	Due Date	30-Jun-2019
Parent Code & Title	IA2019CFT1734 Financial Governance - Alcohol And Drugs Partnership			Managed By	Thelma Bowers
				Assigned To	Thelma Bowers

4

Code	IA2019CFT1734e	Description	Service audits or other formalised verification must be undertaken of service providers to validate the provision and quality of service delivery detailed on the self-reporting returns.
Priority	1	Latest Note	**2019/20 - Quarter One Update**: A draft Contract Management approach for ADP has been compiled. This document requires further discussion with relevant colleagues, the ADP Lead Officer when in post and the ADP Chair. Commissioned services will provide bi-annual contract management returns and contract monitoring visits to services will take place based on value and essentiality of the contract so as to ensure a proportionate approach. The new ADP Lead Officer will take up post at the end of September. It is anticipated this action will be completed as soon as possible when the officer is in post. Action should be complete by end December 2019.

Progress Bar	80%	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019

Parent Code & Title	IA2019CFT1734 Financial Governance - Alcohol And Drugs Partnership	Managed By	Thelma Bowers
		Assigned To	Thelma Bowers

5

NORTH AYRSHIRE COUNCIL

10 September 2019

Audit and Scrutiny Committee

Title:	**Internal Audit Reports issued**
Purpose:	To inform the Committee of the findings of Internal Audit work completed between May and July 2019.
Recommendation:	That the Committee considers the outcomes from the Internal Audit work completed.

1. Executive Summary

1.1 The Council's local Code of Corporate Governance requires effective arrangements to be put in place for the objective review of risk management and internal control. Internal Audit is an important element in this framework as it reviews internal controls and offers Elected Members and officers an objective and independent appraisal of how effectively resources are being managed.

1.2 The remit of the Audit and Scrutiny Committee includes the monitoring of Internal Audit activity. The submission and consideration of regular reports assists the Committee in fulfilling this remit.

2. Background

2.1 This report provides information on Internal Audit work completed between May and July 2019. Internal control reviews have been completed in respect of the areas detailed in Appendix 1 to this report. The aim of these reviews is to provide assurance that the internal control framework within the areas examined is appropriate and operating effectively.

2.2 The findings from each audit assignment have been notified in writing to the Chief Executive, the Executive Director (Finance and Corporate Support) and the relevant Executive Director and service managers on the completion of each assignment. Where appropriate, this has included an action plan detailing recommendations for improving internal control. Appendix 1 includes the executive summary and action plan from each audit.

2.3 Full copies of all Internal Audit reports are provided to all Elected Members, in confidence, through the Council's intranet site. Reports are held within the dedicated 'Members' information' area at:

http://naconnects.north-ayrshire.gov.uk/elected-members/audit-reports/audit-reports.aspx

2.4 The findings from seven separate audit assignments are detailed at Appendix 1 to this report and the levels of assurance for each are noted in the table below:

Audit Title	Assurance Level
Community-Based Support	Limited
IJB Lead Partnership Arrangements	Reasonable
Sale of Council Land and Property	Reasonable
Building Services Stores Controls	Reasonable
Cyber Resilience	Substantial
Procurement and Performance Management of Term Contracts	Substantial
Regeneration	Substantial

2.5 The key findings are as follows:

- Limited assurance was obtained around the arrangements for community-based support services. The processes and current controls are not fit for purpose and the Health and Social Care Partnership requires to undertake a full review.
- An audit of Lead Partnership arrangements carried out for the North Ayrshire Integration Joint Board obtained reasonable assurance. Actions in relation to directions, risk sharing, and fair share methodology require to be progressed and supplementary guidance for the Integration Scheme requires to be prepared once these actions are completed.

3. Proposals

3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed between May and July 2019.

4. Implications/Socio-economic Duty

Financial

4.1 None.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4   None.

Environmental and Sustainability

4.5   None.

Key Priorities

4.6   The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

Community Wealth Building

4.7   None.

5.   Consultation

5.1   The relevant Services are consulted on Internal Audit findings during each audit assignment.

Laura Friel
Executive Director (Finance and Corporate Support)

For further information please contact **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud),** on **01294-324561**.

Background Papers
None.

EXECUTIVE SUMMARY
COMMUNITY BASED SUPPORT

Background

This audit was conducted as part of the approved 2018/19 Internal Audit Plan and reviewed the controls in relation to Community Based Support, with a particular focus on the use of the CM2000 system.

Key Objectives

The main objectives of this audit were to ensure that:
- Adequate processes are in place within Community Based Support Older People for approving and recording service requests, and payments are only made for services that have been provided.
- Proper contract management and monitoring process are in place for the Care at Home framework.
- Adequate processes are in place within Community Based Support Adult Services for approving and recording service requests, and payments are only made for services that have been provided.
- Adequate processes are in place within Community Based Support Children Services for approving and recording service requests, and payments are only made for services that have been provided.

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:
- The same service user information within Care at Home is currently being keyed 5 times including on 2 Microsoft Access databases which are unsupported and unreliable platforms which are no longer fit for purpose. This duplication can lead to keying errors which may lead to errors within the invoice reconciliation process. The CareFirst system and the CM2000 system should be fully utilised to remove such duplication.
- In 7/10 cases the invoice charge for Care at Home services was less than the planned service and although this type of variation is recorded as part of the invoice reconciliation process, a decrease in the planned service is not reported back to the Care at Home Managers resulting in a risk that service users are not receiving full packages of care.
- The service user information within Children and Families with Disabilities is being recorded on a spreadsheet. HSCP Finance and the Children and Families Disabilities Team could not provide evidence to support the community package being approved. The community packages and the supporting approval paperwork should be recorded and saved on the CareFirst system to reduce the risk of overcharging or service users not receiving full packages of care and to provide evidence of package approval.
- There are 3 providers with a spend of more than £50,000 being used within Adults and Children Services for which there is no contract in place. In addition, none of the contracts queried as part of the audit were on the Contract Register. There is a lack of proper procurement in this area.

Audit Opinion

Limited assurance was obtained around the arrangements for community-based support services. The processes and current controls are not fit for purpose and the Partnership requires to undertake a full review.

ACTION PLAN
COMMUNITY BASED SUPPORT

Action	a
Action Description	HSCP should investigate a different way to reconcile the invoice to remove the need for the Care at Home Flexi Services database, preferably looking at a solution to use the CM2000 system for the reconciliation process.
Risk	Keying errors can result in the wrong information being reconciled to the invoice. Inefficient use of staff time keying the same information more than once.
Priority (1, 2, 3)	1
Paragraph Reference	3.3, 3.8
Assigned to	Senior Manager (Community Health and Care)
Due Date	31st March 2020
Management Response	The partnership will explore options to use the functionality in CM2000 to remove duplication of effort and the scope for error, this will require putting service user agreements onto Care First for older people.

Action	b
Action Description	The Care at Home Managers (CAHM) should be routinely reviewing service users whose care is consistently less than the planned level of service and taking appropriate action.
Risk	Service user is not receiving the evaluated level of care identified or the level of care should be reduced to free up budget to accommodate those on the waiting lists. Inaccurate financial projections.
Priority (1, 2, 3)	1
Paragraph Reference	3.6,3.8
Assigned to	Senior Manager (Community Health and Care)
Due Date	30th September 2019
Management Response	A process has been introduced in the partnership for other service user groups (e.g. LD) where finance highlight variations in assessment and the care provided. A similar exception report process will be introduced for Care at Home services to ensure managers are aware of the variations to inform ongoing reviews.

Action	c
Action Description	HSCP staff in Older People Services and Adult Services should be reminded to produce, check, scan and attach the payments over £10,000 report to ensure the payment has been made to the correct supplier.
Risk	Payments over £10,000 are made in error to the wrong supplier.
Priority (1, 2, 3)	3
Paragraph Reference	3.7, 3.14
Assigned to	Finance Team Manager
Due Date	31st July 2019
Management Response	A reminder will be issued to the appropriate staff to ensure payments are processed in line with the agreed procedures.

Action	d
Action Description	Care at Home Managers should be reminded to ensure that service request paperwork is properly completed before authorising.
Risk	Missing information.
Priority (1, 2, 3)	3
Paragraph Reference	3.8
Assigned to	Senior Manager (Community Health and Care)
Due Date	31st July 2019
Management Response	This was an isolated case with only 1 of the cases in the sample not containing the required information, a reminder will be issued to Care at Home Managers to reinforce the importance of fully completing the paperwork.

Action	e
Action Description	HSCP should consult with Procurement to ensure that contracts are in place for all care at home service providers.
Risk	Breach of Standing Orders. Failure to obtain value for money. HSCP does not have adequate protection in the event of a dispute with the provider.
Priority (1, 2, 3)	1
Paragraph Reference	3.9
Assigned to	Senior Manager (Community Health and Care)
Due Date	30th September 2019
Management Response	When the Care at Home Framework started in July 2018 it was acknowledged that there were providers not on the framework but providing care to service users, these providers were providing the service prior to the new contract and service users were given the option to stay with their existing provider or move to a provider on the framework.
	As a result there are some providers being used who are not on the framework, it would go against the principles of SDS for the partnership to insist service users move provider. In addition, under SDS service users can choose the option to direct their own support which may include through providers not on the framework.
	The service will liaise with Procurement colleagues to identify any actions required to ensure, that where required, there are appropriate agreements in place with providers.

Action	f

Action Description	Procurement should ensure that contracts with HSCP providers for Community Based Services in Older People Services, Adult Services and Children with Disabilities are recorded on the Contract Register.
Risk	Breach of legislation. Breach of standing orders.
Priority (1, 2, 3)	2
Paragraph Reference	3.9, 3.11, 3.18
Assigned to	Senior Manager (Corporate Procurement)
Due Date	30th June 2019
Management Response	The contract register will be reviewed and updated as required to ensure all HSCP contracts are documented correctly.

Action	g
Action Description	The Team Manager should ensure that the Care at Home Manager is set up as an authorised signatory if they should have such a role.
Risk	Invoices are not being appropriately authorised.
Priority (1, 2, 3)	2
Paragraph Reference	3.10
Assigned to	Senior Manager (Community Health and Care)
Due Date	31st July 2019
Management Response	The service will review authorised signatories and ensure those signing off payments have the appropriate delegations.

Action	h
Action Description	HSCP should consult with Procurement to ensure that contracts are in place for all providers of community packages in Adult Services.
Risk	Breach of Standing Orders. Failure to obtain value for money. HSCP does not have adequate protection in the event of a dispute with the provider.
Priority (1, 2, 3)	1
Paragraph Reference	3.11
Assigned to	Head of Service (Mental Health and LD)
Due Date	31st January 2020
Management Response	The service is aware of the issues with the contracts for Adult Community Packages. There is a tender process underway to put in place a framework for these services, this includes the requirement for providers to use the CM2000 system (or equivalent) and a standard rate, this will ensure the contractual arrangements for the services are in line with those for Care at Home. The framework contract is planned to go live in January 2020.

Action	i

Action Description	Adult Services should consult with Procurement to negotiate with Providers to agree the inclusion of care worker timesheets with the invoice to show the actual hours provided in the short term and to work towards a framework that ensures providers use CM2000 or a booking system that interfaces with CM2000.
Risk	The partnership is being overcharged for services provided. Service users are not receiving the approved level of care.
Priority (1, 2, 3)	2
Paragraph Reference	3.13
Assigned to	Head of Service (Mental Health and LD)
Due Date	31st January 2020
Management Response	There is a tender process underway to put in place a framework for these services, this includes the requirement for providers to use the CM2000 system (or equivalent) and a standard rate, this will ensure that invoices match the hours of care provided. In the meantime, providers will be required to include details of the hours of care on invoices, it is not practical or appropriate to ask providers to provide care worker timesheets.

Action	j
Action Description	The new process for completing a Non-Residential Service Request form, which has been implemented in the Mental Health and Learning Disabilities teams, should also be implemented in the Physical Disabilities team.
Risk	Incomplete information. Increased risk of error.
Priority (1, 2, 3)	2
Paragraph Reference	3.15, 3.16
Assigned to	Senior Manager (Community Health and Care)
Due Date	31st December 2019
Management Response	The service will explore how to replicate the process for MH and LD services for Physical Disabilities and how the functionality in Care First can support this.

Action	k

Action Description	HSCP Finance and the Children and Families Disabilities Team should consult with Procurement to negotiate with Providers to agree the inclusion of care worker timesheets with the invoice to show the actual hours provided in the short term and to work towards a framework that ensures providers use CM2000 or a booking system that interfaces with CM2000.
Risk	The Partnership is being overcharged for services provided. Service users are not receiving the approved level of care.
Priority (1, 2, 3)	2
Paragraph Reference	3.20
Assigned to	Finance Team Manager
Due Date	30th April 2020
Management Response	A Business Improvement Officer post is in the process of being recruited to develop current process within Children and Families Disabilities community support, this will include reviewing providers and current contracts.

Providers will be contacted and advised to ensure actual hours are included on the invoice as a minimum. |

Action	l
Action Description	Written procedures should be agreed and implemented between the Children and Families Disabilities Team and HSCP Finance to ensure that all necessary paperwork from the Resource Allocation Form (RAF) is provided to HSCP Admin for the invoice checking process.
Risk	The Partnership is being overcharged for community packages
Priority (1, 2, 3)	1
Paragraph Reference	3.21
Assigned to	Finance Team Manager
Due Date	31st August 2019
Management Response	Currently the admin at the CDIS team are scanning and sending RAF forms by email. Accountant has commenced review of current process with CDIS, new Business Improvement Officer post will assist with this work to ensure new, improved processes and procedures for all involved.

Action	m

Action Description	Staff within HSCP Finance should be reminded that non-PO invoices should not be processed on Integra without being approved.
Risk	Unauthorised expenditure is incurred
Priority (1, 2, 3)	1
Paragraph Reference	3.22
Assigned to	Finance Team Manager
Due Date	Complete
Management Response	All invoices for CDIS are non-PO, the approval for the care packages is on the RAF form. The establishment list details of the service approved. On receipt of invoices the team should stamp and approve invoice only if the service matches or is less than the establishment list. If service not on establishment list or greater in value the invoice then needs to be passed to the Budget Holder for approval. This has been reiterated to the Finance Team

Action	n
Action Description	In the short term, a network folder should be set up to store all paperwork to ensure relevant members of the HSCP Finance team have access to the approved community package paperwork to ensure the invoices are correct before processing for payment.
Risk	The Partnership is being overcharged for community packages or the service user is not receiving the level of care agreed at the Resource Allocation Form group.
Priority (1, 2, 3)	1
Paragraph Reference	3.24
Assigned to	Finance Team Manager
Due Date	30th June 2019
Management Response	All RAF paperwork is now being sent to HSCP Children's Finance email and saved in the relevant folder set up for the child, this can be accessed by all Children's Finance staff. A review of the Establishment list has been undertaken over the last couple of months to ensure the care package information is accurate as per approved. This can be accessed by all Finance team staff. The establishment list is shared file with Finance having access to input and amend, and CDIS team read only access. Review will be undertaken to ensure correct persons have access.

Action	o
Action Description	In the longer term, community packages should be recorded on CareFirst and electronically approved or at the very least, the approval paperwork should be scanned and attached on CareFirst.
Risk	The Partnership is being overcharged for community packages or the service user is not receiving the agreed level of care.
Priority (1, 2, 3)	2
Paragraph Reference	3.19, 3.24
Assigned to	Finance Team Manager
Due Date	30th April 2020
Management Response	Business Improvement Officer to be recruited to lead on this improvement.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

EXECUTIVE SUMMARY
IJB LEAD PARTNERSHIP ARRANGEMENTS

Background

This audit was undertaken in parallel with audits of lead partnership arrangements at East Ayrshire Integration Joint Board (IJB) and NHS Ayrshire and Arran (internal audit service provided by Grant Thornton UK LLP).

At the time of integration of health and social care in Ayrshire, it was agreed that each partnership would lead on different Ayrshire-wide areas of health and social care. Under this arrangement, East Partnership leads on primary care services, North Partnership leads on mental health services and child immunisation programmes, child health administration and community infant feeding service and South Partnership leads on technology enabled care (TEC), joint equipment store, falls prevention and sensory impairment.

In Deloitte's annual external audit report on the North Ayrshire IJB, there was a recommendation to review reporting arrangements in relation to lead partnership arrangements, in order to ensure that complete and consistent information is provided to Board members to allow them to fulfil their governance responsibilities effectively. This was accepted with a series of proposed actions (including this audit). Similar recommendations were made to South and East Ayrshire IJBs and all were accepted.

Key Objectives

The main objectives of this audit were to:
- Ascertain and evaluate the information reported to NAIJB on lead partnership responsibilities, focussing on performance and budget information
- Establish whether information provided to East and South Ayrshire IJB's and NHS Ayrshire and Arran in relation to lead partnership responsibilities is adequate to ensure appropriate governance and oversight
- Review NAIJB's progress against the audit action from Deloitte's annual report
- Consider other aspects of the governance arrangements for lead partnership responsibilities.

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:
- Directions are not being completed consistently in reports to the IJB
- Risk sharing arrangements have not been progressed as agreed with Deloitte
- Fair Share methodology has not been progressed as agreed with Deloitte
- The Integration Scheme does not give clear guidance regarding all aspects of lead partnership arrangements

Audit Opinion

Overall, reasonable assurance was obtained with regard to governance of lead partnership responsibilities. Actions agreed with Deloitte in relation to directions, risk sharing, and fair share methodology require to be progressed and supplementary guidance for the Integration Scheme requires to be prepared once these actions are completed.

ACTION PLAN
IJB LEAD PARTNERSHIP ARRANGEMENTS

Action	a
Action Description	Managers should ensure that the templates for Directions are completed consistently when preparing reports to the IJB
Risk	Lack of clarity and incomplete information provided to partner organisations who are providing services on the IJB's behalf. Failure to comply with Scottish Government recommendations for best practice.
Priority (1, 2, 3)	2
Paragraph Reference	3.3
Assigned to	Governance Team Manager
Due Date	30th June 2019
Management Response	Noted that the Directions are not being used consistently and appropriately in all cases, the guidance and template will be re-issued with the report template as a reminder. Governance team will ensure compliance when reports are submitted.

Action	b
Action Description	HSCP Management should develop regular performance reports for lead partnership responsibilities to be reported to the Performance and Audit Committee and shared across the 3 Ayrshire partnerships
Risk	Partnerships do not have adequate oversight of the performance of the services they are commissioning, and the outcomes received by their residents.
Priority (1, 2, 3)	1
Paragraph Reference	3.9
Assigned to	Performance and Information Systems Manager
Due Date	31st December 2019
Management Response	The North HSCP will develop a report for Lead Partnership Mental Health Services in the first instance, this will incorporate operational and financial performance, change programmes and any recovery plans. This approach will be shared with East and South with a view to requesting similar information for other lead partnership service.

Action	c

Action Description	HSCP Management should work with officers from East and South Ayrshire HSCPs to progress the risk sharing arrangements at the earliest opportunity
Risk	Appropriate risk sharing arrangements are not agreed when the risks arise. There is no agreed methodology for sharing over- or underspends on lead partnership responsibilities between the partnerships. Dispute between the partnerships. Failure to complete the action plan agreed with Deloitte.
Priority (1, 2, 3)	1
Paragraph Reference	3.14
Assigned to	Chief Finance and Transformation Officer
Due Date	30th September 2019
Management Response	Risk sharing arrangements for 2018-19 were agreed relatively late in the financial year through discussion at Ayrshire Finance Leads, thereafter SPOG and the NHS Chief Executive. This approach does not assist with financial planning and the development of any financial recovery plans. This will be progressed through the Ayrshire Finance leads to ensure we have a clear documented protocol/agreement in place to supplement the Integration Scheme.

Action	d
Action Description	HSCP Management should work with officers from East and South Ayrshire HSCP's to progress the fair share methodology at the earliest opportunity, including developing detailed Directions with commissioning plans
Risk	The methodology used is not seen to reflect the ability of each partnership to influence spending in a given area and the benefit derived from it. Dispute between the partnerships. Failure to complete the action plan agreed with Deloitte. IJBs are not directly influencing services they're commissioning
Priority (1, 2, 3)	1
Paragraph Reference	3.16
Assigned to	Chief Officer, Health and Social Care Partnership
Due Date	31st March 2020
Management Response	Scottish Government currently supporting work pan-Ayrshire to develop an approach to commissioning for lead partnership service and unscheduled care (acute set-aside budget). This work will be supported by Ayrshire Finance Leads and SPOG. Initial areas being explored are Primary Care and Acute unscheduled care activity. The North Partnership will also progress commissioning plans and Directions for lead partnership Mental Health services.

Action	e

Action Description	Once the fair share methodology and risk sharing arrangements are agreed, protocols should be developed to supplement the Integration Scheme, in order to reflect the new arrangements and ensure that the provisions are practical and give adequate guidance in regard of lead partnership arrangements. These should include operational performance, financial performance and development of recovery plans
Risk	The Integration Scheme does not give adequate or practical guidance on how lead partnership arrangements should operate, including how costs and risks should be shared.
Priority (1, 2, 3)	1
Paragraph Reference	3.18, 3.19
Assigned to	Chief Officer, Health and Social Care Partnership
Due Date	31st March 2020
Management Response	As above, an approach will be developed pan-Ayrshire. Any work to develop commissioning plans and Directions will be supported with clear, agreed protocols/agreements.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

EXECUTIVE SUMMARY
SALE OF COUNCIL LAND AND PROPERTY

Background

Property Management & Investment is responsible for the effective asset management of the Council's housing and non-housing property assets and for ensuring the property assets are maintained in a condition that is compliant with all legislative requirements.

Legislation is provided through the Housing Scotland Act 1987 and The Disposal of Land by Local Authorities (Scotland) Regulations 2010. It is a legal requirement that local authorities sell land for the best consideration that can reasonably be obtained although legislation recognises that there may be circumstances where the Local Authority consider it appropriate to dispose of land at below the best consideration.

Key Objectives

Review the sale of land and buildings by the Council to ensure that:
- assets are properly registered, and a clear process is in place to authorise sales
- the sales process is transparent and open
- sound financial controls are in place to minimise the risk of fraud or error
- the full financial consequences are assessed appropriately before major financial decisions are taken or commitments are entered into

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:
- assets are uniquely registered on the K2 Tribal Property Management System
- assets no longer required by a Council Service are independently assessed for use by another Service before being marketed by the Council
- all property is marketed on the open market
- segregation of duties controls ensure independent assessments are made at each stage of the sales process
- all correspondence is recorded on K2 Tribal Property Management System but from a sample reviewed there is considerable duplication, some filing against the wrong record and key documentation is difficult to trace
- where the full consideration was not achieved legislative procedures had been complied with

Audit Opinion

Overall, reasonable assurance was obtained regarding the sale of Council land and property.

The introduction of checklists and separate filing of key documentation would ensure compliance with the requirements of The Disposal of Land by Local Authorities (Scotland) Regulations 2010.

ACTION PLAN
SALE OF COUNCIL LAND AND PROPERTY

Action	a
Action Description	A unique checklist using the general guidance notes issued with the Disposal of Land by Local Authorities (Scotland) regulations 2010, finessed to demonstrate compliance with the Council's procedures, should be established and used for each asset sale. This should record any special conditions attached to the sale.
Risk	There is no audit trail of sale process Lack of business continuity Non-compliance with legislation and council processes Incomplete record keeping
Priority (1, 2, 3)	2
Paragraph Reference	3.12
Assigned to	Team Manager (Estates)
Due Date	31st July 2019
Management Response	A checklist has been prepared to append the Capital Receipt Schedule. The necessary fields will be put in place.

Action	b
Action Description	K2 records should be specific with sub folders to reduce duplication of records and clearly identify key documentation.
Risk	Key documentation is not readily identifiable Reduce the risk of duplication and saving file space Commercial interests may be accidently released to third parties Documentation is retained outwith Council's planned retention periods
Priority (1, 2, 3)	1
Paragraph Reference	3.13 and 3.14
Assigned to	Team Manager (Estates)
Due Date	31st August 2019
Management Response	The principle is accepted, and suitable sub folders will be agreed and introduced on a case by case basis as file becomes active. Opportunity for improved admin support to be investigated as this would assist in enhanced record keeping.

Action	c
Action Description	Integra records should be completed with unique descriptions that readily identify all costs and income relating to an asset.
Risk	Lack of transparency of associated costs leads to a lack of information to make an informed decision Time consuming to obtain an audit trail
Priority (1, 2, 3)	2
Paragraph Reference	3.15
Assigned to	Team Manager (Estates)
Due Date	31st July 2019
Management Response	Property specific Integra numbers to be included on checklist in action A so that costs can be identified.

EXECUTIVE SUMMARY

BUILDING SERVICES STORES CONTROLS

Background

This audit was conducted as part of the 2018/19 Audit Plan. Previous audit work on stores management was carried out in 2013/14.

Procurement had been subject to an audit in 2017/18 so was omitted from testing.

Key Objectives

The main objectives of this audit were to ensure that:
- stock is managed in accordance with the Financial Regulations and that measures to prevent fraud and error are in place
- stock records are accurate and up-to-date and that adequate measures are in place to prevent theft and fraud and procedures are being followed correctly

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:
- Annual year end stock takes are carried out, supplemented by cyclical stock checks. All items will have been checked at least once during the Financial Year.
- Procedures are current, and segregation of duty controls are in place for ordering and authorising purchase of stock
- Stock movement is recorded on a dedicated stock system; however, this is heavily supplemented by manual paperwork requests and locally created spreadsheets and databases.
- Stock is securely stored
- The overall security of the yard is vulnerable due to poor lines of sight from the offices
- Invoices are promptly paid

Audit Opinion

Overall, reasonable assurance was obtained regarding the management and distribution of stock in Building Services

The dedicated management system requires to be augmented by manual forms, local spreadsheets and databases which is an inefficient duplication of workflow.

ACTION PLAN
BUILDING SERVICES STORES CONTROLS

Action	a
Action Description	Ensure cyclical stock counts include randomly selected vehicles.
Risk	Stock issued for jobs not used is not reassigned to the store for reallocation. Incomplete jobs are not properly recorded, and additional core stock is purchased.
Priority (1, 2, 3)	1
Paragraph Reference	3.4 and 3.18
Assigned to	Senior Officer Physical Environment
Due Date	31/03/2020
Management Response	Van imprest cyclical stock counts are scheduled by the stores team over the year @ 4 vans per month to complete all imprest vans by March 2020. Toolbox talk was provided to all stores staff on 30/04/19, regarding completion of returns documentation and system transactions prior to transferring materials onto stock storage location.

Action	b
Action Description	Consult with the software supplier URM on a complete process to replace information currently recorded on Excel spreadsheets and Access databases
Risk	Spreadsheet and databases are subject to errors which if undetected could lead to misinformed management decisions
Priority (1, 2, 3)	2
Paragraph Reference	3.9 and 3.10
Assigned to	Senior Officer Physical Environment
Due Date	31/07/2019
Management Response	URM system development is now 90% complete, ready for live trials over the next few months. We are only able to provide 80% coverage of the materials request tracking process, due to the complexity of the Non-housing materials requests (direct purchase etc).

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

EXECUTIVE SUMMARY
CYBER RESILIENCE

Background and Key Objectives

This audit was conducted as part of the approved 2018/19 Internal Audit Plan. The main objective of the audit was to ensure that the Council has met the requirements of the Scottish Government Cyber Security Action Plan to help protect against cyber threats.

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:

- The Council provided the Scottish Government with written confirmation that key actions 2 to 7 have been met, including achieving Cyber Essentials Plus certification.
- The Cyber Essentials Plus accreditation excludes the Education network and IT Services should obtain clarification from the Scottish Government as to how the Council can provide the required assurance for the Education network with regards to the 5 critical controls in line with the Scottish Government Cyber Security Action Plan.
- Although there are 'Guidelines for Reporting IT and Cyber Security Incidents' for employees to follow, IT Services has no documented cyber incident response plan ensuring it aligns with central incident reporting and coordination mechanisms as required by the Scottish Government Cyber Security Action Plan.

Audit Opinion

Overall, substantial assurance was obtained with regard to the Council meeting the requirements of the Scottish Government Cyber Security Action Plan to help protect against cyber threats. There are plans to progress this once the Scottish Government produces the Cyber Resilience Framework later this year.

ACTION PLAN
CYBER RESILIENCE

Action	a
Action Description	IT Services should obtain clarification from the Scottish Government as to how the Council can provide the required assurance for the Education network with regards to the 5 critical controls.
Risk	Independent assurance on the Education network has not been demonstrated.
Priority (1, 2, 3)	2
Paragraph Reference	3.6
Assigned to	ICT & Cyber Security Architect
Due Date	30 September 2019
Management Response	Clarification will be sought from the Scottish Government's Cyber Resilience Unit as to appropriate forms of independent assurance of the five critical controls which are currently in place for the Education network.

Action	b
Action Description	IT Services should develop a cyber incident response plan, ensuring it aligns with central incident reporting and coordination mechanisms, as advised by the Scottish Government.
Risk	Lack of a documented process when dealing with a cyber security incident may delay the containment and recovery of such an incident.
Priority (1, 2, 3)	2
Paragraph Reference	3.9
Assigned to	ICT & Cyber Security Architect
Due Date	31 January 2020
Management Response	IT Services will develop a Cyber Security Incident Policy which will include specific response plans for common forms of cyber-attack the Council is most likely to experience. It will also align with the reporting requirements of the Scottish Government's Public Sector Central Cyber Incident Notification and Co-ordination Policy, and those of other UK authorities such as the National Cyber Security Centre (NCSC) and the Information Commissioner's Officer (ICO).

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

EXECUTIVE SUMMARY
PROCUREMENT AND PERFORMANCE MANAGEMENT OF TERM CONTRACTS

Background

Measured Term Contracts (MTCs) are used when a regular programme of works is to be undertaken by a single contractor. They are generally used for minor works or for maintenance. The audit focussed on MTCs in Property Management and Investment.

Key Objectives

The main objectives of this audit were to ensure that:
- selection processes comply with the Standing Orders relating to Contracts and relevant legislation.
- individual jobs are requisitioned, authorised and paid for correctly.
- adequate contract monitoring arrangements are in place.
- contract variations have been properly authorised.

Key Findings and Actions

All the recommended actions arising from this audit are detailed in the action plan which follows this Executive Summary. The key findings are as follows:
- Officers managing Housing contracts were not obtaining insurance certificates from contractors on renewal.
- Officers managing non-Housing contracts were not obtaining trade body certifications from contractors on renewal but agreed to commence this during the course of the audit.
- A small number of immaterial errors were identified during sample testing of invoices.
- 17 domestic gas inspections were not completed in the last year of the contract. Although this equates to less than 1% of properties, this is still classed as a failure by the Scottish Housing Regulator. Some of these failures may have been attributable to issues with lack of administrative resources and communication between Business Support and PMI.

Audit Opinion

Overall, substantial assurance was obtained with regard to procurement and performance monitoring of measured term contracts in Property Management and Investment (PMI).

ACTION PLAN
PROCUREMENT AND PERFORMANCE MANAGEMENT OF TERM CONTRACTS

Action	a
Action Description	Property Management and Investment should ensure that they obtain insurance certificates from contractors after each renewal date.
Risk	Contractors do not have adequate insurance as stipulated in the contracts with the Council. In the event of an incident, a dispute arises, or the Council becomes liable for costs which should have been covered by the Contractor's insurance.
Priority (1, 2, 3)	2
Paragraph Reference	3.7
Assigned to	Senior Manager (Property Management and Investment)
Due Date	30 July 2019
Management Response	A process will be put in place to ensure contractor's insurance certificates which expire during the currency of a contract are renewed. A database of expiry dates will be maintained, and reminder letters will be issued to contractors at relevant times.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

EXECUTIVE SUMMARY
REGENERATION

Background

This audit was conducted as part of the 2018/19 audit plan.

Key Objectives

The main objectives of this audit were to ensure that:
- Robust reporting processes are in place to keep Senior Management and Cabinet informed of the progress of projects
- An in-depth review of the risks surrounding a new project is undertaken at the initial planning stage
- Risk monitoring and management is an ongoing priority throughout each project
- Good financial management processes are in place for monitoring project spend against budget

Key Findings and Actions

No significant recommendations have been made as a result of this audit.

Regeneration projects normally span several financial years, rely on funding from a number of external sources and vary significantly in design. This combination of factors means all regeneration projects contain an element of risk. However, throughout this audit, the Regeneration Team were able to evidence the steps they have taken to mitigate risk as much as possible.

Audit Opinion

Overall, substantial assurance was obtained with regard the methods being applied by the Regeneration Team to mitigate risk as far as possible.

ACTION PLAN
REGENERATION

Action	a
Action Description	Economy & Communities should review the budget monitoring spreadsheet to ensure all formulae are correct, and to add a reconciliation of actual spend to Integra. Consideration should be given to creating a budget monitoring template spreadsheet which could be used for every project.
Risk	Inaccurate financial information used in decision making
Priority (1, 2, 3)	2
Paragraph Reference	3.45
Assigned to	Senior Manager, Regeneration
Due Date	Complete
Management Response	A budget monitoring spreadsheet has been produced for the new financial year which reflects the comments of the audit action.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.