

Scrutiny Committee
20 June 2011

IRVINE, 20 June 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 1.00 p.m.

Present

Anthea Dickson, Matthew Brown, Andrew Chamberlain, Jean Highgate, Margaret McDougall, Pat McPhee and Alan Munro.

Also Present

John Bell, William Gibson and Robert Barr.

In Attendance

E. Murray, Chief Executive, I. Mackay, Solicitor to the Council and R. Forrest, Planning Services Manager (Corporate Services); C. Kirk, Corporate Director, M Armstrong, Head of Logistics and Infrastructure and S. Storrie, Project Manager (Education and Skills); A. Herbert, Corporate Director, Y. Baulk, Head of Finance and P. Doak, Senior Manager Internal Audit and Risk Management (Finance and Infrastructure); I. Colvin, Corporate Director (Social Services and Health); S. Bale, A. Osborne and J. Paton, Policy and Performance Officers and A. Little, Committee Services Officer (Chief Executive's Service).

Also In Attendance

A. Haseeb and T. Yule, Audit Scotland.

Chair

Councillor Dickson in the Chair.

Apologies for Absence

Anthony Gurney and John Hunter.

1. Declarations of Interest

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

2. Minutes

In the absence of the Chair, the Minutes of the previous meeting of the Committee held on 6 June 2011 were noted, subject to the following amendment:-

1. Declarations of Interest

In terms of Standing Order 16, Councillor Dickson, **having indicated her views to the Corporate Director (Education and Skills) prior to the meeting**, declared an interest in Agenda Item 3 (Call In Request: Outcome of the Consultation on the Proposed Closure of Garnock Academy, Moorpark and Glengarnock Primary Schools).

3. Call In: Outcome of the Consultation on the Proposed Closure of Garnock Academy, Moorpark and Glengarnock Primary Schools

Submitted report by the Chief Executive on a Call In, in relation to a decision taken by the Education Executive at its meeting held on 24 May 2011 on the above matter.

At its meeting on 24 May 2011, the Education Executive of North Ayrshire Council received a report by the Corporate Director (Education and Skills) on proposals that the provision of education at Garnock Academy, Moorpark and Glengarnock Primary Schools be discontinued and that a new school campus be built to serve the combined catchment areas of the primaries and the current catchment of Garnock Academy. The report also sought approval for the closure of Garnock pool and leisure facilities and to include these facilities in the new school campus.

The Education Executive agreed, subject to confirmation of a full funding agreement with the Scottish Government (a) that at the end of school session in June 2015 the provision of education at Garnock Academy, Moorpark and Glengarnock Primary Schools be discontinued and that pupils transfer to the new school; (b) that in August 2015 Garnock pool closes and reopens in the new campus at an agreed date as detailed in the report and consultation documentation appended thereto; and (c) that the campus be sited at site 12 North Lochshore, Kilbirnie.

At its meeting on 6 June 2011, the Scrutiny Committee heard from Councillors Gibson and R. Barr in support of the call in request. After discussion, the Committee agreed to scrutinise the decision of the Education Executive.

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

Councillor Bell was present as the Chair of the Education Executive and as the relevant portfolio holder. In response, he advised that the consultation exercise had informed the site selection, with most favouring the site closest to the centre of Kilbirnie. Site 12 also better met the needs of primary school children in respect of walking distances and safe routes to school.

Discussion took place on:-

- the procedure in place that determines the creation of working groups to examine the options for major projects;
- the timeline for the consultation exercise, including when the offer by the Scottish Enterprise of a new site within Site 12 emerged;
- the level of financial information provided to the Education Executive and the level of discussion on the preferred sites;
- transport and accessibility; and
- the health benefits of walking to school.

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

- the consultation exercise that commenced in January 2011;
- the offer of the new improved Site 12 in May 2011 and the assessment of this site on the same basis as the other sites;
- the provision of information to the Education Executive on 24 May 2011 in respect of sites 2, 7, 10 and 12 and the assessment of Site 12 as the preferred site;
- the delivery of the Design, Build, Finance and Manage (DBFM) contract through the Scottish Futures Trust (SFT) hub initiative and the availability of SFT funding no earlier than 2013.

Councillor Brown, seconded by Councillor Chamberlain moved that the Committee agree to recommend to the Education Executive that a Members' Seminar be held to allow examination of the wide range of information in more detail.

There being no amendment, the motion was carried.

Accordingly, the Committee agreed to recommend to the Education Executive that a Members' Seminar be arranged to allow Members to examine the wide range of information in more detail.

4. Service Performance Reports

Submitted report by the Chief Executive on the performance of Council Services, with the exception of Education and Skills, as at 31 March 2011.

Appendices 1-5 of the report contained Executive Summaries of the performance of the Chief Executive's Service, Corporate Services, Finance and Infrastructure, Building Services and Social Services and Health, respectively. Each contained the relevant Corporate Management Team member's assessment of the overall performance of the Service, including financial performance, and the overall capacity for improvement within the Service, using gradings similar to those employed by the Council's external audit and inspection agencies. A report on the performance of Education and Skills will be submitted to the Scrutiny Committee on 15 August 2011.

The Executive Summaries reported on financial performance, both from revenue and capital perspectives, thereby ensuring that non-financial performance is considered in overall context. Year-end projections were included, calculated on data to January 2011. However, the position is being revised based on figures to 31 March 2011 and indications would suggest that the projected year-end underspends will be greater than expected.

The Executive Summaries also provided a narrative on progress made in relation to the identified “Priorities”, which enables proper attention to be focused on what Services have indicated are the really important matters. Each Service has used the Covalent system to produce a more detailed Service Performance report, following the format of the pilot report produced for Building Services for the mid-year round of service performance reporting. The detailed Service Performance reports are available to all Elected Members via Navigate and on the Council’s public website.

Members asked questions, and received clarification, on:-

Chief Executive' Service

- a range of factors that have assisted in reducing sickness absence levels, including improved absence management; and
- the scope for ensuring that underspends in economic regeneration projects can be directed to activities likely to produce results in terms of economic regeneration and employment;

Corporate Services

- proposals submitted to Human Resources for a scheme of delegation report on a review of the current service structure in Planning Services; and
- work with the other Ayrshire Councils in respect of the pan-Ayrshire Regulatory Service

Building Services

- compliance with Procurement procedures and assistance provided to local companies in the tendering process; and
- the recruitment of a Business Manager to co-ordinate the three strands of the Consultants' recommendations

Social Services and Health

- the centralisation of the management of the Care at Home Services and outsourcing of a portion of this services to achieve the efficiency savings;
- the underspend in training as a result of the non-filling of vacant posts and efficiencies in procurement; and
- a delay in discharge from hospital for some individuals due to poor health or because their preferred discharge destination is not available.

The Committee agreed to (a) note the performance of the Chief Executive's Service, Corporate Services, Finance and Infrastructure, Building Services and Social Services and Health as at 31 March 2011 against the objectives, key performance indicators and actions in the 2010/11 Service Plans; (b) congratulate Housing Services on the excellent overall performance report; and (c) receive a report on the performance of Education and Skills at the next meeting of the Committee for consideration.

5. Service Plans

Submitted report by the Chief Executive on Service Plans for 2011/12.

At its meeting on 1 June 2010, the Executive noted the findings and recommendations arising from the 2010 Golden Thread Health Check and was advised that revised guidance on Service Planning had been developed to ensure that the Service Plans are more streamlined and focused.

Services have produced their Service Plans for 2011/12 in accordance with the Service Planning and Budgeting Guidance issued in August 2010. The guidance remained unchanged from that recommended by SOLACE, to ensure consistency with comments in the BV2 Report, which acknowledges that the Council has recently improved its planning arrangements.

The appendices to the report set out Services Plans for the following areas:-

- Chief Executive's Service
- Corporate Services
- Education & Skills
- Social Services & Health
- Housing Services
- Finance and Infrastructure (Finance)
- Finance and Infrastructure (Environment and Related Services)
- Finance and Infrastructure (Infrastructure and Design Services)
- Building Services

Members asked questions and received further information on the following:-

Chief Executive's Service

- a review of the percentage of working age population in employment target as part of the overall Economic Development Strategy; and
- a review of the target in respect of the number of Business Gateway new starts per 10,000 working age population.

Corporate Services

- the introduction of a Customer Relationship Management (CRM) tool, Lagan, that will assist in achieving the cost per call minute in the Contact Centre target.

Education & Skills

- the increase in total budgeted running costs per pupil for both primary and secondary schools as a result of increased utility costs;
- a review of the sickness absence targets; and
- a new target for the exclusions incidents per 1000 pupils targets that will be in place in August.

Social Services & Health

- the implementation of Community Payback Orders (CPOs) and work with Environment and Related Services to provide various programmes for those undertaking CPOs;
- the positive improvement in the percentage of formerly looked after children and young people entitled to after-care in employment, education or training;
- a review of the method for calculating Respite Care statistics and an examination of the methodology used by other authorities; and
- improvements required in the percentage of Social Background Reports completed on time.

Finance and Infrastructure (Finance)

- the influence of economic factors on the proportion of outstanding sundry debt more than 90 days old from the date of invoice.

Finance and Infrastructure (Infrastructure and Design Services)

- a reduction in the planned costs per primary school of road safety education as a result of traffic calming measures and improved communication within schools;
- the targets set in relation to the number of public liability claims received relating to the road network and continued dialogue with insurance companies in an effort to resolve these claims
- the exploration of funding opportunities and additional resources to increase the percentage of road network that should be considered for maintenance treatment; and
- the improved procurement processes in place that have assisted in reducing the average costs of re-roofing a Council house and installing a kitchen.

Building Services

- the Revitalise and Rebrand improvement programme that aims to generate additional income from sources other than North Ayrshire Council, whilst maintaining the level and quality of service to tenants.

The Committee agreed to (a) note the Service Plans 2011/12; and (b) congratulate Housing Services on the progress made in achieving the objectives of their Service Plan.

6. Internal Audit Plan 2011/12

Submitted report by the Corporate Director (Finance and Infrastructure) on the Internal Audit plan for 2011/12.

The assessment of audit need is updated on the basis of information obtained from a number of sources, including the strategic and operational risk assessments, strategic service statements, the Council Plan, consultations with Services, financial plans, consultation with external audit and reviews by other agencies. From this, an annual plan is prepared each year, identifying the audit assignments to be carried out. The Internal Audit Plan for 2010/11 was set out in the Appendix to the report and covered a nine month period.

The 2011/12 Internal Audit Plan provides for:-

- Reviews of financial systems;
- ICT related audits;
- Reviewing aspects of the Council's corporate governance arrangements;
- Data interrogation and regularity audits, and
- Audit follow-ups.

In order to align the Internal Audit Plan with the Council's annual financial cycle, future Plans will be prepared for the period April to March.

Noted.

7. Following the Public Pound: Support for External Organisations

Submitted report by the Chief Executive on the support given to external organisations in 2010-11.

Appendices 1-4 to the report detailed awards provided by the Corporate Grants budget, Community Development Grants, Local Youth Action Fund grants, Common Good Funds and local trusts. Grants are monitored in accordance with the Council's Code of Practice for Funding of External Organisations, with larger awards in excess of £40,000 or 30% of total core funding monitored by appointed Monitoring Officers and reports on the outcome submitted to the Scrutiny Committee.

In addition to grant support, in kind support is provided through concessionary lets and rents. A revised letting scheme was implemented in April 2009 and annual consultation takes with North Ayrshire Federation of Community Associations (NAFCA) to consider any revision of charges required within the scheme. Appendix 5 to the report detailed the concessionary rents which currently apply. Mandatory non-domestic rates relief of 80% is also provided to charities for non-domestic properties used wholly or mainly for a charitable purpose. The Council has discretion to award up 100% relief to eligible charities. Separate arrangements apply to sports clubs and businesses in rural settlements. Appendix 6 provided details of the arrangements in place.

Members asked questions and received further information in respect of:-

- the number of groups that receive awards in excess of £40,000 or 30% of their core funding;

- the future provision of a report on a programme of presentations by representatives of organisations that receive awards in excess of 30% of their core funding
- agreed efficiencies in the Corporate Grants budget and the distribution of the grants by the Area Committees; and
- the award of grants to all-Ayrshire organisations early in the financial year.

Noted.

8. Exclusion of the Public and Press

The Committee resolved, 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 Paragraphs 1 and 14 of Part I of Schedule 7A of the Act.

9. Audit Scotland Management Letter: Fraudulent Change of Bank Account

Submitted report by the Corporate Director (Finance and Infrastructure) on the findings of the Audit Scotland investigation into the creditors fraud that was perpetrated against the Council in September and October 2010.

On 27 October 2010, the Executive was advised of a fraud perpetrated against the Council during September and October 2010. The Monitoring Officer was instructed to investigate and reported his findings to the Council on 1 December 2010. An investigation was also carried out by the Council's external auditors, Audit Scotland, and a confidential management letter, highlighting the key issues identified was appended to the report.

Members asked questions and received clarification in respect of the following areas:-

- the continual review of procedures and practices to ensure no similar frauds are perpetrated;
- satisfaction at the action taken by management following identification of the fraud; and
- increased testing of the controls to ensure they are satisfactory.

Noted.

The meeting ended at 4.05 p.m.