



Cunninghame House,
Irvine.

10 November 2016

Audit and Scrutiny Committee

You are requested to attend a Meeting of the above mentioned Committee of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **MONDAY 14 NOVEMBER 2016** at **10.00 a.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

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 (Page 7)

The accuracy of the Minutes of the meeting of the Audit and Scrutiny Committee held on 23 September 2016 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

3. Presentation: NAHSCP Annual Performance Report

Receive a presentation by the Director (Health & Social Care Partnership) on the NAHSCP Annual Performance Report.

- 4. Internal Audit and Corporate Fraud Action Plans: Quarter 4 Update**
Receive a verbal update from the Executive Director (Education and Youth Employment) on the progress in allocating time for teachers to attend the Corporate Acceptable Computer Use training.
- 5. Corporate Fraud and Corruption Strategy (Page 11)**
Submit report by the Executive Director (Finance and Corporate Support) of the Council's Counter Fraud and Corruption Strategy, which has recently been refreshed to ensure it remains current (copy enclosed).
- 6. Internal Audit Reports Issued (Page 23)**
Submit report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between 1 August and 31 October 2016 (copy enclosed).
- 7. Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update (Page 51)**
Submit report by the Executive Director (Finance and Corporate Support) on the progress made by Council services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2016 (copy enclosed).
- 8. Internal Audit Plan 2016/17: Mid-year Progress (Page 63)**
Submit report by the Executive Director (Finance and Corporate Support) on progress as at 30 September 2016 in delivering the 2016/17 Internal Audit plan (copy enclosed).
- 9. External Audit Action Plans: Quarter 2 update (Page 73)**
Submit report by the Executive Director (Finance and Corporate Support) progress made in implementing the agreed action plans arising from the external audit of the Council's 2014/15 and 2015/16 accounts (copy enclosed).
- 10. Corporate Fraud Team: Mid-year Progress (Page 79)**
Submit report by the Executive Director (Finance and Corporate Support) provide the Audit and Scrutiny Committee with a mid-year progress update on the work of the Corporate Fraud team (copy enclosed).
- 11. Audit Scotland Benefits Performance Audit Annual Update 2015/16 and Housing Benefit Good Practice Guide (Page 83)**
Submit report by the Executive Director (Finance and Corporate Support) on the findings of the Audit Scotland benefits performance audit annual update 2015/16 and highlighting the Council's good practice contained in the Housing Benefit Good Practice Guide (copy enclosed).
- 12. Consolidation of School Funds (Page 131)**
Submit report by the Executive Director (Finance and Corporate Support) on the management of school funds across the Council (copy enclosed).

- 13. Audit Scotland report - Maintaining Scotland's Roads (Page 135)**
Submit report by the Executive Director (Place) on the recent report prepared by Audit Scotland on Maintaining Scotland's Roads (copy enclosed).
- 14. Superfast broadband for Scotland: A Progress Update (Page 205)**
Submit report by the Executive Director (Economy & Communities) on the key messages from Audit Scotland's progress update on superfast broadband roll-out in Scotland (copy enclosed).
- 15. Audit Scotland Report: Social Work in Scotland (Page 229)**
Submit report by the Executive Director (Finance and Corporate Support) the findings of the recent Audit Scotland report (copy enclosed).
- 16. Local Government Benchmarking Framework (LGBF) 2014/15 (Page 245)**
Submit report by the Chief Executive on the Directorates' priorities identified following the publication of the latest LGBF report (copy enclosed).
- 17. Public Performance Reporting 2015/16 (Page 255)**
Submit report by the Chief Executive on the public performance reporting and the Annual Performance Report 2015/16 (copy enclosed).
- 18. North Ayrshire CCTV Ltd: Monitoring Report (Page 335)**
Submit report by the Executive Director (Place) on the performance of North Ayrshire CCTV Ltd during 2015/16 and the allocation of funding from the Council and other sources (copy enclosed).
- 19. Interim Equality Mainstreaming Report and Equality Outcomes (Page 341)**
Submit report by the Chief Executive on the Interim Equality Mainstreaming Report 2014 - 2015 (copy enclosed).
- 20. Ayrshire Valuation Joint Board Minutes (Page 375)**
Submit the Minutes of the meetings of the Ayrshire Valuation Joint Board (AVJB) held on (i) 12 January 2016; (ii) 29 March 2016; and (iii) 24 May 2016 (copy enclosed).
- 21. Urgent Items**
Any other items which the Chair considers to be urgent.

EXEMPT INFORMATION

22. Exclusion of the Public

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 items of business on the grounds indicated in terms of Paragraph 9 of Part 1 of Schedule 7A of the Act.

Non Disclosure of Information

In terms of Standing Order 17 (Disclosure of Information) the information contained within the following reports 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.

23. Corporate Fraud Reports Issued (Page 397)

Submit report by the Executive Director (Finance and Corporate Support) on the findings of Corporate Fraud investigations (copy enclosed).

Audit & Scrutiny Committee

Sederunt:

John Hunter (Chair)
John Easdale
Alan Hill
Tom Marshall
Catherine McMillan
Alan Munro
David O'Neill

Chair:

Attending:

Apologies:

Meeting Ended:

Audit and Scrutiny Committee
23 September 2016

IRVINE, 23 September 2016 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present

Catherine McMillan, Tom Marshall, Alan Munro and David O'Neill

In Attendance

L.Friel, Executive Director, P. Doak, Senior Manager (Internal Audit, Risk and Performance) and D. Forbes, Senior Manager (Financial Management) (Finance and Corporate Support); and M. Anderson, Committee Services Team Leader (Chief Executive's Service).

Also In Attendance

P. Craig and S. Harold (Audit Scotland).

Chair

Councillor McMillan in the Chair.

Apologies for Absence

John Hunter .

1. Appointment of Chair

In the absence of the Chair, the Committee unanimously agreed that Councillor McMillan be appointed as Chair. Thereafter, Councillor McMillan assumed the Chair for the remainder of the meeting.

2. 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.

3. Minutes

The accuracy of the Minutes of the meeting of the Audit Committee held on 22 August 2016 and the meeting of the Scrutiny and Petitions Committee held on 24 August 2016 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4. Audit Scotland – Proposed 2015/16 Annual Audit Report

Submitted report by the Executive Director (Finance and Corporate Support) on the annual audit report for 2015/16. Appendix 1 to the report comprised a covering letter from Audit Scotland, which incorporated their ISA260 letter "Report to Those Charged with Governance" together with their proposed Independent Auditor's Report and the letter of representation to be signed by the Executive Director (Finance and Corporate Support) as responsible officer for North Ayrshire Council. Audit Scotland's proposed annual report to Members, which summarised the findings of their audit, was attached at Appendix 2 to the report.

Paul Craig of Audit Scotland provided a verbal report on the appendices to the report, including the key messages contained within the external auditor's unqualified report on the 2015/16 audit of North Ayrshire Council, the significant findings from the audit in accordance with ISA260, and the significant audit risks identified during the course of the audit.

Members, having congratulated officers on their work in helping to ensure the delivery of an unqualified external audit report, asked questions, and received clarification, on the following:-

- the role of earmarked and unearmarked reserves, particularly in the context of expected future financial challenges for the Council;
- the accounting rationale associated with the depreciation of council dwellings;
- whether most Scottish Councils achieved unqualified audit reports;
- the circumstances surrounding the understatement of the Council's landfill tax liability; and
- the lack of restriction on the use of unearmarked reserves.

The Committee agreed to (a) note (i) the findings of the 2015/16 audit as contained in the External Auditor's annual report at Appendix 2, (ii) the agreed action plan as outlined in Appendix IV of the annual report and (iii) the verbal provided by the External Auditor; and (b) approve the audited Annual Accounts for signature.

5. Audit Scotland Report to Those Charged With Governance on the 2015/16 Audit - Charitable Trusts Administered by North Ayrshire Council

Submitted report by the Executive Director (Finance and Corporate Support) on matters arising from the audit of the Council's registered charitable trusts for the year to 31 March 2016. Appendix 1 to the report set out Audit Scotland's Governance report on the 2015/16 charitable trust accounts.

Stephanie Harold of Audit Scotland provided a verbal report on the appendix to the report, including the unqualified nature of the proposed Independent Auditor's Report, details of the registered trusts where the Council is the sole trustee, and the significant findings arising from the audit. Members' attention was drawn to three trusts which do not have trust deeds and those trusts which are currently dormant.

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

- action to seek to generate interest and activity in relation to dormant trusts;
- the availability of a breakdown of the North Ayrshire Council Charitable Trust combined assets of £252,351;
- the appointment of the Council's new external auditors.

The Executive Director (Finance and Corporate Support) undertook to (i) liaise with the Head of Service (Connected Communities) on action which might be taken to raise awareness of the availability of funds within currently dormant trusts and (ii) provide Members with a breakdown of the combined assets of the North Ayrshire Council Charitable Trust.

The Committee agreed (a) to note (i) the key issues identified in the Audit Scotland report attached at Appendix 1 and (ii) the actions to be taken by the Council to resolve them where appropriate; (b) approve the audited charitable trust accounts for signature; and (c) record the appreciation of Members and Officers of the positive working relationship which had been experienced with the Council's external auditors, Audit Scotland, over the past five years.

The Meeting ended at 10.50 a.m.

NORTH AYRSHIRE COUNCIL

Agenda Item 5

14 November 2016

Audit and Scrutiny Committee

Title: **Counter Fraud and Corruption Strategy**

Purpose: To advise the Audit and Scrutiny Committee of the Council's Counter Fraud and Corruption Strategy, which has recently been refreshed to ensure it remains current.

Recommendation: That the Committee notes the refreshed Counter Fraud and Corruption Strategy.

1. Executive Summary

- 1.1 In January 2015, Cabinet approved the Counter Fraud and Corruption Strategy, setting out the Council's zero-tolerance approach towards fraud and corruption.
- 1.2 The Strategy has been refreshed to ensure it remains current, most notably by making reference to the role of Corporate Fraud Team, which was not established when the Strategy was approved.
- 1.3 The refreshed Strategy is attached at Appendix 1.

2. Background

- 2.1 Those responsible for the conduct of public business and the handling of public money will be held fully accountable for their conduct in accordance with the law and proper standards. It is essential that public money is handled with absolute integrity, safeguarded and properly accounted for and used economically, efficiently and effectively.
- 2.2 To discharge its accountability to the local community, the Council has established and will maintain proper arrangements for the governance of its affairs and the public money at its disposal. The Council is committed to ensuring openness and transparency in the provision of all its services.

- 2.3 The Council recognises that its resources may be the target of fraudsters, either working outwith or inside the organisation and the Counter Fraud and Corruption Strategy sets out how the Council aims to address the fraud risk it faces.
- 2.4 The Strategy highlights the areas of the Council's operations that are viewed as being at greatest risk of fraud and corruption. These include:
- employees
 - information security
 - procurement and contracts
 - finance
 - physical security of assets
 - licensing
 - planning
 - housing tenancy fraud
 - Council Tax fraud
- 2.5 The Strategy outlines a number of danger signs or 'red flags' to which the Council must be alert in order to maximise the opportunity to identify potential frauds.
- 2.6 The Council will follow 5 key steps in managing its approach to tackling fraud and corruption. The approach covers proactive steps, aiming to prevent fraud and corruption occurring, and reactive steps when suspected instances are identified. These are:
- deter
 - prevent
 - detect
 - investigate
 - enforce
- 2.7 In enforcing action, the Council will always pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
- **Disciplinary action** – any fraudulent or corrupt activity by employees will be regarded as 'gross misconduct' and appropriate action will be taken under the Council's disciplinary procedures.
 - **Police** – following the conclusion of any Corporate Fraud investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action, subject to approval by the Chief Executive.
 - **Recovery action** – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

- 2.8 In addition to this Strategy, the Council has a range of related policies and procedures which staff and elected members are required to adhere to; these include the financial regulations, codes of financial practice, standing orders relating to contracts, 'whistleblowing' policy and defalcation procedures.
- 2.9 The responsibility for creating a strong anti-fraud culture lies both with Elected Members, in particular the Cabinet and the Audit and Scrutiny Committee, and the Extended Leadership Team. All members of staff must remain vigilant to the threat of fraudulent activity and take the appropriate action if suspicions arise.

3. Proposals

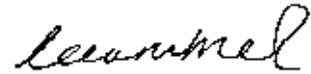
- 3.1 It is proposed that the Audit and Scrutiny Committee notes the refreshed Counter Fraud and Corruption Strategy.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	Counter fraud activity helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

5.1 No consultation was required in refreshing the Strategy.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

North Ayrshire Council

Counter Fraud and Corruption Strategy

Version:	Final
Date:	08/11/2016
Author:	Paul Doak
Classification:	Public



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

COUNTER FRAUD AND CORRUPTION STRATEGY

1 Key Messages

- 1.1 North Ayrshire Council has a zero-tolerance approach to fraudulent or corrupt activity, whether perpetrated by employees, Elected Members, partner organisations, suppliers or service users.
- 1.2 All parties should remain vigilant to the threat of fraudulent or corrupt activity and should alert the Council when suspicions arise.
- 1.3 The Council will always investigate allegations of fraud by referring them to the Corporate Fraud Team and thereafter, where appropriate, to Police Scotland.
- 1.4 The Council will pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
 - Disciplinary action – any fraudulent or corrupt activity by employees will be regarded as ‘gross misconduct’ and appropriate action will be taken under the Council’s disciplinary procedures.
 - Police – following the conclusion of any Corporate Fraud Team investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action.
 - Recovery action – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

2 Introduction

- 2.1 Those responsible for the conduct of public business and the handling of public money will be held fully accountable for their conduct in accordance with the law and proper standards. It is essential that public money is handled with absolute integrity, safeguarded and properly accounted for and used economically, efficiently and effectively.
- 2.2 To discharge its accountability to the local community, the Council has established and will maintain proper arrangements for the governance of its affairs and the public money at its disposal. The Council is committed to ensuring openness and transparency in the provision of all its services.
- 2.3 The Council has adopted a zero-tolerance approach to fraud and corruption and will always refer any allegations for investigation through the Corporate Fraud Team. The Council will involve the Police where necessary and will seek to recover any losses due to fraud or other corrupt practices.
- 2.4 The Council recognises that its resources may be the target of fraudsters, either working outwith or inside the organisation. This Counter Fraud and Corruption Strategy sets out how the Council aims to address the fraud risk it faces.

- 2.5** In addition to this strategy, the Council has a range of policies and procedures which staff and Elected Members are required to adhere to and these are referred to throughout this document.
- 2.6** The responsibility for creating a strong anti-fraud culture lies both with Elected Members, in particular the Cabinet and the Audit and Scrutiny Committee, and the Executive Leadership Team. All members of staff must remain vigilant to the threat of fraudulent activity and take the appropriate action if suspicions arise.

3 Definitions

- 3.1** A number of specialist terms are used throughout this strategy and definitions are provided below:
- 3.2** **Fraud** – the intentional distortion or attempted distortion of statements and records and/or the misappropriation of assets involving deception to obtain an unjust and illegal financial advantage.
- 3.3** **Corruption** – the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the Council, its Committees, Elected Members or officers.
- 3.4** **Embezzlement** – theft or misappropriation of funds placed in one's trust or belonging to one's employer.
- 3.5** **Bribery** - giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith. A bribe may be offered directly to an officer to influence their actions or it may be given to another officer to influence the actions of someone else.
- 3.6** **Money Laundering** – the process in which the proceeds of crime are transformed into what appears to be legitimate money or other assets.

4 Awareness of Fraud and Corruption Challenge

- 4.1** The criminal threat presented by fraud is not a new one but the ways in which fraudsters operate has developed significantly and is becoming ever more sophisticated.
- 4.2** Criminals are more organised than ever and their activities rely on significant levels of planning and organising. Fraudsters share information online and build criminal organisations across the UK and overseas. Tactics are constantly changing as criminals respond to the intervention of organisations and take advantage of new opportunities.
- 4.3** In taking advantage of new opportunities, criminals exploit the latest technology. They steal personal and financial data, both from individuals and organisations. They use social networking to build trust with potential victims who either unwittingly or are coerced into providing information to fraudsters.

- 4.4** Fraud can be a primary activity for organised crime groups or it can provide funding for other serious crimes. The organisers of fraud networks are often violent criminals who are doing harm to communities, public services and businesses.
- 4.5** However, not all frauds are perpetrated by organised crime gangs. There are a variety of opportunistic frauds and those which require a degree of sophisticated planning – often coupled with insider knowledge and access. Opportunistic frauds are facilitated by dishonesty; a culture that tolerates fraudulent behaviour and does not always acknowledge it as criminal; weak procedures, systems and controls; and lack of information sharing between organisations. The size of individual losses through this type of fraud can often be lower, making it more difficult to detect and meaning that it can often fall below thresholds for detailed investigation.
- 4.6** Fraud can cause significant damage to those affected. The UK Fraud Costs Measurement Committee’s annual fraud indicator 2016 indicates that identified and hidden fraud against the UK public sector amounts to an estimated £37.5 billion per year. An estimated £7.3 billion of this amount was in the local government sector.
- 4.7** Losses on this scale have huge implications for already constrained budgets within public bodies and undermine the effective provision of public services.
- 4.8** Public sector bodies are an attractive target for fraudsters, who look to abuse the tax, benefits and grants systems for personal gain. Furthermore, the public sector, like all organisations, is subject to fraud risks against day-to-day business functions. A number of the main service areas which have been identified as being at significant risk of fraud are detailed below.
- 4.9** **Employees** – any employee can perpetrate fraud against their employer. Types of employee fraud are wide-ranging and can include misuse of time and resources, fraudulent claims for allowances and expenses, failure to declare conflicts of interest or the acceptance of gifts and hospitality, as well as the manipulation of finance and payroll systems. One of the strongest defences against employee fraud is ensuring that proper vetting takes place prior to employment. NAC has a range of relevant policies that must be adhered to, including the Recruitment and Selection Policy, Protection of Vulnerable Groups (PVG) Policy and Recruitment of ex-Offenders Policy. All members of staff are required to comply with the Employee Code of Conduct. It is also essential that senior management ensures that clear internal controls and segregation of duties are in place across the Council.
- 4.10** **Information Security** – this is an area of increasing public focus with a number of high-profile failures across the public sector. Councils hold a range of personal and sensitive information about individuals and organisations which would be of interest to fraudsters. It is vitally important that the Council has robust arrangements in place to protect the integrity of its data, as any loss brings the risk of reputational and financial damage. North Ayrshire has an Information Security Framework in place to help manage the threat of data loss; this includes an Acceptable Computer Use Policy, which all staff are required to sign up to, Data Sharing Guidelines, Information Classification Guidelines and a policy on reporting security incidents. The Council employs a dedicated Information Security Officer and has an Information Governance team to implement and further develop secure arrangements.

- 4.11 Procurement and Contracts** – procurement fraud covers the entire procure-to-pay lifecycle, including fraud in the bidder selection and contract award stages (such as illicit cartel activity or the bribery of an official to influence the tendering process) as well as fraud occurring during the life of the contract (for example, false or duplicate invoicing). Procurement fraud is one of the hardest types of fraud to identify, particularly at the pre-contract stage. The Council has a centralised procurement function for all non-social care procurement and a dedicated social care commissioning team within the Health and Social Care Partnership; both operate in accordance with the Council's Standing Orders Relating to Contracts and the procurement manual. The Corporate Procurement Unit has a data-sharing protocol in place with Police Scotland and staff are required to declare any conflicts of interest they may have.
- 4.12 Finance** – the Head of Finance has a responsibility to ensure that the Council's financial resources are used in accordance with agreed policy. A range of monitoring and reporting processes are in place, in particular over the Council's revenue and capital budgets. The Council has financial regulations and codes of financial practice, to which all staff are required to adhere, as well as approved treasury management practices.
- 4.13 Physical security of assets** – Council assets, particularly buildings, may be at risk through weaknesses in physical security. Managing the security of buildings is challenging given the geographical spread across North Ayrshire. Each Council building has a maintained alarm system, linked to an out-of-hours call centre. Should any alarm be activated, the stand-by security contractor will arrange to attend the property and undertake a security check. The police will be contacted if it is deemed necessary.
- 4.14 Licensing** – many of the businesses that require licensing are those identified as being most commonly associated with organised crime gangs. Having a licensed business can appear to legitimise an organisation and provides opportunities, particularly in relation to money laundering. The Council operates a range of policies in relation to the various licences that are available; these policies are made available to the public through the Council website. A Licensing Board and Licensing Committee are in place to approve applications and will make decisions based on information provided by applicants and obtained from Police Scotland.
- 4.15 Planning** – legislation requires the determination of applications to be made in accordance with the Development Plan, unless material considerations indicate otherwise. The Development Plan has to be submitted to the Scottish Government prior to adoption. The planning system has a series of checks for conformity with national and local plans, together with an open and transparent procedure, through the need for consultation and publicity at every stage of the decision-making process. Offers of community benefit are not a material planning consideration and it is important that decision makers are not induced to grant an otherwise unacceptable consent through the promise of community benefits. Within NAC, there is democratic accountability through the Committee structures in terms of the Local Development Plan Committee, Planning Committee and Local Review Board, and the full Council when required. Management structures within the service negate the possibility of influence over an individual officer.

- 4.16 Housing tenancy fraud** – this can cover a wide range of fraud such as the provision of false information to obtain social housing, unlawful sub-letting, false homeless applications and false successions. Unlawful occupation of social housing results in reduced availability of housing stock to legitimate applicants. The Council carries out a range of identity checks on applicants for housing to help reduce the risk of tenancy fraud.
- 4.17 Council tax fraud** – Council tax is a target for fraudsters, particularly through false claiming of single person discount, vacant property relief or student occupancy or through the Council Tax Reduction scheme. The Council participates in data matching initiatives to identify potential fraud cases and these are investigated by the fraud team.
- 4.18** As noted at 4.2, the tactics used by fraudsters change over time and new fraud risks will continue to emerge. Increasing financial constraints and changes to the way in which Councils deliver and manage their services can all increase the risk of fraud. For example, the transfer of assets to community groups could result in local authorities losing control of how assets and funding are managed; with small organisations being less experienced in managing public funds, the risk of financial mismanagement and abuse of funds could increase. The Council must remain alert to such emerging fraud risks and ensure that good governance structures and controls are in place to counter these.
- 4.19** There are a number of danger signs or ‘red flags’ to which the Council must be alert in order to maximise the opportunity to identify potential frauds. These include:
- Significant changes in behaviour
 - Individuals with large personal debts and a desire for personal gain
 - Audit findings deemed to be errors or irregularities
 - Transactions taking place at odd times, odd frequencies, involving unusual amounts or to odd recipients
 - Internal controls that are not enforced or often compromised by higher authorities
 - Discrepancies in accounting records or unexplained items on reconciliations
 - Missing documents or only photocopies available
 - Inconsistent, vague or implausible responses to enquiries
 - Missing inventory or physical assets
 - Common names or addresses of payees or customers
 - Alterations on documents such as back-dating
 - Duplications such as duplicate payments
 - Collusion among employees, where there is little or no supervision
 - Situations where one employee has control of a process from start to finish with no or inadequate segregation of duties.

5 North Ayrshire Council Approach

- 5.1** The Council will follow 5 key steps in managing its approach to tackling fraud and corruption. The approach covers proactive steps, aiming to prevent fraud and corruption occurring, and reactive steps when suspected instances are identified.
- 5.2 Deter** – the Council will seek to maximise publicity around successful detection and prosecution activity in order to deter potential fraudsters.
- 5.3 Prevent** – the Council will seek to prevent fraud by implementing strong internal controls in all activities across the organisation. Heads of Service are responsible for implementing and testing robust control mechanisms, which will also be subject to periodic review by Internal Audit in line with the approved audit plan. The Council will also seek to prevent fraudulent activity by raising awareness of this Strategy, along with other key policies.
- 5.4 Detect** – the Council will actively seek to detect fraudulent activity through a number of means. This will include: data sharing with key partners, such as through the National Fraud Initiative (NFI); pro-active data matching between different systems and data sets; encouraging whistleblowing by employees or members of the public; regular management checks on the adequacy of internal controls, and reviews by Internal Audit.
- 5.5 Investigate** – allegations of fraudulent activity will always be reviewed by senior management and referred to the Corporate Fraud Team for investigation where appropriate. This will be done in line with the Council's approved defalcation procedures. As well as recommendations for enforcement actions, an investigation by the Corporate Fraud Team will result in a range of recommendations to tighten controls to help prevent a future reoccurrence.
- 5.6 Enforce** – the Council will always pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
- **Disciplinary action** – any fraudulent or corrupt activity by employees will be regarded as 'gross misconduct' and appropriate action will be taken under the Council's disciplinary procedures.
 - **Police** – following the conclusion of any Corporate Fraud Team investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action.
 - **Recovery action** – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

6 Key Partners

- 6.1** The Council will maintain arrangements with other public agencies to encourage the exchange of information about fraud and corruption. Any exchange of data is undertaken in accordance with the principles of the Data Protection Act 1998.
- 6.2** These agencies include:
- Police Scotland – both at local level and through the national Public Sector Counter Corruption Unit (PSCCU).
 - Other local authorities
 - Local and national Internal Audit and Corporate Fraud networks
 - The National Anti-Fraud Network (NAFN)
 - Audit Scotland
 - Department of Work and Pensions (DWP)
 - Chartered Institute of Public Finance and Accountancy (CIPFA)
 - The Council's insurers, currently Zurich Municipal.
- 6.3** The Council also participates in the UK-wide National Fraud Initiative (NFI), which allows the secure sharing of data between public bodies and highlights potential fraudulent activity for further investigation.

NORTH AYRSHIRE COUNCIL

Agenda Item 6

14 November 2016

Audit and Scrutiny Committee

Title: **Internal Audit Reports issued**

Purpose: To inform the Committee of the findings of Internal Audit work completed between 1 August and 31 October 2016.

Recommendation: That the Committee (a) considers the outcomes from the Internal Audit work carried out; and (b) challenges services where there are significant weaknesses in internal controls.

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 the Internal Audit reports published between 1 August and 31 October 2016. 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. The key findings from 7 separate audit assignments are detailed at Appendix 1 to this report, together with any high priority actions from each one.
- 2.3 There are no significant issues to highlight to the Committee; this is a positive development and is reflected in the reduced number of high priority actions in the Appendix.
- 2.4 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>

3. Proposals

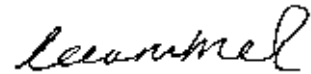
- 3.1 It is proposed that the Committee (a) considers the outcomes from the Internal Audit work carried out during the period; and (b) challenges services where there are significant weaknesses in internal controls

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	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)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

EXECUTIVE SUMMARY SELF-DIRECTED SUPPORT

Background

A review of the use of Self-directed Support (SDS) by North Ayrshire Health and Social Care Partnership (NAHSCP) was carried out as part of the current Internal Audit Plan.

The implementation of SDS has brought about a major change to the way people with social care needs are supported. SDS allows people to choose how their support is provided, and gives them as much control as they want of their individual budget.

The audit focussed on reviewing the care assessment and monitoring arrangements for a sample of service users, covering the range of available options. Also reviewed were the controls in place in relation to recipients of Direct Payments underspending or breaching financial regulations.

Key Objectives

The main objectives of this audit were to:

- Review North Ayrshire Health and Social Care Partnership's (NAHSCP) policies and procedures in relation to SDS.
- Review the documentation held for a sample of service users covering the range of SDS Options.
- Review a sample of Direct Payments to ensure that they have been administered in accordance with procedures.
- Review service users' accounts for evidence of underspends or breaches of regulations.

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:

- Important documents are not always being retained in service users' files.
- Some service users are not providing sufficient evidence to support their spending.
- Reviews of underspends are not being carried out in line with procedures.
- Some service users are not receiving regular service reviews.
- Evidence indicates that service users have significant input into their care arrangements, they are generally satisfied with the care provided, and targeted outcomes are being delivered.

Audit Opinion

NAHSCP has implemented an approach to SDS which is broadly in line with published guidance. SDS is being widely promoted to North Ayrshire residents and service users have access to support and detailed guidance. Service users participate in detailed assessment to ensure the care they receive is tailored specifically to their needs.

Comprehensive procedural documents have been produced; however, current operational practices do not fully adhere to these. A consistent approach should be taken to the maintenance of service users' files to ensure key documents are retained.

ACTION PLAN SELF-DIRECTED SUPPORT

Action	a
Action Description	Staff should be reminded to ensure that details of the SDS Option selected by the service user are correctly recorded in CareFirst.
Risk	Incorrect information is held on service users. Incorrect information is reported to the Scottish Government.
Priority (1, 2, 3)	2
Paragraph Reference	3.7, 3.15
Assigned to	Team Manager (Business Support – CareFirst), SDS Policy Review Manager
Due Date	30 June 2017
Management Response	Reminder will be issued as part of Key Messages distributed after SDS Panel in October 2016. Review the effectiveness of the CareFirst system. Identify system changes required and report to SDS Panel. Prepare a prompt/note to be discussed with teams. Extract quarterly reports for submission to panel to audit performance.

Action	b
Action Description	Signed copies of Supported Self-Assessment Questionnaires and Support Plans should be held on file for all service users. Where signed copies are not held, arrangements should be made to have this paperwork signed by service users or their representatives.
Risk	Service users may challenge their care arrangements. Incomplete audit trail.
Priority (1, 2, 3)	2
Paragraph Reference	3.9, 3.17
Assigned to	SDS Policy Review Manager
Due Date	31 March 2017
Management Response	Review to be carried out on 2,025 SDS cases to confirm numbers unsigned. Allocate cases unsigned to worker for signature. To avoid future occurrences of unsigned paperwork, guidance to be issued detailing the reasons for authorisation. To be discussed at Team Meetings. Monitoring arrangements on authorisation to be put in place and quarterly casefile audit.

Action	c
Action Description	Details of financial assessments and budgetary calculations should be retained on file for all service users.
Risk	It cannot be demonstrated whether value of care provided is appropriate. Incomplete audit trail.
Priority (1, 2, 3)	1
Paragraph Reference	3.10, 3.18, 3.19
Assigned to	Team Manager (Business Support – CareFirst), SDS Policy Review Manager
Due Date	31 December 2016
Management Response	Assess functionality of RAS Calculator on CareFirst, in conjunction with Financial Management. Refine as necessary and then retain calculations.

Action	d
Action Description	Finance staff should ensure that evidence is provided to support all transactions where the service user is in receipt of Direct Payments. Appropriate action should be taken when evidence is not provided.
Risk	Direct Payment funding is used inappropriately. Incomplete audit trail.
Priority (1, 2, 3)	2
Paragraph Reference	3.11, 3.12, 3.20
Assigned to	Team Manager (Finance)
Due Date	30 November 2016
Management Response	Procedures for dealing with missing or incomplete information have been revised to ensure that all instances are being recorded and monitored for potential follow up action. In the small number of cases where the service user utilises a third party organisation which provides only summarised quarterly accounts, the third party organisation will be requested to provide additional support documentation for all payments.

Action	e
Action Description	Reviews of underspends should be undertaken every 6 months. Alternatively, the Direct Payments Procedure should be amended to reflect that these reviews are undertaken annually.
Risk	The care arrangements in place for service users are not appropriate. Financial resources are not being appropriately applied.
Priority (1, 2, 3)	2
Paragraph Reference	3.13, 3.21
Assigned to	SDS Policy Review Manager, Independent Living Adviser
Due Date	31 March 2017
Management Response	A short-life working group will review the Direct Payments Procedure.

Action	f
Action Description	Service review meetings should be held with service users at least every 12 months.
Risk	Care arrangements are no longer achieving desired outcomes. Financial resources are not being appropriately applied.
Priority (1, 2, 3)	2
Paragraph Reference	3.14
Assigned to	Senior Manager (Locality Services), Senior Manager (Learning Disabilities), Senior Manager (Community Mental Health), Senior Manager (Looked After and Accommodated Children), Team Manager (Business Support – CareFirst), SDS Policy Review Manager
Due Date	30 September 2017
Management Response	Each service user must have at least an annual review of their care and support action plan from the date of initial assessment. CareFirst to flag a review date automatically from the date of initial assessment. Quarterly reports to be extracted.

Priority Key used in Action Plan

1 (High)	Control weakness 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

EXECUTIVE SUMMARY

PERFORMANCE INDICATORS 2015-2016

Background

Every year, the Council is required to collect, record and publish information against a number of Performance Indicators (PIs).

As part of the current Internal Audit Plan, a sample of 4 Performance Indicators for the year ending 31st March 2016 was selected for internal audit testing:

- Number of adults accessing adult learning opportunities provided by Connected Communities;
- Number of properties at risk of flooding;
- Percentage of learning disability service users accessing employment support activities;
- Number of Reportable Incidents (RIDDOR) per 100,000 employees.

Key Objectives

The main objectives of this audit were to provide assurance that:

- The procedures and processes in place for recording, collating and calculating PI data are robust;
- The PI information published by the Council is accurate.

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 title of the indicator “Number of adults accessing adult learning opportunities provided by Connected Communities” should be amended.
- Reliance cannot be placed on the figure reported for the indicator “Number of properties at risk of flooding”.
- The Service should consider reviewing the target for the indicator “Number of Reportable Incidents (RIDDOR) per 100,000 employees”

Audit Opinion

The title of the indicator “Number of adults accessing adult learning opportunities provided by Connected Communities” is potentially misleading and consideration should be given to amending this.

The auditor cannot give assurance on the accuracy of the indicator “Number of properties at risk of flooding”. This indicator should not be published on North Ayrshire Performs.

The target for the indicator “Number of Reportable Incidents (RIDDOR) per 100,000 employees” should be reviewed.

ACTION PLAN PERFORMANCE INDICATORS 2015-2016

Action	a
Action Description	The service should amend the title for the indicator “Number of adults accessing adult learning opportunities provided by Connected Communities”.
Risk	Title does not accurately represent what is being measured.
Priority (1, 2, 3)	3
Paragraph Reference	3.6
Assigned to	Senior Manager (Information and Culture)
Due Date	Completed.
Management Response	The title has been amended.

Action	b
Action Description	The service should remove the indicator “Number of properties at risk of flooding” from North Ayrshire Performs.
Risk	Inaccurate data being published.
Priority (1, 2, 3)	1
Paragraph Reference	3.10
Assigned to	Team Manager – Structures, Flooding and Design
Due Date	31 October 2016
Management Response	The current indicator is based on third party data which may change outwith the Service’s control. This indicator will be removed from North Ayrshire Performs and new indicators have been identified to replace it which are based on performance against the actions in the Local Flood Risk Management Plan.

Action	c
Action Description	The service should amend the target for the indicator “Number of reportable incidents (RIDDOR) per 100,000 employees” to ensure that it is challenging but achievable.
Risk	Performance target is not achievable.
Priority (1, 2, 3)	3
Paragraph Reference	3.24
Assigned to	Team Manager – Health and Safety
Due Date	31 March 2017
Management Response	The target will be reviewed as part of the Directorate Plan process, taking into consideration performance for 2015/16.

Priority Key used in Action Plan

1 (High)	Control weakness 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

EXECUTIVE SUMMARY REVENUES AND BENEFITS

Background

A review was carried out of the management and administration of the Council's Discretionary Housing Payments (DHP), Scottish Welfare Fund (SWF) and Council Tax Reduction Scheme (CTRS) as part of 2016/17 Internal Audit plan.

There is specific legislation to which the Council must adhere when awarding DHP, SWF and CTR. This audit focused on the award of these grants in line with legislation as well as the documented processes and procedures in place, the publicising of grants and discounts available and general administrative practices.

Key Objectives

The main objectives of this audit were to ensure that for DHP, SWF and the CTRS:

- Background information was available on the Council's external website.
- Performance information regarding take up and processing was produced accurately and timeously.
- Processes and procedures are documented adequately.
- Payments, grants and reductions have been processed and authorised 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:

- A consistent approach is not being used when calculating statistics reported to external bodies
- Procedures relating to DHP and SWF do not hold guidance on both the award process and step-by-step system notes, and there is no single procedure note in place for CTRS
- Processing times of claims are lengthy causing the issue of grants and discounts to be delayed
- The recovery of overpayments is not being carried out a regular basis

Audit Opinion

Based on the findings of this audit, a reasonable level of assurance can be placed within the control environment of the Revenues and Benefits working practices.

Improvements can be made and 9 action points have been created. 3 actions are rated as high priority, 3 as medium priority and 3 are rated as low priority.

ACTION PLAN REVENUES AND BENEFITS

Action	a
Action Description	The data used to calculate the expenditure figures relating to DHPs, should also be used to calculate the number of applications stated on the annual return submitted to the DWP.
Risk	Information relating to the uptake of the DHP scheme are inaccurately reported to external bodies.
Priority (1, 2, 3)	2
Paragraph Reference	3.3
Assigned to	Policy and Training Team Leader
Due Date	31 March 2017
Management Response	DHP application information from the Northgate system will be checked for accuracy and will be used for the 2016/17 DHP annual return. Supporting evidence relating to the number of applications detailed on the final DHP claim will be kept for audit purposes.

Action	b
Action Description	Procedures for DHP and Universal Credit DHPs should be updated to include guidance on how to make a decision on an application and how to process the details into the Northgate system. These should be issued out to all relevant employees. Further information should be added to both notes to show details relating to the version of the document.
Risk	Employees may not be aware how to administer DHPs.
Priority (1, 2, 3)	3
Paragraph Reference	3.7
Assigned to	Policy and Training Team Leader
Due Date	30 November 2016
Management Response	Both procedure notes will be updated with the required information and issued to relevant staff. Version control will be introduced.

Action	c
Action Description	SWF Internal Procedures should be updated to include details of the issue of food bank vouchers and detailed guidance on the administering of SWF grants, including notes on the information to be noted in the SWF system. The version information should be expanded to note all version details and these notes should be issued to employees.
Risk	Employees may not be aware how to administer SWF grants.
Priority (1, 2, 3)	3
Paragraph Reference	3.11
Assigned to	Policy and Training Team Leader
Due Date	30 November 2016
Management Response	The Scottish Welfare Fund procedures will be updated to reflect the required information and issued to relevant staff. Version control will be updated.

Action	d
Action Description	A procedure note should be developed providing guidance on the CTRS as a whole, with step by step direction on the processing of applications or amendments within the system and on the decision making process when deciding whether to reject or award an application. The information included in the various memos issued in 2013/14 should also be included where relevant.
Risk	Employees may not be aware how to administer Council Tax Reductions (CTR).
Priority (1, 2, 3)	3
Paragraph Reference	3.13
Assigned to	Policy and Training Team Leader
Due Date	31 January 2017
Management Response	A staff guide for CTR new claims and change of circumstance will be produced.

Action	e
Action Description	The Revenues and Benefits Team should endeavour to reduce processing times of DHP and CTR applications.
Risk	Claimants are being put under short-term financial pressures when an award of a DHP or CTR is delayed due to a backlog of claims.
Priority (1, 2, 3)	1
Paragraph Reference	3.16, 3.19, 3.35, 3.36 and 3.38
Assigned to	Benefits Team Manager
Due Date	31 March 2017
Management Response	The backlog of benefit claims is being addressed through a combination of overtime and filling of vacant posts. The benefits service has been subject to high levels of turnover and absence levels; both of which are being addressed. A resilience service with an external supplier is also being investigated to provide additional support during periods of backlog. The performance of the service is expected to improve once the new staff are in place and trained.

Action	f
Action Description	Decisions regarding DHP and CTR claims should be communicated to claimants in writing when required, and within appropriate timeframes.
Risk	Lack or delay in communication to claimants may result in them being unaware of the result of their application.
Priority (1, 2, 3)	1
Paragraph Reference	3.16, 3.19, 3.35, 3.36 and 3.38
Assigned to	Policy and Training Team Leader and Benefits Team Manager
Due Date	31 October 2016 for reminder note and 31 March 2017 for improved performance.
Management Response	Staff will be reminded to notify customers of the outcome of their DHP or CTR application as soon as the claim has been processed. The backlog of DHP and CTR claims is being addressed through a combination of overtime and filling of vacant posts and processing times will improve once new staff are in place and trained.

Action	g
Action Description	The Revenues and Benefits Team should attempt to administer the recovery of DHP overpayments within two months of it being discovered.
Risk	The Council is not recovering all funds due to them from overpayments.
Priority (1, 2, 3)	1
Paragraph Reference	3.22
Assigned to	Policy and Training Team Leader
Due Date	31 October 2016
Management Response	All staff will be reminded to process DHP overpayments promptly and not exceeding 2 months.

Action	h
Action Description	Clothing vouchers must be recorded on the appropriate spreadsheet on the day of purchase, and cross checked by another employee.
Risk	In the event a clothing voucher was unable to be located, no record would be held to show the voucher details to ensure it had not been issued out and in fact was located in the office.
Priority (1, 2, 3)	2
Paragraph Reference	3.30
Assigned to	Scottish Welfare Fund Team Leader
Due Date	31 October 2016
Management Response	All clothing vouchers will be recorded on the day of purchase and verified by another member of the SWF team.

Action	i
Action Description	Management should discuss options for purchasing clothing vouchers with the Corporate Procurement Unit.
Risk	Best value is not being achieved through the purchasing methods of clothing vouchers.
Priority (1, 2, 3)	2
Paragraph Reference	3.31
Assigned to	Benefits Team Manager
Due Date	30 November 2016
Management Response	Discussions will be held with Procurement to explore all options for purchasing clothing vouchers for the Scottish Welfare Fund.

Priority Key used in Action Plan

1 (High)	Control weakness 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

EXECUTIVE SUMMARY ACCOUNTS RECEIVABLE

Background

The audit was conducted as part of the 2016-17 audit plan.

Key Objectives

The main objectives of this audit were to ensure that:

- Adequate controls are in place over access to the Accounts Receivable system;
- Invoices are issued to customers accurately and promptly;
- Income is recorded properly and in a timely manner;
- Debt follow-up procedures and write offs are suitably controlled;
- Processes are in place for ledger review and reconciliation for the accounts receivable ledger.

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:

- In the past, staff have confirmed that they have read and understood the procedures to be followed when dealing with accounts receivable; however a refresh of this is required.
- Back up is not always available for invoices or credit notes that have been issued.
- A large number of invoices are for recurring charges and small sums due to the lack of a direct debit function on the current financial management system.
- Overpayments are not reviewed and dealt with in a timely manner.
- The debt write off procedure should be updated to reflect current processes in place.

Audit Opinion

The control environment for the issuing of invoices is generally satisfactory; a weakness was identified in relation to the capacity of the financial management system to deal with payment via direct debit. Improvements in this area should be addressed when implementing the new system.

Overall arrangements are in place for the management of receiving income and following up on debt; it was noted that supporting documentation could not be provided for all invoices requested, increasing the risk that outstanding debt cannot be recovered.

ACTION PLAN ACCOUNTS RECEIVABLE

Action	a
Action Description	All staff who have access to the Accounts Receivable module on Masterpiece should be asked to confirm they have read and understood the Sundry Debtors Policy.
Risk	Staff may not be aware of the procedures to be followed when raising invoices or credit notes.
Priority (1, 2, 3)	2
Paragraph Reference	3.2
Assigned to	Senior Manager Revenues and Benefits
Due Date	31 October 2016
Management Response	All Masterpiece users will be asked to confirm that they have read and understood the Sundry Debtors Policy.

Action	b
Action Description	Staff in services should be reminded of the importance of keeping supporting records and back up documentation in respect of invoices and credit notes.
Risk	Without appropriate records it may not be possible to recover the debt.
Priority (1, 2, 3)	1
Paragraph Reference	3.6
Assigned to	Senior Manager Revenues and Benefits
Due Date	31 October 2016
Management Response	All Masterpiece users will be asked to retain supporting records and back up documentation for their service for invoices and credit notes.

Action	c
Action Description	The process for issuing invoices for day care and home care should be reviewed to ensure that invoices are issued as promptly as possible
Risk	There is a delay in the Council receiving income due.
Priority (1, 2, 3)	2
Paragraph Reference	3.8
Assigned to	Senior Business Support Officer
Due Date	Complete
Management Response	Responsibility for the issuing and raising of Home Care and Day Care Accounts has been located centrally to one Business Support team within the Care at Home Business Unit. This process has been in place for since August and will be reviewed quarterly to ensure that improvements are maintained.

Action	d
Action Description	When the new financial management system is introduced consideration should be given to encouraging customers with recurring charges to pay direct debit if this is available.
Risk	A high volume of paper invoices are produced and issued needlessly.
Priority (1, 2, 3)	2
Paragraph Reference	3.9
Assigned to	Senior Manager Revenues and Benefits
Due Date	30 June 2017
Management Response	The new FMS system is expected to be implemented by April 2017. Payment by direct debit is a system option and this will be encouraged for all customers with a recurring charge.

Action	e
Action Description	A set timescale should be introduced for reviewing and taking action in relation to overpayments.
Risk	Customers are not being refunded sums owed to them
Priority (1, 2, 3)	2
Paragraph Reference	3.10
Assigned to	Senior Manager Revenues and Benefits
Due Date	30 June 2017
Management Response	Resource in the debt recovery team is being used to implement the new FMS system and this is not an area that can be introduced and achieved until the new system is in place. The new system is expected to simplify the refund process and this will reduce time spent on overpayments and therefore make an agreed timescale more achievable. A timescale will be set once the new process refund has been implemented around April 2017. In the meantime refunds will continue to be processed on request.

Action	f
Action Description	The Codes of Financial Practice should be updated to reflect the current practice that bad debts are written off on an annual basis.
Risk	Inaccurate information is communicated to staff.
Priority (1, 2, 3)	2
Paragraph Reference	3.15
Assigned to	Senior Manager (Internal Audit, Risk and Fraud)
Due Date	31/12/2016
Management Response	The Financial Regulations and Codes of Financial Practice are currently being refreshed and will be submitted for Council approval in December 2016. This change will be reflected in the updated document.

Priority Key used in Action Plan

1 (High)	Control weakness 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

EXECUTIVE SUMMARY

FINANCIAL INTERVENTION ORDERS

Background

A Financial Intervention Order is a court based appointment authorising an individual to take action or decisions on behalf of an adult who does not have capacity to do this for themselves. An intervention order may cover several aspects of the adult's property, financial affairs and/or personal welfare and runs for a period of time specified by the Sheriff Court. Anyone claiming an interest in the property, financial affairs or personal welfare of an adult can apply.

Where the Sheriff Court grants the Council the power to act as financial intervener on behalf of an adult with incapacity, the named intervener will be the Head of Finance or the Senior Manager (Financial Management), who delegate the powers to a named officer within Financial Management to carry out the required actions.

Corporate Appointees are often local authorities and provide an Appointeeship service when a suitable family member or friend is unavailable or unable to take over the daily money management services of the person in need of an appointee. Corporate Appointees need to be approved by the Department for Work and Pensions (DWP) as the appointee is responsible for receiving benefit payments on behalf of the individual they are representing.

Key Objectives

The main objectives of this audit were:

- To ensure that there is awareness of the legislative background of Financial Intervention Orders and Corporate Appointeeships;
- To provide reasonable assurance that there are written procedures in place to ensure that governance arrangements surrounding Financial Intervention Orders and Corporate Appointeeships are adequate;
- To ensure that Financial Intervention Orders and Corporate Appointeeships have been granted and are operated within the conditions of the order.
- To ensure that Financial Intervention Orders and Corporate Appointeeships are administered 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:

- Financial Intervention Orders and DWP Corporate Paying Body Operational Procedures and Forms are not up to date and do not accurately reflect current working processes;
- All documentation relating to Financial Intervention Orders and Corporate Appointeeships is not being saved in the relevant adult's electronic file.

Audit Opinion

No major areas of concern were identified in the Council's operation of Financial Intervention Orders and Corporate Appointeeships; however, implementation of the recommendations contained in the attached action plan will improve the administration process and ensure that there is a full audit trail to demonstrate compliance with the conditions of each intervention order.

ACTION PLAN FINANCIAL INTERVENTION ORDERS

Action	a
Action Description	The Financial Management team should update their written Financial Intervention Orders procedures to ensure that they describe the current processes actually followed. In addition The Financial Management team should ensure that all documents referred to in the procedures are actually used or clarify that they are for reference purposes only.
Risk	Procedural document is incomplete; correct procedures may not be followed.
Priority (1, 2, 3)	2
Paragraph Reference	3.3, 3.4, 3.6, 3.29, 3.54
Assigned to	Senior Manager (Financial Management)
Due Date	31 st December 2016
Management Response	At the time of the audit the procedures were in the process of being updated to reflect improvements that had been made and the introduction of the new Corporate Appointeeship process. The procedure will be updated and reviewed to ensure fit for purpose.

Action	b
Action Description	The index log should be amended to ensure that the details from the final Financial Intervention Order are recorded, and care should be taken to ensure that all future entries are entered correctly, match the dates on the order and where an interim order in in place, are updated to with the details on the final order.
Risk	Action may be carried out outwith the date of the order.
Priority (1, 2, 3)	2
Paragraph Reference	3.12, 3.13
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	A new column has been added to the index log to detail the exit strategy as not all orders will have end dates. This step will be included in the new procedures.

Action	c
Action Description	The Financial Management Team must ensure that copies of all Financial Intervention Orders are on file so that the details in the order match details recorded in the index log.
Risk	Actions may be carried out outwith the date of the order.
Priority (1, 2, 3)	2
Paragraph Reference	3.12, 3.14
Assigned to	Senior Manager (Financial Management)
Due Date	31 st December 2016
Management Response	At the time of the audit there was a backlog of documents to be scanned into the electronic files, paper files were available. The back log will be cleared by end of December 2016.

Action	d
Action Description	The Financial Management Team must update the records on file to ensure that the Power of Attorney forms are the authorised version, and care should be taken to ensure that all future saved forms are the authorised versions.
Risk	2
Priority (1, 2, 3)	Evidence may not be available to prove forms have been authorised.
Paragraph Reference	3.19
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	In this instance the signed version was passed to the bank prior to saving. For future cases care will be taken to ensure the form is saved in the correct electronic file, this step will be reflected in the new revised procedure.

Action	e
Action Description	The Financial Management team should take action to ensure that arrangements are put in place for the Financial Intervention Order which is approaching the end date, and evidence of the action taken should be filed in the appropriate electronic file.
Risk	Health and Social Care may be unaware of the end date of the Financial Intervention order; adult may not receive the level of assistance required.
Priority (1, 2, 3)	1
Paragraph Reference	3.26, 3.27
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	The new exit strategy column within the index will state the actions being taken for Financial Intervention Order or Appointeeship. A new procedure has been implemented which will identify a potential exit strategy from the outset of the Financial Intervention Order process and with continual review of this throughout the lifespan of the Order.

Action	f
Action Description	A separate sub-folder should be created to hold receipts / back-up documentation for items of expenditure and income.
Risk	Difficult to find receipts in current filing structure.
Priority (1, 2, 3)	3
Paragraph Reference	3.30, 3.55
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	A new sub folder has been created to allow ease of access to receipts within each new and existing individual electronic file.

Action	g
Action Description	The Financial Management Team should take action to ensure that a copy of the letter to the bank from the Health and Social Care Partnership confirming the identification of the client is filed, and care should be taken to ensure that future letters are also filed.
Risk	Evidence may not be available to prove forms have been authorised
Priority (1, 2, 3)	3
Paragraph Reference	3.42, 3.43
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	On a couple of occasions the Social Work team have sent the letter direct to the Clydesdale Bank instead of to the Finance Assistant to take direct to the Bank with other approved documents. In these instances copies of the letter were obtained from the Bank. The service have been advised of the correct process and this will be monitored closely to help avoid reoccurrences.

Action	h
Action Description	The Financial Management Team should ensure that back-up documentation for the receipt of a substantial amount of money is added to the client's file, and care should be taken to ensure that receipts are filed for income and expenditure at all times.
Risk	Council may not be able to show they are looking after client's finances adequately.
Priority (1, 2, 3)	1
Paragraph Reference	3.46, 3.47
Assigned to	Senior Manager (Financial Management)
Due Date	Complete
Management Response	In this instance back up documentation was available in an email, this was not scanned and filed in the electronic client's file due to the backlog of filing. This has now been addressed.

Action	i
Action Description	The Financial Management Team should ensure that the written procedures in relation to the Corporate Appointeeships (DWP CPaB) are completed.
Risk	Procedural document is incomplete; correct procedures may not be followed.
Priority (1, 2, 3)	1
Paragraph Reference	3.53
Assigned to	Senior Manager (Financial Management)
Due Date	31 st December 2016
Management Response	Corporate Appointeeships is a new service. Development of a process and procedure is currently evolving. A defined process will be put in place and included within the new amended Financial Intervention Order procedure.

EXECUTIVE SUMMARY

INFORMATION GOVERNANCE

Background

The Records Management Unit (RMU) has recently moved to new premises. They currently use an MS-DOS based database called RecMan. A replacement database is presently being developed in-house by the Council's IT team.

Key Objectives

The main objectives of this audit were to:

- Review the efficiency of processes used by Council Services and within the Records Management Store for depositing, accessing and disposing of records
- Consider the security of records in transit to and from the Store

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 new database is expected to allow improved efficiency, in particular by reducing the amount of double-keying
- Information given to services on the Information Governance Connects pages could be improved to ensure it is up-to-date and to try to reduce the amount of time RMU staff spend giving out advice and correcting errors
- The Information Handling Guidelines on Connects should either be withdrawn or updated as they appear to duplicate the more up-to-date Information Classification Guidelines
- Statistics published by the Information Commissioner's Office show that in April-June 2016, the 2nd most prevalent cause of incidents reported to them (excluding the "other" category) was loss or theft of paperwork. Advice is available to officers on security of hard copy records in transit, but it could be presented in a way that is easier to find.

Audit Opinion

No control issues were identified in the review of the work of the Records Management Unit. The introduction of a new database should allow some improvements in the efficiency of processes. The advice given to officers regarding transporting hard copy records securely could be better highlighted.

ACTION PLAN INFORMATION GOVERNANCE

Action	a
Action Description	Information regarding Records Management on the Information Governance Connects pages should be reviewed to ensure that it is up-to-date and as easy to follow as possible for employees who are new to the processes.
Risk	Information given to employees is out-of-date. RMU staff have to spend additional time correcting errors or giving out guidance which could have been avoided
Priority (1, 2, 3)	3
Paragraph Reference	3.4
Assigned to	Information & Records Management Officer
Due Date	31/12/16
Management Response	Agreed

Action	b
Action Description	The process for retrieving records should be reviewed, if possible including the use of the new database for recording retrievals.
Risk	The process uses more officer time than necessary.
Priority (1, 2, 3)	3
Paragraph Reference	3.5, 3.6
Assigned to	Information & Records Management Officer
Due Date	30/9/17
Management Response	Agreed. We will incorporate a review of records retrieval into the development and implementation of the new Records database. We are currently discussing timescales with IT Services for delivery of the database.

Action	c
Action Description	The Information Handling Guidelines on Connects should either be withdrawn or updated
Risk	Officers are following out-of-date advice and therefore may be handling information inappropriately.
Priority (1, 2, 3)	3
Paragraph Reference	3.10
Assigned to	Information & Records Management Officer
Due Date	31/12/16
Management Response	Agreed

Action	d
Action Description	The Information Governance team should consider producing guidance to be published on Connects for officers on security of hard copy records when taken out of the office.
Risk	Loss or theft of paperwork leading to a breach of the Data Protection Act or release of other sensitive information. Breach of Council Policy in relation to Information Security
Priority (1, 2, 3)	2
Paragraph Reference	3.11
Assigned to	Information & Records Management Officer
Due Date	31/12/16
Management Response	Agreed

Priority Key used in Action Plan

1 (High)	Control weakness 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

EXECUTIVE SUMMARY INCOME COLLECTION SYSTEM

Background

A review of the Council's income collection system (PARIS) was conducted as part of the 2016/2017 audit plan.

14 locations now use the PARIS receipting system. 3 of these were selected for detailed testing which were:

- Kilbirnie Housing Office
- Saltcoats Town Hall
- Millport Local Office

Key Objectives

The main objectives of this audit were to ensure that:

- bank lodgements are being reconciled to the bank statements;
- cash differences are reported in line with procedures;
- adequate access controls are in place;
- transactions are recorded properly;
- reversals and negative transactions are processed in line with procedures;
- money laundering procedures are being followed.

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's Money Laundering Procedure is not being adhered to. There were 4 cash payments over £3,000 in the last 12 months and none of the cashiers involved requested identification from the customers.
- There will shortly be a pilot project to stop accepting cash payments over the counter at Bridgegate and install machines to accept cash payments. Consideration needs to be given, as part of this project, as to how the Money Laundering Procedure will be followed.
- From 318 system users, 11 were identified who no longer work for the Council
- From a sample of 36 users, 3 were identified who no longer require access to the system for their job roles
- A system of regular review of users will be introduced.

Audit Opinion

In general, the three sample cash collection locations were found to be following the required procedures. It was found that across the Council, cashiers from both Housing and Customer Services had failed to follow the Council's Money Laundering Procedure as they did not request identification from customers paying more than £3,000 in cash.

It was found that there were a small number of users in the user listing provided who had left the Council or changed roles and therefore no longer required access to the system. There is currently no system of regular review of users, although notification of leavers is received automatically each month from the CHRIS payroll system and amendments made.

ACTION PLAN INCOME COLLECTION SYSTEM

Action	a
Action Description	The system administrator should ensure that the list of current users is regularly reviewed to ensure that the security matrix is correct and that users set up in the system are current employees and they still require access to the system, for example by sending lists of users out to services for review
Risk	Employees who leave the Council or who no longer require PARIS access for their jobs still have access to the system
Priority (1, 2, 3)	2
Paragraph Reference	3.5, 3.6, 3.7, 3.8
Assigned to	Place Performance Administrator
Due Date	31/12/16
Management Response	<p>It is proposed to introduce the following process to periodically check that Paris users are still in relevant roles:</p> <ul style="list-style-type: none"> - the employee number will be included on the security matrix - a report will be run from Chris including the employee number, name and service - there will then be a data match between this report and the matrix - any changes will be actioned by contacting the service and asking if the user still requires Paris - the matrix will then be updated to reflect any changes <p>This will be set-up by IT and will be an automated process, to be run every 6 months.</p>

Action	b
Action Description	Housing and Customer Services should remind all employees handling cash that they must be familiar with the Council's Money Laundering Procedure, including the requirement to obtain identification from customers paying £3,000 or more in cash.
Risk	The Council's Money Laundering Procedure is not adhered to. The Council accepts cash which is proceeds of crime.
Priority (1, 2, 3)	1
Paragraph Reference	3.20
Assigned to	Operational Manager (Customer Service Centres), Team Manager -Business Planning
Due Date	30/09/16 (Customer & Digital Services) 31/10/16 (Housing)
Management Response	<p><u>Customer & Digital Services</u>: All front facing staff to receive a brief to recap on the Money Laundering Procedure.</p> <p><u>Housing</u>: Office visits will be carried out by the Business Planning team to review financial management processes including cash handling locations within Housing. The next visits will take place at the end of August and September. Money laundering procedures will be revisited during these visits. Cash handling training is mandatory for all new staff with this responsibility. All existing staff have been on the training. Managers will continue to liaise with the Place Performance Team who progress all training courses for Housing staff.</p>

Action	c
Action Description	Customer Services should consider as part of the project to introduce machines that take cash payments in Council offices, how they could follow the Council's Money Laundering Procedure. For example, will the machines require authorisation from an officer who has viewed identity documents to accept payments over £3,000?
Risk	The Council's Money Laundering Procedure is not adhered to. The Council accepts cash which is proceeds of crime.
Priority (1, 2, 3)	2
Paragraph Reference	3.21
Assigned to	Team Manager, Customer Services
Due Date	31/03/17
Management Response	This has been picked up as part of the cash collection project and the money laundering procedure will be built into the process for making payment to the self-service cash machines to ensure that appropriate checks are completed by a member of staff before allowing payment to be made.

Priority Key used in Action Plan

1 (High)	Control weakness 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

NORTH AYRSHIRE COUNCIL

Agenda Item 7

14 November 2016

Audit and Scrutiny Committee

Title:	Internal Audit and Corporate Fraud Action Plans: Quarter 2 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 September 2016.
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 Covalent system and service managers are responsible for updating Covalent 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 September 2016.

2. Background

- 2.1 The last report to the Audit Committee on 22 August 2016 highlighted that there were 73 actions outstanding at the end of June 2016: 5 that had not been started or were only partially implemented and 68 where the due date had not yet passed.

- 2.2 In addition to these 73 'carried forward' actions, there have been 44 new actions agreed during quarter 2, giving a total of 117 action points for review.
- 2.3 Services have completed 42 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 75 actions, 15 were either not started or only partially complete at 30 September and the remaining 60 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 15 actions that were not complete within the agreed timescales.

3. Proposals

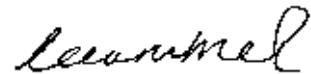
- 3.1 It is proposed that the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those services that have not implemented actions within the previously agreed timescales.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	The effective implementation of agreed Internal Audit actions helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	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)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

Actions due by 30th September but not started or partially complete

Generated on: 25 October 2016

Code	IA2015PA031d	Description	The Information Governance Manager should review the arrangements for destroying confidential waste at all locations across the Council, with a view to ensuring that there are established arrangements for confidential waste at all locations, whilst also raising awareness of confidential waste disposal policies.		
Priority	1	Latest Note	2016/17- Quarter Two Update: Unfortunately due to other priorities and summer leave, there has been no further progress. It is expected that this action will be completed by the end of Q3.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	30-Jun-2015	Due Date	30-Sep-2016
Parent Code & Title	IA2015PA031 Information Management and Data Protection			Managed By	Andrew Fraser
				Assigned To	Iona Carcary

Code	IA2015PA031h	Description	The Information Governance section should ensure that there are suitable procedures in place relating to the handling of confidential waste in vacated properties.		
Priority	1	Latest Note	2016/17- Quarter Two Update: Formal 'walk-throughs' of vacated offices and the provision of additional guidance at Perceton House and Psychological Services have been completed. This action is not complete as we have identified other Council properties that will be vacated during the rest of this FY. We will continue to liaise with the relevant services to provide targeted guidance.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-May-2015	Due Date	30-Sep-2016
Parent Code & Title	IA2015PA031 Information Management and Data Protection			Managed By	Andrew Fraser
				Assigned To	Iona Carcary

Code	IA2016PA001a	Description	Customer Services should liaise with Employment Services to define the timescales that should be attributed to HR transactions processed through LAGAN. These rules should be built into the LAGAN system so that transactions that have met their retention timescale are removed from the system and disposed of via secure means.		
Priority	2	Latest Note	2016/17- Quarter Two Update: A working group has been set up within HR to review and refresh the data retention schedule. Due to the implementation of changes resulting from the Talentlink project the target completion date will be 28/02/17 in line with the project.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Jul-2016	Due Date	31-Jul-2016
Parent Code & Title	IA2016PA001 HR/Payroll System			Managed By	Gavin MacGregor
				Assigned To	Jackie Hamilton
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	Due to payroll processing issues with previous upgrade versions of the Version 8 software we were advised by the software company to wait until 8.10.02 upgrade due for early release to NAC at the end of August. The upgrade was only made available on 20th August and IT have encountered some issues with installing the software. These should be resolved by 30th September and a working test system will be available. Full system testing, including the password reset and format are scheduled to begin in October 2016. Projected go live date for implementation to the live system is the end of November 2016, however this date is subject to the outcomes of the full system functionality testing.		
Progress Bar	<div><div>20%</div></div>	Original Due Date	30-Sep-2016	Due Date	30-Sep-2016
Parent Code & Title	IA2016PA001 HR/Payroll System			Managed By	Gavin MacGregor
				Assigned To	Karen Clarke

Code	IA2016PA008c	Description	The contract document for partner providers should be amended for future years to say that where partner organisations are exempt from audit under the Companies Act, they should provide suitable unaudited accounts prepared by a qualified accountant, including a statement explaining why they are exempt from audit.		
Priority	2	Latest Note	2016/17- Quarter Two Update: The current contract for 2016/17 has not been amended to reflect/request the addition of those partners accounts identified as exempt from audit under the Companies Act. A covering letter will be drafted to notify all private and voluntary EY partners of this change. For financial year end 2015/16 all financial reports for P+V partners have been submitted. It is anticipated that the letter will be issued by 31 October 2016 and the amended contracts will be issued at the point of contract renewal in April 2017.		
Progress Bar	<div><div>85%</div></div>	Original Due Date	31-Jul-2016	Due Date	31-Jul-2016
Parent Code & Title	IA2016PA008 Early Years Service			Managed By	Caroline Amos
				Assigned To	Frances Rodman
Code	IA2016PA021a	Description	The Corporate Transport Hub, supported by Legal Services, should continue to liaise with SPT to finalise a mutually acceptable Agency Agreement and have this signed at the earliest opportunity.		
Priority	1	Latest Note	2016/17- Quarter Two Update: The Transport Hub and Legal Section have continued to engage with SPT to ensure that the Agency Agreement formalise the Councils expectations relating to performance. As such a DRAFT Service Level Agreement is being prepared for consideration and comment. Further clarification was sought by SPT in relation to the Data Sharing and ICT Security which have been passed to SPT for consideration.		
Progress Bar	<div><div>70%</div></div>	Original Due Date	31-Mar-2016	Due Date	30-Sep-2016
Parent Code & Title	IA2016PA021 Transportation			Managed By	Andrew Fraser; Russell McCutcheon
				Assigned To	Susan Adamson; Gordon Mitchell; Nicola Shearer

Code	IA2016PA021b	Description	The Corporate Transport Hub should ensure a data sharing agreement is in place with both SPT and contractors.		
Priority	1	Latest Note	2016/17- Quarter Two Update: This will be implemented in line with action IA2016PA021a above as SPT require to consider NAC requirements.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-May-2016	Due Date	30-Sep-2016
Parent Code & Title	IA2016PA021 Transportation			Managed By	Russell McCutcheon
				Assigned To	Susan Adamson; Gordon Mitchell

Code	IA2016PA023a	Description	Services should be issued with current guidance on maintenance procedures. This guidance should be made available on Connects.		
Priority	3	Latest Note	2016/17- Quarter Two Update: Updating the Asset Guidance for services, and the subsequent communication of this across the Council, is currently being progressed as part of the implementation of the recommendations of the Strategic Property Asset Review. The updated guidance will be published following formal approval of the Property Asset Management Plan, which is being reported to Cabinet on 5 th December 2016. The guidance will be issued to the Executive Directors to cascade to staff. PMI will also liaise with the Communications Team to ensure it is communicated through appropriate channels (ie. Connects, newsletters etc).		
Progress Bar	<div><div>90%</div></div>	Original Due Date	31-Aug-2016	Due Date	31-Aug-2016
Parent Code & Title	IA2016PA023 Corporate Landlord - Maintenance			Managed By	Yvonne Baulk
				Assigned To	Laurence Cree

Code	IA2016PA028a	Description	Senior Management should review the current practices in place to establish a corporate approach for all services to ensure all officers who may undertake a role which leaves them open to conflicts of interest are identified and make an annual declaration of their interests. A record of these declarations should be maintained.		
Priority	2	Latest Note	2016/17- Quarter Two Update: A full review of the Council's Governance documents will be undertaken prior to the May 2017 Local Government Election, and as part of this a new employee register of interests will be introduced.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	30-Sep-2016	Due Date	30-Sep-2016
Parent Code & Title	IA2016PA028 Review of Corporate Governance			Managed By	Andrew Fraser
				Assigned To	Andrew Fraser
Code	IA2016PA028c	Description	Senior Management should ensure that the Stakeholder Model is completed so that a full database of all stakeholders with which the authority should engage is known. Following this the Council should put in place a process for evaluating the effectiveness of the relationships in place and where appropriate identify any opportunities for improvement.		
Priority	3	Latest Note	2016/17 Quarter 2 Update: A review of existing stakeholders will be completed shortly. An app has been developed to meet the needs of the stakeholder mapping and monitoring project and is now being beta tested before being demonstrated to the ELT and Heads of Service for sign off. Projected completion date: 30th November 2016 A process for evaluating the effectiveness of the relationships in place and where appropriate identifying any opportunities for improvement is currently under way, based on completion of stage 1 (above). Projected completion date: 30th December 2016		
Progress Bar	<div><div>80%</div></div>	Original Due Date	30-Apr-2016	Due Date	30-Apr-2016
Parent Code & Title	IA2016PA028 Review of Corporate Governance			Managed By	Audrey Sutton
				Assigned To	Audrey Sutton

Code	IA2016PA029a	Description	The self-assessment questionnaire completed by Internal Audit (Appendix 1) should be presented to the Serious Organised Crime and Counter Terrorism Working Group for their information and action.		
Priority	1	Latest Note	2016/17- Quarter Two Update: While the Counter-terrorism sub working group has regularly met, a meeting of the full group will be convened once Police Scotland have completed their review of the Contest (Counter Terrorism) and Serious and Organised Crime Implementation Plan. This is expected in the near future.		
Progress Bar	<div><div></div></div>	Original Due Date	31-Jul-2016	Due Date	31-Jul-2016
Parent Code & Title	IA2016PA029 Serious Organised Crime			Managed By	Andrew Fraser
				Assigned To	Andrew Fraser

Code	IA2016PA029j	Description	The Team Manager (Corporate Procurement) should consider producing written guidance for her team regarding requirements in relation to SOC in purchasing, such as high risk categories of purchase where it might be appropriate to contact the Police for further advice		
Priority	2	Latest Note	2016/17- Quarter Two Update: The Procedure has been completed and circulated amongst the team but Police Scotland are still to confirm their response timescales. A number of reminders have been sent.		
Progress Bar	<div><div>95%</div></div>	Original Due Date	30-Jun-2016	Due Date	30-Jun-2016
Parent Code & Title	IA2016PA029 Serious Organised Crime			Managed By	Margaret Hogg
				Assigned To	Anne Lyndon

Code	IA2016PA029k	Description	The SOCCT Working Group and Corporate Procurement Unit should consider preparing and issuing guidance relating to Serious Organised Crime and Procurement to be issued to officers with purchasing responsibilities outwith the CPU		
Priority	2	Latest Note	2016/17- Quarter Two Update: The document has been drafted and circulated within CPU. Agreement is awaited from Police Scotland re timelines before distributing further. A number of reminders have been sent.		
Progress Bar	<div><div>50%</div></div>	Original Due Date	31-Jul-2016	Due Date	31-Jul-2016
Parent Code & Title	IA2016PA029 Serious Organised Crime			Managed By	Andrew Fraser; Margaret Hogg
				Assigned To	Andrew Fraser; Anne Lyndon

Code	IA2016PA030h	Description	North Ayrshire Council should request the Pan-Ayrshire information Governance Board to establish record retention policies for the AYRshare system.		
Priority	1	Latest Note	Retention times were agreed at a Pan-Ayrshire meeting of the Information Governance and practitioner representatives. At age 25, records will be reviewed and, if required, appropriate information will be transferred to other systems prior to deletion from AYRshare. A paper on this will be submitted to the Programme Board and Data Sharing Partnership in November.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	30-Sep-2016	Due Date	30-Sep-2016
Parent Code & Title	IA2016PA030 GIRFEC			Managed By	Stephen Brown
				Assigned To	Stephen Brown

Code	IA2016PA031a	Description	All Health and Safety recommendations made as a result of an audit should be recorded on Covalent, the Council's performance management system.		
Priority		Latest Note	2016/17- Quarter Two Update: The audits have been completed and Health and Safety will liaise with the Performance Team to upload the actions onto Covalent. This new process will be in place by the end of November 2016.		
Progress Bar	<div><div>50%</div></div>	Original Due Date	31-Aug-2016	Due Date	31-Aug-2016
Parent Code & Title	IA2016PA031 Health and Safety			Managed By	Gavin MacGregor; Ainsley Young
				Assigned To	Susan Monaghan; James Walls

NORTH AYRSHIRE COUNCIL

Agenda Item 8

14 November 2016

Audit and Scrutiny Committee

Title: **Internal Audit Plan 2016/17: Mid-year Progress**

Purpose: To update the Committee on progress as at 30 September 2016 in delivering the 2016/17 Internal Audit plan.

Recommendation: That the Committee notes the position at 30 September 2016.

1. Executive Summary

- 1.1 The current Internal Audit plan, covering the period April 2016 to March 2017, was approved by the Audit Committee in February 2016. The plan sets out the areas of work which Internal Audit intends to cover during the current financial year.
- 1.2 This report updates the Committee on the actual position at 30 September 2016.

2. Background

- 2.1 Appendix 1 to this report is the approved audit plan for 2016/17. For each audit, additional information has been provided to show the actual audit activity to 30 September and for completed audits, dates when the final report was published and reported to the Committee.
- 2.2 As the information provided is at 30 September and the audit team has continued to work on delivering the plan, further progress has been made and some of the audits that were incomplete at that date have now been finalised and are reported to the Committee elsewhere on the agenda.
- 2.3 20 reports have been published during the first half of 2016/17; 16 of these were from the 2015/16 plan and the remaining 4 have been completed from the current plan. A further 4 reports were at draft stage at 30 September, 2 audits were being worked on and the remaining planned audits are scheduled during the second half of 2016/17. The Audit Committee agreed the withdrawal of a number of audits from the plan at its last meeting on 22nd August due to a reduction in available resources in Internal Audit.

- 2.4 12 of the 20 audits published during the first half of 2016/17 (60%) have been completed within the budgeted days; this is below the target of 75%. Three of the eight assignments that exceeded the budget required some additional planned time once the audit commenced as they were more complex than originally anticipated and the others were only marginally over budget. Each audit is closely monitored as it progresses.
- 2.5 The 'cost per productive audit day' has been calculated for 2015/16 as £387.37; in 2014/15, the equivalent cost per day was £310.67. The increase can mainly be attributed to the use of an external organisation to assist in delivering the 2015/16 audit plan due to part-year vacancies within the team.

3. Proposals

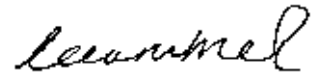
- 3.1 It is proposed that members note the progress made to 30 September in delivering the 2016/17 Internal Audit plan.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

- 5.1 The relevant services are consulted on Internal Audit findings during each audit assignment. No additional consultation has been required in the preparation of this report.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

**NORTH AYRSHIRE COUNCIL
INTERNAL AUDIT PLAN 2016-17**

PROGRESS REPORT at Quarter 2

PRODUCTIVE TIME - AUDIT PLAN

Key Corporate Systems	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
CHRIS HR/Payroll system	Examine a range of controls in the HR/Payroll system.	15	0	15	Combined with Supply Teachers audit below		
Accounts Receivable	Examine a range of controls in the Accounts Receivable system.	15	14	1	Draft report issued		14/11/2016
Procurement and Accounts Payable	Review controls within the Procurement and Accounts Payable section.	15	0	15	Planned Q4		
VAT	Carry out a review of the Council's VAT arrangements.	15	6	9	Fieldwork ongoing		
Income Collection system	Examine a range of controls in the PARIS income collection system.	15	14	1	Finalised	02/09/2016	14/11/2016
TOTAL AUDIT DAYS		75	34				

Other Systems	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Licensing	Review processes within the Licensing section.	20	20	0	Finalised	28/07/2016	22/08/2016
Members Allowances and Expenses	Consider the controls that are in place around the payment of allowances and expenses to the Council's elected members.	15	0	15	Audit withdrawn from plan	n/a	n/a
European grant income	Review controls in relation to the use of European grant income by Economic Growth.	20	0	20	Planned Q4		
Supply teachers	Examine the controls around the Council's use of supply teachers.	15	0	15	Planned Q3		
Revenues and Benefits (inc. Welfare Reform)	Review controls in relation to the Scottish Welfare Fund, Discretionary Housing Payments and the Council Tax Reduction Scheme.	20	14	6	Draft report issued	18/10/2016	14/11/2016
Business Continuity	Consider the adequacy of the Council's Business Continuity arrangements.	15	0	15	Audit withdrawn from plan	n/a	n/a
Revenue Budget Monitoring	Review the effectiveness of revenue budget monitoring arrangements within one of the Council's directorates.	15	0	15	Planned Q4		
Financial Intervention Orders	Review the administration of Financial Intervention Orders within the Health and Social Care Partnership and Finance.	15	14	1	Draft report issued		14/11/2016
Self Directed Support	Review the use of 'Self Directed Support' to provide assurance that appropriate controls are in place and operating effectively.	20	20	0	Finalised	23/09/2016	14/11/2016
Clients funds	Examine the controls that are in place around the handling of funds belonging to clients of the Health and Social Care Partnership, both by Council employees and external contractors.	15	0	15	Planned Q4		
Carefirst system	Examine the use of the Carefirst system by the Health and Social Care Partnership.	25	0	25	Planned Q3		
Health and Social Care Partnership	Carry out audit work within the Health and Social Care Partnership as agreed by the Performance and Audit Committee of the Partnership.	15	2	13	Planned Q3		
Building services systems	Examine the use of IT systems within Building Services.	15	0	15	Audit withdrawn from plan	n/a	n/a
Asset Management (inc. Asset Register systems)	Review the Council's asset management arrangements.	20	0	20	Planned Q3		
Commercial and industrial rents	Review the governance arrangements and processes around commercial and industrial property rentals.	20	0	20	Audit withdrawn from plan	n/a	n/a
TOTAL AUDIT DAYS		265	70				

ICT Auditing	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Internet and e-mail controls	Examine controls in relation to e-mail across both the Council and Education networks.	25	0	25	Planned Q3		
Telecommunications	Review a range of controls in relation to Agile Working across the Council, including remote and wireless access to networks and systems.	25	0	25	Planned Q4		
TOTAL AUDIT DAYS		50	0				

Governance	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Information Governance and Data Protection	Review aspects of the Council's Information Management and Data Protection arrangements.	15	11	4	Draft report issued		14/11/2016
Community Capacity building	Consider the arrangements that the Council has in place with a number of local Community Associations.	15	0	15	Planned Q4		
Leavers process	Examine processes that are in place in relation to employees who leave the Council, including removal from IT systems and networks.	15	5	10	Fieldwork ongoing		
TOTAL AUDIT DAYS		45	16				

Performance Monitoring	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Performance Indicators	Provide assurance on the robustness and accuracy of a sample of indicators.	20	15	5	Finalised	23/09/2016	14/11/2016
TOTAL AUDIT DAYS		20	15				

Regularity Audits	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Secondary Schools	Review financial controls within the Council's secondary schools using self-assessment audit questionnaires and investigate any concerns which arise.	25	0	25	Delay until 2017/18	n/a	n/a
Income Collection	Carry out a review of the controls within a range of income collection establishments, with a particular focus on those which do not use the corporate income collection system, PARIS.	20	0	20	Delay until 2017/18	n/a	n/a
TOTAL AUDIT DAYS		45	0				

Following the Public Pound	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16
Community Councils	Annual audit of Community Councils accounts' to ensure Council funding is used in accordance with the Council's Scheme of Administration.	10	2	8	As required.
Tenants and Residents Associations	Annual audit of the accounts of various Tenants and Residents Associations.	2	3	-1	As required.
TOTAL AUDIT DAYS		12	5		

Other Work	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16
Prior year audit work	Completing audits from the previous year's audit plan that were not fully complete by the end of March 2016.	30	63	-33	All 15/16 audits were finalised within Q1.
Audit consultancy: ad-hoc advice	Providing advice to council services in response to ad-hoc queries	10	4	6	As required.
Audit consultancy: project work	Participating in project work to support developments in other council services.	65	8	57	As required.
Follow-up	Follow up of previous audit reports to ensure that appropriate action has been taken.	20	3	17	As required.
Audit planning and monitoring	Preparing audit plans and monitoring progress and performance against plans.	20	9	11	As required.
Audit Committee and Cabinet Governance documents	Supporting the Council's Audit Committee and Cabinet by preparing reports, attending meetings and delivering training for elected members as required.	25	11	14	As required.
Development of the Audit service	Review of governance documents	5	0	5	As required.
Internal Audit self-assessment against PSIAS	Carry out developmental work to further enhance the efficiency of the audit section.	5	2	3	As required.
Internal Audit EQA (assess or being assessed)	Undertake a quality assurance programme for Internal Audit in line with the requirements of the Public Sector Internal Audit Standards (PSIAS).	2	0	2	As required.
Grant claims	Participate in the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) review network for the external quality assessment programme.	10	1		Assessment scheduled 9 November 2016
Annual Accounts	Certification of expenditure funded by specific grants from external funding bodies	5	0	5	As required.
TOTAL AUDIT DAYS	Work in relation to the Council's annual accounts, including stock counts, reviewing imprests and preparing the Annual Governance Statement.	5	1	4	As required.

TOTAL	PRODUCTIVE TIME - AUDIT PLAN	714	242
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PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS

Special Investigations	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Investigation - Aids and adaptations works			24		Fieldwork ongoing		

TOTAL	PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS	25	24
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PRODUCTIVE TIME - RESERVE AUDITS

Reserve Audits	Audit Objective	Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16	Final Report issued	Report to Audit and Scrutiny
Library and Information service	Review a range of controls within the Library and Information service.	15	0	15	n/a		
Environmental Health	Review a range of controls within the Council's Environmental Health service.	15	0	15	n/a		
Throughcare payments	Examine the controls around Throughcare payments within Finance and the Health and Social Care Partnership.	10	0	10	n/a		
Vehicle replacement	Review the Council's vehicle replacement programme.	15	0	15	n/a		
Council house building and buyback programmes	Review the Council's house building and buyback programmes.	15	0	15	n/a		
Covalent system	Carry out a review of the controls around the Council's Performance Management system, Covalent.	10	0	10	n/a		

TOTAL	PRODUCTIVE TIME - RESERVE AUDITS	80	0
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NON-PRODUCTIVE TIME

		Planned Audit Days	Actual Days @ 30/09/16	Variance Fav / (Adv)	Current Progress @ 30/09/16
Management		18	7	11	
Administration		22	6	16	
Meetings		40	15	25	
Training		30	3	27	

TOTAL	NON-PRODUCTIVE TIME	110	31
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TOTAL DAYS	849	297
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	ANNUAL BUDGET	ACTUAL to 30/09/16
PRODUCTIVE DAYS	739 87.0%	266 89.6%
NON-PRODUCTIVE DAYS	110 13.0%	31 10.4%
TOTAL DAYS	849 100.0%	297 100.0%

NORTH AYRSHIRE COUNCIL

Agenda Item 9

14 November 2016

Audit and Scrutiny Committee

Title: **External Audit Action Plans: Quarter 2 update**

Purpose: To update the Committee on progress made in implementing the agreed action plans arising from the external audit of the Council's 2014/15 and 2015/16 accounts.

Recommendation: That the Committee notes the progress made in completing the action plans.

1. Executive Summary

- 1.1 Each year, on completion of the audit of the Council's annual accounts, a report is prepared by the External Auditor on their findings. This includes an action plan for the Council. In addition, the External Auditor publishes a report on the findings of their work on the Council's key financial systems, which also includes an action plan for the Council.
- 1.2 Internal Audit has been assigned responsibility for monitoring progress against these actions. This report provides the Audit and Scrutiny Committee with an update on the progress at 30th September 2016.

2. Background

- 2.1 The 2014/15 'Review of Main Financial Systems' action plan was reported to the Audit Committee on 24 August 2015 and contains 9 actions. The last update provided to the Committee in May 2016 indicated that only one action remained incomplete; this remains outstanding. This action was repeated in the 2015/16 action plan as it was not completed within the agreed timescales.
- 2.2 The 2015/16 'Review of Main Financial Systems' action plan was reported to the Audit Committee on 23 May 2016 and contains 5 actions. Three were already complete at that time and the other two are not yet due for completion.

2.3 The action plan relating to the 2015/16 annual accounts was reported to the Audit Committee on 23 September 2016 and contains one action which is not due for completion until the end of March 2017.

2.4 Full details of all the incomplete actions along with the latest management comments are included in the appendix to this report.

3. Proposals

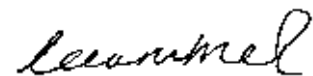
3.1 It is proposed that the Committee notes the progress made in completing the action plans.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	The work of External Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

5.1 No consultations have been required in the preparation of this report.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.


Background Papers

None.

External Audit Action Plan at 30th September 2016

Parent Action								
Code	Description	Note	Priority	Progress	Due Date	Original Due Date	Managed By	Assigned To
EA2016AA	Annual Audit Action Plan 2015-16			<input type="text" value="0%"/>				
Sub Actions								
Code	Description	Latest Note	Priority	Progress	Due Date	Original Due Date	Managed By	Assigned To
EA2016AA01	<p>Social Work Services overspent by £2.109 million in 2015/16. This continues a trend of overspend by this service over recent years. The IJB has committed to achieving efficiency savings of £4.000 million in this service in 2016/17. This will be very challenging given the reduced financial settlement for the IJB in 2016/17 and the ongoing increases in demand for services.</p> <p>Recommendation: The council should ensure that the actions contained in the North Ayrshire IJB recovery plan action plan are addressed and that steps are taken to address any projected overspend.</p>	<p>2016/17- Quarter Two Update: The Chief Officer / IJB Chief Financial Officer will provide regular financial reports to Council including; the most current financial projections; progress in delivering mitigations to reduce overspend; and progress in delivering agreed efficiency targets. Together this should provide assurance that services are being delivered within the agreed financial envelope.</p>		<input type="text" value="0%"/>	31-Mar-2017	31-Mar-2017	Margaret Hogg	Margaret Hogg

Parent Action								
Code	Description	Note	Priority	Progress	Due Date	Original Due Date	Managed By	Assigned To
EA2016KC	Key Controls Action Plan 2015-16			<div><div>74%</div></div>				
Sub Actions								
Code	Description	Latest Note	Priority	Progress	Due Date	Original Due Date	Managed By	Assigned To
EA2016KC01	<p>It is considered good practice for employing departments to periodically confirm the existence of employees listed on the payroll. This helps to ensure that all employees on the payroll are valid and still work for the council.</p> <p>The last employee data check was completed in June 2013. Last year we were advised that the annual exercise would resume in 2015, however we note that this was not carried out.</p> <p>Risk: The payroll system may not accurately reflect services' staffing levels and leavers may go undetected.</p>	<p>2016/17- Quarter Two Update: The manual data extract requires further refinement before sign off. Employee data checks will be extracted manually for FACS, Democratic Services and Economy and Communities and issued as a PDF to enable the process to commence. Development work continues on the creation of an online data check via HR21.</p>		<div><div>0%</div></div>	28-Feb-2017	28-Feb-2017	Laura Friel	Jackie Hamilton

EA2016KC05	<p>It is council policy for reliefs to be reviewed at intervals not exceeding every five years to confirm that the eligibility criteria are still being met by the claimant.</p> <p>Sample testing of a variety of discounts and reliefs highlighted a small number which had breached the five year review (i.e. some sports clubs, nursing homes, charities). Our enquiries established that these have all been scheduled for review during 2016/17. We note that Small Business Bonus Reliefs, which we reported last year had not been reviewed for over five years, were reviewed as planned during 2015/16.</p> <p>Risk: Non domestic rates relief may be granted to claimants who are no longer eligible.</p>	<p>2016/17- Quarter Two Update: The non-domestic rates team has a 2016/17 programme of reviews as follows:</p> <p>Mandatory and Discretionary - May to July 2016</p> <p>Disabled Persons Reduction - August to September 2016</p> <p>Unlicensed sports clubs and 100% discretionary relief - October 2016</p> <p>Community Amateur Sports Clubs - November 2016</p> <p>Mandatory relief only - November 2016</p> <p>Rural - January 2017</p>			31-Jan-2017	31-Jan-2017	Laura Friel	Stephen Humphries
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NORTH AYRSHIRE COUNCIL

Agenda Item 10

14 November 2016

Audit and Scrutiny Committee

Title: **Corporate Fraud Team: Mid-year Progress**

Purpose: To provide the Audit and Scrutiny Committee with a mid-year progress update on the work of the Corporate Fraud team.

Recommendation: That the Committee notes the work carried out by the Corporate Fraud team between April and September 2016.

1. Executive Summary

- 1.1 The Corporate Fraud team was established within Internal Audit in February 2015, following the transfer of responsibility for housing benefit fraud investigation to the Department for Work and Pensions (DWP). The team provides the Council with the capacity to investigate fraud both within and against the organisation.
- 1.2 It has previously been agreed that the Committee will receive bi-annual updates on the work of the Corporate Fraud team.

2. Background

Internal Investigations

- 2.1 Ten referrals relating to Council employees have been received by the Corporate Fraud Team between April and September 2016, of which 3 have been closed without a detailed investigation being required.
- 2.2 Of the other seven referrals, two have been concluded with a report and action plan to the appropriate Council Service, four investigations remain ongoing and one is a recent referral which is awaiting investigation.
- 2.3 All concluded referrals are reported to the Audit and Scrutiny Committee as 'exempted' reports.

External Investigations

- 2.4 The Corporate Fraud Team has received 359 referrals for investigation between April and September 2016. 257 of these have been closed either without issue or because they have been referred to another agency for investigation, for example DWP.
- 2.5 Of the other 102 referrals, 34 have had a successful outcome for the Council and the other 68 are recent referrals which are still awaiting investigation.
- 2.6 Successful financial outcomes have been achieved across a range of referrals relating to Council Tax Reduction, Council Tax Single Person Discount, Discretionary Housing Payments, Non-Domestic Rates and Scottish Welfare Fund. The Corporate Fraud Team has identified backdated recoveries for the Council amounting to £8,000 as well as an ongoing annual cost reduction of a further £9,000.
- 2.7 The team has also:
- recovered 2 Blue Badges;
 - worked with Housing on the recovery of 2 abandoned tenancies;
 - carried out 2 investigations which resulted in the withdrawal of applications for Council housing;
 - reviewed all applications to purchase Council houses under the Right-to-Buy legislation, with one application being refused and another being withdrawn as a result of the Corporate Fraud work, as well as a further 3 applications where Single Person Discount anomalies were identified and financial recoveries made.

East Ayrshire Council

- 2.8 Agreement has now been reached with East Ayrshire Council to extend the reach of the Corporate Fraud team to cover the East Ayrshire area. This will see North Ayrshire recruit an additional 2 fraud investigators. The expanded team will continue to be based in Cunninghame House but with access to East Ayrshire systems.
- 2.9 It is hoped that the team will be operational in East Ayrshire by the beginning of 2017. A publicity campaign will be carried out with East Ayrshire Council to raise awareness of the new service and members of staff and the public in East Ayrshire will be able to make referrals directly to the team for investigation.

National Fraud Initiative (NFI)

- 2.10 The Corporate Fraud Team takes the lead on the National Fraud Initiative (NFI) exercise. The 2016 NFI is now underway and a range of data sets were submitted in October 2016.
- 2.11 It is expected that the potential data matches will be received in February 2017. These will be investigated and any successful outcomes will be the subject of a future report to the Audit and Scrutiny Committee.

Fraud Week

- 2.12 This week, 14th to 18th November, is International Fraud Awareness Week. The team has planned a series of events to publicise its work, including a workshop for key staff delivered by the Police Scotland Counter Corruption Unit and a range of information stands in public places.
- 2.13 Members of the team will be at the Council's main contact centres at Bridgegate House, Saltcoats Town Hall and Brooksby in Largs at different times during the week. As a result of the new partnership with East Ayrshire Council, similar events will be held in Kilmarnock, Cumnock and Stewarton.

3. Proposals

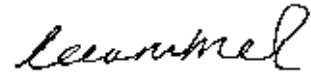
- 3.1 It is proposed that the Audit and Scrutiny Committee notes the work carried out by the Corporate Fraud team between April and September 2016.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	The work of the Corporate Fraud team helps to support the efficient delivery of the strategic priorities within the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

5.1 No consultation has been required in the preparation of this report.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

NORTH AYRSHIRE COUNCIL

Agenda Item 11

14 November 2016

Audit and Scrutiny Committee

Title: **Audit Scotland Benefits Performance Audit
Annual Update 2015/16 and Housing Benefit Good
Practice Guide**

Purpose: To inform the Committee of the findings of the Audit Scotland benefits performance audit annual update 2015/16 as set out at Appendix 1 and highlight the Council's good practice contained in the Housing Benefit Good Practice Guide as set out at Appendix 2.

Recommendation: That the Committee notes (a) the findings of the Audit Scotland benefits performance audit annual update 2015/16 as set out at Appendix 1; and (b) the Council's good practice contained in the Housing Benefit Good Practice Guide as set out at Appendix 2.

1. Executive Summary

- 1.1 In 2015/16 Audit Scotland visited eleven Councils, including North Ayrshire Council and carried out a Housing Benefit risk assessment; a report of their findings is set out at appendix 1.
- 1.2 Audit Scotland risk assessed the Council in May 2015 and their findings was reported to the Audit and Scrutiny Committee on the 24 August 2015.
- 1.3 The objective of a risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities; and considers the effectiveness of the benefit service in business planning and reporting, delivering outcomes, accuracy, interventions and counter-fraud. It does not represent a full audit of a Council's benefits service.
- 1.4 North Ayrshire's benefit service is performing well compared to other Scottish Councils with only 3 risks out of the 45 identified applying to the council. The position regarding reduced Department for Work and Pensions (DWP) funding, falling Housing Benefit caseload, staff turnover and speed of processing is similar to the rest of Scotland.

2. Background

Key findings

2.1 Nationally Audit Scotland found 45 risks to continuous improvement across eleven Councils and identified three key areas for improvement:

- Quality checking of claims;
- Business planning and performance for North Ayrshire Council (this was identified as an area of good practice (2.10)); and
- Speed of processing.

Two of the three risks were identified as risks to the Council ; speed of processing and adopting a risk based approach to checking the accuracy of claims. Audit Scotland also identified raising customer awareness of reporting changes of circumstance as a risk.

2.2 Staff turnover in the Council's Benefits Service has been higher than normal and this has affected the speed of processing of new claims and changes of circumstance; action is being taken to fill vacant posts and an external support service is being put in place while new staff are being trained to ensure performance levels are improved. A lean six sigma exercise to review and improve the claim process is ongoing.

2.3 Speed of processing for 2016/17 has improved and performance compared to annual targets and last year quarter two is noted below; three targets have been exceeded and further improvement is expected by the end of the financial-year.

2016/17	Q2	Target	2015/16 Q2
Speed of processing new claims HB	22.63	25.5	27.53
Speed of processing new claims CTR	27.69	28.5	31.06
Speed of processing changes HB	15.95	15.5	16.15
Speed of processing changes CTR	6.07	8.5	4.6

2.4 100% quality checks are carried out for work processed by new staff and a 10% sample for experienced staff; the highest risks of error are keying earned income, tax credits and benefit start dates. Training has been provided in all these areas and Audit Scotland is satisfied with the progress made against this risk.

- 2.5 A publicity campaign entitled "one penny more, one penny less" was used to encourage claimants to notify the Benefits Service of a change in their circumstance; this included a pan Ayrshire radio campaign, which was highlighted as good practice by Audit Scotland.
- 2.6 Audit Scotland found that the Housing Benefit caseload across all Scottish Councils fell by 1.6% over the period March 2015 to November 2015; during this period the Council's caseload fell from 15,330 to 15,017 a reduction of 313 (2%). The caseload continues to fall with 14,573 claimants at September 2016. The reduction in Housing Benefit caseload is partly related to Universal Credit that was introduced in North Ayrshire DWP jobcentres from 27 April 2015; some 2,685 new claims have been made to the DWP by working age single people. Housing Benefit caseload is also affected by economic conditions, unemployment levels, and UK Government Welfare Reforms.
- 2.7 The report notes the reduction in DWP subsidy levels. In 2015/16 benefits administration funding from the DWP for Scotland fell by £1.7m (5.8%); the Council's funding was reduced from £958,216 to £883,336; a reduction of £74,880 (7.8%) and continued to fall by £54,734 to £828,602 in 2016/17. DWP funding may be reduced in 2017/18 to reflect the reduction in Housing Benefit caseload due to the rollout of Universal Credit.
- 2.8 The report also notes the devolution of welfare powers to the Scottish Government including;
- specific benefits;
 - components of the Regulated Social Fund;
 - flexibility to vary payment of the Universal Credit housing element; and
 - power to top-up and create new benefits for people of working age.

The Scottish Government intends to establish a Social Security Agency to oversee the administration of devolved benefits; and notes the Council's response to the consultation paper on how best to use new devolved powers.

- 2.9 The Audit Scotland annual update for 2015/16 makes reference to two other reports; Review of activity to reduce fraud and error in Housing Benefit and Review of Housing Benefit Subsidy Certification issues 2014/15; their findings was reported to the Audit and Scrutiny Committee on the 16 November 2015 and 23 May 2016 respectively.

Good practice

2.10 Audit Scotland identified the following good practice in North Ayrshire Council:

- Finance and Corporate Support Directorate plan and benefits operational plan as a good example of business planning and performance reporting;
- The establishment of a Corporate Fraud Team to provide counter-fraud activity;
- Pan-Ayrshire publicity campaign to raise awareness of reporting changes of circumstance; and
- Minimising the risk of Housing Benefit overpayments arising, maximising recovery levels and personal telephone engagement with customers.

The Council has arrangements in place for the majority of good practice identified in the report, as set out at appendix 2. A Revenues and Benefits Business Improvement Team has been established and it will consider any areas where further improvement can be made, for example an in-house performance framework to improve performance levels.

3. Proposals

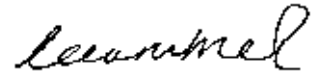
3.1 That the Committee notes (a) the findings of the Audit Scotland benefits performance audit annual update 2015/16 as set out at Appendix 1; and (b) the Council's good practice contained in the Housing Benefit Good Practice Guide as set out at Appendix 2.

4. Implications

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	None
Community Benefits:	None

5. Consultation

5.1 There was no consultation on the Audit Scotland reports.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

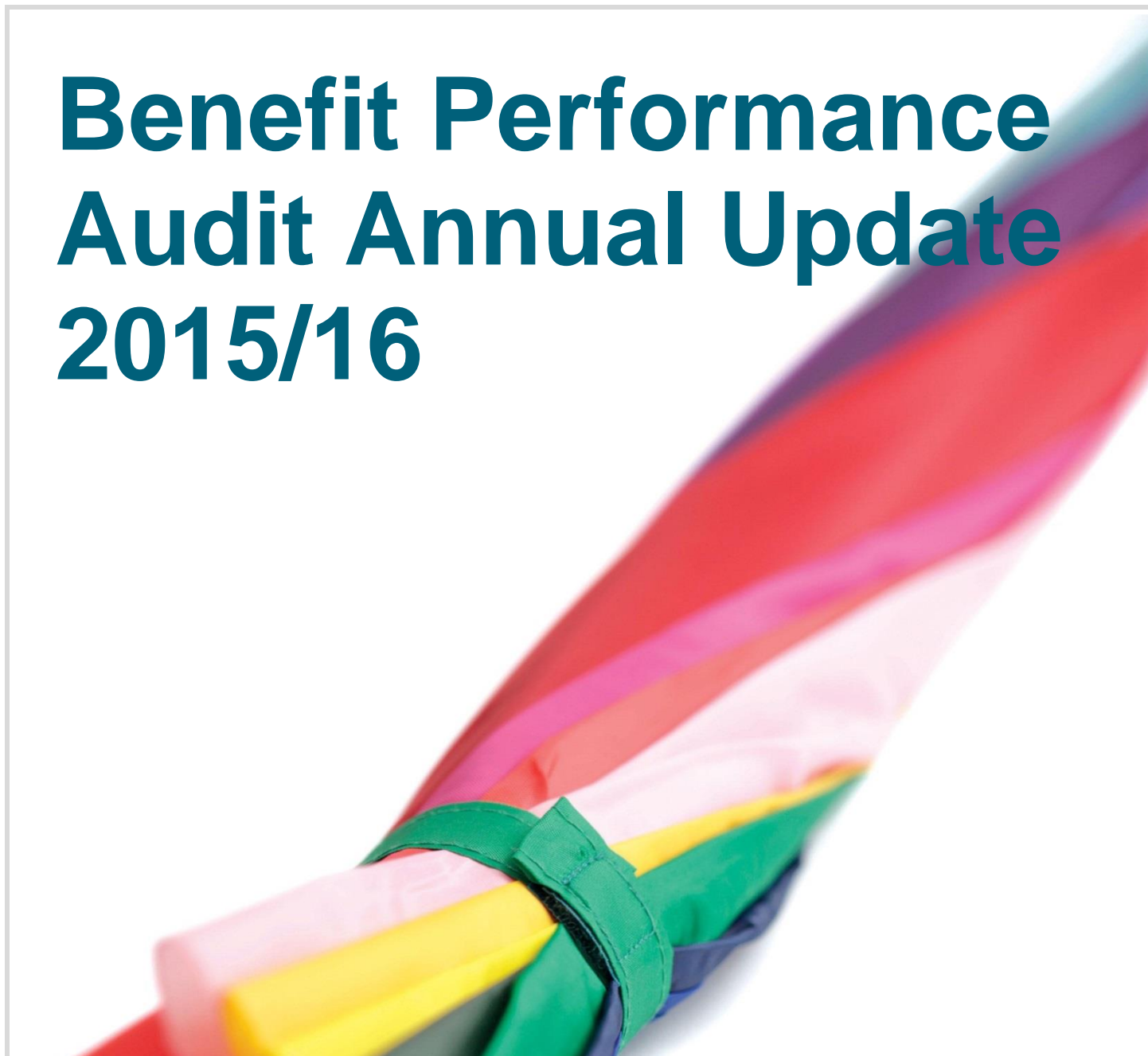
Reference : SH

For further information please contact Stephen Humphries Senior Manager
Revenues and Benefits on 01294 310106

Background Papers

Audit Scotland Benefits Performance Audit Annual Update 2015/16; and
Housing Benefit Good Practice Guide

Benefit Performance Audit Annual Update 2015/16



Prepared for The Accounts Commission
June 2016

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

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Purpose

1. This report provides a summary of the performance audit work carried out by Audit Scotland on Scottish councils' housing benefit (HB) services during 2015/16.

Key messages

2. During 2015/16 we issued 11 reports to councils which identified 45 risks to continuous improvement that were accepted. We found that 85% of risks identified during previous risk assessments had been either fully or partially addressed (83% in 2014/15). Council feedback on the performance audit process remains positive.
3. When benefit services are well managed they can deliver value for money and high quality services for customers. However, we found that:
 - speed of processing performance was of concern in seven councils. For example, in two councils the level of benefit processing resources may not be sufficient to sustain or improve current claims processing performance
 - quality checking is not carried out consistently, and that outcomes from quality checks are not routinely collated and analysed in six councils
 - business planning and performance reporting were weak in four councils which included targets not being set for all areas of the service and limited performance reporting in respect of all areas of the service.
4. Universal Credit (UC) continues to be rolled out across Scotland with all councils now having some local residents claiming UC. The Department for Work and Pensions (DWP) plan is that the majority of existing HB claims will migrate to UC by 2021.
5. Scottish councils have now completed the transfer of responsibility for investigating benefit fraud and, in many cases, fraud staff to the DWPs Single Fraud Investigation Service (SFIS). Councils need to ensure that sufficient resources are in place to investigate other types of fraud.
6. The Scottish Parliament's new devolved social security powers may result in some aspects of the devolved benefits being delivered by a number of organisations including local authorities.

Background

7. During 2015/16, one in five Scottish households received financial support to help pay for their rent in the form of means tested HB. Scottish councils paid out £1.73 billion in HB awards in 2015/16 (£1.74 billion in 2014/15).
8. Between March 2009 and March 2015, there has been a 7% increase in HB claims in Scotland. However, the increase has not been constant with a 1.6% reduction in claim numbers between March 2014 and March 2015. This is discussed in more detail at paragraph 30.
9. In 2015/16, councils received £27.8 million (£29.5 million in 2014/15) in funding from the DWP to deliver HB services. This 5.8% reduction in funding in 2015/16 is due to assumed efficiency savings. There is no consistent data available to allow comparison across Scottish councils regarding the cost of administering HB in 2015/16. The latest statutory performance indicators published for 2012/13, before council tax benefit was abolished, indicated that the cost of administration of both HB and council tax benefit at that time was £71.4 million in Scotland.
10. The main objective of the benefit performance audit is to help councils improve their benefit services but it also holds councils to account for any failing services. The audit has two phases:
 - a risk assessment phase that identifies risks to continuous improvement
 - a focused audit phase that examines the service, or parts of it in more detail, if a council is unable or unwilling to address key risks identified in phase one.
11. Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions, with associated timescales, that they will take to address the identified risks. These reports are also copied to the DWP to provide assurances over how Scottish councils are performing.
12. When a focused audit is required the Controller of Audit prepares a report to the Accounts Commission. Focused audit reports are provided to council Chief Executives and are also copied to the DWP and published on the Audit Scotland website.

Work carried out during 2015/16

13. We reviewed our risk based approach to benefit performance audit to ensure that the councils that we considered to be the highest risk were visited during the year. Appendix A contains the details of the 11 risk assessment reports that were issued to council Chief Executives during 2015/16. No focused audits were carried out.
14. Following receipt and review of council improvement plans to address the risks identified in our risk assessment reports, progress reports were requested from six councils. Three progress reports relate to risk assessment reports issued in 2014/15 as detailed in *Appendix B*.
15. To date, we have received progress reports from all six councils. Due to further improvements being required, we have requested updates from Clackmannanshire Council and East Dunbartonshire Council in July 2016. Action taken to address risks was considered to be satisfactory in all updates received to date.
16. In line with Audit Scotland's objective of identifying and sharing good practice, three thematic studies were undertaken during 2015/16. More information on each study is provided in the following paragraphs.

Review of housing benefit subsidy certification issues 2014/15

17. A review was undertaken of issues identified by auditors during the certification of the 2014/15 HB subsidy claims. Auditors identified 43 errors across 18 councils, an improvement from 2013/14 where auditors identified 60 errors in subsidy claims in respect of 19 councils. The errors identified resulted in subsidy being over claimed by £1.134 million (0.06% of expenditure) in the year-end claims submitted by councils to the DWP.
18. Auditors reported that most errors were identified in the classification of expenditure and the calculation of claimant income. The report is available on our [website](#).

Review of activity to reduce fraud and error in housing benefit

19. A review of the activity undertaken by Scottish councils in order to reduce fraud and error highlighted that the monetary value of HB fraud and error has been steadily rising across the UK, with 2014/15 showing a loss of £1.38 billion. Claimant error is the largest contributor to this figure with a total loss of £770 million (56%).

20. From April 2013, there was a reduction in intervention activity by some councils as a result of the need to manage the impact of the UK government's welfare reform agenda.
21. However, during 2014/15, there was a significant increase in intervention activity and improvements to the methods of identifying suitable cases. Although many councils have introduced innovative ways of carrying out interventions that have produced positive outcomes, there remains scope for further improvement in others. The report is available on our [website](#).

Housing Benefit Good Practice Guide: initiatives which deliver best value

22. This report summarises initiatives introduced by councils, and identified during our HB performance audits in 2013/14 and 2014/15, which have helped to deliver continuous improvement.
23. The report also considers the effectiveness of these initiatives in helping to deliver continuous improvement in benefit services and it is hoped that these might be of interest to councils that are finding it difficult to deliver continuous improvement going forward in an environment of reducing budgets and increasing workloads. The report is available on our [website](#).

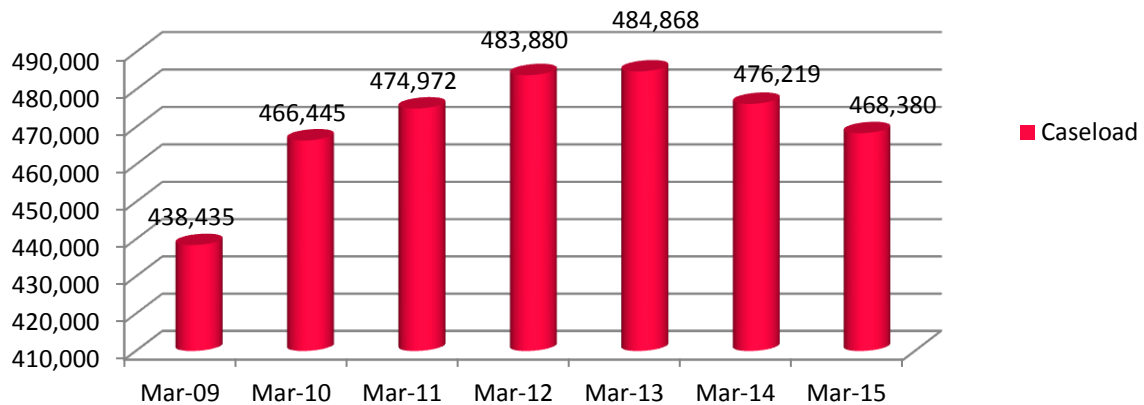
Outcomes of the 2015/16 risk assessments

24. Audit Scotland identified 45 risks to continuous improvement (70 in 2014/15) in the 11 risk assessments completed in 2015/16. We are pleased to report that only one risk to continuous improvement was identified in both the Moray Council and Orkney Islands Council.
25. Our work identified that 85% (123 out of 145) of previously agreed actions had been fully or partially implemented (83% in 2014/15).
26. Improvement plans have been received from all councils visited. Analysis of the risks identified shows that:
 - 100% (100% in 2014/15) of the identified risks were fully accepted by councils

- 17% (25/145) of agreed risks from previous risk assessments were carried forward (22% in 2014/15). Councils have cited resourcing issues as a reason why not all agreed actions have been implemented.
27. We have found that where benefit services are well managed they can deliver value for money and high quality services for claimants.
28. During 2015/16 Audit Scotland has identified weaknesses in the following key areas:
- Quality checking is not carried out consistently and outcomes are not routinely collated and analysed in respect of all activities to inform a risk-based approach. In addition, more work needs to be done to measure performance and improvement over time which can then be used to evaluate individual performance.
 - Business planning and performance reporting weaknesses were identified. It was noted that targets are not set for all areas of the service and/or there is limited performance reporting to senior management and elected members in respect of all areas of the service. The level of resources within the benefit service may not be sufficient to enable the service to continually improve or sustain current performance levels across all of its activities. The continued use of temporary staff on short term contracts could result in the further loss of staff to other areas of the council or externally.
 - Speed of processing performance issues were identified. It was noted that the current level of benefit processing resources may not be sufficient to sustain or improve on current claims processing performance in two councils.
29. Between March 2009 and March 2015, the number of HB claims in Scotland increased by 29,945 (7%). However the increase has not been constant as detailed in Exhibit 1 below which shows that claim numbers peaked at almost 485,000 during 2012/13 before falling by 1.8%, at March 2014. Exhibit 2 shows that claim numbers continued to fall during 2015/16 by

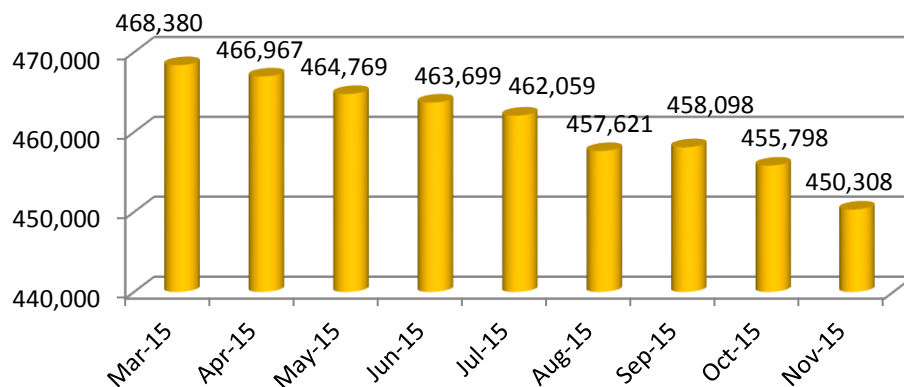
a further 1.6% between March 2015 and November 2015.

Exhibit 1: change in HB caseload in Scotland March 2009-March 2015



During 2015/16 the downward trend in claim numbers has continued as shown in exhibit 2 below.

Exhibit 2: HB caseload in Scotland during 2015/16



Exhibits 1 & 2: Source DWP caseload statistics

30. The fall in claim numbers in recent years may be due to several reasons including:
- people working longer before retiring
 - falling unemployment levels in some areas
 - claimants moving into work, possibly due to the claimant commitment changes in Jobseeker's Allowance, and the reducing numbers of people qualifying for Employment Support Allowance, Incapacity Benefit and Personal Independence Payments

- a small number of claimants moving to UC and therefore becoming ineligible for HB.

Stakeholder feedback

31. Feedback questionnaires are issued to benefit managers after each risk assessment in order to gain assurances over whether the audit methodology is effective and to look for areas which could be improved. During 2015/16, we received responses from 13 councils.
32. Overall the responses were positive and provided Audit Scotland with assurance that the audit methodology is fit for purpose and proportionate. The following comments help illustrate these responses:
 - "The audit report will inform our service review".
 - "It is helpful for elected members to have an accurate independent assessment of the service particularly during a time of major reform and limited resource availability".
 - "As well as suggestions for improvement, the report included positive feedback and recognition of improvements; this was a real morale boost when shared with staff".
 - "The audit provides a strong set of basic principles that in general can be adapted to other council services, thus helping to strengthen processes and outcomes in other non-benefit related areas".
 - "We have found the experience to be extremely beneficial and we found that our auditor had an excellent understanding of the challenges we face".
33. Whilst the majority of the responses were good, not every council found the process to be so positive. Particular concerns were raised by one council:
 - "In terms of the report it would be helpful to not have issues repeated across various areas as it was difficult to group items in a meaningful way for the action plan. I think that it was unclear what documentary evidence was required".
34. Audit Scotland has taken these comments on board in the planning and delivery of risk assessments. Councils are given as much notice as possible of risk assessments and discussions are held with benefit managers prior to submission regarding the self-assessment requirements. We also try to concentrate on the challenges facing each council and how they respond to those challenges.
35. HB risk assessment reports continue to be shared with the DWP. We also continue to monitor our approach in conjunction with the DWP through quarterly meetings between the Manager,

Benefits-Technical and senior officers in the DWP's Housing Delivery Division.

Welfare reform

36. Councils continue to work with partners to help deliver the UK government's welfare reform agenda.

Universal credit (UC)

37. UC roll-out has continued in the Inverness Jobcentre area where single claimants have claimed UC since November 2013. This was expanded to claims from couples in June 2014 and claims from families in January 2015. Highland Council has been providing personal budgeting support, digital access, housing cost knowledge, and advice and support to claimants.
38. The rollout of UC across the rest of Scotland began in February 2015 for single people who would otherwise have been eligible for income based Jobseeker's Allowance, including those with existing HB. By April 2016, all Scottish councils had some local residents claiming UC.

Universal Credit Full Digital Service

39. The Universal Credit Digital Service will allow users to make a claim, notify changes of circumstance and search for a job through a single account, making digital the primary channel for most working-age people to interact with the DWP.
40. On 23 March 2016, Musselburgh Job Centre in East Lothian was the first Job Centre in Scotland to provide the full Universal Credit Digital Service. Further roll-out of the full digital service will take place from May 2016 with phases 1 and 2 taking place between May and December 2016. Highland Council is the only Scottish council included in either of these phases. The UK government expects the national roll-out to the digital service to be completed in June 2018. The migration of the remaining working age existing HB claimants to the full UC service will start thereafter and expected to be completed by 2021.

DWP's Single Fraud Investigation Service (SFIS)

41. The DWP has completed the roll-out of its Single Fraud Investigation Service (SFIS). All Scottish councils have now transferred their responsibility for investigating benefit fraud, and in many cases, their fraud investigators to SFIS. Councils should ensure sufficient resources are in place to investigate other fraud unrelated to HB, such as council tax reduction fraud, tenancy fraud and other corporate fraud.

Devolved financial powers

42. The Smith Commission recommended that the Scottish Parliament be given complete autonomy to determine the structure and value of a range of powers over disability, and devolution of the components of the Regulated Social Fund. In addition, it was recommended that the Scottish Parliament should be given the power to make administrative changes to UC and to vary the housing cost element.
43. The Smith Commission's proposals will devolve around £2.7 billion (15.3%) of Scottish benefit expenditure to the Scottish Parliament.
44. Although the Scotland Act 2016 only received Royal assent in March 2016, the Scottish Government have been planning and preparing for the delivery of the devolved aspects of social security included within the Act. The Government's plans include:
- the introduction of a Scottish social security bill in the first year of the new Parliament
 - the setting up of a new agency to deliver the social security powers
 - the initial delivery of the devolved benefits by the DWP in order to help ensure a smooth transition and to avoid delays for claimants
 - a fully costed business case detailing how the new powers will be delivered will be published later this year.
45. It is possible that some of the devolved benefits will be delivered by a number of organisations including local authorities, DWP, and the third sector.

Appendix A – The 2015/16 risk assessment programme

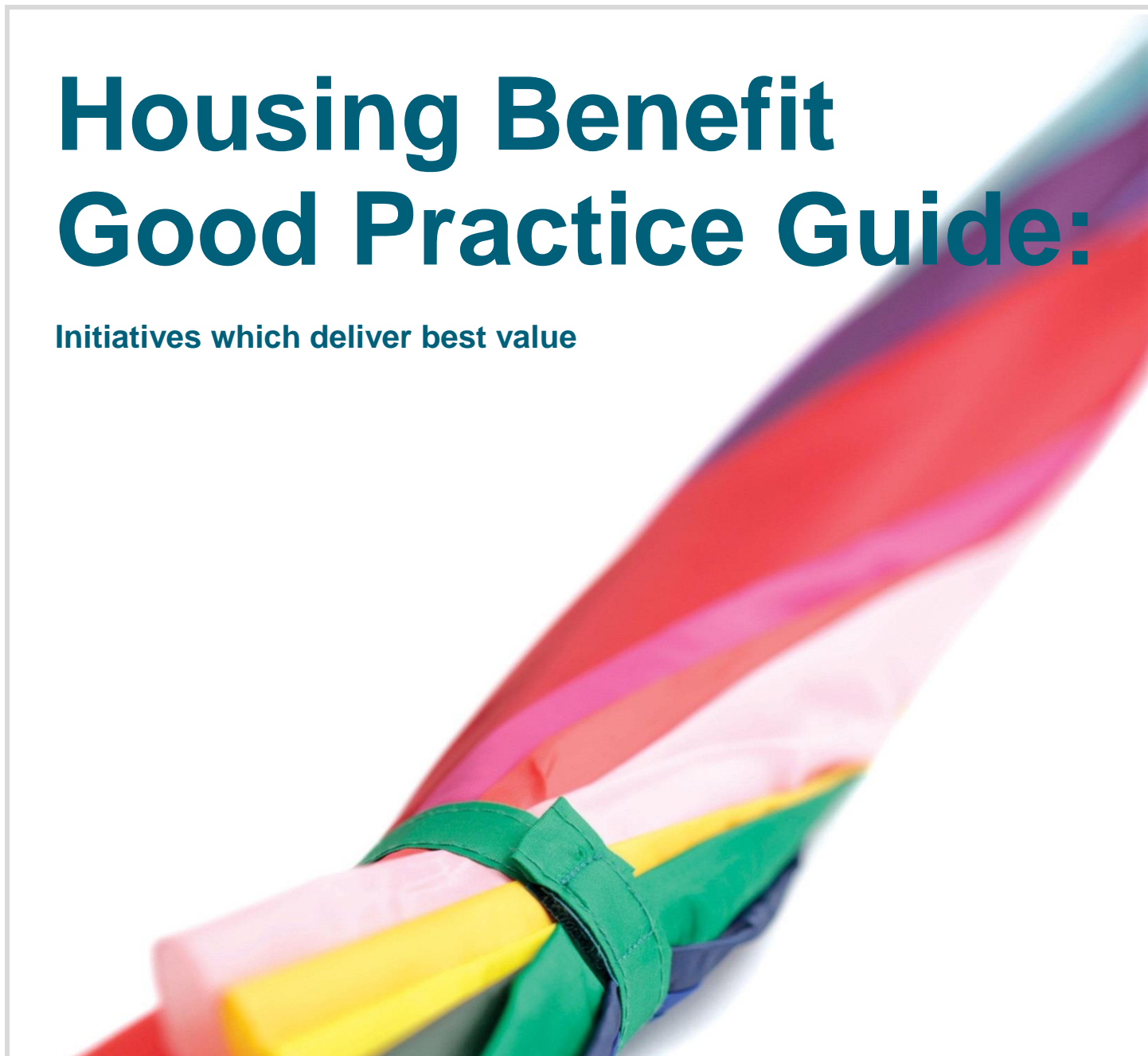
Date on site	Council	Date reported
March 2015	Clackmannanshire	May 2015
April 2015	East Dunbartonshire	May 2015
May 2015	Renfrewshire	June 2015
May 2015	North Ayrshire	June 2015
June 2015	Aberdeen City	July 2015
July 2015	Orkney	August 2015
August 2015	Moray	September 2015
September 2015	North Lanarkshire	November 2015
October 2015	East Lothian	November 2015
October 2015	Perth & Kinross	December 2015
December 2015	Falkirk	January 2016

Appendix B – Progress reports requested during 2015/16

Council	Date progress report received/expected	Conclusion on action taken to address risks
East Ayrshire Council	April 2015	Updates received and satisfactory progress made. A full risk assessment is planned for 2016.
East Renfrewshire Council	July 2015	Update received and satisfactory progress made.
West Lothian Council	August 2015	Update received and satisfactory progress made.
Clackmannanshire Council	November 2015, February 2016 & July 2016	Update received and satisfactory progress made to date. A further update has been requested by July 2016.
East Dunbartonshire Council	May 2016	Update received and a further update has been requested by July 2016.
North Ayrshire Council	May 2016	Update received and satisfactory progress made.

Housing Benefit Good Practice Guide:

Initiatives which deliver best value



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
28 April 2016

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website:

www.audit-scotland.gov.uk/about/ac

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

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Introduction

1. Audit Scotland undertakes housing benefit (HB) performance audits on behalf of the Accounts Commission as part of the audit of councils. Following each performance audit, a HB risk assessment report is provided to the council Chief Executives. These reports are also presented to council audit committees and copied to the Department for Work and Pensions (DWP).
2. The purpose of this report is to summarise into a single overarching report initiatives, that were introduced by councils and identified during our audits in 2013/14 and 2014/15, which have helped to deliver Best Value¹.
3. The report follows the same structure as HB risk assessment reports issued to councils in considering the effectiveness of these initiatives in helping to deliver continuous improvement in meeting national and local priorities, business planning, performance reporting and delivering outcomes. These initiatives might be of interest to councils that are finding it difficult to deliver continuous improvement going forward in an environment of reducing budgets and increasing workloads.
4. This report includes working practices introduced by councils and identified in our reports as having helped deliver Best Value. It is not intended to be a comprehensive list of all working practices introduced by councils which have led to performance or process improvements. Equally, we recognise that an initiative introduced in one council may not have the same impact when introduced elsewhere.
5. Although some of these initiatives might be considered 'normal business practice', we have included them as not all benefit services are operating in the same manner. Similarly we have included appendices containing some initiatives that we consider are innovative, or could be considered by councils when considering how they could improve benefit services.

National and local priorities

6. The UK Government's welfare reform agenda aims to simplify the benefits system by bringing together a range of working-age benefits, including HB, into a single payment of Universal Credit (UC) administered by DWP. This is the biggest change to the welfare system for over 60 years and has had a significant impact on local authorities and the services they provide.
7. Scottish councils have been participating in various working groups at a national level reviewing and planning for the implications of welfare reform. As well as working with external partners, councils have also set up internal cross-functional corporate working groups with action plans in place to address the challenges posed by welfare reform.

¹ Initiatives identified in risk assessments and reports to council Chief Executives

8. Welfare reform has also resulted in councils planning for and implementing new and additional activities locally such as the Scottish Welfare Fund (SWF), the Scottish Council Tax Reduction Scheme (CTRS), and the provision of budgeting support and advice. This has, in many cases led to significant change with the introduction of new IT systems, the restructuring of departments, and the re-training of staff.
9. Delays in the roll-out of UC have resulted in councils having to continue to ensure that benefit services are sustained and a high quality service continues to be provided until full migration to UC has taken place. Specific examples of what councils have been doing in order to prepare for welfare reform changes are shown below and in Appendix 1:
 - several councils have been working in partnership with the [Convention of Scottish Local Authorities](#) (COSLA) to help deliver the local support services framework in respect of UC
 - The Highland Council has been a partner in the DWP UC pathfinder project which introduced UC to the first jobcentre in Scotland in Inverness
 - the City of Edinburgh Council has worked with Dunedin Canmore Housing Association trialling direct payment of HB to claimants
 - Glasgow City Council piloted the DWPs Single Fraud and Investigation Service approach
 - South Lanarkshire Council has been part of the Scottish Government's UC pilot looking at developing online facilities at local offices to assist and support customers who do not have access to the internet
 - Dumfries and Galloway Council has been piloting digital inclusion. The benefit service has also been working with the council's employability and skills service to provide financial education and support.

Business planning and performance reporting

10. An effective business plan provides an opportunity for councils to set out the aims and objectives for each service and should contain key deliverables against which performance can be measured, monitored and reported. Performance initiatives in respect of business planning and performance reporting are detailed in Appendix 2. These include the two examples set out in the following paragraphs.

Case study 1 - North Ayrshire Council

11. North Ayrshire Council has a directorate plan setting out how the directorate will contribute to the council's *Good to Great Journey*. The performance indicators include targets for speed of processing and the gross administrative cost per case. This is supported by an operational plan which details the key improvement actions to be delivered, with associated completion dates. These include:

- implementing software to maximise the automation of DWP Automated Transfer to Local Authority Systems (ATLAS) notifications
- retaining [Customer Service Excellence](#) accreditation
- reviewing the new claims process using [Lean Six Sigma techniques](#)
- achieving DWP Fraud and Error Reduction Incentive Scheme (FERIS) lower threshold targets
- channel shift HB and CTRS customers to an online benefit claim form.

Case study 2 - Angus Council

12. Angus Council sets targets for all operational areas, and senior managers within the benefit service meet each month to review service performance, discuss any variances and agree any appropriate action. In addition, key performance information, including speed of processing, overpayments, complaints and costs, is reported to senior officers and made available to the public on the council's website.
13. The council has also introduced daily processing targets and regular feedback on processing and accuracy performance is provided to staff to ensure that each member of staff fully understands how their own performance impacts the overall service performance and delivery. Performance is evaluated daily by the benefit service management team and used to agree priorities for the next day. This effective management of productivity on a daily basis has helped improve overall performance across all areas of the service.

Delivering outcomes

14. Effective operational processes and IT systems, along with skilled staff help benefit services deliver sound performance and continuous improvement.

Speed of processing

15. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that benefit services have sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
16. Performance initiatives in respect of speed of processing are detailed in Appendix 3. These include the two examples set out in the following paragraphs.

Case study 1 - Dumfries and Galloway Council

17. Dumfries & Galloway Council delivered improved speed of processing performance through:
 - introducing assisted interviews to ensure customers fully understand what further information is needed to support their claim at the earliest possible stage

- developing and delivering training to ensure all council and registered social landlord staff, who serve as a point of contact with benefit customers, know what information to ask for when a claim or a change notification is received and how to verify evidence as acceptable and correct
- reviewing all new claims and changes where there are any delays with a view to improving working practices and identifying any specific training requirements
- developing and introducing online forms that automatically populate the benefit IT system
- introducing an in-house performance management framework that has helped improve individual performance.

Case study 2 - Clackmannanshire Council

18. Clackmannanshire Council carried out a review of its working practices to identify process improvements and as a result now carries out pre-assessment checks as soon as a claim or additional information is received to determine if the claim can be processed and if not, the customer is contacted and advised of what further information is required. This ensures that only claims with sufficient information to process are passed to processing staff which has resulted in significant improvements to claims processing times.

Accuracy

19. The accurate and secure administration of HB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place. Performance initiatives in respect of accuracy are detailed in Appendix 4. These include the example set out in the following paragraphs.

Case study - Aberdeen City Council

20. Aberdeen City Council's Quality Assurance team are responsible for helping assessors to make correct HB and council tax reduction decisions by providing advice, guidance, and remedial training where appropriate. The Quality Assurance Plan 2015/16 sets out the team's key priorities which include:
 - conducting quality assurance checks on 10% of decisions made by staff
 - providing constructive feedback to team leaders and assessors
 - providing training for all staff throughout the year, including staff in other departments
 - monitoring staff performance in relation to its internal accuracy target
 - creating and maintaining desk aids/procedures for staff to follow
 - maintaining the Quality Assurance spreadsheet detailing staff's individual accuracy.
21. On a daily basis a random sample of claims are selected from a benefit IT system report which contains the cases which the council considers to be high-risk, based on previous analysis. The Quality Assurance team aims to carry out ten full case checks for each assessor

per month. In addition, the work of new staff, and staff that are under-performing, is subject to a 100% management check, which is reduced incrementally as performance improves.

22. Where staff are under-performing, the council's Performance Management Policy is instigated which involves discussions with staff to identify any underlying issues and the development of a personalised performance plan which details:
 - the required improvements in performance
 - the support/training that will be provided
 - the timescale for improvement
 - how progress will be monitored and reviewed
 - the potential consequences of failing to meet the required improvements.
23. The outcomes from the daily management checking activities are recorded electronically on a Quality Assurance database and subsequently extracted to a comprehensive spreadsheet which the Quality Assurance team uses to summarise and analyse the data to identify trends and patterns of error at individual, team and service level.
24. There is regular reporting of accuracy performance at the weekly benefit operational meeting and the weekly management meeting, and summary performance at service, team and individual level is updated monthly and displayed prominently on a 'performance wall' within the benefit team area. The service has found the 'performance wall' to be very effective in contributing to the significant improvements in speed of processing and accuracy performance in 2014/15.
25. At the end of each year the Quality Assurance team produces a comprehensive report which details the outcomes from all management checks, provides summary data on the types of errors found, and information on the actions carried out by the team to deliver improvements, for example, the issue of a weekly 'Did you know?' email.

Interventions

26. To minimise error in the caseload, councils must encourage customers to report changes of circumstances on time and have a robust intervention programme to identify changes and take appropriate corrective action.
27. Over the last year this is an area where the DWP has increased its focus on fraud and introduced FERIS to reward councils that are proactively working towards reducing fraud and error in the benefit system. Audit Scotland recently carried out a review of activity in Scottish councils to reduce fraud and error in the benefit system. The report is available on our [website](#).
28. Performance initiatives in respect of interventions are detailed in Appendix 5. These include the two examples set out in the following paragraphs.

Case study 1 - Scottish Borders Council

29. Information is checked across systems such as social work financial assessments, educational benefit applications, applications for a Discretionary Housing Payment (DHP), council tax, and the SWF to identify and investigate any discrepancies.
30. Examples of how this has highlighted inconsistencies include tax credit information provided for educational benefit claims which has differed from the information provided in respect of HB claims, additional occupants have also been identified on SWF applications and changes to rent liability and capital have come to light from homecare applications.

Case study 2- Renfrewshire Council

31. Renfrewshire Council has a strong commitment to encouraging and educating customers on the importance of reporting a change of circumstances and uses a number of methods to achieve this. For example:
 - including a reminder to report any change in circumstances in all outgoing mail
 - including a quarter page reminder on reporting changes in the 'Renfrewshire Magazine' that is issued quarterly to all residents, and a reminder in the annual council tax booklet
 - having a regular benefit advice column in the local newspaper
 - providing examples on the council website of the types of changes of circumstances that should be reported, and advice on how to report a change.
32. The service has continued to support a visiting officer who has carried out a review of the following claim types:
 - war pension cases
 - earned income where there has been no change to tax credits.

Overpayments

33. To protect public funds, councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified for subsidy purposes and rigorously recovered. This is an area which Audit Scotland has found to be weak in a number of councils and reported in our HB risk assessment reports and in our review of HB subsidy certification issues 2014/15.
34. With the introduction of FERIS the level of overpayments identified is expected to increase and therefore recovery methods should be efficient and effective with performance accurately recorded, monitored and reported. Performance initiatives in respect of overpayments are detailed in Appendix 6. These include the example set out in the following paragraphs.

Case study - Glasgow City Council

35. The council has a clear and structured approach to the recovery of overpayments and has a number of initiatives focused on preventing overpayments from occurring. These include:
 - regular dialogue with landlords regarding their responsibilities to report changes

- phoning customers to encourage repayment
 - regularly discussing overpayment recovery performance at service performance meetings, and at a separate scrutiny meeting to specifically address overpayment issues
 - developing a HB overpayments action plan which details issues that are impacting the recovery of overpayments, and the actions that are required to address these.
36. The council also has an excellent working relationship with Glasgow Housing Association (GHA), its largest RSL. As part of this relationship, a benefit officer is co-located in four GHA area housing offices and an IT interface has been developed which automatically suspends a benefit claim when a GHA tenant changes address. There are also regular meetings between the council and GHA where overpayment recovery is a standing agenda item.
37. As a result of these initiatives and new arrangements the council has developed for dealing with GHA tenants' overpayments, the value of GHA tenants' overpayments outstanding reduced significantly from £286,670 at October 2013 to £57,345, at October 2014, a reduction of approximately 80%.

Appeals and Reconsiderations

38. Customers who disagree with the council's decision on the manner in which their benefit application is processed have a right to request the claim to be reconsidered, and to appeal against the decision. Performance initiatives in respect of appeals and reconsiderations are detailed in Appendix 7. These include the example set out in the following paragraphs.

Case study - Dundee City Council

39. When a customer submits a request for a reconsideration or appeal it is reviewed by an officer not involved in the original decision. The outcomes from requests for reconsiderations and appeals are recorded on a spreadsheet which contains comprehensive management information. For example:
- the date the request was received and the reason for the dispute
 - details of the officer involved in the original decision
 - the date the customer was advised of the outcome.

Counter-fraud

40. The prevention, detection and investigation of fraudulent claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.
41. In line with the Autumn Statement by the Chancellor of the Exchequer on 5 December 2013, the DWPs SFIS was launched to bring together welfare benefit fraud investigations currently undertaken by DWP, local authorities and Her Majesty's Revenue and Customs. As part of the national roll out, the responsibility for investigating HB fraud in all Scottish councils has now transferred to DWPs SFIS.

42. However, many Scottish councils have retained investigators to focus on fraudulent activity not covered by SFIS. Performance initiatives in respect of counter-fraud are detailed in Appendix 8. These include the example set out in the following paragraph.

Case study - North Ayrshire Council

43. In order to retain experienced investigative resources, the council agreed to the establishment of a Corporate Fraud Team under the responsibility of the Senior Manager for Internal Audit and Risk Management. The creation of the Corporate Fraud team makes best use of the differing but complementary skills of internal auditors and fraud investigators. This arrangement has been mutually beneficial to both the on-going development of the officers in the enlarged Internal Audit and Risk Management team and to the council as a whole in tackling fraud and error.

Endnotes

[Benefits Performance Audit Annual Update 2014/15](#), Audit Scotland June 2015

[Review of activity to reduce fraud and error in housing benefit](#), Audit Scotland September 2015

[Housing benefit subsidy certification 2014/15](#), Audit Scotland January 2016

Appendix 1 - National and local priorities

Council	Benefit
<p>Dundee City Council created a Corporate Welfare Reform Group (CWRG) and a Revenues Division Welfare Reform Group. The CWRG makes use of a welfare reform risk register which is reviewed monthly with updates provided to the council's Strategic Management Team. A number of significant risks have been identified which include the implementation of UC, the potential shortfall in income to the council, and the adverse impact on the homeless service. The council has a number of work streams and initiatives in place. These include:</p> <ul style="list-style-type: none"> • bringing forward its personal computer modernisation programme. • training library staff to assist customers to apply for work and benefits online • the provision of a budgeting service to help customers manage their finances • successfully achieving funding from The Big Lottery Fund which has resulted in the creation of a specialist welfare reform team responsible for implementing initiatives within communities to help minimise the impact of the welfare reform changes. 	<p>The achievement of external funding and the forward planning and consultative approach taken by many councils could help to ease the transition to UC for customers and councils.</p>
<p>South Lanarkshire council's corporate priority of reducing callers at the council's local Question and Answer (Q&A) one stop facility offices saw the benefit service opening a call centre with trained call handlers to deal with all benefit enquiries and promoting the use of its online facilities, including a claim form, a changes of circumstances form and a benefit calculator. Assistance in the completion of online forms is provided by the call centre and local Q&A staff as required. Face-to-face enquires are dealt with by trained customer service officers at the local Q&A offices. In recognition of the extensive work the Q&A one stop facility has done to meet the needs of its customers, a Customer Service Excellence accreditation award was achieved.</p>	<p>Multi-skilled staff enable the council to make best use of its resources and free up valuable time for processing staff to deal with more complex enquiries.</p>

Council	Benefit
<p>East Ayrshire Council's £705,000 Welfare Reform Fund was created to help mitigate the impact of welfare reforms and also to provide additional funding to the Citizens Advice Bureau to help them support those impacted by the changes. The council also extended its partnership based Financial Inclusion Group and developed a financial inclusion strategy to ensure citizens can readily access information, advice and support.</p>	<p>The achievement of external funding and the financial inclusion activity could help to ensure citizens receive appropriate information and support.</p>
<p>Scottish Borders Council adopted a collaborative working approach to welfare reform and integrated its welfare reform programme into the local community planning process. The Welfare Reform Project forms part of the Future Model of Public Service Delivery community planning theme managed by a joint delivery team comprising of senior executives from partner organisations and the council's Chief Executive.</p> <p>In addition, the long established Strategic Partnership Against Poverty Group, which is chaired by the senior manager of the Welfare Benefits Service and Housing Strategy, comprises a range of external stakeholders, has undertaken a huge amount of activity including delivering two welfare reform conferences and the creation of a 'welfare aware campaign'. The Group meets quarterly to monitor progress against actions.</p>	<p>Working with partners to share the responsibility for ensuring customers are provided with relevant information in preparation for welfare reform changes.</p>
<p>Glasgow City Council's Revenues and Benefits division has close working relationships with key stakeholders which have assisted customers. Initiatives included:</p> <ul style="list-style-type: none"> • working with the Registrar's department to ensure that recently bereaved customers are receiving the correct amount of benefit and discounts • publicising and providing a tailored service to provide additional support to first time claimants • working with the Long Term Conditions and MacMillan Service, a free and confidential money advice and support service. 	<p>Helps to ensure citizens receive appropriate information and support to claim the benefits to which they are entitled.</p>
<p>South Ayrshire Council's local priorities include sustaining the benefit service and retaining its</p>	<p>Helping to ensure the benefit service is</p>

Council	Benefit
<p>experienced staff until the migration of the HB caseload to UC. To that end, the service took over the responsibility for administering applications for free school meals, clothing grants, the SWF, the CTRS and an increased DHP fund. Furthermore, in recognition of the slowdown of the roll out of UC temporary benefit posts were made permanent.</p>	<p>sustained during a period of uncertainty regarding the roll out of UC and is able to provide financial support in a range of areas.</p>
<p>A visiting service is provided for housebound customers by Stirling Council. Volunteers from the community are provided with training to identify customers that might be entitled to benefits or, who might be affected by the changes arising from the welfare reform agenda. These volunteers, known as 'spotters/referrers' help customers to contact the appropriate department for more information, guidance and support.</p>	<p>This could help to ensure housebound citizens receive the appropriate information, advice and support and receive the benefits they are entitled to.</p>

Appendix 2 - Business planning and performance reporting

Council	Benefit
Aberdeen City Council has a performance wall within the benefit service, which is updated monthly and shows speed of processing and accuracy performance at service, team, and anonymously at individual level. This is an innovative approach which the council told us has been very effective in contributing to significant improvements in speed of processing and accuracy performance in 2014/15.	Staff are keen to improve their individual performance which helps to drive team and service performance improvements.
Angus Council has introduced daily processing targets and performance is evaluated daily by the benefit service management team and used to agree priorities for the next day. This effective management of productivity on a daily basis has improved performance across all areas of the service.	Service performance is regularly reviewed and prompt action can be taken to re-prioritise workloads and address any issues such as staff/team under-performance.
<p>North Ayrshire Council has a directorate plan setting out how the directorate will contribute to the council's Good to Great Journey. The performance indicators in the plan include targets for speed of processing and the gross administrative cost per case. This is supported by an operational plan which details the key improvement actions to be delivered, with associated completion dates. These include:</p> <ul style="list-style-type: none"> • implementing software to maximise the automation of DWP Automated Transfer to Local Authority Systems (ATLAS) notifications • retaining Customer Service Excellence accreditation • reviewing the new claims process using Lean Six Sigma techniques • achieving DWP Fraud and Error Reduction Incentive Scheme (FERIS) lower threshold targets • channel shift HB and CTRS customers to an online benefit claim form. 	Clearly setting out key objectives and targets for the service helps ensure that performance is kept in view and regularly reviewing progress against the plan will help the service prioritise its workload and focus resources on areas that require improvement.

Appendix 3 - Speed of processing

Council	Benefit
Clackmannanshire Council and Scottish Borders Council carry out a pre-assessment check as soon as a claim or additional information is received to determine if a claim can be processed. Where a claim cannot be progressed, the customer is contacted and advised of what further information is required.	Only claims where all information received that is required to process a payment are referred for assessment. This ensures that experienced processing staff are used to best effect.
Dundee Council and Midlothian Council have a fast-track scheme where the council has a stated commitment to process a claim within a specific number of days if all relevant information is provided by the customer at the first point of contact.	Customers are encouraged and educated on the benefits of providing the correct information at the first point of contact. Widely advertised, a fast-track process could also benefit landlords by enabling quicker payments and reducing the potential for rent arrears.
Fife Council implemented a timed appointment system, along with a text reminder service for customers to attend appointments.	Improve interview attendance rates and increase the number of customers that attend with the correct information.
Stirling Council provided each member of staff with training in a specialism, for example homelessness claims, and reviews this approach annually.	Staff gain greater experience across the full range of claim types and have increased confidence to make decisions across a number of areas of the business leading to better use of resources.
Midlothian Council has implemented dual monitors for processing staff.	Improved processing times and reducing the potential for errors as access to benefit IT systems will be quicker and simpler.
Midlothian Council has provided training on acceptable standards of evidence to key internal and external stakeholders, including officers from	External agents would be trained and accredited by the council to receive and copy evidence in support of a benefit claim. This

Council	Benefit
housing associations and private sector leasing landlords.	could help to ensure that a claim can be processed at the time it is received with the need for requesting further information.
Western Isles Council closes the benefit offices to the public one day each week and has introduced an appointment system at all other times.	Staff have more time to process benefit claims uninterrupted.
Edinburgh City Council and the Scottish Borders Council have implemented a home working solution for processing staff to work from home.	Increased productivity and reduced sickness leave.
Glasgow City Council and Edinburgh City Council have located a benefit processor within housing association office accommodation and provide that officer with a facility to access the council's benefit IT systems.	Improved liaison with housing association staff, the ability to prioritise and action cases that require urgent attention which, in turn, could help reduce the potential for rent arrears.
<p>Dumfries and Galloway Council has delivered improved speed of processing performance through:</p> <ul style="list-style-type: none"> • introducing assisted interviews to ensure customers fully understand what further information is needed to support their claim at the earliest possible stage • developing and delivering training to ensure all council and registered social landlord staff who serve as a point of contact with benefit customers know what information to ask for when a claim or a change notification is received and how to verify evidence as acceptable and correct • reviewing all new claims and changes where there are any delays with a view to improving working practices and identifying any specific training requirements • developing and introducing online forms that automatically populate the benefit IT system 	Engaging with customers and stakeholders, and regularly reviewing the reasons for delays in claims processing could help to ensure that consistent information is being disseminated in respect of the correct completion of claim forms and on the required level of evidence. This could lead to an increase in the number of claims received that can be processed without the need for further action.

Council	Benefit
<ul style="list-style-type: none">introducing an in-house performance management framework that has helped improve individual performance.	

Appendix 4 - Accuracy

Council	Benefit
<p>Glasgow City Council benefit staff record any errors found during the assessment process on a log which is reviewed to identify patterns of error and areas where remedial training could be beneficial.</p>	<p>A better understanding of the type and frequency of errors found could help identify staff that are under performing and require support. A more holistic approach could also help the service reduce the number of LA error overpayments and maximise the available subsidy.</p>
<p>The outcomes from Aberdeen City Council's daily management checks are recorded electronically on a quality assurance database and subsequently extracted to a comprehensive spreadsheet. This data is analysed and summarised to identify trends and patterns of error at individual, team and service level.</p>	<p>Detailed analysis of management checks could help identify areas that require further investigation while providing a holistic view of the service's accuracy performance.</p>

Appendix 5 - Interventions

Council	Benefit
<p>Aberdeen City Council's annual Interventions strategy sets out a programme of intervention activity. The council records the outcomes from all interventions including those where there is no change to benefit, and analyses outcomes in respect of the number of changes identified including the value of those changes. The council has a dedicated interventions team and produces an annual report summarising interventions activity which is used to determine the overall effectiveness of the service's approach, and set the focus and interventions timetable for the following year</p>	<p>The creation of a specialist interventions team in conjunction with an annual programme of interventions activity allows the council time to focus in greater detail on the areas that are considered to pose the greatest risk of having un-reported changes.</p> <p>Good use of outcome data and recording the number and value of un-reported changes identified establishes the effectiveness of each intervention campaign.</p>
<p>North Ayrshire Council used the set-up funding from the DWP's FERIS programme in 2014/15 for a Pan Ayrshire radio publicity campaign to raise awareness of reporting changes of circumstances. The council is also using maintenance funding in 2015/16 to employ one dedicated FERIS officer and using a bespoke FERIS module to identify and engage with customers assessed as high risk.</p>	<p>Good partnership working helps to develop and enhance working relationships while ensuring a consistent approach to publicising and raising awareness of the need to report changes of circumstances.</p>
<p>Renfrewshire Council uses a number of methods to encourage and educate customers on the importance of reporting a change of circumstances and uses a number of methods to achieve this. For example:</p> <ul style="list-style-type: none"> including a reminder to report any change in circumstances in all outgoing mail including a quarter page reminder on reporting changes in the 'Renfrewshire Magazine' that is issued quarterly to all residents, and a reminder in the 	<p>Regularly engaging with customers can help improve the understanding of the requirement to notify the council of a change of circumstances and could help reduce the number and value of overpayments.</p>

Council	Benefit
<p>annual council tax booklet</p> <ul style="list-style-type: none"> • having a regular benefit advice column in the local newspaper • providing examples on the council website of the types of changes of circumstances that should be reported, and advice on how to report a change. <p>The service also supported a visiting officer who has carried out a review of the following claim types:</p> <ul style="list-style-type: none"> • war pension cases • earned income where there has been no change to tax credits. 	
<p>Information is checked across Scottish Borders Council's systems such as social work financial assessments, educational benefit applications, DHP, council tax and the SWF to identify and investigate any discrepancies.</p> <p>These checks highlighted inconsistencies, including tax credit information provided for educational benefit claims which differed from the information provided in respect of HB claims, additional occupants were identified on SWF applications, and changes to rent liability and capital came to light from scrutiny of homecare applications.</p>	<p>Information from other systems could help identify un-reported changes of circumstances that might otherwise have gone undetected resulting in the early intervention in respect of incorrect claims.</p>

Appendix 6 - Overpayments

Council	Benefit
Renfrewshire Council and North Ayrshire Council immediately suspend a claim when it is clear that the reported change would result in an overpayment.	Minimises the risk of an overpayment arising and is considered good practice and an effective approach to caseload management.
Renfrewshire Council uses Direct Earnings Arrestment (DEA) as a means of recovering overpayments.	Ensures that the council can initiate recovery of an overpayment where all other avenues may have been exhausted.
North Ayrshire Council regularly reviews cases with ongoing deductions.	Ensures that recovery levels are accurate and set at the appropriate level or, where there is a change in the customer's circumstances that could result in an increase to the amount being recovered, that the maximum amount of benefit is being recovered.
North Ayrshire Council phones customers, where possible, to encourage payment.	Direct personal engagement with customers could help facilitate increased payments and quicker repayment of overpayments.
Glasgow City Council's benefit staff that are co-located within housing association offices have a direct IT interface which automatically suspends a benefit claim when a housing association tenant changes address.	The co-location of a council officer in housing association offices can lead to improved liaison and dissemination of information across both organisations. The example provided has resulted in the council developing new arrangements for its housing association tenants which has seen an 80% reduction in the value of housing association related overpayments outstanding from October 2013 to October 2014.
Falkirk Council has a separate product code or unique identifier on the benefit IT systems for fraud overpayments.	Ensures that fraud overpayments are easily identifiable and can be monitored and prioritised for recovery to act as a deterrent to others considering fraud against the council.

Appendix 7 - Appeals and reconsiderations

Council	Benefit
<p>When a customer submits a request for a reconsideration or appeal to Dundee City Council, it is reviewed by an officer not involved in the original decision. The outcomes are recorded on a spreadsheet which contains comprehensive management information. For example:</p> <ul style="list-style-type: none"> • the date the request was received and the reason for the dispute • details of the officer involved in the original decision • the date the customer was advised of the outcome. 	<p>The independent review of benefit decisions provides a level of assurance that all decisions that have been challenged have been rigorously scrutinised which could help reduce the number of subsequent appeals.</p> <p>Recording and analysing outcomes can help identify recurring issues and determine how effective the service is against internal targets for dealing with reconsiderations and appeals.</p>

Appendix 8 - Counter-fraud

Council	Benefit
Dundee City Council has taken a proactive approach to address the potential loss of fraud officers to the DWP's SFIS by putting a Corporate Fraud and Corruption Policy and a Corporate Fraud Action Plan in place which adopt the National Fraud Authority's (NFA) 'Fighting Fraud Locally' strategy. This allows the experience of the counter-fraud team to remain in-house to carry out investigations in specific high-risk pilot areas such as the CTRS, housing tenancies, and blue badges.	The council retains the skills, knowledge and experience of its benefit fraud team which are transferrable and beneficial to the investigation of corporate fraud.
North Ayrshire Council agreed to the establishment of a Corporate Fraud Team under the responsibility of the Senior Manager for Internal Audit and Risk Management. The creation of the Corporate Fraud Team was to ensure that best use was made of the differing but complementary skills of Internal Auditors and Fraud Investigators. In particular, the fraud investigators had specialist training in interview skills.	The council retains the skills, knowledge and experience of its benefit fraud team which are transferrable and beneficial to the investigation of corporate fraud.

NORTH AYRSHIRE COUNCIL

Agenda Item 12

14 November 2016

Audit and Scrutiny Committee

Title: **Consolidation of School Funds**

Purpose: To update the Committee on the management of school funds across the Council.

Recommendation: That the Committee notes the recommendation to maintain the status quo of school funds being managed individually per school.

1. Executive Summary

- 1.1 Education and Youth Employment were asked to review the current management arrangements for school funds and to consider the benefits of merging all school fund bank accounts into one centrally held account.
- 1.2 The review concluded that in the current financial climate the investment income would not be sufficiently large to progress this proposal. Therefore it is recommended that schools continue to manage their school fund accounts individually.

2. Background

- 2.1 Education and Youth Employment were asked to consider merging school fund accounts in a recent internal audit report. These funds are currently held in separate bank accounts by each school independent of council funds. On an annual basis each fund must produce a statement of account and be independently audited. The expense of this audit is borne by the fund itself. In addition to the audit the account information is passed to Financial Services who run a series of checks to ensure all the appropriate governance is in place. Any issues that arise are highlighted to the Head of Service (Schools) to pursue.

- 2.2 The value of the school funds at 30 June 2015 are shown below:
More up to date information is not available as the 2016 accounts are being prepared. It should be noted that the values tend to be consistent year on year.

	Closing Balance at 30 June 2015	Expenditure during year to 30 June 2015
Early Years Centres (25 accounts)	£57,353	£102,188
Primary Schools (43 accounts)	£320,198	£987,331
Secondary Schools (9 accounts)	£420,031	£1,140,966
ASN Schools (4 accounts)	£53,836	£38,417
Total All Establishments (81 accounts)	£851,418	£2,268,902

- 2.3 This table shows the balances and turnover within all the accounts. The expenditure levels indicate the volume of transactions that go through the bank accounts. The bulk of this expenditure takes place towards the end of the academic year as schools go on their annual trips. This would suggest that the accounts will have much more than the closing values in them for long periods of the year.
- 2.4 The request is to consider consolidating all funds together into one manageable account. This account could then be managed centrally with the requirement to produce only one set of accounts. This model of delivery would only be viable if the investment income earned by this account is able to fund staffing support to manage this global fund. There is no capacity within any one school to undertake this role.
- 2.5 Although the funds are substantial they would not generate sufficient returns to allow this delivery model to progress. Assuming an average balance of £1m for most of the year and gaining an interest of 0.75% then the return would be £7,500 per year. This level of return is not sufficient to create an additional resource. Rates are based on current market conditions.

- 2.6 In addition to staffing resources, there would be a requirement for each school to continue to require the ability to bank their own monies and draw cheques against their own balances. As the estimated return is very low, sourcing of a banking product suitable to manage the volume of accounts within a single account was not pursued.

3. Proposals

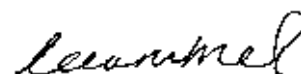
- 3.1 Given the low value of additional income a consolidated approach to school funds is not recommended. This can be re-visited if the market conditions significantly change.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	None.
Community Benefits:	None.

5. Consultation

- 5.1 Full consultation has taken place with the Head of Service for Schools.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Margaret Hogg, Head of Finance on 01294 324560

Background Papers

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NORTH AYRSHIRE COUNCIL

Agenda Item 13

14 November 2016

Audit and Scrutiny Committee

Title:	Audit Scotland report - Maintaining Scotland's Roads
Purpose:	The Committee is invited to note the recent report prepared by Audit Scotland on Maintaining Scotland's Roads.
Recommendation:	That the Committee (a) notes the findings of the Audit Scotland Report and (b) notes the recommendations contained in the Audit Scotland report and intended North Ayrshire actions, and (c) notes the improvements achieved by North Ayrshire in maintaining its public road network.

1. Executive Summary

- 1.1 Audit Scotland published its follow up report Maintaining Scotland's Roads in August 2016. A copy of the report is attached in Appendix 1. The report highlights that proper maintenance of the road network is vital to Scotland's economic prosperity and for road users to travel safely. It considers that Roads Authorities, locally and nationally, urgently need to demonstrate a much greater commitment to innovation, comparing relative efficiency and being clearer with the public about the impact on road condition of agreed spending levels.
- 1.2 The Scottish Road Maintenance Condition survey results indicate that the condition of council maintained roads has remained stable at around 63 per cent in acceptable condition over the period 2011/12 to 2014/15. While 13 authorities increased their spending, overall council expenditure on roads maintenance continues to decrease, from £302 million in 2011/12 to £259 million in 2014/15 (14 per cent). Overall, councils spent £33 million (13 per cent) less on planned and routine maintenance in 2014/15 than the Society of Chief Officers of Transportation Scotland considered necessary to maintain the current condition of local roads.

- 1.3 In 2014/15 North Ayrshire's Road Condition Index (RCI), outlining roads that should be considered for maintenance treatment, was 39.1%, this was an improvement from 43.8% in 2011/12. Since 2011/12 to 2014/15 North Ayrshire have improved our RCI by 4.7% and are the 4th most improved local authority despite facing the 13th largest budget reduction in Scotland.
- 1.4 The condition of trunk roads also declined from 90 per cent in acceptable condition in 2011/12 to 87 per cent in 2014/15. Transport Scotland's expenditure on trunk roads maintenance fell from £168 million in 2011/12 to £162 million in 2014/15 (four per cent). It spent £24 million (38 per cent) less on structural maintenance in 2014/15 than considered necessary to maintain trunk road condition at its current levels.
- 1.5 The Audit Scotland report makes a number of recommendations for Local Authorities. An Action Plan has therefore been developed by officers for North Ayrshire which is detailed at Appendix 2.
- 1.6 The Council completed a fundamental review of the Roads Service in 2015. A copy of the report to Cabinet is attached at Appendix 3.

2. Background

- 2.1 In November 2004 the Auditor General for Scotland and the Accounts Commission published Maintaining Scotland's roads. Follow up reports were published in February 2011 and May 2013.
- 2.2 The follow up report in 2011 found that Scotland's road condition had worsened since 2004 and spending on road maintenance had fallen. As a result, the Scottish Government instigated a National Review of Road Maintenance (NRM) later in 2011. The NRM was published in July 2012 and recommended 30 actions under the following 6 main themes:
 - Better asset management
 - The use of performance information to support benchmarking
 - Using innovation
 - Enabling faster progress in improving road condition
 - Considering different delivery models including the scope for better collaboration.
 - Communication with industry partners and road users.

2.3 The follow up report in May 2013 examined councils' progress in implementing the recommendation in the 2011 audit report. The 2013 audit report found the following:

- The condition of local roads had improved marginally since 2010.
- Some progress had been made with the introduction of Roads Asset Management Plans (RAMPs)
- The NRMF was progressing but significant new ways of working would take time to put in place.

Overall, the Accounts Commission recognised that although Council's were facing budget constraints they required to improve the condition of Scotland's roads more quickly.

2.4 The recent Maintaining Scotland's Roads follow up report published in August 2016 follows up on the previous reports of 2011 and 2013. It reviews:

- Changes in road condition and spending on roads maintenance since the 2011 report
- Progress made against previous audit recommendations
- Progress in implementing the actions set out in the NRMF, in particular Option 30 (exploring the optimum delivery of road maintenance services).

In carrying out the audit the auditors

- analysed performance data, in particular road condition and spending on roads maintenance
- they reviewed other key information and documents such as:
 - Transport Scotland strategic documents
 - Roads Collaboration Programme updates and reports
 - Scottish Roads Research Board documentation
 - User survey results, such as those generated from the Scottish Household Survey and the National Highways & Transport Network Survey
- They conducted fieldwork at a sample of 11 roads authorities (NAC were not included), where they reviewed strategic documents such as Roads Investment Strategies, Roads Asset Management Plans and Annual Status and Options Reports.
- They interviewed senior officers and elected members at a sample of ten councils (NAC were not included), and senior officers at Transport Scotland.

2.5 The report has two parts:

- Part 1 outlines the condition and cost of maintaining Scotland's roads.
- Part 2 reviews progress made in improving the management of roads maintenance

2.6 Part 1 of the report advises that the overall condition of council maintained roads has remained stable at around 63% in acceptable condition over the period 2011/12 to 2014/15. In 2014/15 North Ayrshires Road Condition Index (RCI), road that should be considered for maintenance treatment, was 39.1%, this was an improvement from 43.8% in 2011/12. Since 2011/12 to 2014/15 North Ayrshire have improved our RCI by 4.7% and are the 4th most improved local authority despite facing the 13th largest budget reduction in Scotland.

2.7 Part 2 of the report advised that roads authorities need clear Roads Asset Management Plans (RAMP) for managing their road network. North Ayrshires RAMP was approved by the Executive of North Ayrshire Council in February 2012 and is reviewed on an annual basis. North Ayrshire Council fully participate in the SCOTS Asset Management Project and an officer from the Council is on the SCOTS Asset Management Steering Group.

2.8 Part 2 of the report also advises that progress in delivering a shared service approach to road maintenance has been disappointingly slow and that the focus of collaboration has so far been on specific areas of activity. It notes that the Road Collaboration Programme (RCP) was launched in November 2013 and it has been working with Councils' to establish 5 regional working groups to explore opportunities for collaborative working. The Council is engaging with other Councils within the South Exploratory Group.

2.9 The Audit Scotland report makes a number of recommendations for the Strategic Action Group, for Councils, for Transport Scotland and for the Society of Chief Officers of Transportation Scotland (SCOTS). The specific recommendations suggested for Councils are:

- Ensure that they work closely with the Roads Collaboration Programme and regional group partners to determine the extent of shared service models for roads maintenance operations;
- Ensure that they implement the findings of the consultant's review of Roads Asset Management Plans (RAMPs) where relevant;
- Implement methods for assessing and comparing councils' roads maintenance efficiency with the aim of identifying and learning from councils delivering services more efficiently;

- Use the National Highways & Transport (NHT) Network Survey, or similar, to obtain user views and perceptions of roads services consistently;
- Use the results of user surveys to develop more proactive ways of engaging with the public over roads maintenance issues, and to help inform scrutiny and challenge of roads maintenance budgetary proposals;
- Ensure that they use their RAMPs to inform elected members and Scottish ministers of long-term investment plans for maintaining roads that take into account the whole-life costing of treatment options;
- Ensure that the consequences of spending less than that necessary to maintain current road conditions adequately features in budget-setting processes to allow elected members and Scottish ministers to make informed choices which take account of competing demands and priorities.

2.10 In order to address the recommendations for Councils contained in Audit Scotland's report, officers have developed an Action Plan which is detailed at Appendix 2.

2.11 In 2015 the Council completed a fundamental review of its Roads service, a copy of the report is attached at Appendix 3 for information. The report addresses many of the issues raised in the Audit report.

3. Proposals

3.1 It is proposed that the Committee (a) notes the findings of the Audit Scotland Report attached at Appendix 1 (b) notes the recommendations contained in the Audit Scotland report and intended North Ayrshire actions detailed in the Action Plan at Appendix 2, and (c) notes the improvements achieved by North Ayrshire in maintaining its public road network.

4. Implications

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	The external report provides reassurance that North Ayrshire Council's road condition index has improved by 4.7% and North Ayrshire are the 4 th most improved local authority in Scotland.
Key Priorities:	None
Community Benefits:	None

5. Consultation

- 5.1 In preparing the Maintaining Scotland's Roads follow up report, Audit Scotland consulted with senior officers for a sample of 10 local authorities and Transport Scotland. North Ayrshire was not included in this sample.



CRAIG HATTON
Executive Director (Place)

Reference : CD/RM

For further information please contact Campbell Dempster, Team Manager
Network on (01294) 324845

Background Papers

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Maintaining Scotland's roads

A follow-up report



ACCOUNTS COMMISSION ✓

AUDITOR GENERAL ✓

Prepared by Audit Scotland
August 2016


The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

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Auditor General for Scotland

The Auditor General's role is to:

- appoint auditors to Scotland's central government and NHS bodies
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- check whether they achieve value for money.

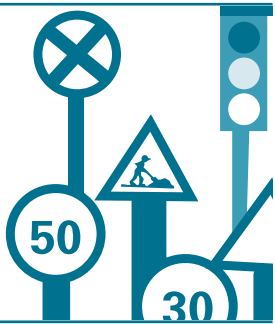
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- NHS bodies
- further education colleges
- Scottish Water
- NDPBs and others, eg Scottish Police Authority, Scottish Fire and Rescue Service.

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

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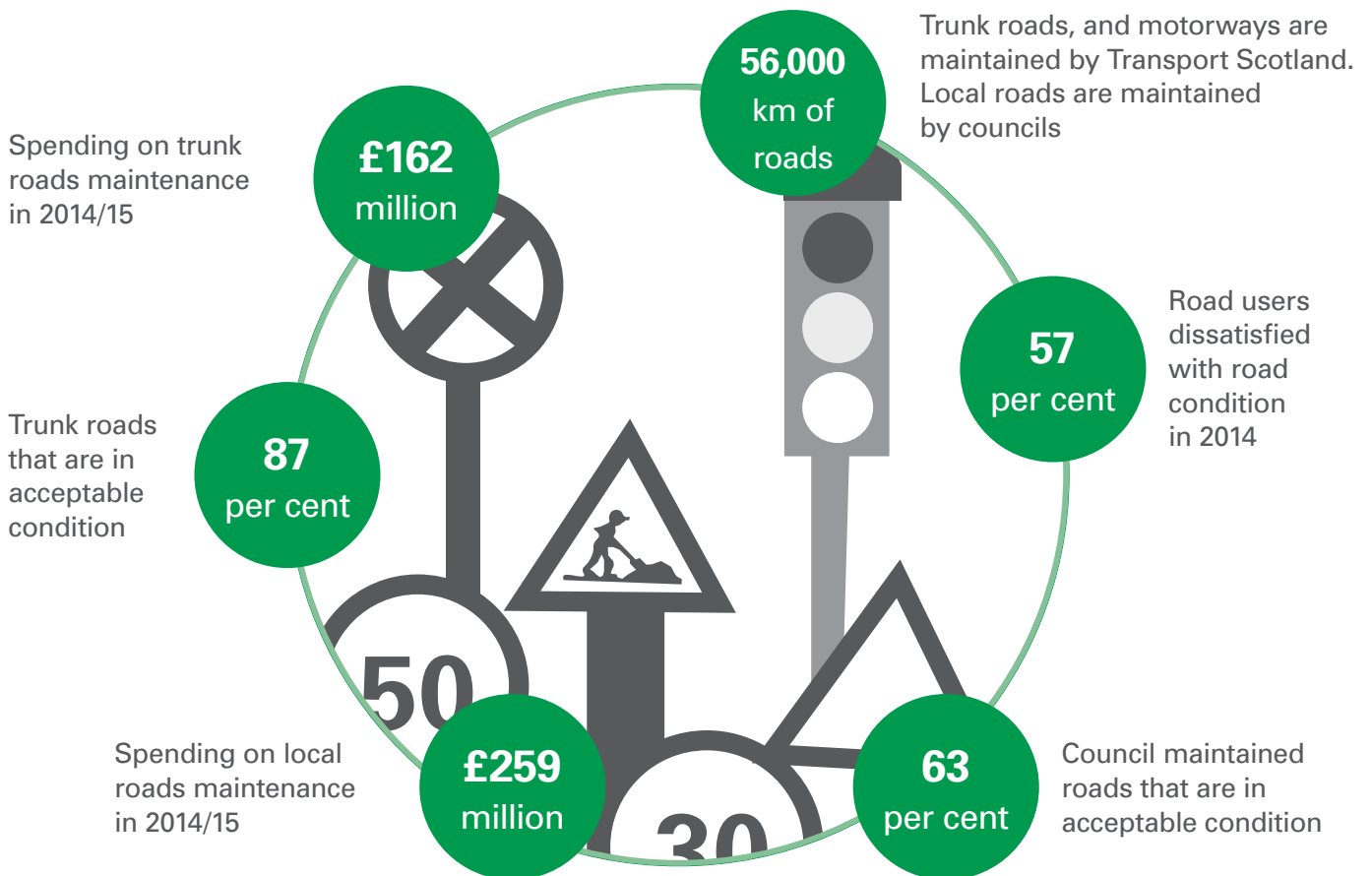
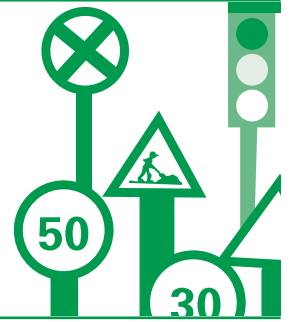


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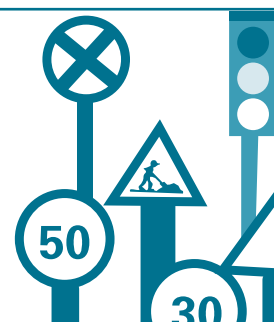
Links

-  PDF download
-  Web link

Key facts



Summary



- 1** The proper maintenance of the road network is vital to Scotland's economic prosperity and for road users to travel safely. Roads authorities, locally and nationally, urgently need to demonstrate a much greater commitment to innovation, comparing relative efficiency and being clearer with the public about the impact on road condition of agreed spending levels. It is clear that the status quo is no longer an option if there is to be any improvement in road condition. A longer-term view is required, one that takes into account both the need for new roads and the maintenance of the existing road network.
- 2** Independent survey results indicate that the condition of council-maintained roads has remained stable at around 63 per cent in acceptable condition over the period 2011/12 to 2014/15. There is significant variation in road condition among councils. There is also concern that the survey approach does not always pick up the full extent of failures in the structural integrity of lower road layers. Fifty-seven per cent of users report that road condition is a major concern. While 13 authorities increased their spending, overall council expenditure on roads maintenance continues to decrease, from £302 million in 2011/12 to £259 million in 2014/15 (14 per cent). Overall, councils spent £33 million (13 per cent) less on planned and routine maintenance in 2014/15 than the Society of Chief Officers of Transportation Scotland considers was necessary to maintain the current condition of local roads.
- 3** The condition of trunk roads declined from 90 per cent in acceptable condition in 2011/12 to 87 per cent in 2014/15. Most of this decline is associated with the condition of motorways. Transport Scotland attributes this to more resurfacing work, instead of more expensive reconstruction which would also improve the condition of the lower road layers. Transport Scotland's expenditure on trunk roads maintenance fell from £168 million in 2011/12 to £162 million in 2014/15 (four per cent). It spent £24 million (38 per cent) less on structural maintenance in 2014/15 than it considers was necessary to maintain trunk road condition at its current levels.
- 4** In the current context of reduced public spending, the competing priorities of some services, such as education, health and social care mean that roads maintenance budgets may be put under further pressure. There is evidence that roads authorities are better prioritising and targeting roads maintenance, and using cheaper treatment options. This has helped available budgets go further but carries risks. Increasing the use of surface dressing might help to maintain the condition of the surface of the road network in the short term, but this may not deliver value for money in the longer term. It is important that

**roads
authorities
need to
demonstrate
greater
commitment
to improving
road
condition**

proper scrutiny and challenge includes taking account of all options and users' views when considering spending on roads.

- 5** Progress with introducing a shared services approach to roads maintenance, a central theme of the 2012 National Roads Maintenance Review, has been disappointingly slow. Councils are in the process of establishing regional governance bodies for local roads maintenance but there is still no clear plan and timetable for determining the extent of shared services at an operational level. Scottish ministers want to see councils make more progress, and be able to demonstrate the efficiency savings and other benefits arising, before trunk roads could be considered for inclusion in such regional arrangements.

Recommendations

The Strategic Action Group should:¹

- Ensure that the Roads Collaboration Board works with regional group partners to determine a clear plan and timetable for:
 - supporting the development of regional arrangements for roads services to secure the benefits arising, such as efficiencies, increased service resilience and professional skills, while also preserving local accountability
 - making decisions on the extent of shared services at an operational level
 - learning lessons from existing shared service models such as the Ayrshire Roads Alliance, Tayside Contracts and further afield
 - establishing a baseline position, so that roads authorities can measure the expected benefits from collaboration over time
 - develop outcome measures which demonstrate the contribution of well-maintained roads to Scotland's economy.

Councils should:

- Ensure that they work closely with the Roads Collaboration Programme and regional group partners to determine the extent of shared service models for roads maintenance operations
- Ensure that they implement the findings of the consultant's review of Roads Asset Management Plans (RAMPs) where relevant
- Implement methods for assessing and comparing councils' roads maintenance efficiency with the aim of identifying and learning from councils delivering services more efficiently
- Use the National Highways & Transport (NHT) Network Survey, or similar, to obtain user views and perceptions of roads services consistently
- Use the results of user surveys to develop more proactive ways of engaging with the public over roads maintenance issues, and to help inform scrutiny and challenge of roads maintenance budgetary proposals.

Councils and Transport Scotland should:

- Ensure that they use their RAMPs to inform elected members and Scottish ministers of long-term investment plans for maintaining roads that take into account the whole-life costing of treatment options
- Ensure that the consequences of spending less than that necessary to maintain current road condition adequately features in budget-setting processes to allow elected members and Scottish ministers make informed choices which take account of competing demands and priorities.

Transport Scotland should:


- Make road condition information publicly available for the geographical areas of the trunk road network: North West, North East, South East and South West Scotland
- Identify unit cost or other efficiency measures to evaluate the value for money provided by operating companies
- Consider the overall trend in performance of operating companies and ensure it has appropriate mechanisms in place for addressing areas of poorer performance
- Fully take account of the needs of the existing trunk road network when considering the affordability of large-scale transport investments taken forward within the Scottish Government's Infrastructure Investment Plan
- Consider its future strategy for maintaining the trunk road network. The strategy should fully reflect the progress made by council regional groupings in determining the extent of shared service models for roads maintenance operations. If Transport Scotland decides to renew its existing operating contracts, it should seek to maximise opportunities for greater collaboration with councils through contract conditions.

The Society of Chief Officers of Transportation Scotland (SCOTS) should:

- Work with councils to implement the findings of the consultant's review of RAMPs, and promote good practice where it is identified
- Continue, as a matter of priority, to work with consultants to develop methods for assessing and comparing how efficient councils are at roads maintenance
- Focus the work of the Scottish Roads Research Board so that it identifies a programme of research projects aimed at maximising innovation and sharing current good practice in delivering roads maintenance services.

This is the third time we have reported on roads maintenance in the last six years. We expect the Strategic Action Group to publicly report on the progress made on implementing the recommendations contained in this report. It should publish this report no later than the end of December 2017.

Background

1. In February 2011, the Auditor General for Scotland and the Accounts Commission published [Maintaining Scotland's roads: A follow-up report](#) . The audit examined progress on implementing recommendations in *Maintaining Scotland's roads* which the Auditor General for Scotland and the Accounts Commission published in November 2004. The 2011 audit report found the following:

- The condition of Scotland's roads had worsened since 2004.
- Spending on roads maintenance had fallen, after taking account of road construction inflation.²
- Roads authorities could improve how they manage roads maintenance, for example by introducing Roads Asset Management Plans and using performance indicators to help them benchmark against other roads authorities.
- The Scottish Government should consider whether a national review of how the road network is managed and maintained is needed to stimulate service redesign and increase the pace of examining the potential for shared services.

2. The Scottish Government and councils initiated a National Review of Road Maintenance (NRM) later in 2011. A Strategic Action Group, jointly chaired by COSLA and the Minister for Transport and Islands, provided overall direction to the NRM. The findings of the NRM, published in July 2012, identified 30 actions under six main themes:

- Better asset management, including prioritising investment in roads maintenance.
- The use of performance information to support benchmarking.
- Using innovation.
- Enabling faster progress in improving road condition.
- Considering different delivery models, including the scope for greater collaboration and the 'optimum arrangements for the management and maintenance of roads in Scotland' (known as Option 30).
- Communicating with industry partners and road users.

[The Supplement](#) provides more details of the NRM actions.

3. In May 2013, the Accounts Commission published *Maintaining Scotland's roads: An audit update on councils' progress*. The audit examined councils' progress in implementing relevant recommendations in the 2011 audit report. It also reviewed progress on implementing the actions set out in NRM. The 2013 audit report found the following:

- The condition of local roads had improved marginally since 2010.

- Some progress had been made with the introduction of RAMPs and performance indicators but further work was needed.
- The NRMR was progressing but significant new ways of working would take time to put in place.

4. Overall, the Accounts Commission recognised that although councils were facing budget constraints, they needed to improve the condition of Scotland's roads more quickly.

About this audit

5. This audit follows up previous audit reports in 2011 and 2013. It reviews:

- changes in road condition and spending on roads maintenance since the 2011 report
- progress made against previous audit recommendations
- progress in implementing the actions set out in the NRMR, in particular Option 30.

6. During the audit we:

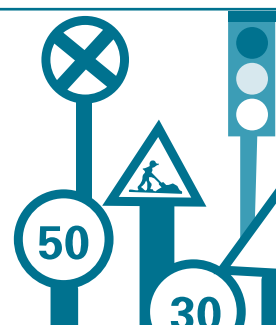
- analysed performance data, in particular road condition and spending on roads maintenance
- reviewed other key information and documents such as:
 - Transport Scotland strategic documents
 - Roads Collaboration Programme updates and reports
 - Scottish Roads Research Board documentation
 - User survey results, such as those generated from the Scottish Household Survey and the National Highways & Transport Network Survey
- conducted fieldwork at a sample of 11 roads authorities, where we:
- reviewed strategic documents such as Roads Investment Strategies, Roads Asset Management Plans and Annual Status and Options Reports
- interviewed senior officers and elected members at a sample of ten councils, and senior officers at Transport Scotland.

7. The report has two parts:

- [Part 1](#) outlines the condition and cost of maintaining Scotland's roads.
- [Part 2](#) reviews progress made in improving the management of roads maintenance.

Part 1

The condition and cost of maintaining Scotland's roads



Key messages

- 1 Independent survey results indicate the overall condition of council-maintained roads has remained stable, at around 63 per cent in acceptable condition over the period 2011/12 to 2014/15. Road condition varies among individual councils from 44 per cent to 79 per cent in acceptable condition. While 13 authorities increased their spending, overall council expenditure continues to decrease, from £302 million in 2011/12 to £259 million in 2014/15 (14 per cent). Overall, councils spent £33 million (13 per cent) less on planned and routine maintenance in 2014/15 than the Society of Chief Officers of Transportation Scotland (SCOTS) considers was necessary to maintain the current condition of local roads. Only a third of councils are presenting options to elected members on what kind of road condition can be expected from different levels of spending.
- 2 The condition of trunk roads declined from 90 per cent in acceptable condition in 2011/12 to 87 per cent in 2014/15. Most of this decline is associated with the condition of motorways. Transport Scotland attributes this to more resurfacing work, instead of more expensive reconstruction which would also improve the condition of the lower road layers. Its expenditure on trunk roads maintenance fell from £168 million in 2011/12 to £162 million in 2014/15 (four per cent). Transport Scotland spent £24 million (38 per cent) less on structural maintenance in 2014/15 than it considers necessary to keep trunk road condition at its current levels.
- 3 Fifty-seven per cent of users report that road condition is a major concern. Councils and Transport Scotland both need to be clearer with the public on the impact that current levels of investment will have on road condition. They also need to take account of users' views consistently to make informed budgetary decisions that take account of competing priorities.

**users
consider road
condition
as a major
concern**

Proper maintenance of the road network is vital to Scotland's economic prosperity and for road users to travel safely

8. Scotland's road network connects business with customers, suppliers and the workforce, helps people access places of employment and education, and helps move goods from point of production to local, national and international markets. There is no single indicator of how roads contribute to economic and social outcomes. But the Scottish Government considers that the road network plays a part in delivering nine of the 16 national outcomes in its National Performance Framework.³

9. Scotland's road network consists of almost 56,000 kilometres of road, as well as footways, bridges, lighting, signs and lines. Councils are responsible for 25,600 kilometres of classified roads and 26,800 kilometres of unclassified roads. Classified roads comprise:

- **A roads** – major roads which deliver the basic road links to certain areas or communities.
- **B roads** – roads that serve a local purpose and connect to strategic routes.
- **C roads** – mainly rural interconnecting roads.

10. Transport Scotland is responsible for 3,600 kilometres of motorways and trunk roads. Motorways and trunk roads make up only six per cent of the road network but, based on vehicle mileage, carry over a third of the traffic and nearly two-thirds of heavy goods vehicles (HGVs). In this report, the term trunk roads include motorways, while local roads mean council-maintained roads.

11. Councils are changing the way they value local roads with effect from 2016/17. The value of local roads will now be calculated on a similar basis to trunk roads, based on depreciated replacement cost, that is, the cost of replacing all roads to their current condition. The change is likely to lead to a significant increase in the value of Scottish councils' road network. Local roads will be the highest value asset on councils' balance sheets.

12. Road maintenance covers all work on roads other than major new-build work. It includes:

- structural maintenance, such as planned schedules of resurfacing or reconstruction works. Resurfacing is aimed at replacing a failed road surface. Reconstruction replaces a failed road structure, including the surface and lower road layers.
- surface dressing, to seal the surface, improve skidding resistance and restore ride quality
- routine maintenance, such as repairing potholes, emptying drains and gullies, and repairs to lighting and signs
- weather and winter services, such as applying salt and grit to remove snow and ice
- reactive maintenance, such as responding to inspections, complaints or emergencies.

Generally, the cost of materials forms the greatest proportion of spending associated with structural maintenance, while staff costs comprise the greatest proportion of spending on routine repairs.

13. Police accident records indicate that the biggest cause of road accidents is driver error or reaction, being a factor in 68 per cent of all road traffic accidents. Poor road condition is a small, but still important, contributory factor in the causes of road traffic accidents. Police accident records indicate that poor and defective road conditions are a contributory factor in around 0.7 per cent of fatal road traffic accidents in the UK, 0.8 per cent of serious road traffic accidents and 0.6 per cent of slight road

traffic accidents⁴. Between 2010 and 2014, there were 865 fatal, 8,039 serious and 38,957 slight road traffic accidents on Scottish roads. Extrapolating these figures means that poor and defective road condition may have been a contributory factor in six fatal, 64 serious and 234 slight road traffic accidents on Scottish roads over the five-year period.

14. Good road condition is also of vital interest to cyclists. The number of cyclists killed or injured on Scotland's roads increased from 776 in 2004 to 857 in 2014 (10.4 per cent).⁵ The number of accidents involving cyclists where road condition was a contributory factor is not recorded. While the increase in casualties is likely to be attributable, at least in part, to the growing popularity of cycling to work and as a leisure activity, the Scottish Household Survey routinely asks those surveyed why they do not cycle to work. On average, five per cent of those surveyed between 2010 and 2014 said that they do not cycle to work because the road surfaces are dangerous.⁶

The condition of the Scottish road network has worsened since 2011, mainly as a result of a decline in the condition of motorways

15. The Society of Chief Officers of Transportation Scotland (SCOTS) appoints WDM Ltd, a private firm with UK-wide experience in undertaking roads surveys, to undertake annual surveys of the condition of local roads on behalf of councils. *The Scottish Road Maintenance Condition Survey* uses a traffic speed machine based survey (Surface Condition Assessment for the National Network of Roads – SCANNER) to make a number of measurements that describe the condition of the road surface, including rutting, cracking and ride quality. This allows councils to assess the length of road requiring maintenance. The length of road surveyed annually includes:

- 100 per cent of A class roads with the direction of travel changed in alternate years
- 50 per cent of B and C class roads with the remaining 50 per cent surveyed the following year. The direction of travel is also alternated such that every B and C class road lane is surveyed every four years
- 10 per cent of unclassified roads are surveyed in one direction each year.

16. The results of the survey are used to classify local roads into one of three measures:

- **Green** – roads are in acceptable condition.
- **Amber** – some deterioration is apparent on the roads and should be investigated to determine the best time to carry out planned maintenance treatment.
- **Red** – roads are in poor condition and are likely to require repairs within one year.

17. A road that is assessed as in an acceptable condition through the survey does not necessarily mean it is free of any defects. Equally, a road that is in a poor condition does not necessarily mean it is unusable. But a road in poor condition:

- may require vehicles to travel at lower speeds
- increases the risk of vehicular suspension and other damage

- could present an increased safety risk, for example owing to the loss of the road's anti-skid properties.

18. SCANNER provides an indicator of the condition of the lower road layers but not an absolute measure. Transport Scotland tests the surface of the trunk road network using SCANNER. It also uses a Deflectograph to provide an estimate of the remaining useful life of trunk roads and to identify areas requiring strengthening. The Deflectograph is a lorry-mounted system involving a loaded wheel passing over the road. The size of the deflection is related to the strength of the lower road layers. Each year, Transport Scotland uses the Deflectograph to survey 20 per cent of the trunk road network.

19. The different approaches mean that, under normal circumstances, the reported condition of the local road network cannot be compared with that of trunk roads. Transport Scotland publicly reports trunk road condition using the combined results of its SCANNER and Deflectograph surveys. But it is also able to separate its survey results so that trunk road condition can be more directly comparable with that of local roads. This report outlines the condition of the trunk road network using both how Transport Scotland reports it (combined surface and lower road layer surveys) and surface survey only.

The condition of council-maintained roads has stabilised overall

20. The 2011 audit report found that the condition of council-maintained classified roads had deteriorated over the last five years. In 2005/06, 70 per cent were in acceptable condition. By 2010/11, the figure had dropped to 66 per cent in acceptable condition. Since then, the road condition survey indicates that the proportion of classified local roads in acceptable condition has remained the same ([Exhibit 1](#)).

Exhibit 1

The condition of council-maintained roads from 2011/12 to 2014/15

The proportion of local roads in acceptable condition remained the same between 2011/12 and 2014/15.

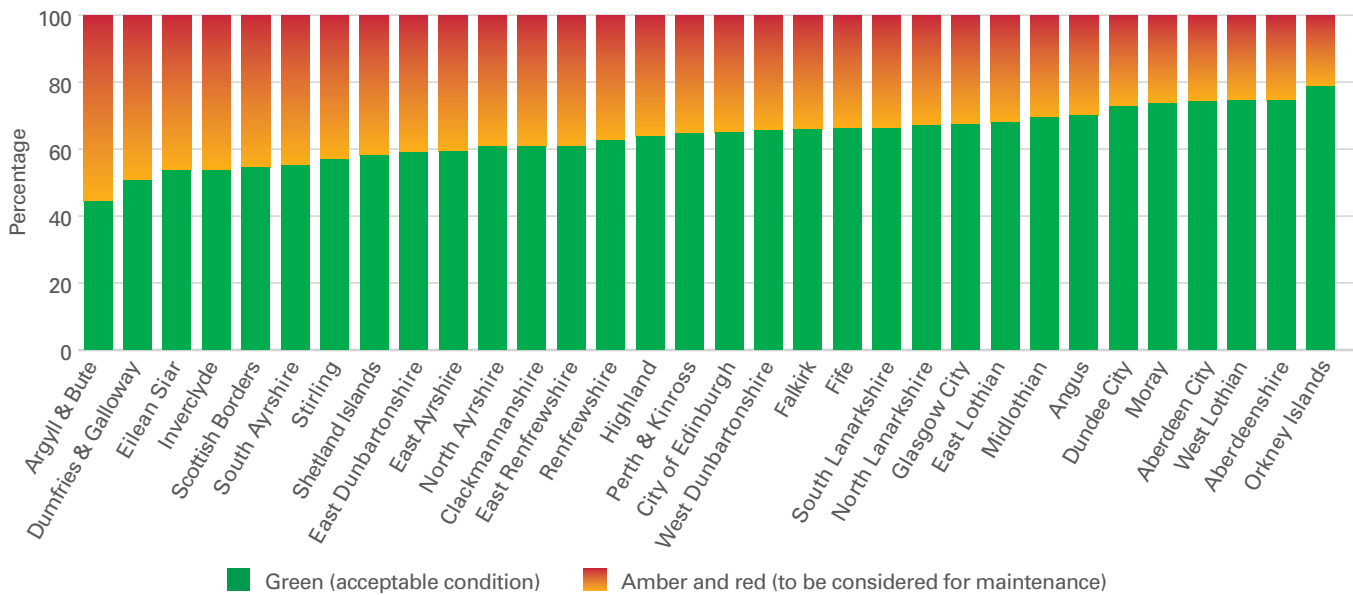


Source: SCOTS

21. Unclassified roads make up slightly more than half the local road network. The condition of unclassified roads declined slightly from 62 per cent in acceptable condition in 2011/12 to 60 per cent in acceptable condition in 2014/15. Unclassified roads continue to be in worse condition than classified roads.

22. While the overall condition of council-maintained roads has remained stable at around 63 per cent over the period 2011/12 to 2014/15, there is significant variation in the condition of roads among councils. For example, in 2014/15, the proportion of local roads in acceptable condition ranged from 44 per cent in Argyll and Bute Council to 79 per cent in Orkney Islands Council ([Exhibit 2](#)).

Exhibit 2
Comparison of the proportion of roads in acceptable condition by council for 2014/15
There is significant variation in road condition among individual councils.



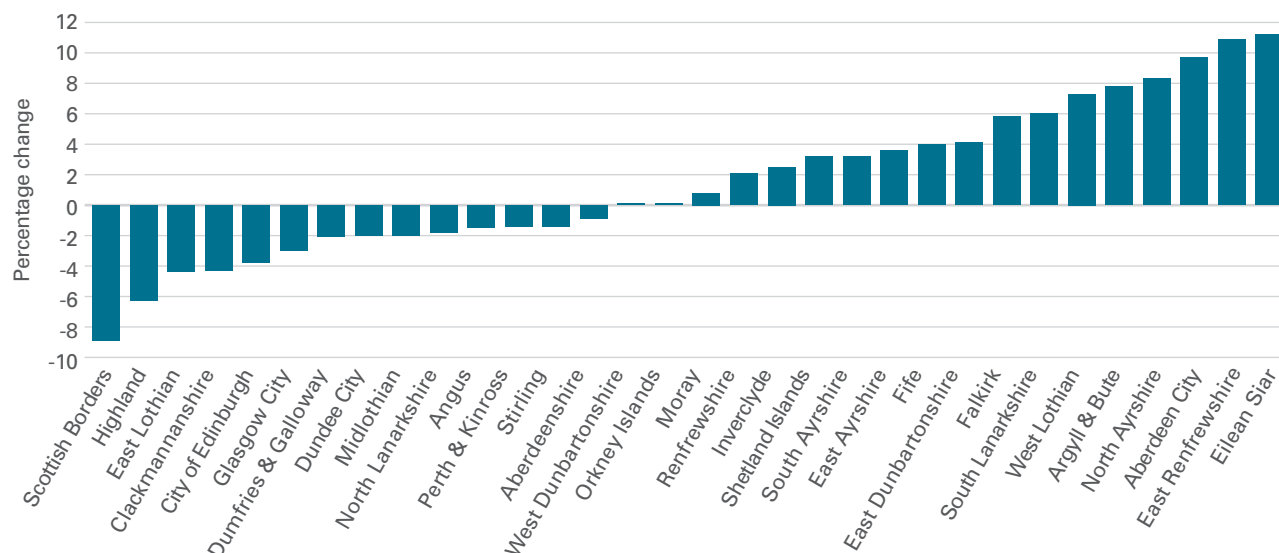
Source: SCOTS

23. There is also significant variation among councils in how the condition of local roads has changed over time. Between 2011/12 and 2014/15, survey results indicate that for 18 councils the proportion of their local roads in acceptable condition increased, while for 14 councils the condition of their local roads deteriorated. The extent of variation ranged from an improvement in acceptable condition of 11 per cent in Comhairle nan Eilean Siar to a deterioration of nine per cent in Scottish Borders Council ([Exhibit 3, page 15](#)). There is no obvious correlation between the change in road condition over time and the current level of road condition in individual councils.

Exhibit 3

Change in percentage of council-maintained roads in acceptable condition from 2011/12 to 2014/15

There is significant variation in the change in road condition between councils.



Source: SCOTS

The condition of trunk roads has worsened

24. Transport Scotland has a higher maintenance standard for the trunk road network. In particular, it considers that motorways need to be maintained to a higher standard owing to the higher proportion of HGVs thus enabling traffic to move safely at higher speeds than normally experienced on local roads.

25. Using Transport Scotland's method of assessing road condition, the condition of trunk roads declined from 90 per cent in acceptable condition in 2011/12 to 87 per cent in 2014/15. Dual and single-track A-class roads are in better condition than motorways. Motorways declined from 79 per cent in acceptable condition in 2011/12 to 74 per cent in acceptable condition in 2014/15 ([Exhibit 4, page 16](#)). Transport Scotland attributes much of the decline in motorway condition to doing more resurfacing work instead of reconstruction, which would also improve the condition of lower road layers ([paragraph 72](#)).

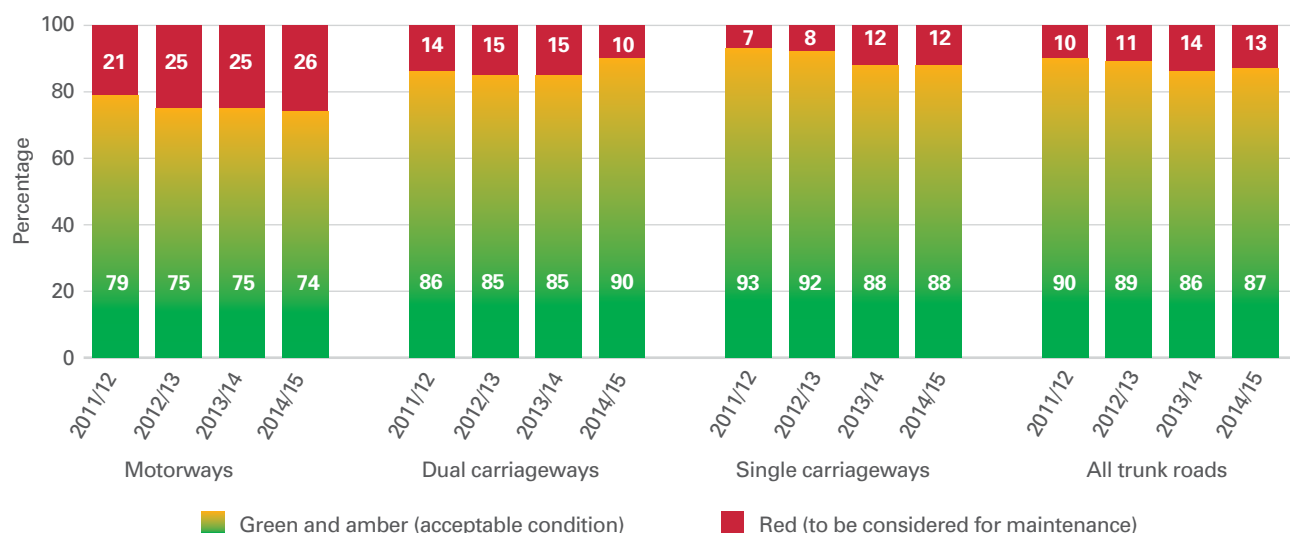
26. The 2011 audit report found that 78 per cent of trunk roads were in acceptable condition in 2010/11 based on the methodology used to assess council-maintained roads, that is, based on surface survey only. Since then, the overall condition of trunk roads has increased slightly to 79 per cent in acceptable condition. However, the proportion of motorways in acceptable condition fell from 70 per cent in 2011/12 to 58 per cent in 2014/15 ([Exhibit 4, page 16](#)).

Exhibit 4

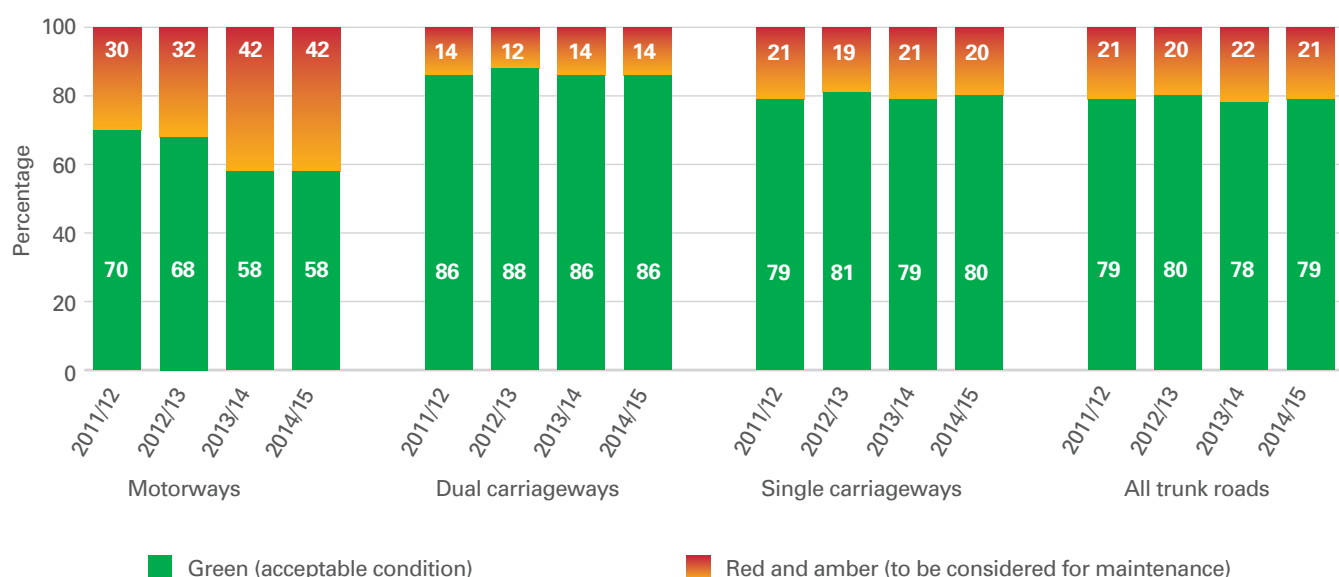
The condition of trunk roads from 2011/12 to 2014/15

The condition of trunk roads has worsened since 2011/12.

Condition results using Transport Scotland's approach, that is combined surface and lower road layers surveys.



Condition results using councils' approach, that is surface survey only



Source: Transport Scotland

27. Transport Scotland evaluates the quality of trunk road maintenance through the Performance Audit Group (PAGplus) and the annual reports it produces. These reports assess the performance of the operating companies which carry out trunk roads maintenance on behalf of Transport Scotland. Prior to June 2015, four operating companies provided trunk roads maintenance, organised into four geographical areas. A fifth operating company began operations in June 2015 when responsibility for maintaining the Forth Road Bridge and adjacent trunk road network was transferred from the Forth Estuary Transport Authority to Transport

Scotland. PAGplus assesses the performance of operating companies using a number of criteria, including:

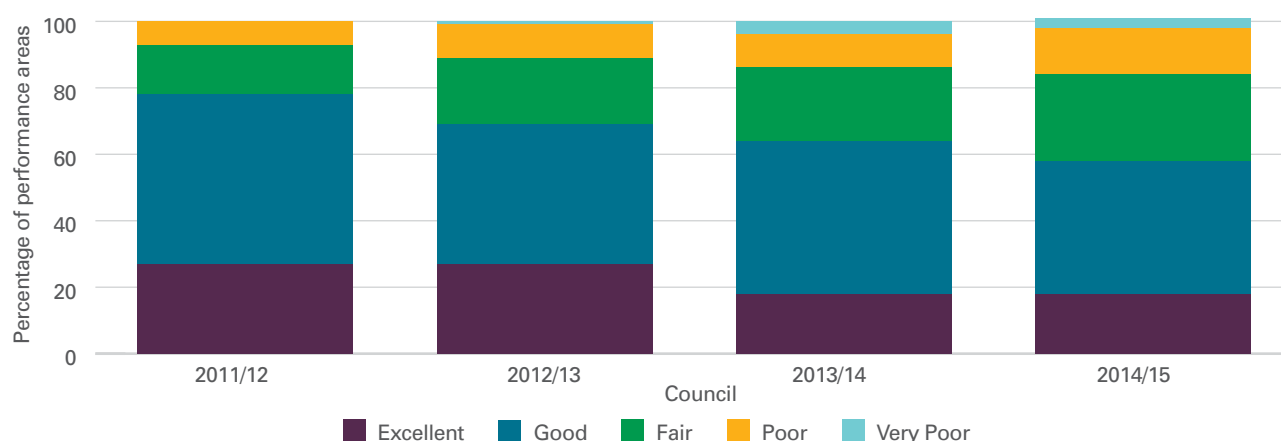
- Repair of major defects
- Planned maintenance of roads and other structures
- Winter service response times
- Safety inspections and patrols.

28. PAGplus assesses the performance of operating companies on a scale from 'excellent' through to 'very poor'. In 2011/12, PAGplus assessed 78 per cent of performance areas as 'excellent' or 'good' but this fell to 58 per cent in 2014/15. Conversely, PAGplus assessed seven per cent of performance areas as 'poor' or 'very poor' in 2011/12 but this increased to 16 per cent in 2014/15 ([Exhibit 5](#)). The introduction of new contracts in the North West, South West and South East areas during 2013 and 2014 may have played a part in the decline in performance during this time. It is important that Transport Scotland considers the overall trend in performance of operating companies and ensures it has appropriate mechanisms for addressing areas of poorer performance.

Exhibit 5

Trunk road maintenance operating company performance 2011/12 to 2014/15

The overall performance of trunk road operating companies declined between 2011/12 and 2014/15.



Note: The performance of the operating company responsible for the maintenances of the Forth Road Bridge and adjacent trunk road network is excluded from this analysis as it did not begin operations until June 2015, so there is no publicly available report through PAG plus.

Source: Transport Scotland

29. Transport Scotland does not report publicly on individual operating companies using road condition as an indicator of performance. This means it is not possible to compare the performance of operating companies in the same way as we have compared councils. Making road condition information publicly available for the geographical areas of the trunk road network – North West, North East, South East and South West Scotland – would help improve openness and transparency to the public.

Users continue to report that road condition is a major concern

30. The 2011 and 2013 audit reports both indicated that road users were increasingly dissatisfied with the condition of Scottish roads, which they believed was getting worse. In particular, the 2013 audit report referred to an AA survey in January 2013, which found that 45 per cent of local road users in Scotland considered road conditions to be poor, very poor or terrible. This was the worst rate in the UK.

31. Councils use a range of approaches to gauge customer satisfaction with roads in their area, such as user surveys and feedback from consultation groups. Not all authorities report their results publicly and, of those that do, there are differences in the type of question asked. For example, some councils seek views about road condition, while others ask about satisfaction with roads maintenance overall. There can also be different response options for customers to choose from.

32. In response to actions contained in the NRM, a question was included in the 2014 Scottish Household Survey (SHS) to capture levels of user satisfaction with road condition on a more consistent basis than councils had done previously.⁷ The results indicated that a third of respondents felt satisfied with road condition while 57 per cent felt dissatisfied. The remaining ten per cent felt neither satisfied nor dissatisfied, or had no opinion.

33. The National Highways & Transport (NHT) Network Survey asks the public more detailed questions than those contained in the SHS, including their views on road condition, road safety, traffic pollution and public transport. Since 2013, only seven Scottish councils have taken part in the NHT Network Survey. The 2015 survey results confirmed the importance that the public attach to road condition, and their low levels of satisfaction with it. For example, people living in the five Scottish councils that took part (Aberdeenshire, Dumfries and Galloway, North Ayrshire, Scottish Borders and South Lanarkshire) rated road condition as either the first or second most important aspect of roads services.


34. The NHT survey is a useful way to get councils thinking about how they might influence public perception of road condition by engaging more proactively over their roads service. For example, as part of a Roads Service communication strategy and action plan, in 2015 Aberdeenshire Council:

- used social media to inform the public about its winter roads maintenance procedures and how best to report potholes
- placed videos on YouTube to advertise particular events, such as the reopening of the Balmoral Bridge, and to let the public know more about the work of a roads manager
- issued news releases informing the public that its summer programme of surface dressing was about to begin and to be aware of loose chips
- raised the profile of female engineers by including an interview with a female member of staff in the YourJob section of the local press.

While the council acknowledges it is difficult to establish how much these activities have played a part, public levels of satisfaction with road condition in Aberdeenshire improved from 34 per cent in 2013 to 41 per cent in 2015.

35. Transport Scotland carries out annual surveys to gauge trunk road users' levels of satisfaction. Following a period of decline, levels of satisfaction have risen in the most recent survey. The 2011 audit report found that the proportion of users who were satisfied with the general condition of trunk road surfaces fell from 52 per cent in 2007 to 37 per cent in 2010. The survey results for 2015 indicate that 45 per cent of users were satisfied with trunk road surfaces.

Councils spent 14 per cent less on roads maintenance in 2014/15 than in 2011/12, while Transport Scotland spent four per cent less

36. Recent reports from the Accounts Commission have highlighted the financial challenges and service pressures that councils are currently facing. For example, [An overview of local government in Scotland 2016](#)  outlined the increasing demand for social care owing to demographic change, and how a third of councils overspent their social care budgets in 2015/16.⁸ These service demands and national policy conditions on, for example, maintaining teacher numbers, have meant that councils have tended to prioritise big spending areas such as social care and education. As a result, budget reductions have tended to focus on other areas, such as roads and transport.

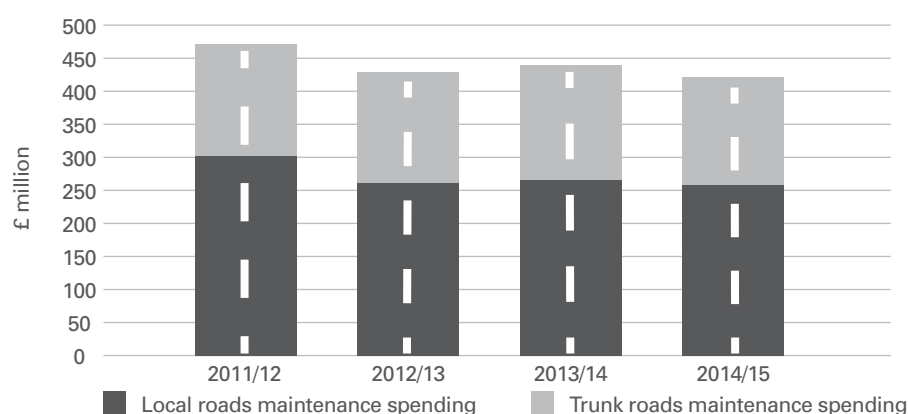
37. There is likely to be a five per cent reduction in Scottish Government revenue grant funding for local government in 2016/17, compared to 2014/15. This, and the continued prioritisation given to services such as social work and education, means that roads maintenance budgets may be put under further pressure.⁹

38. The 2011 audit report found that councils' roads maintenance spending fell by £76 million (13 per cent) between 2004/05 and 2009/10, after taking account of road construction inflation. Transport Scotland spending on roads maintenance fell by £78 million (32 per cent) in real terms, that is, allowing for inflation, over the same period. Since then, roads maintenance spending has continued to fall ([Exhibit 6](#)). Councils and Transport Scotland spent £421 million on roads maintenance in 2014/15. Taking inflation into account, this was £50 million less (11 per cent) than in 2011/12.

Exhibit 6

Roads maintenance spending from 2011/12 to 2014/15

Roads maintenance spending decreased by 11 per cent between 2011/12 and 2014/15 after taking account of inflation.



Source: SCOTS

39. Councils' net revenue and capital expenditure on general fund services (that is, the cost of all service provision except some council housing costs), decreased by £0.97 billion (7.5 per cent) between 2011/12 and 2014/15, after taking inflation into account. Councils' revenue and capital spending on roads maintenance fell from £302 million to £259 million over the same period (14 per cent).¹⁰ In percentage terms therefore, the reduction in councils' expenditure on roads maintenance between 2011/12 and 2014/15 was almost double that of their reduction in net spending on general services. Councils spent £4,935 per kilometre on local roads maintenance in 2014/15. Traffic volumes on council-maintained roads increased by two per cent between 2011/12 and 2014/15.

40. In 2014/15, Transport Scotland spent £162 million on trunk roads maintenance. This equates to £47,200 per kilometre and is some £6 million (four per cent) less than in 2011/12, after taking inflation into account. During the same period, traffic volumes on trunk roads increased by five per cent.

41. In addition to this spending, Transport Scotland funds trunk roads building and maintenance through its Design Build Finance and Operate schemes, such as the M6 and M80 improvements. Private operators are required to maintain these trunk roads, which Transport Scotland funds as part of its annual unitary service charges. Transport Scotland spent £84.7 million on these privately financed roads in 2014/15, an increase of 36.6 per cent from 2011/12. Transport Scotland will need to consider the implications on its budget of further increases in its annual unitary charges as new privately financed roads are built.

The amount of money councils spend on roads maintenance varies significantly

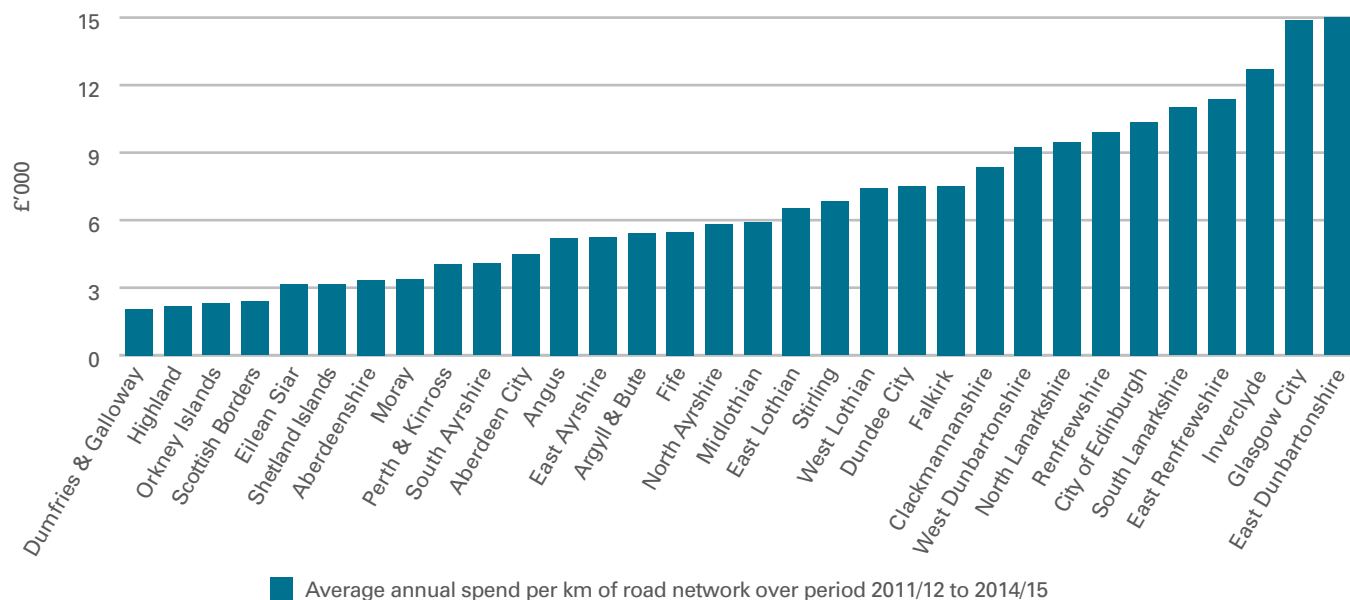
42. There is a wide variation in roads maintenance spending among councils ([Exhibit 7, page 21](#)). Between 2011/12 and 2014/15, average annual roads maintenance spending varied from £2,052 per kilometre of roads in Dumfries and Galloway Council to £14,995 per kilometre in East Dunbartonshire Council. Based on spending over the period 2011/12 to 2014/15, urban and city councils spend the most on roads maintenance per kilometre of network. There is likely to be a number of reasons contributing to this variation in expenditure between councils. We outline some of the factors which may influence council's spending patterns at [paragraphs 67–69](#) of the report.

43. In total, 19 councils reduced their spending on roads maintenance between 2011/12 and 2014/15, while 13 councils increased their spending ([Exhibit 8, page 21](#)). East Dunbartonshire Council reduced its spending on roads maintenance the most (by 64 per cent), while Dumfries and Galloway Council increased its spending the most (by 188 per cent).

Exhibit 7

Councils' spending on roads maintenance 2011/12 to 2014/15

The amount of money councils spend on roads maintenance varies significantly.

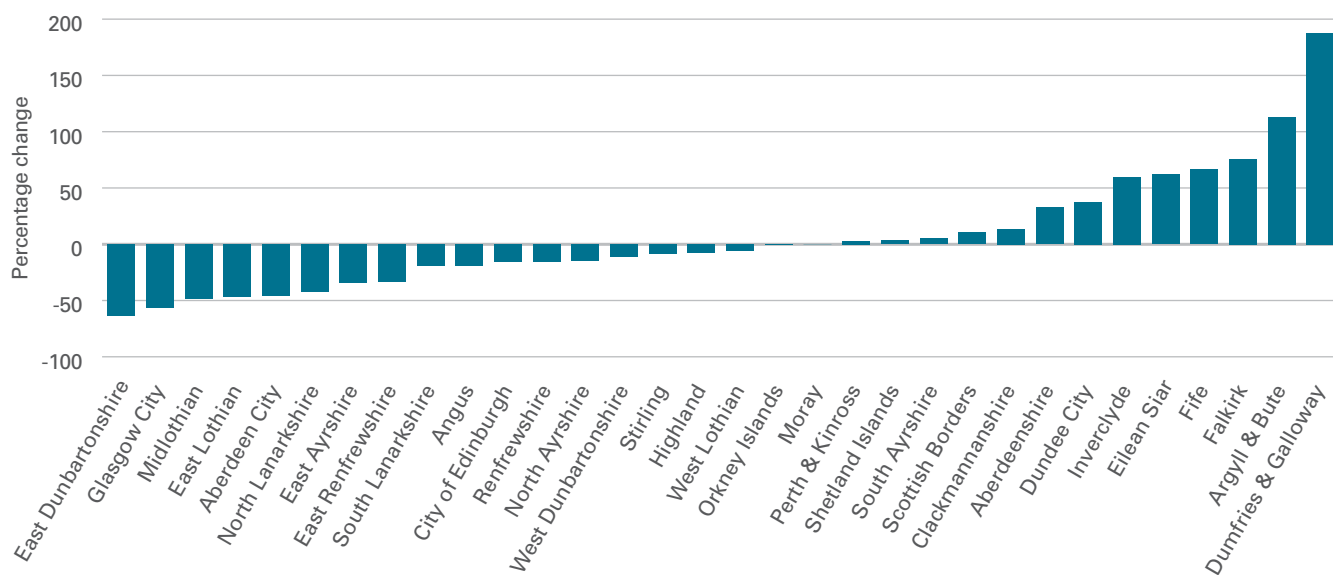


Source: SCOTS

Exhibit 8

Change in councils' roads maintenance spending from 2011/12 to 2014/15

There is significant variation in the change in roads maintenance spending across councils.



Source: SCOTS

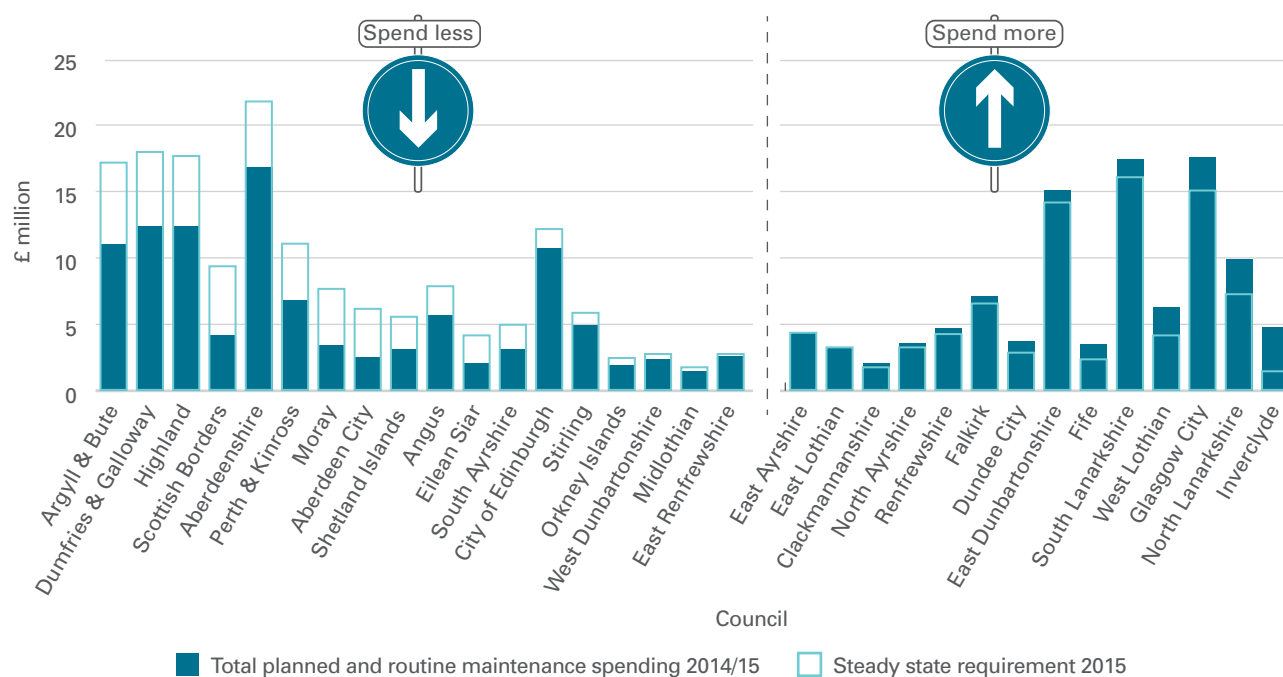
Levels of spending may not be enough to maintain roads in their current condition

44. Planned and routine maintenance are the types of road maintenance activity which are most likely to lead to improved road condition. SCOTS estimates that councils need to spend £246 million each year, excluding inflation, on planned and routine maintenance to maintain the local road network in its current condition. This is known as steady state and is calculated using a methodology that takes into account existing road condition, and the type and cost of treatments related to that condition. Overall, councils spent £33 million (13 per cent) less on planned and routine maintenance in 2014/15 than SCOTS considers was necessary to maintain the current condition of local roads. According to SCOTS' figures, 14 councils spent more in 2014/15 than that necessary to maintain their current condition, while 18 councils spent less ([Exhibit 9](#)).

Exhibit 9

Councils' roads maintenance spending compared to that necessary to maintain their current road condition in 2014/15

Based on SCOTS' steady state calculations, 18 councils did not spend enough to maintain their current road condition in 2014/15.



Source: SCOTS

45. Between 2013 and 2015 Transport Scotland undertook a study, with consultant support, to develop a long-term vision for maintaining the trunk road network. This considered a number of options for future investment, including:

- A baseline position, such that the trunk road network should be maintained in a steady state condition over a 20-year period to 2033. This was based on an overall network condition of 14 per cent in need of investigation for maintenance each year. The cost of this option was calculated at £1.24 billion (excluding inflation) and is equivalent to spending on average £62 million each year on structural maintenance.
- An option to improve the network over the 20-year period such that its condition was comparable to the rest of the UK and to similar countries internationally. This was based on an overall network condition of six per cent in need of investigation for maintenance each year. The cost of this option was calculated at £1.59 billion (excluding inflation), equivalent to spending on average £79 million each year on structural maintenance.

46. Transport Scotland spent £38 million on structural maintenance in 2014/15, some 62 per cent of what the study calculated was necessary to achieve steady state condition. Given the annualised nature of public sector budget setting, there is no guarantee that sufficient funds will be available in the future to achieve either of these aspirations.

Roads authorities need to be clearer about what road condition can be expected from given levels of spending

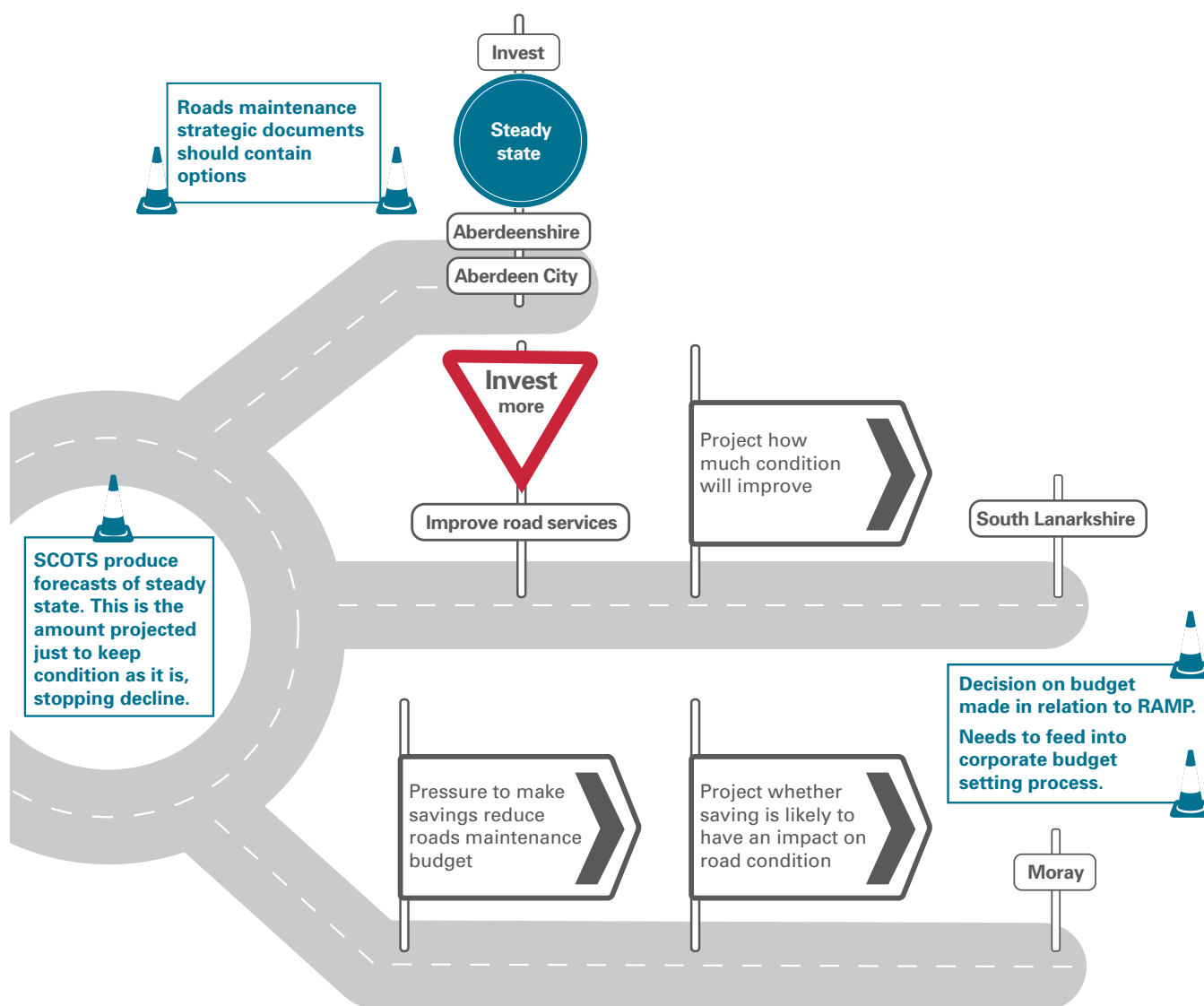
47. SCOTS' estimates of the spending needed to maintain steady state can help give an indication of the level of investment required to prevent further deterioration in road condition. Councils are beginning to use financial modelling tools to analyse how different levels of spending on roads maintenance is likely to impact on road condition. SCOTS is also promoting the use of Annual Statement of Options Reports to allow elected members to consider how different budget decisions will affect road condition. These reports can help councils decide whether they want to invest to improve road condition, maintain steady state or identify budget savings that may impact on road condition. However, only a third of councils are presenting options to elected members on the road condition that can be expected from different levels of spending.

48. A good quality RAMP should set out the expected standard of service to be provided by the road network. This can be used to help inform the consideration of options based on the level of spending and prioritisation given to roads maintenance. In turn, these can help inform councils' corporate budget decisions. [Exhibit 10 \(page 24\)](#) illustrates how this should work in practice. It also gives examples from our audit fieldwork of the decisions councils have made and whether they were investing to improve road condition, maintaining steady state or releasing budget savings that may impact on road condition.

Exhibit 10

Council budget decisions and their impact on road condition

Councils need to be clearer about what they are trying to achieve from their budget decisions and what road condition they can expect from given levels of spend.



Council	Decision taken on roads maintenance
Aberdeen City Steady state	The council approved the option in 2015 to maintain current road condition. It calculates this would require an increase in the annual roads maintenance budget from £4.5 million to £6.9 million. The council has still to commit these additional funds.

Cont.

Exhibit 10 continued

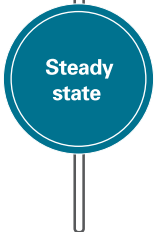







Council	Decision taken on roads maintenance
<div data-bbox="276 416 456 454">Aberdeenshire</div> 	<p>Between 2011/12 to 2014/15, the council has spent significantly less on roads maintenance (around £12.3 million per annum) than the amount indicated by SCOTS' steady state calculation (£21.8 million) while still maintaining condition at around 75 per cent of roads in acceptable condition. In 2015, using a tailored modelling tool, the council approved the option to continue to maintain steady state while achieving budget savings of up to £2.2 million a year, by greater use of lower cost treatments and additional works on distressed areas.</p>
<div data-bbox="276 748 456 786">City of Edinburgh</div> <div data-bbox="264 797 467 835">Improved condition</div> 	<p>The council approved a new approach to allocating its capital budget for road maintenance in October 2015. This moves away from prioritising roads in the worst condition to a more preventative approach using a range of less expensive treatments. The council did not set a specific improvement target but used a modelling tool to predict an increase from the current position of 65 per cent in acceptable condition to 88 per cent in acceptable condition.</p>
<div data-bbox="244 1115 488 1153">Ayrshire Roads Alliance</div> 	<p>East Ayrshire Council committed funding in 2013 to improve road condition, with a target to improve the proportion of roads in acceptable condition by one per cent a year. The capital investment programme 2013-23 allocated £24.3 million to roads maintenance over the ten-year period. Options put forward in the RAMP are based on this agreed budget.</p> <p>Before 2014, South Ayrshire Council had not identified capital funding for roads maintenance. The establishment of the Ayrshire Roads Alliance (Appendix) brought capital funding for roads maintenance in South Ayrshire more in line with the Ayrshire area. A target was set in 2016 to improve condition by one per cent per annum.</p>
<div data-bbox="308 1482 424 1520">Inverclyde</div> 	<p>Around 54 per cent of roads in Inverclyde are currently in acceptable condition, one of the worst in Scotland. The council approved a Roads Investment Strategy in 2013, which laid out a five-year capital investment programme of £29 million intended to improve road condition. There is no overall target for improving the proportion of roads in acceptable condition but the aim is to reduce the backlog of roads in red condition and maintain the level of amber condition roads. The condition of all classes of local roads in the council area improved in 2014/15.</p>
<div data-bbox="276 1814 456 1852">Perth & Kinross</div> 	<p>The current RAMP identified two options, maintaining the current £8.7 million annual spend on roads maintenance or increasing annual funding to £11 million to achieve steady state. However, the RAMP does not identify the impact of current funding levels on road condition. The council has prioritised A class roads, to improve those to the national average, while allowing other classes of road, already above the average, to deteriorate. The council committed additional funding of £2 million a year for next three years, based on an annual statement and options report approved in November 2015.</p>

Exhibit 10 continued

Council	Decision taken on roads maintenance
	<p>The council committed funding from 2015 to slow down the rate of decline in the condition of roads. The RAMP identified a series of options and the council selected the option to invest an additional £67.3 million in roads maintenance over 20 years. This is projected to slow down the rate of decline and achieve a target of 55 per cent of roads in acceptable condition. Current condition is 54.5 per cent of roads in acceptable condition.</p>
	<p>The council has committed additional funding since 2008 to improve road condition. The council approved an investment plan with £126 million capital funding. It has a target of 72 per cent of roads in acceptable condition by 2019. The council has been resurfacing around 5-6 per cent of roads a year and achieved improvement from 62.5 per cent of roads in acceptable condition in 2008 to 66.2 per cent in 2015. The improvement was made mainly in category A and B roads.</p>
	<p>The council currently has a significantly higher than average percentage of roads in acceptable condition. As part of a wide-ranging review in 2013, the council considered the impact of a planned reduction in road condition. The report identified that allowing condition to deteriorate to the Scottish average over five years would save approximately £5 million each year. A significant increase in budget would be needed thereafter to maintain that average condition. The council has reduced the annual roads maintenance budget by £1.4 million between 2013 and 2015.</p>

Source: Audit Scotland fieldwork

49. Transport Scotland has a number of budget headings for roads maintenance, including structural maintenance, and routine and winter maintenance. For routine and winter maintenance works, the requirement for roads maintenance is set out as service standards in contracts with the operating companies. For example, the requirement for salting and gritting treatment is triggered when temperatures fall below certain levels.

50. The structural repair budget is the main funding stream that contributes to improving the condition of the trunk road network. The operating companies submit proposals for structural maintenance schemes, which Transport Scotland prioritises to produce a three-year planned programme of works.

51. As noted in [paragraph 46](#), Transport Scotland spent £38 million on structural maintenance in 2014/15, 62 per cent of what the study calculated was necessary to achieve steady state condition. Transport Scotland's public facing RAMP, does

not outline the consequences that spending less than steady state will have on road condition. In line with councils, there is a need for Transport Scotland to be clearer on what road condition can be expected from given levels of spending.

More is spent on roads maintenance in England although only trunk roads are in significantly better condition

52. The Department for Transport publicly reports road condition in England as the proportion of roads that should be considered for maintenance.¹¹ This equates to category red condition roads in Scotland. In 2014/15 around:

- Four per cent of council A class roads, seven per cent of B and C class roads classified roads and 18 per cent of unclassified roads in England should have been considered for maintenance. The comparative figures for Scotland were five per cent, eight per cent and nine per cent respectively.
- Four per cent of motorways and trunk roads in England should have been considered for maintenance. In comparison, 13 per cent of motorways and trunk roads in Scotland were assessed as being in need for further investigation to determine if maintenance was required.

53. Roads maintenance spending is also higher in England. In 2014/15 for example, English councils spent £3.5 billion on roads maintenance, equivalent to around £12,238 per kilometre of local roads. Highways England spent £981 million on roads maintenance, equivalent to around £137,200 per kilometre of motorways and trunk roads.¹² This is two and a half times that spent per kilometre by Scottish councils on local roads maintenance, and nearly three times per kilometre more than Transport Scotland spent on trunk roads maintenance.

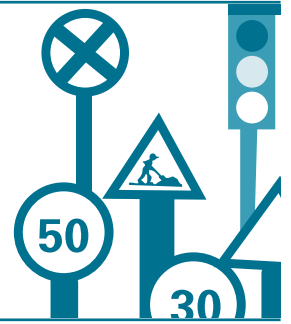
54. In December 2014, the Department for Transport published its Roads Investment Strategy, setting out plans to invest £15.2 billion on motorways and major roads in England between 2015/16 and 2019/20.¹³ Around £6 billion of this investment will be used to resurface 80 per cent of the strategic road network. In July 2015, the Chancellor of the Exchequer announced the creation of a new national roads fund, using Vehicle Excise Duty, to pay for this maintenance.

55. The Department for Transport also announced in December 2014 that £6 billion would be made available to English councils outside London for local roads maintenance between 2015/16 and 2020/21. In addition, it has agreed to provide other funding which are likely to result in increased local roads maintenance expenditure from 2014/15 onwards. In particular:

- The 2012 Autumn Statement included £75 million for Additional Highways Maintenance Funding Allocations after an underspend in 2013/14.
- In March 2014, £184 million was made available through the Weather Repair Fund for roads hit by weather damage in the winter of 2013/14.
- Local authorities were invited to bid for a share of a £250 million Pothole Fund to repair local roads, between 2016/17 and 2020/21.

Part 2

Improving the management of road maintenance



Key messages

- 1** The National Roads Maintenance Review (NRMR) has resulted in a range of actions, including the development of Roads Asset Management Plans and a common suite of performance indicators for roads maintenance activities. While much work has been done, further progress is needed. For example, existing performance indicators do not measure relative efficiencies between councils.
- 2** Roads authorities are changing the way they approach roads maintenance activities through better prioritising and targeting of roads maintenance, and using cheaper treatment options. This has helped available budgets go further but carries risks. Increasing the use of surface dressing might help to maintain the condition of the surface of the road network in the short term. But in the longer term it could lead to additional costs.
- 3** So far, the focus of roads authorities' collaborative working has been largely on specific areas of activity. Progress with introducing a shared services approach to roads maintenance, a central theme of the NRMR's findings, has been disappointingly slow. The Roads Collaboration Programme (RCP) is supporting councils to establish regional governance bodies to consider roads maintenance issues. But as yet, there is no clear plan of how this will translate into shared services at an operational level. Scottish ministers have made it clear that councils need to make more progress before trunk roads maintenance could be considered for inclusion in the regional groupings.

progress with introducing a shared services approach has been disappointingly slow

Road asset management plans are now in place although some still lack detail

56. Roads authorities need clear RAMPs for managing their roads to ensure they meet service standards and achieve value for money. A good quality roads asset management plan:

- describes the assets forming the road network and their condition
- assesses the future demand likely to be placed on the network

- clearly describes the level of service the council will provide to maintain the network
- provides financial information, including a long-term prediction of the cost of managing and operating the road network.

57. The 2011 audit report found that only around a third of councils had draft RAMPs. The 2013 audit report found that about half of councils had approved their RAMP and the remainder were in the process of doing so. The 2013 report also found that half of councils had information gaps in their RAMPs, including incomplete or unreliable asset inventory data, incomplete asset lifecycle plans and a lack of detailed long-term funding requirements.

58. To improve the consistency and quality of RAMPs, SCOTS commissioned an independent assessment of the state of councils' development and use of RAMPs as one of the NRMR action points. The consultant's report, in April 2016, found that all councils have RAMPs in place although some still lacked detail. In others, there was a need to update core data. The consultants also noted councils that were making the best use of RAMPs displayed some common characteristics, including:

- elected member recognition of the value of investing in the road network
- a lead official with responsibility for asset management
- an active programme of asset management improvement
- good asset data and capable users of RAMP software
- a high level of staff engagement with the SCOTS project to embed the use of RAMPs.

59. Transport Scotland first published a RAMP for the trunk road network in November 2007. It published an updated RAMP in January 2016. The January 2016 RAMP contains most of the good quality features outlined in [paragraph 58](#) above. It also sets out arrangements for monitoring the performance of the operating companies that Transport Scotland appoints to maintain the trunk road network. The RAMP does not provide information on planned roads maintenance spending beyond 2015/16, as the outcome of the 2015 spending review was not known at that time. Instead, it provides an indicative forward work plan, estimating work volumes up to 2024/25, based on the scenario that the budget for structural maintenance will remain at its current level.

More use is being made of performance information but further work is needed to allow comparisons of council efficiency

60. The 2011 audit report recommended that councils should adopt the suite of performance indicators that SCOTS was developing. This would allow councils to consistently measure the performance of roads maintenance activities. It also recommended that councils should make greater efforts to benchmark roads maintenance activities to drive out cost inefficiencies. The 2013 audit report found that councils were making more use of performance information but further work was needed to improve the quality and consistency of data to allow meaningful benchmarking to take place.

61. All councils have now adopted a common set of performance indicators developed between SCOTS and the Association of Public Service Excellence (APSE). The indicators cover various aspects of roads maintenance, including other asset groups such as lighting and footways. Key roads maintenance indicators within the set include:

- spend per kilometre of network
- overall road condition and by classification
- percentage of budget spent on each of planned, reactive and routine maintenance
- percentage of customer enquiries dealt with in target time
- percentage of major defects dealt with in target time
- percentage of the road network treated each year.

High-level roads maintenance condition and expenditure indicators have also been incorporated into the Local Government Benchmarking Framework, which is published annually.¹⁴

62. Although councils are now meeting as family groups to discuss performance information, the focus to date has mainly been on ensuring data is consistent. This has been useful in developing the indicator set but there is a need to move discussions on to identifying the underlying reasons for variations and sharing learning and good practice. Some examples of sharing good practice exist, for example policies for dealing with insurance claims and the APSE roads and lighting advisory group, but this is not yet established across core roads maintenance activities. At [paragraphs 67–69](#) we outline some of the factors that can influence spending and condition. Between 2011/12 and 2014/15, 11 authorities improved their road condition without increasing spending. It is important roads authorities improve their benchmarking to identify and adopt good practice.

63. The NRMR included an action for Transport Scotland to review the suite of SCOTS/APSE performance indicators to determine if it would be appropriate to adopt them, and allow direct benchmarking against councils. Transport Scotland noted that its performance management system included performance indicators that enable comparison and benchmarking between its trunk road maintenance operating companies. It recognised the usefulness of being able to compare performance with councils. But it considered that, owing to the different levels of service between trunk and local roads, many of the aspects of performance it measures were not directly comparable with the SCOTS/APSE set of performance indicators. This means it is still difficult to compare the relative efficiencies between councils and the trunk road operating companies.

64. The SCOTS/APSE indicators do not easily allow for a meaningful evaluation of the efficiency of roads maintenance activities. For example, none of the indicators covers the unit cost per metre of structural maintenance carried out. One NRMR action was to develop a consistent unit cost benchmarking methodology across

all roads authorities. In response, councils were asked to participate in a pricing exercise for a typical standard carriageway maintenance scheme. This identified several issues including how councils were handling:

- the apportionment of overheads
- differences between trading and non-trading organisations
- the profit element within costings.

65. SCOTS also considers that benchmarking is more difficult because there are now few discrete roads departments across Scotland as a result of council reorganisations over the last five years. It considers from the work done to date that there is a need to understand better the factors which contribute to the wide variation in roads maintenance unit costs of across Scotland. SCOTS is now working with the University of Leeds and Measure2improve to explore an alternative methodology for assessing and comparing councils' road maintenance efficiency and the potential for improvement.

Roads authorities are changing how they manage roads maintenance but there are risks attached

66. It is difficult to establish a clear link between changes in councils' spending on maintenance and changes in road condition. [Exhibit 2 \(page 14\)](#) and [Exhibit 7 \(page 21\)](#) noted wide variation among councils in their roads condition and the amount they spend on roads maintenance. [Exhibit 11 \(page 32\)](#) notes the difficulty in establishing a link and shows that between 2011/12 and 2014/15:

- seven councils increased their roads maintenance spending and the proportion of roads in acceptable condition increased
- eight councils reduced their roads maintenance spending and the proportion of roads in acceptable condition declined
- in six councils the roads condition declined, despite spending more on maintenance
- in 11 councils the roads condition improved, despite spending less on maintenance.

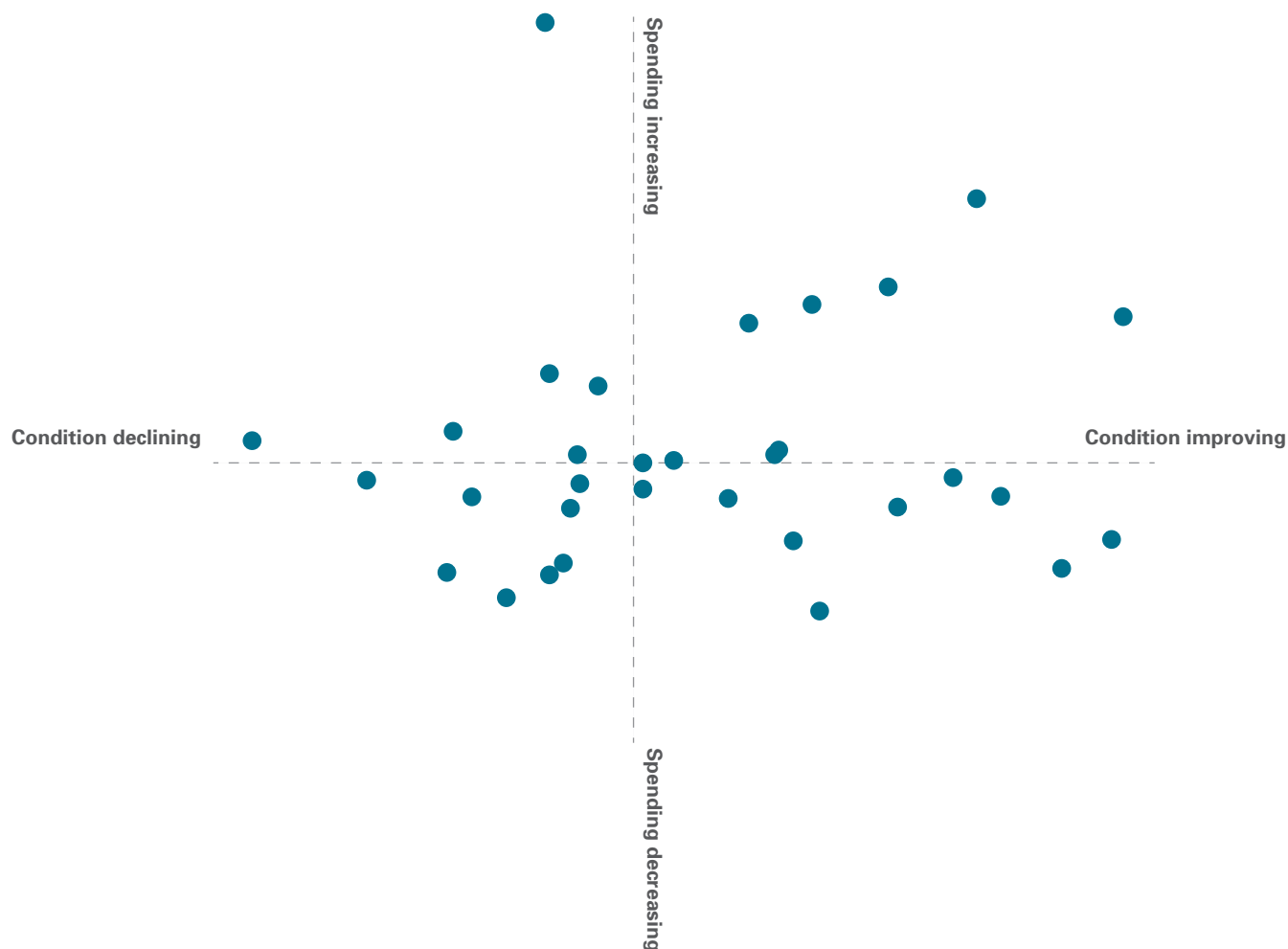
67. How road expenditure is incurred, where and on what, may have a greater or lesser effect on road condition. For example, depending on the scale of deterioration, roads engineers might decide that one section of road needed less expensive surface dressing while another section required more expensive reconstruction. Both road sections would be returned to an acceptable condition but at greatly different cost and resulting lifespan. Other factors influencing the relationship between spending and condition include:

- The nature of the road network. For example, depending on the distance from the roads maintenance depot, some road maintenance activities might require extra travel time and costs.
- Greater traffic volumes in some council areas may mean some roads need maintained more often.

Exhibit 11

Change in councils' roads maintenance spending from 2011/12 to 2014/15

There is significant variation in the change in roads maintenance spending across councils.



Source: SCOTS

- Compared to 2009/10, recent winters have not been as challenging to roads authorities. However, localised rainfall and the resultant flooding can damage roads and take money from a budget that could otherwise be spent on structural maintenance that would improve the condition of roads.
- Owing to the way councils calculate road condition using a two-year rolling average of survey results, there is likely to be a time lag between a decision to increase or reduce roads maintenance spending and how this affects reported road condition.
- Historic patterns of investment may impact on what level of spending and types of treatment are now required to maintain or improve road condition. For example, a council that has previously invested heavily in roads maintenance is more likely to be able to maintain road condition at lower cost than a council that has not historically invested in its roads.

- Some councils may focus more on maintenance activities that make greatest contribution to improved road condition. For example, unless councils actively use RAMPs to improve road condition, there is a risk that maintenance work is targeted at short-term solutions, such as filling potholes, rather than a planned programme of works.

68. There is evidence that councils and Transport Scotland are changing the way they manage roads maintenance. To some extent this has been stimulated by actions resulting from the NRM. Public sector budgetary constraints have also played a part. For example:

- SCOTS is encouraging councils to use asset management hierarchies to prioritise roads of greater strategic importance and intervene earlier when roads begin to deteriorate, rather than treating those in the worst condition. Transport Scotland is also using asset management hierarchies to prioritise trunk roads maintenance where it is of most benefit. These are based on a scoring methodology which evaluates the function of a route based on its economic, social, and integrated transport connections.
- The introduction of RAMPs and greater use of modelling has led several councils to modify how they carry out planned maintenance by paying more attention to long-term costs. For example, Aberdeenshire Council, City of Edinburgh Council, Dumfries and Galloway Council and Glasgow City Council have developed preventative road maintenance strategies aimed at minimising long-term cost by applying lifecycle costing techniques.
- There are moves to adopt lean management techniques as a systematic process for improving efficiency.¹⁵ Dumfries and Galloway Council and Aberdeenshire Council are now carrying out lean management projects, looking at aspects of planning and making repairs. It is too early to say what the results will be but early indications from the Dumfries and Galloway Council pilot suggest that efficiencies of ten per cent may be achievable.
- Roads authorities are focusing savings on activities which contribute least to road condition. For example, Perth and Kinross Council plans to save £280,000 during 2016/17 by reducing the frequency of certain roads maintenance activities such as road sign maintenance and verge and ditch clearing. Councils consider it is more difficult to find savings from structural maintenance work, which have the greatest impact on improving road condition. This is because the main element of cost is the purchase of materials which is largely outside their control.

69. These approaches are helping to target roads maintenance activities and make available budgets go further, but carry risks. For example, prioritising roads which are of greatest strategic importance may mean that the condition of less important roads will deteriorate over time. Concentrating maintenance works on roads that are beginning to deteriorate may also mean that roads already in poor condition will get worse.

70. Roads authorities are also changing how they treat road deterioration. For example, road condition in the Aberdeen City Council area improved from 68 per cent in acceptable condition in 2011/12 to 74 per cent in 2014/15. The council

reduced its roads maintenance expenditure from £6,287 per kilometre to £3,430 per kilometre (45 per cent) over the same period. It considers this has been achieved through a combination of:

- targeting A class roads which are in the worst condition using surface treatments with limited deeper patching
- making more use of surface dressing as an alternative to reconstruction work in appropriate urban locations
- a more efficient approach to pothole filling, including using dedicated response teams along with a better quality material
- more innovative practices, such as the use of thinner treatments and how cracks are treated
- not undertaking any major full reconstruction work in the last four years.

71. While surface dressing can be effective at halting deterioration, it can be more expensive in the long term than reconstruction work. Surface dressing has a life span of between ten to 15 years dependent on traffic volume, compared to 20 to 40 years for reconstruction work. Councils consider that there are times when surface dressing represents better value for money than reconstruction. But they also recognise that making more use of surface dressing could also be hiding the true condition of local roads. This is because their road condition surveys do not always pick up the full extent of failures in the structural integrity of lower road layers.

72. As a result of budgetary constraints, Transport Scotland is also focusing on maintaining the condition and safety of trunk roads through resurfacing, as an alternative to more costly strengthening or reconstruction options. It considers this is having an impact on the structural integrity of some motorways built in the 1970s and which are now approaching the end of their useful lives. These roads are not unserviceable but need to be closely monitored to identify the best timing to strengthen or reconstruct them.

73. Similarly, Perth and Kinross Council has decided recently to change how it deals with potholes by repairing them only when they reach a depth of 60mm, compared to the previous depth of 40mm. It expects this to generate savings of £120,000 in 2016/17. But it recognises that the changed approach could accelerate the decline in road condition and result in higher repair costs in the long term.

74. Perth and Kinross Council's decision to reduce its roads maintenance budget was taken against a backdrop of it identifying the need to save £12 million from its overall annual revenue budget. As part of its 2016/17 budget considerations, the council undertook a web-based consultation exercise between December 2015 and January 2016 to seek the public's and staff's views on which service budgets should be maintained or reduced. The three service areas where respondents were most in favour of maintaining budgets were children and families social work, services for older people and roads maintenance. The council recognised that a reduced roads maintenance budget could result in more customer complaints and give a poor visual impression of the council area. But it felt that budget reductions were necessary in order to achieve the overall savings amount.

75. In May 2015, Scottish Ministers announced a review of the office and functions of the Scottish Road Works Commissioner (SRWC). The SRWC's role is to improve the planning, coordination and quality of roads works throughout Scotland. The SRWC also monitors the performance of, and promotes good practice across, both utility companies and roads authorities. One of the issues the review is considering is the guarantee period for road reinstatements after the completion of utility works. Currently, utility companies are required to guarantee the quality of road reinstatements for two years after the completion of utility works, or three years for a deep excavation. Councils have informed the current review that they would prefer a longer guarantee period to fit with a longer-term asset management approach. The review is due to report later in 2016.

The Scottish Roads Research Board has been established to promote greater innovation in roads maintenance

76. In response to the NRMR, Transport Scotland, SCOTS and the SRWC set up the Scottish Roads Research Board (SRRB) in 2011. SCOTS and Transport Scotland jointly fund the SRRB which has an annual budget of around £400,000 to fund research projects. Its main objectives are to promote and deliver innovation and share new products, techniques and knowledge across Scotland's road sector.

77. To date, research projects coordinated through the SRRB have been completed in a number of areas including:

- the use of new types of materials, such as bitumen as a binder for asphalt and thermoplastic road markings
- photo-luminescent technology
- fabric reinforcement to surface dressing
- tourist signs
- climate change adaptation.

78. The SRRB disseminates all project reports and other relevant information to the roads community via its website, in the form of technical reports, advice notes and other guidance. However, it does not provide a coordinated role for research activity. Roads authorities continue to trial materials and techniques on an individual basis which risks duplication of effort and cost. While there are networks for sharing the outputs of these trials, for example through SCOTS working groups and the Transport Scotland Pavement Forum, this is not yet being centrally coordinated to ensure roads authorities share good practice.

79. The SRWC and SCOTS are also taking forward research projects under the auspices of the SRRB. For example, the SRWC is leading on research into joint repair techniques, in response to survey findings indicating the poor quality of repairs by utility companies and others. SCOTS is leading on producing guidance on how to achieve best value in selecting materials and techniques for repairing potholes.

Staff reductions are adding to the challenges for roads maintenance

80. Roads authorities are increasingly concerned about the potential effect of staff reductions arising from budgetary constraints on future roads maintenance activities. In particular, they are concerned at the loss of technical and commercial skills and expertise, the presence of an ageing workforce and how they can attract and train new staff. There is no central record of the scale of roads maintenance staff reductions over the last few years. But of the approximately 5,000 council staff currently engaged in roads activities, 40 per cent are aged over 50 years and only 13 per cent are aged under 30 years.

81. Councils are responding by training staff through modern apprenticeships and graduate programmes:

- Twelve councils are employing modern apprentices, with 61 apprentices currently in training.
- Fourteen councils have graduate programmes in place, with a total of 47 graduates currently in training.

82. The Roads Collaboration Programme (RCP) ([paragraphs 90–93](#)) is also working to address staffing issues. For example, it is:

- Developing a ‘futures leaders programme’ to bring together opportunities for leader exchange, coaching and mentoring and technical training. The RCP expects to be able to roll out the programme from autumn 2016.
- Working with Skills Development Scotland and the Construction Industry Training Board to attract and recruit young people at all levels into the roads sector. This will include improved secondary school career advice to supplement that already provided by professional civil engineering institutions.
- Working with academia to better match industry needs with college and university curricula, and with the roads sector to create more attractive career paths within the public road service.

Progress in delivering a shared service approach to roads maintenance has been disappointingly slow

83. Before finalising its report, the steering group overseeing the NRM identified the need for a more detailed assessment of the ‘optimum arrangements for the management and maintenance of roads in Scotland’ (known as Option 30). A separate Option 30 report, published in June 2012, concluded that current arrangements could be improved on and that all councils should explore sharing services in the short term.¹⁶

84. The report also considered that the benefits from setting up a new roads authority, or authorities, were likely to take longer to achieve. It stated that if the benefits of shared services were not realised as anticipated in the short term, work on exploring structural change should be accelerated. The report did not define 'short term' but we would regard it as normally encompassing a two to three-year period.

The focus of collaborative working has so far largely been on specific areas of activity

85. Roads authorities can demonstrate many examples of collaboration, both between themselves and with other partners ([Exhibit 12, page 38](#)). Particular themes include:

- shared procurement – for example procuring minor works contracts, weather forecasting services, road condition surveys and materials
- the delivery of specific maintenance activities – for example surface dressing, winter gritting and sharing of specialist equipment
- joint staff training – for example health and safety training and using equipment
- joint improvement projects – for example the SCOTS RAMP project.

86. So far, the focus of roads authorities' collaborative working has largely been on specific areas of activity rather than wider reform to the way roads maintenance services are designed. There are currently only two shared service arrangements in place between councils – Tayside Contracts and the Ayrshire Roads Alliance.

87. Tayside Contracts is a well established multi-council consortium established between Angus, Dundee and Perth and Kinross councils in 1996 through a joint committee. It provides services that include roads maintenance, fleet maintenance and management, winter maintenance, catering and facilities management services. A range of individual collaborative arrangements are in place within the consortium and not all councils are involved in all service areas. Reported benefits include:

- economies of scale enable the delivery of a wide range of services at competitive rates
- delivery of a full range of services from minor potholes repairs to major contracts, possible through the retention of specialist skills and vehicles
- a single management structure which promotes a focus on front-line service delivery
- flexibility to move resources across council areas
- scale of operations has enabled a focus on innovation, such as a cold road paving system (known as TAYSET) and a reed-based system for the treatment of gully waste.

Exhibit 12

Examples of roads authorities' collaborative working

Roads authorities collaborate on a wide range of activities and with a wide range of partners.

Collaborative working examples



Collaboration between councils

There are many examples of councils working together on developing joint procedures, joint procurement, sharing specialist staffing and the delivery of specific road maintenance treatments.



Collaboration between roads authorities and industry

Councils, Regional Transport Partnerships and the timber industry are funding joint Timber Transport Officer posts to improve how to transport timber and to minimise its impact on roads.

The Transport Scotland Pavement Forum brings industry representatives and roads officers to work together on approaches and solutions for roads maintenance.



Collaboration between councils and trunk road operating companies

Councils often collaborate with trunk road operating companies in rural areas to deliver roads maintenance services. For example, Scottish Borders Council provides winter maintenance services on behalf of AMEY (responsible for delivering the South East trunk roads maintenance contract) on trunk roads in the Scottish Borders.

Similarly, BEAR (responsible for delivering the North West trunk roads maintenance contract) and Stirling, Highland, and Argyll and Bute councils maintain joint depots and share salt stocks. Argyll and Bute Council also delivers emergency response, winter services and Category 1 repairs on behalf of BEAR.

Source: Audit Scotland fieldwork

88. East Ayrshire Council and South Ayrshire Council established the Ayrshire Roads Alliance in April 2014. The councils decided to agree a fully shared service on the basis of a detailed business case and options appraisal process that considered a range of service models. The [Appendix](#) provides more details on the shared service, its anticipated benefits and progress to date.

89. The experience of establishing the Ayrshire Roads Alliance has highlighted several lessons and challenges for other potential shared service arrangements. Similar to other Audit Scotland reports commenting on what good partnership working looks like, the Ayrshire Roads Alliance has identified that the main lessons for others include the importance of:

- agreeing a lead authority (in this case East Ayrshire Council) early in the process to maintain progress
- the early involvement of elected members to ensure they have influence and are kept informed of developments
- setting out well defined governance arrangements, such as oversight, roles and responsibilities, which maintain clear elected member involvement

- clarifying the split between strategic and operational functions early in the process
- the need to keep affected staff informed and involved throughout
- having a good baseline understanding of the existing services and where the shared arrangements can have most impact.

Regional governance bodies are being established but there is no clear plan of how this will translate into shared services at an operational level

90. The Roads Collaboration Programme (RCP) was launched in November 2013 to explore opportunities for further collaboration between roads authorities. A Strategic Action Group, which the Minister for Transport and Islands and COSLA's spokesperson for Development, Economy and Sustainability takes turn to chair, provides political oversight to the RCP. It also includes representatives from SCOTS, Transport Scotland, the Improvement Service and the Society of Local Authority Chief Executives. In addition, a Roads Collaboration Board, with a similar wide-ranging membership, oversees the activities of the RCP. The board replaces the Shared Capacity and Shared Services Improvement Board established as a result of the NRMR to take forward various actions relating to shared services, including Option 30.

91. A key part of the RCP's work is the Governance First project. This aims to establish more formal governance arrangements for roads authorities looking to deliver collaborative activity or shared services in clusters or across regions. Within Governance First, creating a formalised governing body is the fundamental first step to developing shared services, and needs to happen before designing how the shared service will operate.

92. The constituent members of the Roads Collaboration Board are all strongly behind the core principle of Governance First, that sharing should be the default position to delivering roads services. Through working with councils, the RCP has identified various benefits to shared services, including:

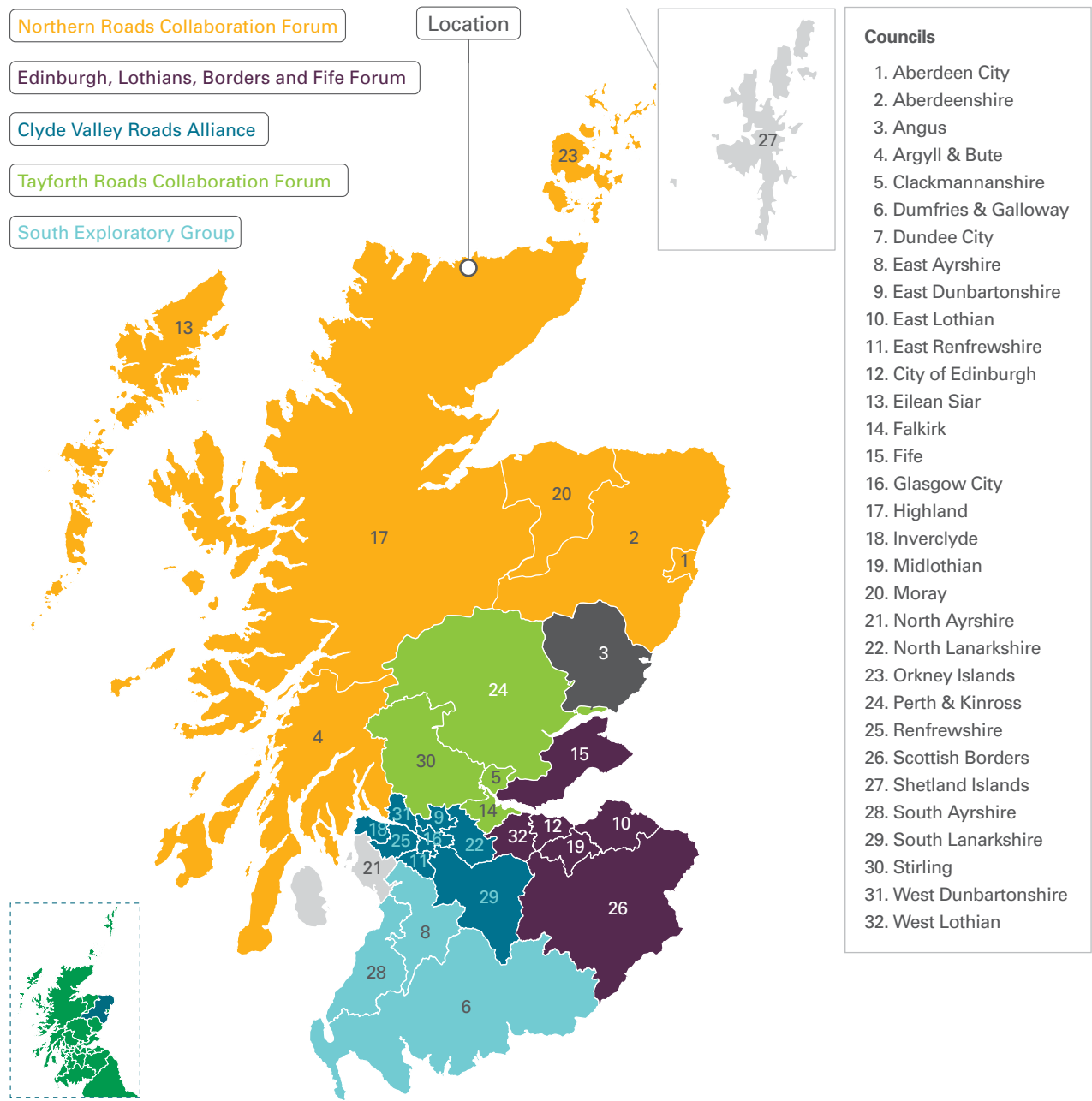
- Efficiency of size through having a larger available budget, greater purchasing power, a stronger strategic function and streamlined back-office functions such as administration.
- Being stronger organisationally through having a larger and more mobile workforce. A shared service would be less dependent on individuals, and a bigger volume of work would enable it to retain skilled staff more readily and offer enhanced training opportunities.

93. The RCP has been working with councils to establish five regional groups to explore opportunities for further collaboration ([Exhibit 13, page 40](#)). The RCP has provided support through leading discussions at meetings, providing guidance on different models for collaboration and commissioning legal advice for councils on the implications of these different models. Regional joint committees are being established in some areas. Regional Transport Partnerships, the statutory bodies responsible for transport planning at a regional level, present another option. Roads authorities need to determine the governance arrangements that best suit their needs, but it is important that any potential for duplication is avoided.

Exhibit 13

Regional collaboration through the Roads Collaboration Programme

Councils are now participating in regional partnerships to consider how they can provide roads maintenance services in new ways.



Notes:

1. Angus Council is currently involved in two groupings: the Northern Roads Collaboration Programme and the Tayforth Roads Collaboration Forum.
2. North Ayrshire Council has still to decide whether it wishes to be part of the formal groupings. Shetland Islands Council is monitoring progress of the Northern Forum having decided in 2015 not to be part of a formal group at this time.

Source: Roads Collaboration Programme

94. COSLA agreed at its Leaders Group meeting in November 2015 to endorse the proposals for regional working. In particular, Leaders agreed that the optimum model for the future management and maintenance of the Scottish road network is via regional bodies covering the work of all existing roads authorities, that is the 32 councils and Transport Scotland. SCOTS has also endorsed the proposals.

95. Councils are responsible for agreeing how best to establish regional bodies. This has led to a variety of different approaches and has contributed to the slow progress being made. Some of the challenges encountered include:

- Uncertainty on whether the trunk road network would be included in the development of collaboration proposals. Scottish ministers did not clarify their position on this until November 2015 ([paragraph 100](#)).
- Concern that the service areas to be included in the shared service arrangement are small scale and unlikely to deliver the service improvement or organisational benefits required.
- Fewer perceived benefits for larger councils, or for those who have previously been investing in their road network.
- Fear of bigger councils dominating.
- Elected members' concerns about the extent of the powers for joint committees and how this impacts on local financial control. So far, proposals for the powers for joint committees do not extend to the control of budgets.

96. As at March 2016, the current status of each regional group was:

- **Northern Roads Collaboration Forum** – Elected members have met twice and have appointed a councillor from Highland Council to chair the forum. Aberdeenshire Council is preparing a minute of agreement which, once the other councils approve it, will form the basis of a joint committee. The formal committee's first meeting is expected in autumn 2016.
- **Edinburgh, Lothians, Borders and Fife Forum** – All councils have now approved the setting up of a shadow joint committee. The committee first met at the end of March 2016. City of Edinburgh Council legal officers are preparing a draft Memorandum of Agreement for consideration at the next Forum meeting, prior to it being circulated to constituent councils for approval.
- **Clyde Valley Roads Alliance** – An officer subgroup has been established and is to develop proposals for an integrated service by summer 2016. Elected members have yet to be closely involved in the arrangements and member councils recognise that faster progress is needed.
- **Tayforth Roads Collaboration Forum** – There will be overarching collaboration across the Tayforth area, but operational collaboration will be split. This will be between the three Tayside Contracts councils (Angus, Dundee and Perth and Kinross) and the Forth Valley councils (Falkirk, Stirling, Clackmannanshire) plus potentially West Lothian and East Dunbartonshire. This is to allow for a review of the Tayside Contracts arrangements to be completed.

- **South Exploratory Group** – This is still very much at an exploratory stage. Discussions are continuing between officers but formal arrangements have still to be established and potential shared services to be confirmed. Collaboration with Cumbria County Council is also being explored.

97. Based on the progress of establishing regional governance bodies, it is clear that the second phase of Governance First, which covers designing how shared services will operate, is still some way off. A key issue with the rate of progress is the low profile that roads services have with elected members and senior managers due to them being now largely subsumed within larger council departments. As a result, the lead officer for roads maintenance is often at a lower management tier level than before and lacks delegated authority for taking shared services forward. Similarly, the extent of elected member involvement and buy-in to the shared service concept has been mixed.

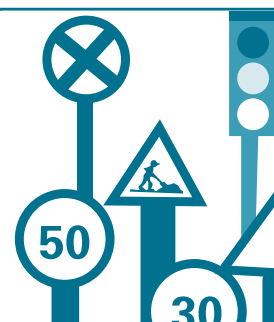
98. Councils may also be able to learn from others about how to develop shared services in the future. For example, Transport for London and London borough councils formed the London Highways Alliance in 2013 as a joint initiative to deliver all aspects of roads services, including maintenance. Roads services are provided through four geographic contracts that cover eight years. Transport for London and London borough councils expect to save up to £450 million over the life of these contracts, with annual savings equivalent to around ten per cent of current spending on roads services. They expect to achieve this through measures such as collaborative procurement, sharing expertise and innovative construction techniques.

Scottish ministers want to see more progress being made before trunk roads could be considered for inclusion in regional groupings

99. A key question for roads authorities is the extent to which the shared service operational model should include trunk roads. Transport Scotland has yet to decide whether to enter into regional arrangements. It considers that more competitive procurement and pricing through its trunk road operating contracts has generated efficiency savings of around £42 million over the three years 2012/13 to 2014/15.

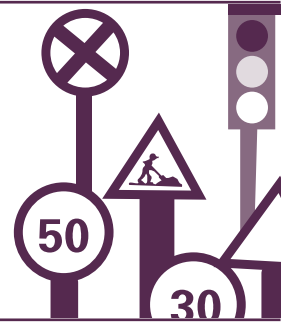
100. Two of the trunk road operating contracts are due for renewal in April 2018 (North West and South West). Another two are due for renewal in August 2020 (North East and South East), although all four contain options to extend contract lengths. This provides Transport Scotland with flexibility over its future approach to trunk road maintenance, including its inclusion in regional groupings. Scottish ministers outlined to COSLA in November 2015 that, before trunk roads maintenance could be considered for inclusion in any future regional groupings, councils need to make more progress. In particular, councils need to be able to demonstrate that including trunk roads within any future regional groupings would lead to efficiency savings and other benefits.

Endnotes



- 1 The Strategic Action Group is jointly chaired by the Minister for Transport and the Islands and COSLA. It is tasked with overseeing the progress of the National Roads Maintenance Review.
- 2 The Office for National Statistics calculates road construction inflation by examining price increases in a variety of materials and activities associated with road construction. It is currently reviewing how it calculates road construction inflation and has stopped publishing updates of it. This report therefore uses GDP price deflators to calculate changes in roads maintenance expenditure in real terms.
- 3 **Scottish Government National Performance Framework** The Scottish Government considers that the road network contributes to the following outcomes: We live in a Scotland that is the most attractive place for doing business in Europe; We realise our full economic potential with more and better employment opportunities for our people; We live longer healthier lives; We have tackled the significant inequalities in Scottish society; We live our lives safe from crime, disorder and danger. We live in well-designed, sustainable places where we are able to access the services and amenities we need; We value and enjoy our built and natural environment and protect it and enhance it for future generations; We reduce the local and global environmental impact of our consumption and production; Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- 4 <http://www.driving-test-success.com/causes-car-crash.htm>
- 5 **Reported Road Casualties Scotland 2014**, Scottish Government, October 2015.
- 6 **Scottish Household Survey 2014**, Scottish Government, October 2015. The survey uses a main sample base of over 10,000 respondents covering all council areas.
- 7 **Scottish Household Survey 2014**, Scottish Government, October 2015.
- 8 **An Overview of Local Government in Scotland 2016**, Accounts Commission, March 2016.
- 9 **An Overview of Local Government in Scotland 2016**, Accounts Commission, March 2016.
- 10 Council spend figures come from the SCOTs/APSE data returns and include both revenue and capital expenditure.
- 11 **Road Conditions in England 2015**, Department for Transport, March 2016.
- 12 **Maintenance expenditure by road type**, Department for Transport, March 2016.
- 13 **Roads Investment Strategy for the 2015/16-2019/20 Roads Period**, Department for Transport, December 2014.
- 14 The Local Government Benchmarking Framework (LGBF) brings together performance information from all 32 councils covering a wide range of services. The Improvement Service maintains the LGBF to support councils to improve their services by working and learning together.
- 15 Lean management is a long-term approach that systematically seeks to achieve small, incremental changes in processes in order to improve an organisation's overall efficiency and quality.
- 16 Option 30 Report, Consideration of optimal delivery structures for roads management and maintenance, June 2012.

Appendix



The Ayrshire Roads Alliance

The Ayrshire Roads Alliance (ARA) was established in April 2014 as a shared roads service between East and South Ayrshire councils. All three Ayrshire councils were involved in developing it following the establishment of the Ayrshire Shared Services Joint Committee in March 2012. In June 2013 North Ayrshire Council decided not to join the ARA after the business case was prepared. East and South Ayrshire councils consider that the joint committee arrangement provides an established governance framework, and a good forum for discussing the development of the shared service, and joint decision-making.

The Ayrshire Roads Alliance has been set up as a shared strategic function, including a single head of service. The two participant councils remain the statutory roads authorities. The ARA acts as a single operational service across the area. All South Ayrshire Council roads and transportation staff transferred (under TUPE arrangements) to East Ayrshire Council. The Ayrshire Roads Alliance considers this provides a more flexible and mobile workforce that can be used more effectively across the combined road network.

To maintain responsiveness to each council's priorities, roads maintenance and improvement work is currently planned separately through two separate RAMPs. Each council also retains responsibility for its roads maintenance budget. The Ayrshire Roads Alliance sees this as a key factor in addressing elected member concerns about the potential for loss of local control and accountability in a shared service. With the exception of a small shared strategic budget, spending is ring-fenced for activity within each of the geographic areas. The total budget for 2014/15 was £24.4 million, with £16.7 million coming from East Ayrshire Council and £8.1 million from South Ayrshire Council.

The business case identifies developing a mobile, integrated and responsive workforce as a core aim of the shared service. It sets a savings target of £8.6 million over the first ten years of the service (approximately six per cent of current revenue spending). Savings over the first few years are expected to be generated mainly through a reduction in strategic staff. There are currently no plans to reduce the level of operational staffing, although the Alliance has identified the opportunity to reduce its combined winter maintenance fleet as a result of more efficient gritting routes across the combined area.

Historically, the two councils' spending on roads maintenance has differed significantly. The Ayrshire Roads Alliance considers that joint scrutiny of plans and budgets at the shared services joint committee has allowed elected members to become more aware of these differences and the potential impact of different levels of investment. Since the Alliance was established, South Ayrshire Council has decided to allocate additional capital investment to roads maintenance, investing an additional £10 million over five years.

Maintaining Scotland's roads

A follow-up report

This report is available in PDF and RTF formats, along with a podcast summary at:

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Appendix 2: Maintaining Scotland's Roads Action plan

Action No.	Recommendations	Management Action Response
1.	Ensure that we work closely with the Roads Collaboration Programme and regional group partners to determine the extent of shared service models for roads maintenance operations.	Officers will continue to engage with RCP and regional group partners to consider further opportunities for collaborative working.
2.	Ensure that we implement the findings of the consultant's review of Roads Asset Management Plans (RAMPs).	The current RAMP was approved by Cabinet in 2012, it is updated on an annual basis. An updated RAMP will be presented to the Cabinet Committee for approval in November 2016
3.	Implement methods for assessing and comparing councils' roads maintenance efficiency with the aim of identifying and learning from councils delivering services more efficiently.	Continue to complete APSE performance annual returns and benchmark performance with other authorities. The service was a finalist in the 2015 APSE 'Best Performer' Award. Continue to participate in SCOTS and APSE working group to share best practice.
4.	Use the National Highways & Transport (NHT) Network Survey, or similar, to obtain user views and perceptions of roads services consistently.	The Council participated in the Survey in 2015, however the findings were broad and did not allow detailed actions for development. A new approach has been adopted whereby a customer questionnaire has been developed with Customer Service to request feedback from customers on the Roads Service. Questionnaires are issued to road frontagers on completion of our planned works. Information obtained is reviewed and discussed within teams to considered and implement any service improvements.
5.	Use the results of user surveys to develop more proactive ways of engaging with the public over roads maintenance issues, and to help inform scrutiny and challenge of roads maintenance budgetary proposals.	A specific action to better engage with users and improve external understanding is being developed through the internal improvement programme.
6.	Ensure that we use our RAMPs to inform elected members of long-term investment plans for maintaining roads that take into account the whole-life costing of treatment options.	Information is provided through the RAMP which is considered by Members.

7.	Ensure that the consequences of spending less than that necessary to maintain current road condition adequately features in budget-setting processes to allow elected members to make informed choices which take account of competing demands and priorities.	As part of the Asset Management process an annual Status and Options report will be prepared to consider the implications of varying budget levels on road condition.
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NORTH AYRSHIRE COUNCIL
Agenda Item 12
24 November 2015
Cabinet

Title: Review of Roads

Purpose: To inform Cabinet of the outcomes of the review of the Roads service and to seek agreement to the actions arising.

Recommendation: That Cabinet note the improvements within the Roads to date and agrees to the implementation of the proposals set out at Section 3 of the report.

1. Executive Summary

- 1.1 Following the decision of Cabinet in 2013 to develop an in-house roads improvement model a series of service improvements have realised performance improvements and agreed annual revenue savings in excess of £1million.
- 1.2 A review of the service has been undertaken to identify further improvements to the service and address a number drivers for change.
- 1.3 The purpose of this report is to seek approval to implement a number of strategic changes to the service.

2. Background

- 2.1 In 2013 a business case was developed by the three Ayrshire Councils to create a shared Roads service. The business case set out revenue efficiencies anticipated during the first 10 years of operation. North Ayrshire's proportion of these annual revenue efficiencies was £540,000 (a total saving of £1.633 million) by the end of year 5, equating to 6.5% of the revenue budget at that time, along with an anticipated saving to the capital budget of £193,000.

At that time it was considered that the level of anticipated savings were below that likely to be required to contribute to the overall Council efficiencies required over that period and that greater efficiencies could be realised by delivering internal improvement within the existing service.

2.2 Since this time a number of actions, examples of which are shown below, have been undertaken to both improve service delivery and performance along with the agreement of annual revenue budget efficiencies amounting to £1.198 million (a total saving of £3.978 million) by the end of the same 5 year period. Furthermore the service has been shortlisted for a number of UK wide awards demonstrating its standing amongst like service providers.

- Alignment of strategic transportation functions with the Planning and Economic Development service areas recognising the role this plays in the delivery of the Councils key priority to improve the local economy.
- Closer working of the remaining roads functions with the Streetscene service to provide a more co-ordinated approach to the management of public space.
- The development of a draft 5 year investment plan and improved consultation with stakeholders in respect of road maintenance on Arran.
- The implementation of a new internal service delivery model for street lighting maintenance and a programme to replace street lights with low energy units.
- The implementation of lifecycle modelling software to inform treatment types to maximise the value of investment.
- The purchase of new equipment enabling the use of new techniques to improve the quality of road repairs.
- The continued evolution of asset management principles to enable targeted investment.
- The securing of external works to deliver additional income streams.
- Securing of grant funding to deliver road infrastructure improvements.

2.3 These actions have realised improvements in the Road Condition Index, the principal national performance measure, as shown in the table below.

	2009-11	2010-12	2011-13	2012-14	2013-15
North Ayrshire	43.7	43.8	42.7	40.8	39.1
Scottish Average	36.5	36.4	36.2	36.7	37.0
Gap to Scottish Average	+7.2	+7.4	+6.5	+4.1	+2.1
Overall Ranking	23rd	26th	25th	21st	20th

2.4 Despite these improvements there are a number of drivers for change that the service needs to address and respond to:-

- Road Condition – Whilst the service has improved the condition of its roads as measured against the national performance measure and closed the gap to the Scottish average the overall ranking remains in the 3rd quartile. Modelling has identified that an additional £31 million is required over the next 10 years to achieve the current upper quartile performance level.
- Satisfaction – The 2013 Household survey identified that only 24% of those surveyed were satisfied with roads and footpaths, this is the lowest performance of all the operational services provided by the Council. However it should be noted that across the UK the average satisfaction level is only 33.5% Consultation undertaken as part of the review as identified responsive maintenance (e.g. pot-holes), winter maintenance and communication as the most listed concerns.
- Neighbourhood Planning – The Council in conjunction with the CPP has agreed 6 locality areas to support the delivery of services and targeting of resources that address local needs.
- Asset Management – This was a key improvement, across all assets owned and operated by the Council, identified by the BV2 review in 2010. Whilst the Council has made significant improvements in this area it is central to the delivery of asset based services, its importance is further emphasised during a period of financial constraint.
- Public Sector Finance – It is clear that the current austerity measures will result in further reductions to the budgets available to the Council. UK Government anticipates that a national budget surplus will not be achieved until 2020/21.
- Workforce Profile – The service has an ageing workforce, it is therefore necessary to ensure appropriate succession planning is in place to provide the skills required to deliver the service in the future.

2.5 A detailed review of the service has identified a number of strategic issues for consideration and improvement:-

Asset Management

2.6 Asset management is central to the delivery of an effective roads service. Successfully utilised it provides a planned and strategic approach to investment over the longer term that enables the most effective use of resources available. The current Asset Management Plan (AMP) and supporting lifecycle investment plans has realised an improvement in performance against the national Road Condition Index performance measure against a backdrop of reductions in the available budget.

2.7 Despite the initial success of the current plan it requires further development to recognise the objectives and priorities within the recently approved Local Transport Strategy; including:-

- Strategic links to Glasgow
- Accessibility and awareness of the Irvine Enterprise Area
- Connections to key business areas/access to jobs
- Tourism through connectivity to coastline and islands
- Travel mode integration

2.8 These strategic transportation priorities will in turn inform a hierarchy within the road network that does not necessarily align with historical road classifications, and drives investment decisions and service standards. The current plan has developed an initial hierarchy based on the previous plan as follows:-

Road Classification	Length	Road Hierarchy	Length
A	101	Strategic	40
B	155	Main Distributor	118
C	206	Secondary Distributor	113
Unclassified	572	Link/Access	763

2.9 Whilst this approach is considered best practice it should be noted that the national performance indicator utilises historic road classification and therefore there is a risk that performance against the indicator may fall over time.

2.10 The AMP utilises a matrix that considers road condition identified through assessment, the road hierarchy discussed above, Council priorities and complaints/enquiries to determine investment priority. Each of these criteria is weighted as shown in the table below. The current matrix is heavily weighted to road condition which can lead to low priority roads being repaired over key strategic routes. It is proposed that this weighting be re-balanced as shown below to reflect the importance of the road hierarchy in targeting investment.

Factor	Current Weighting	Proposed Weighting
Road Condition	64	50
Road Hierarchy	20	34
Council Priorities	10	10
Complaints/Enquiries	6	6

- 2.11 Whilst investment priorities are continually developed they are only formalised on an annual basis. During the period of the review software has been purchased that enables modelling to be undertaken to develop programmes and treatment types over the longer term, 3 to 5 years. A draft 5 year investment plan has been developed for Arran to assist in discussions with the local community.
- 2.12 The development of a long term investment programme provides a number of benefits including:-
- A more strategic approach that reduces the requirement to re-visit areas on a frequent basis through effective planning of works to address longer stretches of road thereby reducing overall cost and minimising disruption;
 - Improved procurement and partnership working with suppliers and contractors leading to lower costs;
 - Through appropriate promotion enables greater clarity with, and input from local communities in respect of future maintenance programmes thus reducing complaints and adverse publicity.
- 2.13 In order to monitor the effectiveness of the asset managed approach it will be necessary to further develop an outcome based performance management framework that is suitably publicised enabling public scrutiny.
- 2.14 Whilst the road maintenance asset management plan is fairly well developed and only requires the developments set out above plans for other assets, with the exception of lighting, require further development utilising similar principles.
- 2.15 The lighting AMP is very well developed supported by long term investment within the capital plan and an advanced programme of installing low energy units. However lighting assets for non-roads units are less well developed and in the case of those funded by the HRA managed outwith the Roads Service. It is therefore proposed that all lighting assets be managed by the Roads Service and managed through a single asset plan.

Responsive Maintenance

- 2.16 Whilst effective asset management seeks to maximise planned maintenance works a need still exists for reactive maintenance. Responsive or unplanned maintenance to address defects is principally driven by service enquiries or complaints and inspection regimes. It is by its nature more expensive and often only has a short lifespan, studies undertaken nationally have identified that in the majority of cases repairs undertaken within 24 hours require a further repair within 3 months.

- 2.17 The need to revisit responsive repairs is a source of complaints and dissatisfaction amongst residents and widely claimed to be an ineffective use of resources.
- 2.18 In conjunction with a number of Councils in the South West of Scotland a revised Roads Maintenance Service Standard has been developed that extends the response times to address defects. The revised standard, whilst ensuring the Councils legal obligations are maintained, supports a shift from a historical 'find and fix' approach to one where extended planning times enable a sustainable or 'right first time' repair that can be deployed more efficiently with work schedules. The revised response times are set down in the table below and the standard attached at Appendix 1.

Safety Defect		Time to Repair	
Category	Nature	Current	Proposed
1	Urgent	2 hours	4 hours
2	Medium Risk	48 hours	7 days
3	Low Risk	30 days	30 days
4	Very Low Risk	Monitor	Monitor

- 2.19 In order to support the effective implementation of the standard and to minimise administration time thereby maximising time to devise an appropriate repair solution a lean review is underway of the current process along with the integration of the Councils corporate LAGAN customer enquiry system and the Roads service WDM ICT management system.
- 2.20 The success of the revised approach will be monitored through the further development of the services performance management framework. Appropriate performance management information will be publicised to enable greater public scrutiny of the approach.

Service Delivery

- 2.21 The service undertakes a wide range of tasks ranging from a simple pot-hole repair through to major structural reconstruction. Approximately 60% of works required by the service are undertaken by the internal service operation with the remainder undertaken by external contractors. The review has identified that the decision to undertake works in-house is principally based on capacity, with rates benchmarked against a procurement framework to demonstrate value for money, rather than a strategic approach that focuses on key business requirements, competencies and equipment.

- 2.22 The current approach requires on average the procurement of over 200 contracts with a total value of approximately £2 million annually to undertake works. This approach does not secure the economies of scale available through larger scale or packaged procurement and requires considerable amounts of administrative and supervision time. Furthermore the need to minimise traffic disruption and maximise the use of hired equipment during large projects results in significant levels of overtime.
- 2.23 A more strategic approach to job allocation whereby large projects and specialist works are undertaken by contractors and responsive and cyclical maintenance is undertaken by the internal service provides a number of benefits:-
- Reduced costs through the economies of scale available by procuring larger value contracts.
 - Reduced administrative and supervision costs of procuring and managing a large number of small value contracts.
 - Reduced overtime incurred through longer working to reduce traffic disruption and maximise the value of hired equipment.
 - Improved focus, principally in respect of time and flexibility, on responsive and emergency issues that arise or are reported by the public.
 - Development of core skills and competencies amongst the workforce by undertaking a smaller range of tasks.
 - Ability to purchase, rather than hire, specialist equipment required to undertake a smaller range of tasks thereby improving responsiveness.
 - Allows greater opportunities to integrate with Streetscene operatives to meet peaks and troughs in demand.
- 2.24 The nature of the requirements of the service dictates that overtime forms a key part of service delivery. Whilst the amount of overtime incurred has reduced by approximately 40% since 10/11 - £523k to 14/15 - £306k the service continues to incur large amounts in three principal areas:-
- i. Winter Maintenance and Weather Emergencies
 - ii. Delivery of major projects
 - iii. Responding to Road Traffic Accidents
- 2.25 The strategic approach to maintenance whereby the internal service focuses on responsive and cyclical maintenance will realise a natural reduction in overtime expenditure in respect of major projects.

2.26 There are a number of options for further consideration and development in consultation with Trade Unions:-

- Seasonal working hours – this type of model is currently in place within elements of the Streetscene service where the working week consists of 42 hours in the summer and 30 in the winter to meet the demand requirements of the growing season. Within Roads a reverse arrangement would be required to meet the higher seasonal demand associated with winter maintenance.
- Shift working – this arrangement is also in place in elements of Streetscene for those areas that require 7 day working. This requirement is a characteristic of winter maintenance requirements. However in order to be successfully deployed there would be a requirement to train more operatives to the LGV driving standard.
- Annualised contracts – this arrangement is similar to the seasonal working hours model but provides greater flexibility to meet peaks and troughs in demand by requiring a minimum number of hours to be worked over a 12 month period.
- Integration with the Streetscene service – this model is currently operated to provide additional capacity to meet winter demands however overtime payments are still required. Further integration with Streetscene will allow greater flexibility to meet demands as the pool of employees would be increased. To achieve maximum benefit there would be a need to also introduce flexible working patterns. There is a further opportunity to create additional full time posts, within a flexible working pattern, that meets the increased summer demands of Streetscene and winter demands of the Roads service.
- Seasonal Contracts – this model utilises additional employees recruited on a seasonal (winter) basis to provide additional capacity. However there is a risk that service knowledge and continuity which are essential elements in delivering the winter service would not be maintained.

2.27 Whilst closer working with the Streetscene has through greater co-ordination realised some service improvements in the planning and delivery of maintenance works there are a number of additional opportunities.

2.28 Whilst there are a number of skills that are specific to each service there are also a number of common areas where skills are complimentary and interchangeable. These common areas, supported by additional training can provide flexibility to meet peaks and troughs in workload and also through an integrated planning approach enable a holistic approach and remove elements of duplication.

Such integration can realise efficiencies but also increase consistency, capacity and resilience in responding to enquiries and service delivery, some examples of where this could be successfully deployed are provided below:-

Winter Maintenance and Weather Emergencies

- LGV road sweeping and gulley emptying
- Road closures
- Fleet utilisation
- Procurement of works and contract management
- Asset Management
- Safety and Performance Inspections including:-
 - Highway Inspections
 - Traffic Management assessments and orders
 - Lighting Inspections
 - Street Cleanliness Surveys
 - Water Course and Drainage Inspections
 - Asset Inspections

In order to maximise the efficiency of integration it is proposed that a series of lean reviews be undertaken.

- 2.29 Streetscene is principally delivered through four operational areas - Arran, North Coast and Garnock Valley, Three Towns and Kilwinning, and Irvine. The Roads service is currently delivered across the area with operations based at the Goldcraigs depot in Kilwinning.
- 2.30 The Neighbourhood Planning model agreed by the Council and the Community Planning provides 6 locality areas. Whilst the capacity of both the Roads and Streetscene services is such that 6 completely aligned operational areas cannot be achieved the boundaries of the 4 area Streetscene model can be refined to align more closely with these boundaries. Many aspects of the Roads service can then be delivered through the refined Streetscene areas.
- 2.31 In addition to the integration benefits discussed earlier in the report the move to a locality based approach provides an opportunity to develop a greater knowledge of local issues, ownership and an improved response to local issues and the building of relationships. These characteristics will assist in improving satisfaction levels amongst local communities.
- 2.32 Furthermore by working more closely with local communities there is an opportunity to develop community self-help schemes to support the response to issues such as winter and weather emergencies, identification of defects, maintenance of assets etc.

Procurement of Works

- 2.33 As previously set down the service does not have the capacity or capability to undertake the full range of roads maintenance works and, in line with the majority of Council's, utilises external contractors where necessary. These works are procured externally through the Minor Maintenance Works Framework Contract, collaboration between five Councils.
- 2.34 The Framework Contract has delivered a number of benefits principally through reduced administration and the opportunity to quickly benchmark market costs with those of the internal service and between external providers however there are a number of areas where the framework does not provide the most efficient procurement model:-
- There are over 40 contractors within the framework, whilst this can improve competition on a case by case basis, no commitment can be provided to the amount of work a contractor is likely to receive. Consequently economies of scale through packaging of contracts or bulk purchasing are lost.
 - In a large number of instances the contractor selected is, due to a variety of reasons, not ranked top of the framework. Accordingly any financial benefit is diminished.
 - The timing of works may lead to a lack of contractor availability significantly restricting competition and therefore influencing price
 - There are a large number (775 over 3 years) of small value works contracts issued which reduces any efficiency in procurement, administration and economies of scale.
- 2.35 Given the annual value of the works procured it is considered that better value can be secured through the procurement of a single or very small number of partner contracts. The benefits of this approach include:-
- A long term exclusive contract including works commitments will result in a highly competitive exercise as providers seek to secure a pipeline of work. Furthermore the effective and early planning of works will enable a partner to align their resources to provide greater cost efficiency.
 - The development of a long term partnership will enable greater investment and innovation that could realise more efficient approaches and economies of scale in respect of both maintenance and planning. These approaches could, in turn, be utilised by the internal delivery service.

- The use of a single supplier provides the opportunity to exert greater influence over supply chains, through increased buying power, to secure innovative product development and economies of scale
- Efficiencies in procurement administration and contract management.
- Opportunities for the Councils workforce to learn new skills through partnership working/secondments etc.

Procurement of Professional Services

- 2.36 As with works the range and specialist nature of services required dictates that external support is required in a number of areas, a current example being the development of the Upper Garnock Valley Flood Prevention Scheme. Again services are procured through a collaborative Framework Contract. The average expenditure over the last three years is £0.5m of which 60% has been undertaken by one supplier.
- 2.37 Similar to the works analysis there are a number of benefits provided by procuring a single partner supplier, including:--
- A commitment to future work will realise procurement efficiencies
 - Reduced administration in procuring services
 - Quick and efficient access to specialist skills and knowledge and latest thinking to issues.
 - Opportunity to embed staff in either organisation to develop skills and abilities

Systems and ICT

- 2.38 The service currently utilises a combination of paper, excel/access databases and a number of service specific and corporate ICT systems including mobile working applications. The access to and use of information is essential to informed management decisions and the allocation of resources. The current systems do not fully provide this ability and can lead to uninformed and therefore inefficient decision making.

2.39 The review has identified a number of system improvements including:-

- The integration of existing systems to prevent the need to double handle data and to provide consistent and readily accessible data.
- Purchase of additional modules principally within the WDM system to replace paper based systems.
- Development of an enterprise asset management system that enables a holistic view of assets.
- Develop links to provide live information through to the Council's website to inform residents and other interested parties of works, weather emergencies etc.

Satisfaction

2.40 As previously set down within the report the 2013 Household Survey identified that only 24% of those surveyed were satisfied with roads and footpaths, this is the lowest performance of all the operational services provided by the Council. Satisfaction levels ranged from 4% for Arran through to 55% for Irvine. This is despite Arran receiving the highest level of investment by area in the period leading to the survey and on a continuing basis. This trend is continued on the mainland where the North Coast area had the second highest level of investment and recorded the second lowest level of satisfaction. This demonstrates that the level of investment provided by the Council does not influence levels of satisfaction.

2.41 Furthermore during the period of the review the service has been shortlisted as finalists in a number of national awards demonstrating that as a technical service it performs well in comparison with similar services across the UK.

2.42 It is reasonable to assume that perception of the services provided and the approach taken by the Council is the principal area of development required to improve satisfaction levels.

2.43 As part of the review an analysis of satisfaction levels across the UK has identified a high of 50.4% and a low of 17.7% with an average of 33.5%. In order to better understand why satisfaction levels are below the UK average the Council has participated in the National Highways and Transportation Survey, a MORi poll. This review has identified a number of actions to improve satisfaction however the detailed survey will enable effective benchmarking and further identification of best practice particularly in communicating service rational, priorities and outcomes to residents.

- 2.44 The review has identified a number of actions that will improve communication and consultation with local communities through the development of long term investment plans, locality based working, development of publicly available performance frameworks and the use, where possible, to provide live information on works and maintenance on the Council's website. This can be further supported by the development of a customer charter that sets down service standards and is backed up by regular performance reporting.

Staffing Structures

- 2.45 The new delivery model will require a revised staffing model. This will be developed through a Scheme of Delegation in consultation with Trade Unions.
- 2.46 The current age and skills profile of the service requires that consideration be given to successions planning. It is proposed that some of the efficiencies realised through implementation of the review be utilised to develop a number of apprentice/trainee positions supported by an appropriate qualification based development programme.

3. Proposals

- 3.1 That a review of the road hierarchy be undertaken that supports the objectives and priorities of the latest Local Transport Strategy.
- 3.2 That a revised weighting be applied to the investment matrix to ensure maintenance works reflect the strategic importance of the roads hierarchy.
- 3.3 That long term, 3 to 5 year, investment plans be developed for road maintenance.
- 3.4 That all lighting assets for which the Council is responsible for be managed directly by the Roads Service.
- 3.5 That the revised Roads Maintenance Service Standard attached at Appendix 1 be agreed.
- 3.6 That a strategic approach be adopted to works undertaken by the in-house operational service principally focusing on the delivery of responsive and cyclical maintenance including winter and weather emergencies.

- 3.7 That where appropriate services, principally asset management, inspections and operations, be integrated within the Streetscene service delivery model and that a series of lean reviews be undertaken to support integration.
- 3.8 That a review of working patterns be undertaken in consultation with trade unions to reduce overtime within the service.
- 3.9 That the Streetscene and Roads integrated delivery model be delivered through four areas co-terminus with the boundaries of the six locality planning areas.
- 3.10 That procurement exercises be undertaken to secure partners for a works contract and professional services contract. Where possible contracts will include local supply chains to secure materials. It is expected that a long term works contract will take a period of time to develop it is therefore further proposed as an interim measure that a single works contract for large schemes equating to a value of approximately £2 million be let for the financial year 2016/17.
- 3.11 That paper based data management systems be incorporated within appropriate ICT systems through the purchase of additional modules, that system integration be developed where possible and that an Enterprise Asset Management system be further explored to provide an ICT based holistic approach to the management of assets. A funding bid will be developed, supported by appropriate business cases, to the Change Fund.
- 3.12 That a series of service charters be developed supported by a publicly accessible performance management framework.
- 3.13 That an apprentice/trainee programme be developed to support succession planning and provide additional technical support to services.
- 3.14 That a suitable staffing structure be developed for the proposed delivery model in consultation with trade unions.

4. Implications

Financial:	The proposals will enable the achievement of efficiencies within the Council 2014/15 to 2016/17 agreed budget. Additional investment will be required to implement the improvements in respect of ICT and Systems. It is proposed that consideration be given to funding these through the Councils Change Fund.
Human Resources:	The new delivery model will require a revised staffing model. This will be developed through a Scheme of Delegation in consultation with Trade Unions. An apprentice/trainee programme will provide additional technical support within services and provide succession planning.
Legal:	The revised road maintenance service standard for defects will enable the Council to continue to meet its legal obligations.
Equality:	There are no equality implications.
Environmental & Sustainability:	The service model proposed will provide a strategic and integrated approach to the management of public space.
Key Priorities:	The proposals contribute to all of the Councils key priorities.
Community Benefits:	Community Benefits will form part of the procurement exercise to secure partners for works and specialist services.

5. Consultation

- 5.1 As part of the review a number of workshops were held with staff at the outset of the review to ascertain their views in respect of service improvement. This was further supplemented by a presentation to the Physical Environment Advisory Panel to ascertain their priorities for the service and areas for improvement. An online survey was also undertaken to ascertain the views of residents and Community Councils.

- 5.2 It will be necessary to consult with Trade Unions in respect of the proposals and the development of an appropriate staffing structure to deliver the reconfigured service.

A handwritten signature in black ink, consisting of stylized initials 'CH' followed by a horizontal line and a flourish.

CRAIG HATTON
Executive Director (Place)

Reference : CH/LB

For further information please contact Craig Hatton, Executive Director (Place) on 01294 324312

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 14

14 November 2016

Audit and Scrutiny Committee

Title: **Superfast broadband for Scotland: A Progress Update**

Purpose: To inform the Committee of the key messages from Audit Scotland's progress update (Appendix 1) on superfast broadband roll-out in Scotland.

Recommendation: The Committee is invited to note the findings of Audit Scotland's progress update and recent developments in North Ayrshire's superfast broadband roll-out.

1. Executive Summary

- 1.1 The Scottish Government's Superfast Broadband Programme aims to extend superfast broadband access (download speeds of more than 24 Mb/s) to areas which are not reached by the market alone, including the Isles of Arran and Cumbrae and mainland North Ayrshire. The programme is £410 million worth of public and private sector investment, being delivered by BT Openreach. Audit Scotland is tasked with monitoring the programme's progress to ensure it delivers achievable value. In August 2016, Audit Scotland published a progress update to a 2015 report, highlighting that the programme's targets for fibre broadband coverage are being met. The progress update also identifies areas for programme improvement.

2. Background

- 2.1 The positive messages from Audit Scotland's progress update (at Appendix 1) are:
- Targets to provide access to fibre broadband to 85% of Scottish premises by March 2016 have been achieved
 - The programme is on track to provide access to 95% of Scottish premises by December 2017, although the remainder of roll-out will be more challenging
 - Lower than expected costs and higher than expected take-up has contributed to £23 million more being available to extend broadband coverage

- 2.2 Audit Scotland, however, stated that there is still much work to be done if the Scottish Government is to achieve its ambitious vision for Scotland to have 'world-class' digital infrastructure by 2020. It highlighted that the Scottish Government needs to finalise plans for additional investment to extend broadband coverage further and the future role of Community Broadband Scotland (CBS). This is a funded initiative to help remote rural communities to get connected, if they are not benefitting from roll-out. The progress update also states there is scope to enhance public performance reporting to help assess the success of the programme's £410 million investment, including speeds and level of take up achieved.
- 2.4 The progress update states that North Ayrshire has already met the above stated 85% target and is on course to reach 95% coverage by December 2017. Significant engineering works have taken place across North Ayrshire as evidence of the programme's delivery. These works include the laying of new fibre optic cables, the installation of new green broadband cabinets as well as upgrades to existing cabinets and exchanges. Communities in the North Coast, Irvine Bay and Garnock Valley are benefitting from faster speeds, and some mainland postcodes are planned for connection. Subsea fibre optic cables were laid during 2014 between Largs and Millport exchanges and Corrie and West Kilbride exchanges, connecting Arran and Cumbrae for the first time to the superfast fibre network. Commercial roll-out delivered by BT Openreach and Virgin Media, and separate to the programme, account for significant proportion of superfast broadband coverage in North Ayrshire (some 70%).
- 2.5. Nevertheless, people's experience of broadband speeds varies across Scotland, dependent on a number of factors e.g. choice of package from an internet service provider. According to the progress update, North Ayrshire is one of 21 local authority areas, including cities, such as Glasgow, and largely rural locations, where some 65% of premises still receive an average speed of less than 24 Mb/s. In terms of rural connectivity, the progress update indicates that North Ayrshire benchmarks favourably against other local authorities, including neighbouring East and South Ayrshire, with a lower percentage of premises (5%) unable to receive average speeds of 10 Mb/s.

- 2.6 Some postcode areas in North Ayrshire are not covered by the programme, or continue to access poor speeds despite being connected to the new digital infrastructure e.g. due to distance from the cabinet. Machrie, Isle of Arran is one known location not served by the programme's roll-out. Connect Arran has, however, been working with a small broadband provider to bring wireless broadband to Machrie, serving as a positive example of a business community led solution. There may be opportunities for gaps in North Ayrshire's broadband coverage to be further addressed by the Ayrshire Growth Deal and/or the Scottish Government's commitment to reach 100% coverage by 2021. Audit Scotland highlighted there may be implications for future broadband investment with the UK leaving the EU.

3. Proposals

- 3.1 The Committee is invited to note the findings of Audit Scotland's progress update and recent developments in North Ayrshire's superfast broadband roll-out.

4. Implications

Financial:	The Council has invested £1.1M in the Superfast Broadband Programme with the emphasis on maximising the number of premises that can access superfast speeds in mainland North Ayrshire. This contribution is made to the Scottish Government over financial years 2013/14 (£400,000), 2014/15 (£350,000) and 2015/16 (£350,000) via equivalent reductions to the Annual Capital Grant, which the Council receives from the Scottish Government. The Council makes no financial contribution to roll-out on Arran and Cumbrae as this is fully funded by a combination of external partners including the EU, UK and Scottish Governments.
Human Resources:	There are none arising from this report
Legal:	There are none arising from this report.
Equality:	There are none arising from this report.
Environmental & Sustainability:	Superfast broadband roll-out has many sustainability benefits, reducing the need to travel and helping communities to access public services, education and employment opportunities. It can also help to reduce social isolation, supporting improved mental health and well being.

Key Priorities:	The North Ayrshire Single Outcome Agreement 2013-17 sets priorities for economic growth, increasing employment, business startups, moving businesses up the value chain and better connections with Scotland, the UK and the rest of the world. The Superfast Broadband Programme supports these priorities. A study by Analysys Mason, a research consultancy firm, estimated that 85% fibre coverage in Scotland would deliver £2 billion in economic benefits over 15 years, including improved productivity, 14,000 new jobs, higher gross domestic product (GDP) and more high value, knowledge positions. The provision of this broadband infrastructure in North Ayrshire will also enable more local businesses to compete digitally in the global market place.
Community Benefits:	There are none arising from this report.

5. Consultation

5.1 No consultations were deemed necessary for this report.



KAREN YEOMANS
Executive Director (Economy and Communities)

Reference :

For further information please contact Andrew McNair, Planning Officer, Planning Services, on 01294 324769

Background Papers

Audit Scotland, Superfast Broadband for Scotland: A Progress Update

Superfast broadband for Scotland

A progress update



AUDITOR GENERAL 

Prepared by Audit Scotland
August 2016

Auditor General for Scotland

The Auditor General's role is to:

- appoint auditors to Scotland's central government and NHS bodies
- examine how public bodies spend public money
- help them to manage their finances to the highest standards
- check whether they achieve value for money.

The Auditor General is independent and reports to the Scottish Parliament on the performance of:

- directorates of the Scottish Government
- government agencies, eg the Scottish Prison Service, Historic Environment Scotland
- NHS bodies
- further education colleges
- Scottish Water
- NDPBs and others, eg Scottish Police Authority, Scottish Fire and Rescue Service.

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

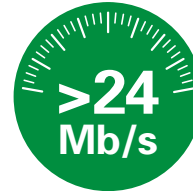
Key facts

About the contracts to deliver superfast broadband in Scotland



Why is the public sector investing in superfast broadband?

The Scottish Government aims to extend access to the fibre network in areas which aren't reached by the market alone, such as rural and remote communities and businesses. It anticipates that improved connectivity will stimulate business innovation, boost productivity and enhance Scotland's international competitiveness.



What will the contracts deliver?

The contracts with BT are expected to deliver access to a broadband network to:

- 85 per cent of premises by March 2016
- 95 per cent of premises by December 2017.

BT stated in the contracts that it expects 77 per cent of premises to achieve speeds of more than 24 Mb/s. But due to the length of copper cabling and other geographic and technical reasons, the Scottish Government, Highlands and Islands Enterprise (HIE) and BT cannot guarantee the actual speeds premises will receive.



What's next?

The Scottish Government has a vision for Scotland to have world-class digital infrastructure by 2020 to enable anyone in Scotland to communicate and connect instantly using any device, anywhere, anytime. To do this, it needs to enhance broadband coverage beyond that provided by the contracts. In May 2016, Scottish ministers committed to deliver 100 per cent superfast coverage by 2021.



How much will the contracts cost?

A total investment of £412 million: £146 million for the Highlands and Islands, which covers the three island councils, Highland and Moray Councils and parts of North Ayrshire and Argyll and Bute; and £266 million for the rest of Scotland.

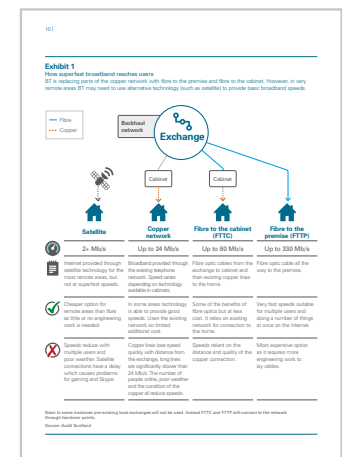
The Scottish public sector as a whole is expected to contribute funding of £165 million. The balance will be provided by the UK Government, the EU and BT.



What do the projects involve?

BT is looking to get the fibre network as close as technically possible to homes and businesses. Existing copper cabling will usually make the final connection to the home. In some areas, fibre cabling will be used the entire length although this is a more expensive option.

2015 Exhibit 1: How superfast broadband reaches users



Key messages


- 1 The Scottish Government and HIE have appointed BT to extend the existing fibre broadband network in Scotland. The contracts are intended to make a major contribution towards achieving the Scottish Government's vision for a world-class infrastructure which would allow people to connect to the Internet anywhere, anytime, and on any device by 2020. Targets to provide access to fibre broadband to 85 per cent of premises by March 2016 have been achieved. The contracts are currently on track to provide access to 95 per cent of premises by December 2017, although the remainder of the roll-out will be more challenging.
- 2 So far, more premises connected to the network are modelled to receive speeds which exceed 24 Mb/s than is set out in the contracts. Across both contracts and areas provided through commercial coverage, the actual speeds that users receive will vary. Overall, premises in rural councils currently receive lower average speeds. The Scottish Government and HIE paid BT £156 million for work done up to March 2016. Lower than expected costs and higher than expected take-up has contributed to £23 million more being available to extend broadband coverage.
- 3 There is still much work to be done if the Scottish Government is to achieve its ambitious vision for Scotland to have world-class digital infrastructure by 2020. It needs to finalise plans to best use an additional £42 million available to extend broadband coverage and the future role of Community Broadband Scotland (CBS) in this. It also needs to define clearly what world class means and set out plans for how it will be achieved. In May 2016, it announced a new target of universal coverage of superfast broadband infrastructure across Scotland by 2021.
- 4 More could be done to address the recommendations in our previous report on the roll-out of broadband. Specifically, there is scope to enhance public reporting of performance information to help assess the success of the investment, including speeds and level of take-up achieved.

Introduction

Access to reliable and fast broadband is increasingly essential for everyday life

The Scottish Government set out its policy ambition, in January 2012, to deliver world-class digital access to all of Scotland by 2020. The interim milestone was a significant uplift in speeds for everyone by 2015, with speeds of 40-80 Mb/s for between 85 to 90 per cent of premises.

In 2013, the Scottish Government and HIE separately contracted BT to help deliver the Scottish Government's aim by extending the existing fibre network across the country. Alongside commercial coverage, the contracts are intended to provide access to fibre broadband to 85 per cent of premises by March 2016, and 95 per cent of premises by December 2017. BT expects at least 77 per cent of premises with access to the network to achieve speeds of more than 24 Mb/s.

Our report [*Superfast broadband for Scotland: A progress report*](#)  in February 2015 considered the progress of the two projects to date. We agreed with the Scottish Parliament's Public Audit Committee to monitor the programme until both contracts are completed in 2018.

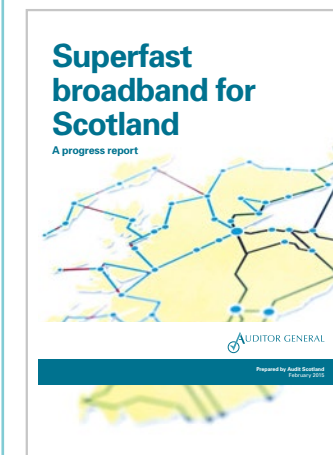
This update examines:

- what progress the two contracts have made to date in rolling out a superfast broadband network
- the Scottish Government's plans for further investment in superfast broadband
- how the Scottish Government and HIE have responded to the recommendations in our original report

2015



Superfast
broadband for Scotland:
A progress report
February 2015



Links



Progress against 2015
recommendation



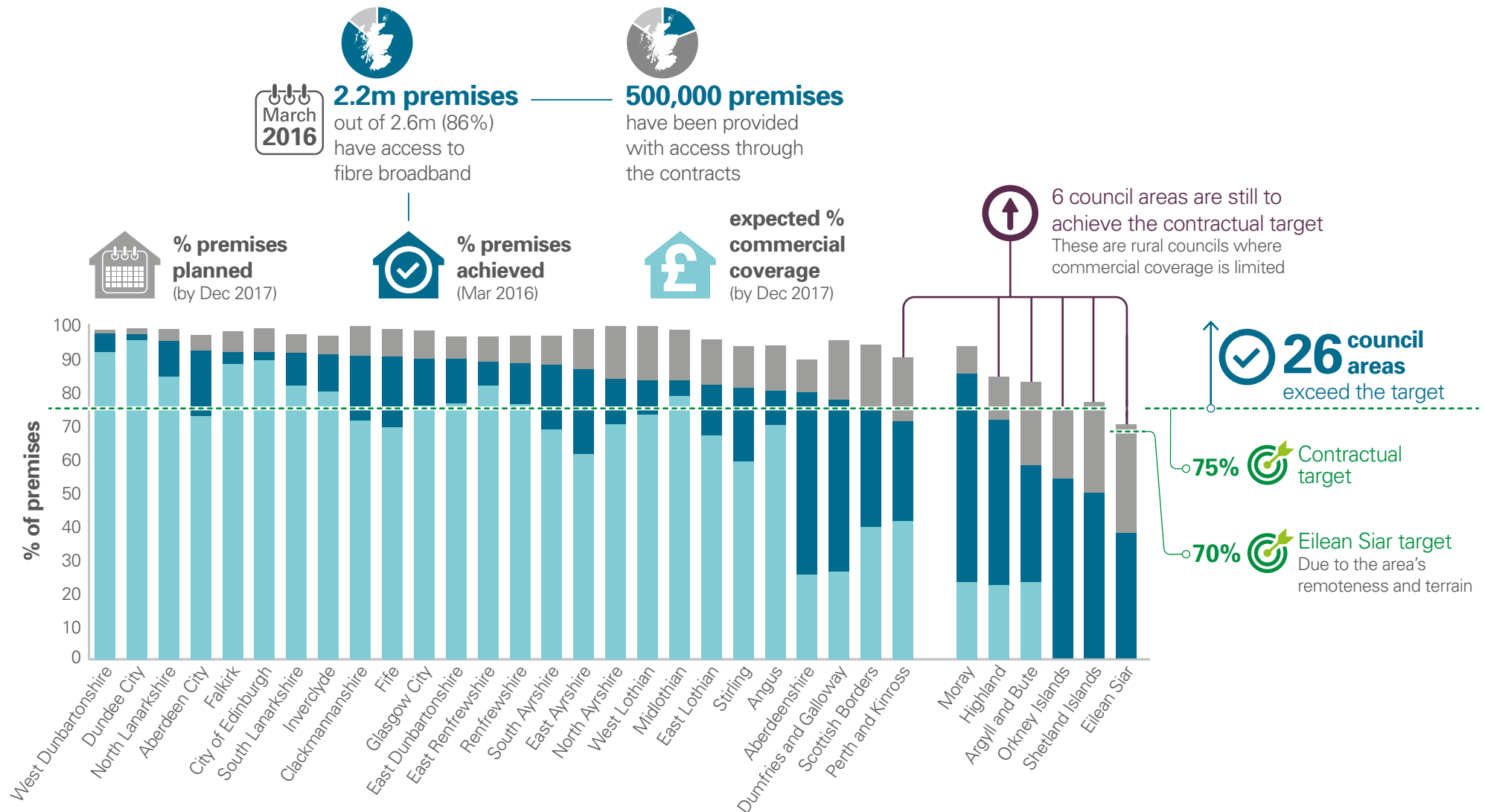
PDF download



Web link

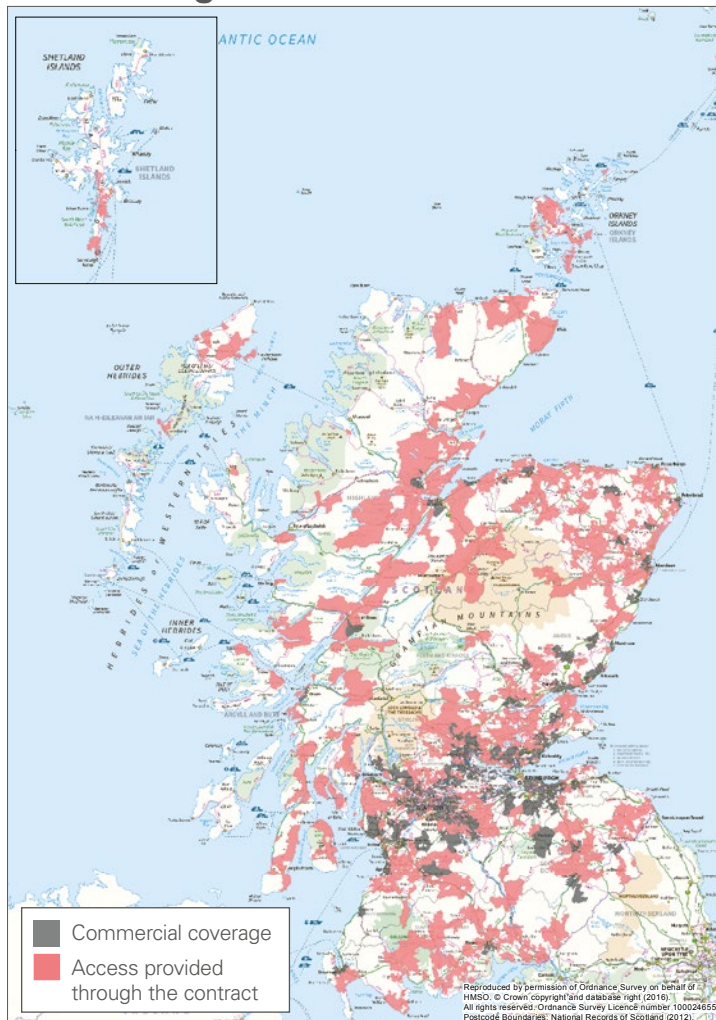
Progress

The Scottish Government achieved its target to provide access to fibre broadband to 85 per cent of premises by March 2016



The projects are currently on track to provide access to 95 per cent of premises by December 2017, although the remainder of the roll-out will be more challenging

Coverage to March 2016



95% coverage

Assuming both projects continue to meet their contractual targets, the Scottish Government can expect to achieve its 95 per cent coverage target by December 2017.

The contractual target is the minimum number of premises that BT must provide with access to the network each quarter to be paid for the work it does.



So far, the roll-out has concentrated on the easier to reach areas. The areas that remain are more remote and likely to need more complicated and costly engineering solutions. Project teams are monitoring what this means for the rest of the roll-out.

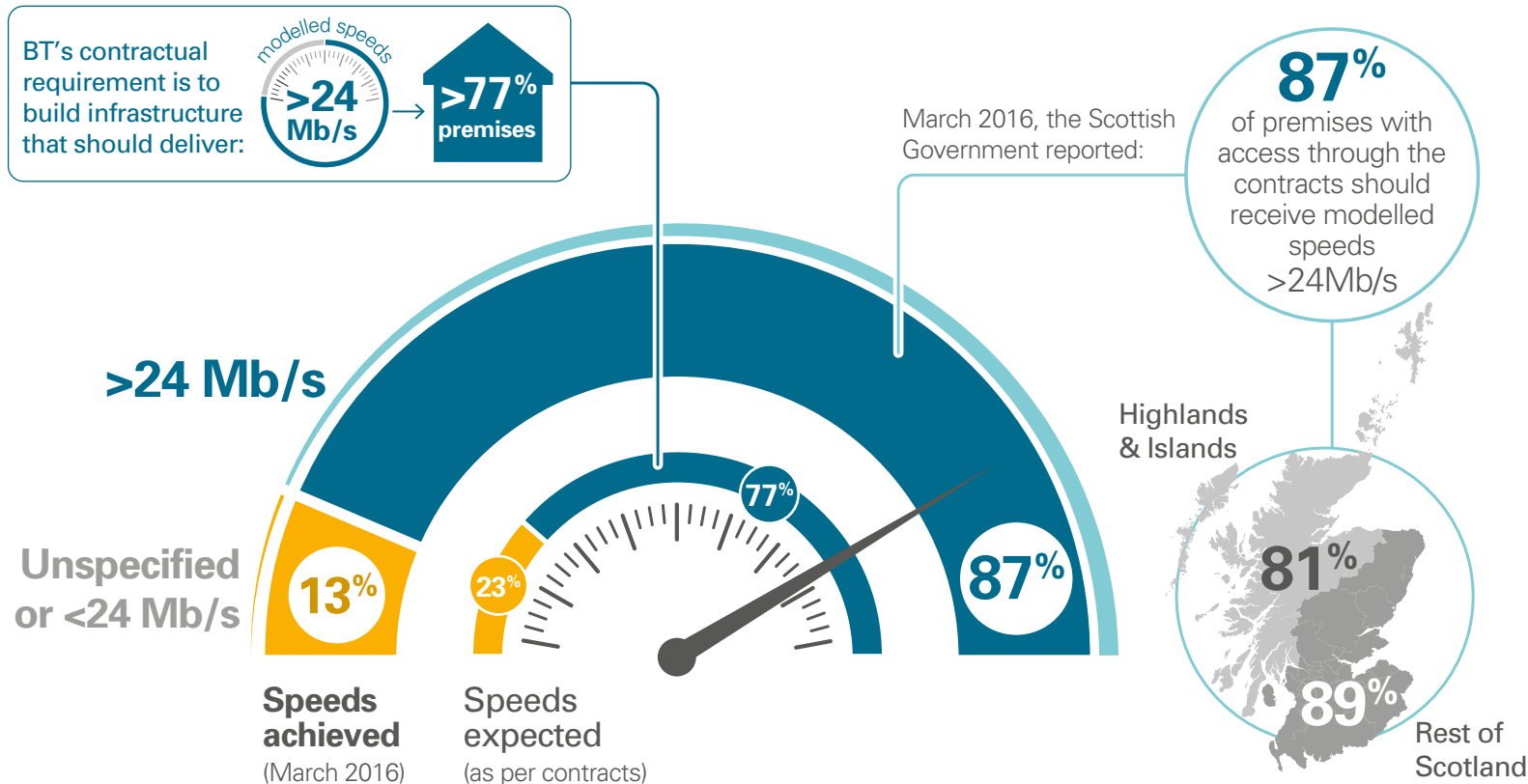
£1,700

There is a cap of £1,700 on how much BT can spend on each premise. When it costs more than £1,700 to make a connection available, BT may be allowed to proceed depending on value-for-money considerations, including levels of existing coverage and the availability of other technical options.

? 150

So far, solutions have not been found for 150 premises, out of the 4,600 premises which have breached the cap (3.3 per cent).

So far, more premises with access to the network are modelled to receive speeds exceeding 24 Mb/s than set out in the contracts



Source: Speed coverage templates in both contracts and contract monitoring documents

The infrastructure that BT is building will not provide speeds of 40-80 Mb/s to all premises. It will deliver these speeds to some premises and improved speeds to others.

The Scottish Government, HIE and BT believe this can be built upon in the future to deliver world-class infrastructure.



Progress against 2015 **Recommendation 1**

The Digital Scotland website gives details on whether a premise has access to fibre, and if not, its current status.

If fibre access is planned within the next six months, this will be specified. Timescales beyond six months are not shared publicly as the Scottish Government and HIE are not able to commit to these, until BT has completed its survey work.

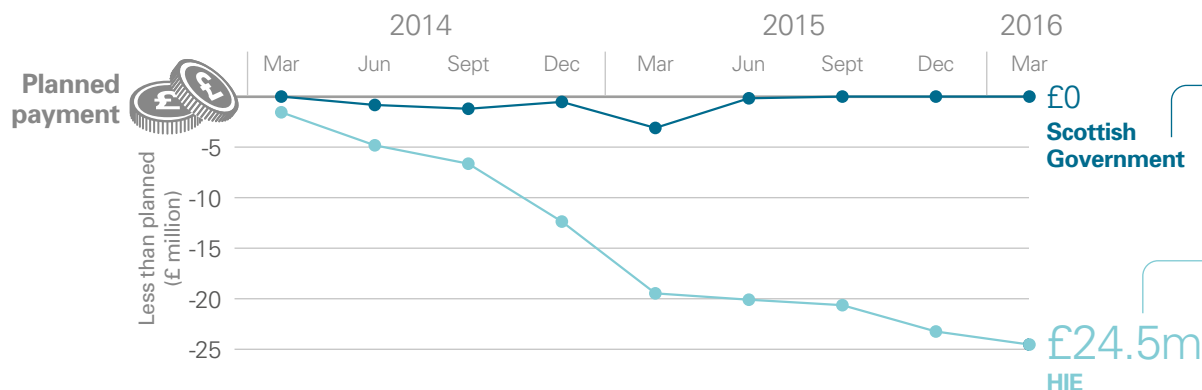
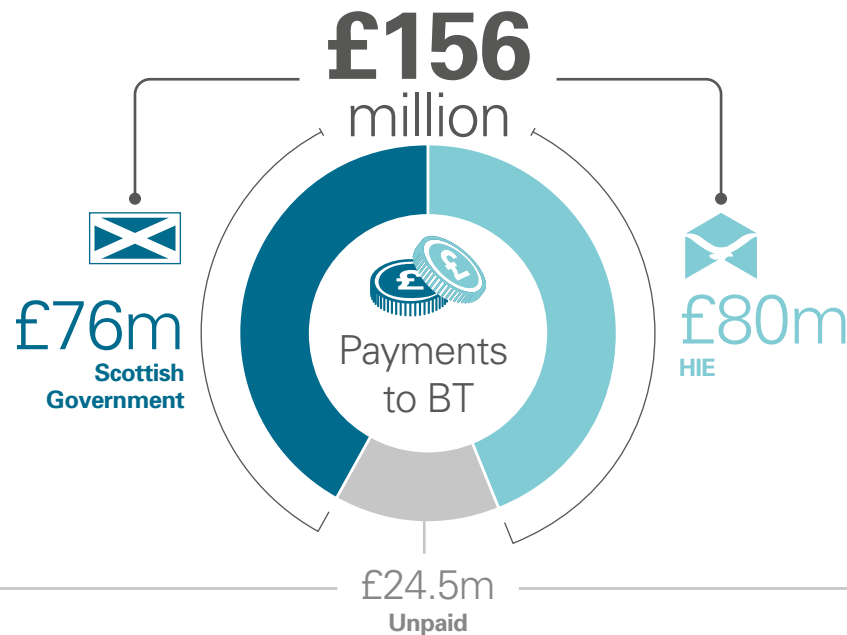
The website also gives a range of speeds premises can receive if they have access to the fibre network.



The Digital
Scotland
website:

www.scotlandsuperfast.com

The Scottish Government and HIE have paid BT £156 million for work completed by March 2016

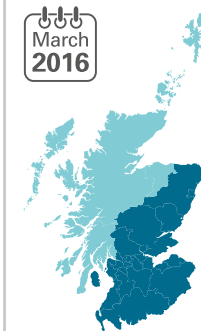


The Scottish Government's payments to BT are now in line with the project plan.

HIE's payments to BT are £24.5m less than planned. HIE reports this is due to delay in receiving invoices from BT. BT is currently reviewing the financial model.

BT's spend compared to project plan

March 2016



Highlands and Islands
£5.5m less

Rest of Scotland
£23m less

Highlands and Islands

BT is modelling how it can use this money to extend coverage.

Rest of Scotland

The Scottish Government considers this is a result of providing access to premises in easier-to-reach areas with simpler technology than previously modelled. It expects BT's contribution to increase as the roll-out reaches more difficult areas. The Scottish Government is monitoring the spend and if this money is not needed, it could be used to further extend coverage.

More money is available to extend broadband coverage, due to lower than expected costs and higher than expected take-up



BT is currently modelling how to extend coverage, using £27 million for the rest of Scotland and £10 million for the Highlands and Islands.

£23 million of this is from lower than expected costs and higher than expected take-up; £14 million is from conditions in the contract.

Rest of Scotland
£27 million

Sources of funding

Highlands & Islands
£10 million



The use of different technologies and **lower than expected costs** mean BT can deliver more than expected in the Highlands and Islands.

BT originally expected that 20 per cent of premises would take up superfast broadband by the end of the contracts in December 2017. As **take-up** has been higher than expected (around 24 per cent of premises had connected by the end of June 2016), BT offered to release early a share of the additional income generated, to be used for reinvestment. BT now expects take-up to be 30 per cent. If take-up exceeds 30 per cent then this will trigger BT's release of further funding for reinvestment.



Both contracts include **innovation funds** intended to extend coverage beyond that which could be modelled in 2013. The Scottish Government has used some of this money to make up a shortfall in ERDF funding. HIE has allocated £0.05 million of this money to satellite broadband provision. The remainder will be used to extend coverage.



The rest of Scotland contract allows 21,000 premises to be provided with standard broadband (speeds of at least 2 Mb/s) using **non-fibre technology**. These premises can now apply to the Better Broadband Scheme as an alternative. So far, only 500 premises have applied and 50 have taken up the offer.

HIE paid BT an **advance payment** of £20 million as part of contract negotiations. The interest on this advance payment will be spent on backhaul and extending coverage.



£2.23m



£2.45m



£0.05m



Proportion
of £606,000

- the package bought from Internet service providers
- the number of people connecting to the Internet at the same time
- the quality of the copper connection and the internal wiring of properties.

Proportion of premises unable to receive average speeds of 10 Mb/s
July 2016

Around half of premises in the three islands council areas were unable to receive 10 Mb/s

Council Area	Percentage
Eilean Siar	54
Shetland Islands	46
Orkney Islands	45
Argyll and Bute	30
Highland	27
Scottish Borders	21
Dumfries and Galloway	21
Perth and Kinross	20
Aberdeenshire	20
Angus	14
Moray	13
Stirling	12
South Ayrshire	11
Midlothian	8
East Lothian	8
East Ayrshire	7
North Ayrshire	5
South Lanarkshire	5
Falkirk	5
Fife	4
West Lothian	4
North Lanarkshire	3
East Dunbartonshire	2
Cackmannanshire	2
Aberdeen City	2
Inverclyde	2
East Renfrewshire	1
City of Edinburgh	1
Renfrewshire	1
West Dunbartonshire	1
Glasgow City	1

219

What comes next?

The Scottish Government is still to finalise plans to best use an additional £42 million available to extend broadband coverage outside the contracts

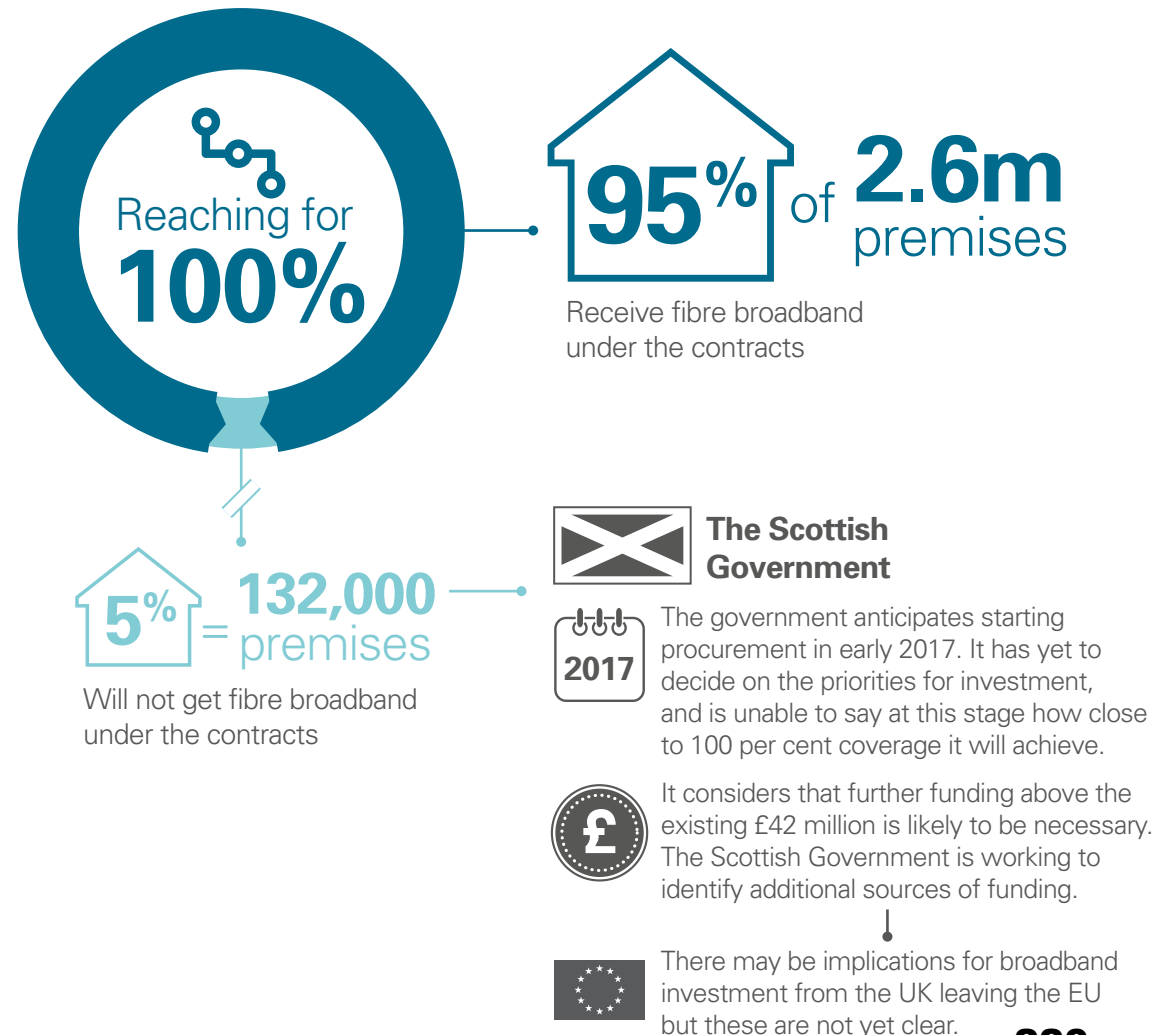


The Scottish Government established a 'reaching for 100 per cent' project team in 2016, to take forward the delivery of the infrastructure that will support superfast broadband to premises that are not covered by existing or planned infrastructure. We calculated in our 2015 report that about 132,000 premises will not get fibre broadband at all under the contracts.

The Scottish Government has still to finalise plans to extend coverage outside the current contracts. It has £42 million available, but it has been unable to take forward further procurement for two main reasons:

- Existing EU state aid approval for broadband projects ran out in June 2015. The UK Government received new approval in June 2016, allowing the Scottish Government to take forward its planning for further procurement.
- BT is modelling how the funding available from lower than expected costs and higher than expected take-up ([page 10](#)) can be used to extend coverage. This is taking longer than anticipated as it needs to remodel, because competitors are building in areas where there had been no previous indication the market would invest. This means that, under state aid rules, these areas are no longer eligible for public funding.

To encourage competition, the new EU approval sets a preference for a series of smaller contracts to extend broadband coverage into areas it is yet to reach. In practice, the size of each contract area will depend on the level of market interest and value for money considerations.



The Scottish Government is considering the future role of Community Broadband Scotland in extending coverage

The Scottish Government established Community Broadband Scotland (CBS) in 2012 to provide broadband solutions to some of the remote, rural communities.

CBS has approved funding of £2.1 million towards the cost of 15 projects, which will provide 3,950 premises with access to superfast broadband. Thirteen of these projects are now offering broadband services to people in their community.

Further projects are being developed, some of which were delayed when the EU state aid approval for broadband ran out in June 2015. The June 2016 approval will now allow these projects to proceed.

There are more projects in the development pipeline than CBS currently has budget for. Many of these are at a very early stage and it is not yet clear if, and when, they will be achieved.

The Scottish Government is currently considering the role of CBS within the 'reaching for 100 per cent' project, including whether it will have a role in managing projects.

CBS feels it is constrained in getting projects to procurement because of the lack of information around where the existing contracts with BT will deliver, and how the additional £42 million will be used.

Community Broadband Scotland approved and funded projects



15 projects

3,950 planned premises
1,022 (26%) with access



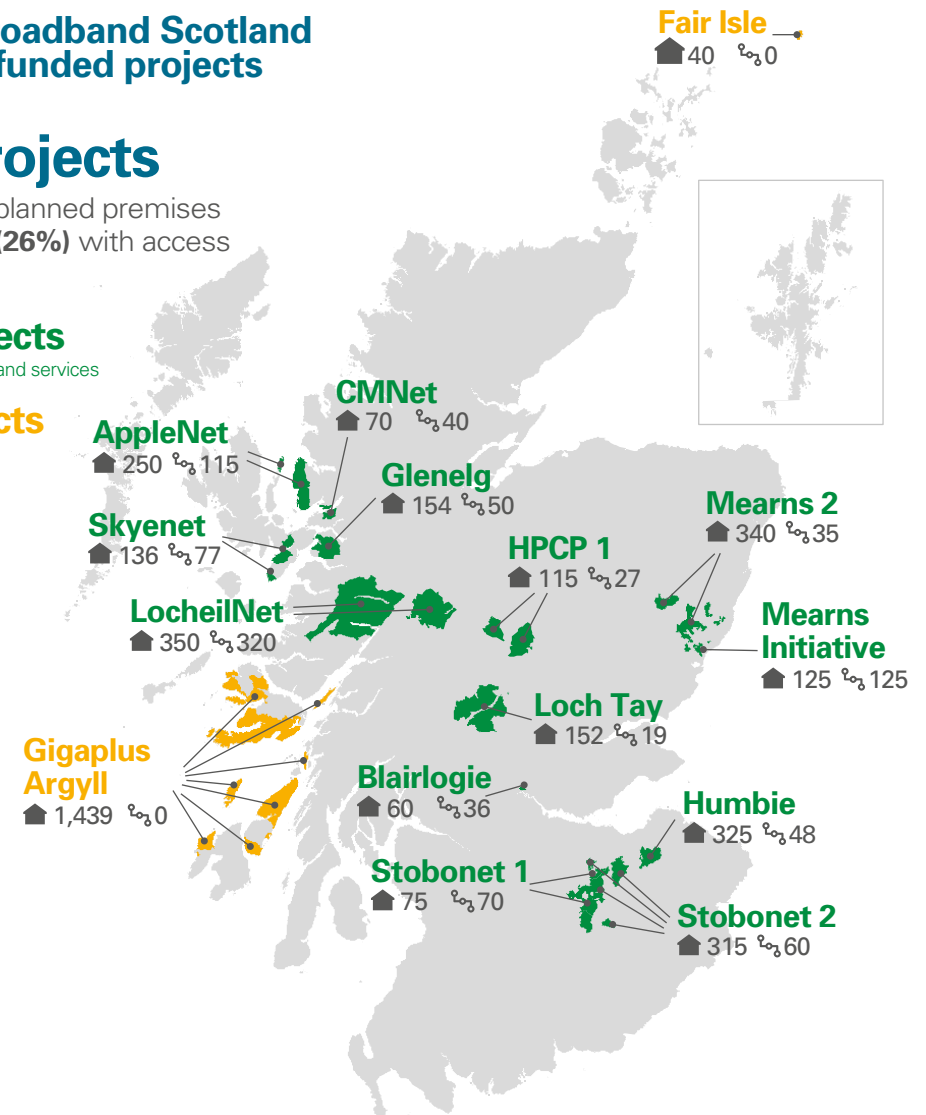
13 projects

offering broadband services



2 projects

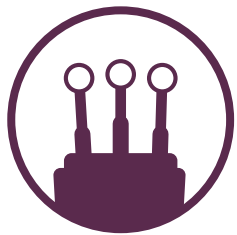
in development



There is still much to be done if the Scottish Government is to achieve its vision of world-class infrastructure

The Scottish Futures Trust (SFT) has been working to develop the Scottish Government's vision of a world-class infrastructure which will allow people to access the Internet anywhere, anytime and on any device.

SFT has identified six interconnecting key 'pillars' of infrastructure that it believes are necessary to deliver world-class infrastructure. A world-class digital infrastructure involves more than faster home connections. It includes mobile connectivity and associated infrastructure.



Fibre

Fibre to homes and businesses forms the backbone of any superfast network. It is also needed to connect mobile masts.



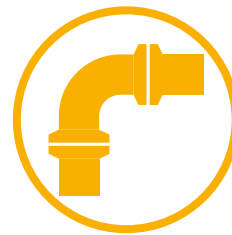
Power

Masts and exchanges need a power supply, in some areas this has been the limiting factor for roll-out.



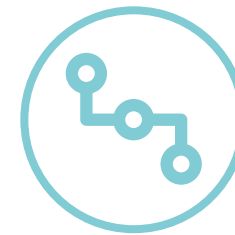
Spectrum

Used to transfer data between mobiles.



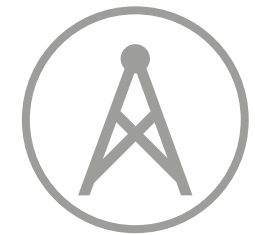
Ducting

The pipes that carry the fibre wires. For world-class infrastructure these need to be open to all operators.



Exchanges

Where internet traffic is exchanged. While there is an exchange in Scotland the majority of data must be sent to England before returning to Scotland.



Masts

Radio transmitters that are needed to make mobile phones work. They can be used to provide wireless Internet in remote areas.



The Scottish Government has still to finalise its plans for delivering its vision for world-class digital infrastructure by 2020.



This will require consideration of what world-class looks like and how best to use new technology to achieve it.

Conclusions

The Scottish Government and HIE have made good progress in the roll-out of fibre broadband in Scotland to date. So far, most of the roll-out has been concentrated on easier-to-reach areas. There is a continuing need to monitor carefully the progress and cost of further roll-out once it extends into more difficult areas if the 95 per cent coverage by December 2017 target is to be achieved.

Although progress with the contracts is good, many premises across Scotland currently do not get 10 Mb/s. There is still much to be done if the Scottish Government is to achieve its vision of a world-class digital infrastructure. Priority areas for development include:




- The finalisation of clear plans setting out how 100 per cent access to superfast broadband is to be achieved, so that no communities are digitally excluded.
- How best to use digital technologies and build a world-class digital infrastructure fit for the future.
- How best to continue to encourage take-up to ensure the benefits of investment are maximised.
- Improved public reporting of progress and performance, to measure the benefits achieved from its investment and to allow benchmarking with other countries.






Audit Scotland will continue to monitor the progress of the roll-out of fibre broadband. We plan to undertake a further audit of the performance of the two contracts and progress towards the world-class vision which will be reported in 2018.

Appendix

Progress against recommendations in our 2015 report

Recommendations (summarised)	Progress
<p>The Scottish Government should:</p> <div data-bbox="136 496 253 612">  </div> <p>improve ways of publicly reporting the coverage and speeds its investment in superfast broadband will deliver.</p>	<p>The website gives details on whether premises have access to fibre, and if not, its current status. If fibre access is planned within the next six months this will be specified. Timescales beyond six months are not shared publicly as the Scottish Government and HIE are not able to commit to these until BT has completed its survey work. The website also gives a range of speeds premises can receive if they have access to the fibre network.</p> <p>Little information is available for those that won't be covered by existing contracts. The Scottish Government is still to finalise plans outlining the use of the additional £42 million available to extend coverage outside the contracts.</p>
<p>The Scottish Government and HIE should:</p> <div data-bbox="136 874 253 991">  </div> <p>encourage take-up of superfast broadband to maximise the benefits of their investments and identify what further work is needed to realise these benefits.</p>	<p>The Scottish Government and HIE have sought to stimulate demand for and promote the benefits of broadband through marketing campaigns and events alongside local councils and Business Gateway Scotland. Currently, the take-up is higher than originally expected (26 per cent for Highlands and Islands and 23 per cent for Rest of Scotland at the end of June 2016), resulting in an additional £17.8 million being made available to extend coverage.</p>
<div data-bbox="136 1086 253 1203">  </div> <p>develop clear plans, by June 2015, for the use of a further £42 million available for investment in superfast broadband. These plans should strike an appropriate balance between extending coverage in areas where there is no access to superfast broadband, and increasing speeds in premises with low speeds.</p>	<p>The Scottish Government has still to finalise plans outlining the use of an additional £42 million available to extend coverage outside the current contracts. It has been unable to take forward further procurement for two main reasons:</p> <ul style="list-style-type: none"> Existing EU state aid approval for broadband projects ran out in June 2015. The UK government received new approval in June 2016, allowing the Scottish Government to take forward its planning for further procurement. BT is modelling how the funding available from lower than expected costs and higher than expected take-up (page 10) can be used to extend coverage. This is taking longer than anticipated as it needs to remodel, because competitors are building in areas where there had been no previous indication the market would invest. This means that, under state aid rules, these areas are no longer eligible for public funding.

Recommendations (summarised)	Progress
 <p>review work programmes and payment profiles and make any changes necessary to ensure that payment is closely linked to successfully achieving the agreed targets.</p>	<p>Payments to BT are £24.5 million less than originally planned.</p> <ul style="list-style-type: none"> • The Scottish Government's payments to BT are now in line with the project plan. • HIE has paid BT £24.5 million less than planned. <p>BT's spend is less than originally planned.</p> <ul style="list-style-type: none"> • The Scottish Government has not made any changes to payment profiles but is monitoring the spend. • For HIE, BT is reviewing the financial model at the same time as its modelling exercise, which will likely result in revised payment profiles.
 <p>keep staffing levels and workloads under review and alter the skills mix and number of staff when needed, to ensure that project teams are able to fulfil their contract management and monitoring roles well.</p>	<p>Staffing in the Scottish Government and HIE remains sufficient for the workload.</p> <p>The Scottish Government has added three posts. HIE considers it may need to create an additional post depending on the nature of the next phase of procurements.</p> <p>Both the Scottish Government and HIE recognise there are risks that short-term appointments won't hold expertise within the team.</p>
 <p>further develop their performance measurement frameworks, including measures that address speeds delivered, the unit cost of providing access to superfast broadband to each premise and levels of take-up, as well as measures that allow benchmarking with other countries' implementation of superfast broadband.</p>	<p>We consider the Scottish Government could make more information publicly available, including:</p> <ul style="list-style-type: none"> • publishing information on progress of the two contracts, including speed and coverage data to help assess the success of its investment • providing a link from the Digital Scotland website to Ofcom's published data on overall coverage in Scotland • working with Ofcom to benchmark Scotland's performance against other countries.

Superfast broadband for Scotland

A progress update

This report is available in PDF and RTF formats,
along with a podcast summary at:

www.audit-scotland.gov.uk 

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

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NORTH AYRSHIRE COUNCIL

Agenda Item 15

14 November 2016

Audit and Scrutiny Committee

Title: **Audit Scotland Report: Social Work in Scotland**

Purpose: To inform the Audit & Scrutiny Committee of the findings of the recent Audit Scotland report.

Recommendation: That Audit and Scrutiny Committee notes the findings of the recent Audit Scotland report, the current position in North Ayrshire and further actions being taken to address the issues within the report.

1. Executive Summary

- 1.1 Audit Scotland recently published its 'Social work in Scotland' report. This report examines how effectively councils and IJBs are planning to address the financial and demographic pressures facing social work.
- 1.2 The report looks at the challenges facing social work services, how Councils and IJBs are addressing these challenges and the governance and scrutiny arrangements in place.
- 1.3 This report will highlight the main issues from the Audit Scotland audit which can be accessed using the link below.

<http://www.audit-scotland.gov.uk/report/social-work-in-scotland>

The Audit Scotland report identifies a number of key recommendations for Councils and IJBs; Appendix 1 to this report details these and the relevant work that has been undertaken or is planned to be undertaken, by the Council and the Health and Social Care Partnership to address these. An elected member checklist has also been attached at Appendix 2.

2. Background

- 2.1 The overall aim of the Audit Scotland audit was to examine how effectively councils and IJBs are planning to address the financial and demographic pressures facing social work. It is recognised that social work comprises a wide range of services, and not all of them have been covered within the report. Exhibit One within the report highlights the variety of services offered. The objectives of the audit were to assess:-
- the scale of the financial and demand pressures facing social work (Part1)
 - the strategies councils and IJBs are adopting to meet these challenges (Part 2)
 - the effectiveness of governance arrangements, including how elected members lead and oversee social work services (Part 3)
 - the impact of financial and demand pressures on people who use services and on carers, and how councils and IJBs involve them in planning how services are provided
- 2.2 This report highlights the key messages and issues from each section of the report

CHALLENGES FACING SOCIAL WORK SERVICES

Key Messages

- 2.3 Social work services provide important services to some of the most vulnerable people across Scotland. But they are facing significant challenges because of a combination of financial pressures caused by a real-term reduction in overall council resources, demographic change and the cost of implementing new legislation and policies. If Councils and IJBs continue to provide services in the same way, it is estimated that Councils spending on social work will require to increase by between £510 and £667 million by 2020, representing an increase of between 16% and 21%.

- 2.4 Since the Scottish Parliament was established, there has been an increase in the volume of legislation related to social work. This includes:-
- Social Care (Self Directed Support) (Scotland) Act 2013 which stipulates the forms of self directed support that Councils must offer
 - The Children and Young People (Scotland) Act 2014 which introduces a 'named person' for every child and increases the upper age limit for aftercare support from 21 to 26
 - The Carers (Scotland) Act 2016 which introduces a duty to provide support to carers
- 2.5 This legislation is designed to improve services and the outcomes for people who use them. However implementing legislation can increase financial pressures and staff workload in the medium term. New legislation can also affect how Councils deliver services by creating entitlements to services based on specific criteria. Councils and IJB's need to respond to these and manage the expectations of people who use services and carers within the Scottish Government which has been made available.
- 2.6 The impact of demographic change on health and social care spending has been already well reported. Overall demand for health and social care will depend significantly on the number of older people and the percentage who require care. Although life expectancy continues to increase, healthy life expectancy (HLE), that is the number of years people can expect to live in good health, has not changed significantly since 2008. This means that a larger number of older people may require support for longer, unless HLE increases. In North Ayrshire it is estimated that the 70+ population will increase by 55.1% between 2015 and 2035.
- 2.7 Supporting looked-after children and children protection has also increased demand on social work services. In Scotland the number of looked after children has increased by 36 % since 2000, with the number of children on the child protection register increasing by 34%. The reasons for the increases are likely to be complex but many of the Councils visited as part of the audit think that increases in drug and alcohol use by parents, increased reporting of domestic violence and alcohol related incidents, and intervention policies will be important factors.

- 2.8 Councils have seen an 11% reduction in funding in real terms since 2010/11. This excludes the £250 million that the Scottish Government allocated to health and social care integration. Against the trend of falling Council spend, Council's total social work spending increased in real terms from £3.2 billion to £3.3 billion between 2010/11 and 2014/15, an average increase of 0.8% a year. Within North Ayrshire there has been an average increase of 1.0% a year.
- 2.9 The Scottish Government has estimated that spending will need to increase by between 1.5% and 3.3% per year to meet additional cost pressures linked to demography, with further increases required to meet changes in legislation and policy commitments such as the living wage. Councils and IJBs will need to develop longer term financial strategies and plans to enable decisions about future delivery models to be informed.

Other Messages

- 2.10 Councils and service providers face difficulties in recruiting staff. The cycle of continually recruiting and training staff is costly and could potentially have an impact on the quality of services provided. Many third and private sector providers reported that the apparent causes for these difficulties includes low pay, antisocial hours and difficult working conditions as a result of the complex needs of client groups.
- 2.11 Ten per cent of the workforce operate on contracts which would be considered a zero hour contract. Providers believe these contracts are essential to provide a flexible and personalised service to people, while also providing flexibility for staff. These contracts are suitable as long as they are not exclusive and staff are free to accept or turn down work without being penalised.
- 2.12 The professional social work role is changing. The majority of social workers who participated in the focus group for this audit were optimistic about their role and their ability to make a positive difference to people's lives. Changes in structural and partnership arrangements have introduced more working in multidisciplinary teams, and those involved can see the benefit of improved communications and improved services. However some were concerned about the erosion of their professional identity.

HOW COUNCILS ARE ADDRESSING THE CHALLENGES

Key Messages

- 2.13 To date Councils have adopted a number of strategies to achieve savings. They have tightened eligibility criteria so that fewer people receive services and targeted funding to people in the greatest need. They have also achieved significant savings in the cost of homecare and care homes through competitive tendering and the national care home contract.
- 2.14 Current approaches to delivering social work services will not be sustainable in the longer term, given the scale of the challenge, and there are risks that reducing costs further could affect the quality of services. Fundamental decisions are required on long term funding and social work service models for the future.
- 2.15 Developing a strategic approach to prevention is essential for Councils to sustain provision of social services. Councils, IJBs and other stakeholders all believe that prevention is the key to meeting the growing demands for social work services, however there are various challenges in moving towards prevention including:-
- the ability to release funding because resources are locked into current service models
 - lack of time to look at/deliver preventative models
 - community resistance and managing relatives' expectations
 - cultural differences between Councils and the NHS
- 2.16 The report outlines examples of prevention initiatives noting that most are effective in the short term, with longer term initiatives being considered on a limited basis. It recognises the difficulties in measuring the impact of prevention initiatives because it is not easy to measure what has not happened, however it recommends that a more systematic approach be taken and used to inform long term budget planning.
- 2.17 Service providers want to be more involved in commissioning services. People who use services, and carers would value being more involved in planning how services are provided. The Christie Commission concluded that it is particularly important to:-
- work closely with individuals and communities to understand their needs, maximise talent, resources, support self-reliance and build resilience
 - recognise that effective services must be designed with and for people and communities – not delivered 'top down' for administrative convenience
 - maximise scarce resources by using all available resources from the public, private and third sectors, individuals, groups and communities

Although it is not easy to do so, it is important that Councils and IJBs seek views and provide opportunities for involving a wider range of people as possible in planning services or changing how they are provided.

- 2.18 The Scottish Government's Living Wage commitment provides clear benefits for low paid workers and should help with the retention of staff. However it increases employee and contract costs placing further pressures on finances.

GOVERNANCE AND SCRUTINY ARRANGEMENTS

Key Messages

- 2.20 The integration of health and social care has made governance arrangements more complex. Although Councils delegate to the IJB their responsibility for strategic planning, regardless of integration, Councils retain statutory responsibilities in relation to social work services. Elected members have important leadership and scrutiny roles in Councils and it is essential that they assure themselves that service quality is being maintained and that risks are managed effectively.
- 2.21 The report highlights the need for there to be a clear understanding of each other's roles and responsibilities and it is essential that the chief officer is clear about how this joint accountability will work in practice.
- 2.22 The fieldwork undertaken for the report highlighted that governance and scrutiny arrangements were still in transition and therefore it was too early to make judgements as to whether there are gaps at this stage.
- 2.23 It is important that elected members receive training and guidance on the operation of the new governance arrangements. Scottish Government has produced guidance on the roles, responsibilities and membership of the IJB and COSLA intends to produce an elected member briefing note. An elected member's checklist has also been produced with this report and this is attached at Appendix 2.

- 2.24 With integration and other changes over recent years, the key role of the chief social work officer (CSWO) has become more complex and challenging. The CSWO has a responsibility to highlight where a council policy may endanger lives or welfare and ensure that they provide councillors and officers with professional advice in relation to social work and social care services. Councils need to ensure that CSWOs have the status and capacity to enable them to fulfil their statutory responsibilities effectively. If the CSWO is not a full member of the corporate management team, elected members must be satisfied that the officer has appropriate access, influence and support at the most senior level. Reporting lines for CSWOs always lie within the Council and the establishment of the IJBs does not change this. However the CSWO needs to establish good, effective working relationships with the IJB chief officer.
- 2.25 An action plan has been attached at Appendix 1. This reflects the key messages within the report and the key areas of work underway within the HSCP. Progress to date is also identified within this plan. It is proposed that the action plan is considered in detail by the IJB Performance & Audit Committee and the North Ayrshire Council Audit and Scrutiny Committee.
- 2.26 Progress on the action plan will be reported to the IJB and North Ayrshire Council Cabinet on a six monthly basis.

3. Proposals

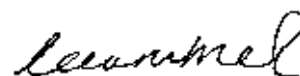
- 3.1 It is proposed that the Audit and Scrutiny Committee notes the findings of the recent Audit Scotland report, the current position in North Ayrshire and further actions being taken to address the issues within the report.
- 3.2 It is further proposed that the Audit and Scrutiny Committee notes the work which has already been done and is planned to be done by the Council and the Health and Social Care Partnership, detailed at Appendix 1, in tackling the recommendations highlighted by Audit Scotland. Progress on this action plan will be reported on a six monthly basis to the IJB and North Ayrshire Council Cabinet. An elected member checklist has also been attached at Appendix 2.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	None.
Community Benefits:	None.

5. Consultation

- 5.1 Consultation has taken place with appropriate members of the Health and Social Care Partnership Senior Management Team to ensure current and proposed actions associated with the recommendations of the report have been identified.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Margaret Hogg, Head of Finance/ NAHSCP Chief Financial Officer or Iona Colvin, Executive Director (HSCP) on 01294 324560 or 01294 317723

Background Papers

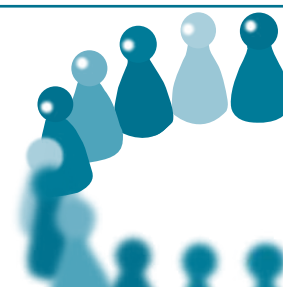
None.

Key Actions Points	Lead Officer (s)	Current Position	Planned Actions	Responsibility / Date
Strategy and Service Planning				
Engage in discussion around future expectations of care (and health) services including; <ul style="list-style-type: none"> public engagement key messaging with local communities to build capacity. 	Jo Gibson, Principal Manager Planning & Performance	<ul style="list-style-type: none"> Early discussion around public expectation. Review of targets and indicators for health and social care at national level. Locality Forums established. 	<ul style="list-style-type: none"> Consider outcome of review of targets. Work with Locality Forums to develop local messages and capacity. 	Jo Gibson Review end May 2017.
Engage with service users and carers to redesign services, ensuring efficient use of resources and effective outcomes including; <ul style="list-style-type: none"> Learning across Scotland and beyond. Effective evaluation processes. 	Iona Colvin/ Heads of Service	<ul style="list-style-type: none"> Transformational Change Programme established for : <ul style="list-style-type: none"> Older People & Complex Care Primary Care Mental Health & Learning Disability Children 	Business cases for each workstream being developed and presented to IJB/North Ayrshire Council/NHSAA	End of May 2017
Develop medium to long term financial plan which combines opportunities to move resource across totality of health and social care system to include; <ul style="list-style-type: none"> Benchmarking around service provision. Benchmarking around cost. Alignment of budget setting process. Analysis of investment –v- demand and capacity. 	Margaret Hogg	<ul style="list-style-type: none"> Initial work around NHS Change Programme has been done. Benchmark report completed using Care Inspectorate data. Population and need projections completed. Demand in Older People Services analysed. 	<ul style="list-style-type: none"> Develop Social Work services budget plan and merge with NHS component. Simulation Model to be completed to assist projections. Sharing information with other IJBs around shared interest. Strategic review of Learning Disability services will be completed. Demand and capacity in mental health will be completed. 	March 2017

Governance and Scrutiny Arrangements				
Ensure robust governance and scrutiny arrangements are in place within IJB and within North Ayrshire Council	Iona Colvin	<ul style="list-style-type: none"> The Health and Social Care Partnership has a long established Social Work Governance Group, chaired by Chief Social Work Officer which feeds into our Clinical and Care Governance arrangements. 	Clinical and Care Governance arrangements are under review.	S Brown/P Kerr D Thomson April 2017
Ensure high visibility and accountability of Chief Social Work Officer with Partnership and within NAC	Elma Murray/ Stephen Brown	<ul style="list-style-type: none"> Annual CSWO report to Cabinet. One to one arrangements with CEO in place. CSWO attends IJB. 		E Murray/ S Brown/ Ongoing
Ensure effective performance management arrangements are in place within Partnership and through accountability arrangements to NAC and NHSAA.	Iona Colvin	<ul style="list-style-type: none"> Performance scrutiny arrangements in place including :- <ul style="list-style-type: none"> Director to HOS; SMT to CEOs; IJB to PAC. Annual Performance Report to NAC; NHS; IJB. Quarterly updates to all NAC Elected Members 	Will review to ensure all aspects covered.	I Colvin/ J Gibson/ End of April 2017


Key Actions Points	Lead Officer (s)	Current Position	Planned Actions	Responsibility / Date
Workforce				
Develop a workforce plan for the Partnership including; <ul style="list-style-type: none"> Multi-disciplinary team approach. Effective use of in-patient resources. Third and Independent Sector provision. Implementation of Fair Work practices. 	Iona Colvin/ Neil Archibald	<ul style="list-style-type: none"> Staff Partnership Forum established. Initial pieces of work around workforce have been commissioned. Workforce planner has been appointed (October 2016). SLW rate offered to providers. NAC accredited as Living Wage Council 	<ul style="list-style-type: none"> Implement Ethical Care Charter. Complete individual workforce components and develop outline plan. Engage third and independent sector. 	L McDaid/I Colvin Thelma Bowers Neil Archibald Marianne McBurnie I Colvin N Wanless/J Nichol

Social work in Scotland



ACCOUNTS COMMISSION

Self-assessment checklist for council members

This checklist sets out some issues that elected members may wish to consider in relation to social work in their own council. Members may also wish to consider the elected members checklist included in [Supplement 2](#)  of our self-directed support report.

Questions for elected council members to consider	Assessment	Required actions
Councillors' role in social work governance		
When the council is making budget decisions about social work, do we have good information about how this may affect services, the number of people affected, and how the decision-making process will take account of the budget decision?		
Is there a committee(s) with specific responsibility for social work in the council or Integration Joint Board (IJB)? If not has the council identified which committees have a role in monitoring social work?		
If there is more than one committee within the council or IJB with responsibility for social work services, how do we ensure: <ul style="list-style-type: none"> • that there is consistency in social work decision-making? • there is no duplication or gaps in the scrutiny of social work services? • that risks are being effectively managed? 		
Are the roles and responsibilities of committees clear and set out in terms of reference, and are links to statutory decision-making responsibilities clear?		
Do the committees of which I am a member have any specific responsibilities for social work processes?		
Am I clear about the principles of good decision-making and social work and my role in monitoring the council's performance in this area?		
Do I have a good understanding of the main social work services in the council, including the key decision-making processes involved?		
Cont.		

Questions for elected council members to consider	Assessment	Required actions
Does my council have service charters setting out what service users and carers can expect in relation to decision-making, outcomes, complaints and appeals?		
Do social work staff work to clear and published policies and guidelines so that users can understand the criteria against which decisions are made?		
Do I understand the statutory role of the Chief Social Work Officer (CSWO) and have I good access to the CSWO if I require advice on any aspect of social work?		
Do I have access to, and take-up, training and development opportunities about social work policies and processes?		
Councillor's role in health and social care integration		
Do I understand how health and social care integration is working in my council and my role in achieving the objectives of integration, including developing a shared culture?		
Has the IJB agreed a strategy to move to improved models of health and social care and are IJB leaders fully committed to this strategy?		
Is there a commitment with IJB partners to align management arrangements for services in the community and share resources, such as aligning budget setting, rationalising the public sector estate, co-location of services, and aligning technology such as IT systems to facilitate information sharing?		
Are there adequate arrangements for communicating decisions made by the IJB to council members who are not members of the IJB?		
Are you confident that the governance arrangements covering health and social care are working well (are there any gaps or overlaps)?		
Do the council and IJB have adequate workforce plans to ensure social work and social care services have sufficient numbers of properly trained staff?		
Councillors' role in consulting local people		
How does your council consult stakeholders (local people, service users and carers and service providers) about their priorities for social work and social care work services, the funding available and the way in which services are provided? How does it manage the expectations of service users?		
Are services designed around the needs of service users and the outcomes important to them and do IJB partners share data to enable this to happen effectively?		
Performance management		
Am I clear about the principles of good decision-making and social work and my role in monitoring the council's performance in this area?		

Cont.

Questions for elected council members to consider	Assessment	Required actions
Are effective and regular monitoring arrangements in place within the council and/or the IJB to ensure that decisions comply with council quality and timeliness standards?		
Does the council or IJB publish clear customer service and operational standards and performance data by which I expect residents to judge social work service performance?		
Are effective and regular monitoring arrangements in place within the council and/or the IJB to ensure that decisions comply with council quality and timeliness standards?		
<p>Do committees with a social work remit receive regular reports about:</p> <p>(a) the performance of systems where decisions affect service users and carers, including the management of risk?</p> <p>(b) social work outcomes including progress against:</p> <ul style="list-style-type: none"> the council's own key performance measures? the time taken to make decisions and the number of avoidable errors made in each social work decision-making system? the number of appeals made against decisions, including the percentage upheld and the time to take decisions? <p>(c) comparative performance against similar councils?</p>		
Do I challenge officers on the performance information presented to me where it is unclear or where it indicates poor performance?		
Promoting and sharing best practice		
Is there a shared understanding of the objectives of prevention within health and social care and a commitment to fund the changes needed to make prevention work?		
Are prevention initiatives based on good evidence that they are likely to be successful and are outcomes measured?		
Does my council play an active role in relevant social work networks and national working groups to gather and promote best practice?		

NORTH AYRSHIRE COUNCIL

Agenda Item 16

14 November 2016

Audit and Scrutiny Committee

Title: **Local Government Benchmarking Framework (LGBF) 2014/15**

Purpose: To advise Committee of the Directorates' priorities identified following the publication of the latest LGBF report.

Recommendation: That the Audit and Scrutiny Committee notes (a) the LGBF priorities identified by Directorates, b) that further work will be undertaken within Directorates to identify improvement activity in the priority areas, and (c) that further use of the Framework will be used as the Improvement Service develop the Framework.

1. Executive Summary

- 1.1 This report presents the Directorates' **priorities** identified through work undertaken within Directorates following the publication of the latest LGBF report.
- 1.2 The report also highlights the Improvement Service's areas for development that will enable us to make further use of the Framework.

2. Background

- 2.1 During the past five years, North Ayrshire Council has been working with other Scottish councils and the Improvement Service to develop and improve the Local Government Benchmarking Framework (LGBF).
- 2.2 A performance update on the latest LGBF report was circulated to Elected Members in June 2016 through North Ayrshire News. Analysis of the national data highlights that we are sustaining high performance and maintaining our position in the top quartile.

- 2.3 The LGBF brings together a wide range of information about how all Scottish councils perform in delivering services to local communities. The purposes of the LGBF are to:
- help councils better understand why they achieve their current performance levels
 - build our understanding of where council performance varies
 - build our understanding of why council performance varies
 - help identify and share good practice across councils
- 2.4 The LGBF forms part of our performance management arrangements in terms of driving improvements in key areas.
- 2.5 The improvement Service will continue to work to broaden the range of indicators being deployed to support benchmarking. Their current priority is on improving benchmarks for pre-school and school provision and for social care.

3. Proposals

- 3.1 Following the publication of the LGBF data work has been undertaken with Directorates to highlight key measures where we want to drive improvements. The identified priorities and other measures are highlighted in **Appendix 1**.
- 3.2 Appendix 1 provides an explanation and details of improvement activity in terms of the LGBF measures focusing in particular on the priority measures. Directorates will continue to identify improvement activity in these areas including leading and participating in Family Groups.
- 3.3 We have indicated to the Improvement Service that we would like to see further work around the development of economic indicators.
- 3.4 There is currently only one Economic Development indicator. The data for this measure is sourced from councils' annual Scottish Local Authorities Economic Development group (SLAED) return. On its own, this measure does not fully reflect the performance by councils in this important area.
- 3.5 Work will also focus on the measures of attainment at secondary level which are currently academically focused and take no account of the wider achievements of pupils. The current LGBF Education indicators are legacy measures. New measures will build on the Curriculum for Excellence, reflecting developments within the National Framework for Education.

- 3.6 The above development activity will assist the Council to more effectively use the Framework to drive improvement.
- 3.7 Specific improvement areas and activities highlighted in the Annual Performance Report 15/16 include:
- Developing **partnership links** and collaborative arrangements with the Further Education (FE) sector
 - The **review of our Care at Home** services which will inform their redesign
 - Leading the **LGBF Council Tax Family Group**
 - Improving our performance on the **payment of invoices** within 30 days
 - Leading the **LGBF Museums Family Group** of ten local authorities and trusts, which is a helpful platform for benchmarking and sharing good practice
 - A comprehensive review of the **Roads Service** to drive performance improvement, value for money, efficiency and effectiveness.
- 3.8 It is proposed that the Audit and Scrutiny Committee notes (a) the LGBF priorities identified by Directorates b) that further work will be undertaken within Directorates to identify improvement activity in the priority areas, and (c) that further use of the Framework will be used as the Improvement Service develop the Framework.

4. Implications

Financial:	The aim of benchmarking activity is to learn from best practice. In many cases this will enable an improved service to be delivered at the same cost, or the same level of service to be delivered at lower cost.
Human Resources:	Some of the indicators detailed in the LGBF, such as that on absence levels, deal specifically with matters relating to Human Resources.
Legal:	Effective benchmarking can be seen not only as a means of improving performance or lowering cost, but of complying with the Council's legal obligation to deliver Best Value.
Equality:	Some of the indicators detailed in the LGBF, such as that relating to the % of the highest paid 5% of employees who are women and gender pay gap, deal specifically with equality. Others show a clear link between performance and deprivation and equality in its wider sense.

Environmental & Sustainability:	Numerous indicators relate to environmental issues.
Key Priorities:	Implementation of effective benchmarking practices across the Council will help support the Council's strategic priorities and our journey from Good to Great.
Community Benefits:	There are no community benefit implications.

5. Consultation

5.1 The Executive Leadership Team discussed this report on the 31 August 2016 and Cabinet agreed the report on the 25 October 2016.



ELMA MURRAY
Chief Executive

Reference :

For further information please contact Anne Todd, Senior Policy and Performance Officer on 01294 324140

Background Papers

None

Appendix 1 - North Ayrshire Council LGBF Indicators

Health and Social Care Partnership

Ref	Description	LGBF key priority areas for development
CHN9	% of children being looked after in the community	This is a priority area for the H&SCP. The current target is to maintain 90% of young people looked after in the community, this will be achieved through the expansion of services that provide early intervention support to children and families, including the new Contact Centre.
SW1	Home care costs per hour for people aged 65+	We have reviewed Care at Home. The review will inform the redesign of care at home services. Costs in this area are decreasing.
SW2	SDS spend on adults 18+ as a % of total social work spend on adults 18+	Personalisation of social services has now been in place for over a year, with a growing number of users choosing direct payments. An evaluation of the personalisation outcome focus is underway.
SW3	Percentage of people aged 65+ with intensive needs receiving care at home	We have made improvements in this area over the past years through enhanced provision of telecare units to service users, supporting users to remain independent in their own homes. In addition, Care at Home staff have been trained in medication handling and now distribute medication to service users. Looking forward a Redesign of Care at Home Services and the restructure of Pavilion 3 at Ayrshire Central into a rehabilitation Hub will drive further improvements.
SW5	Residential costs per week of resident for people aged 65+	Our costs of £344.5 are significantly lower than the Scottish average of £372.1. We maintain robust gatekeeping procedures for applications to care. We also use wide data sources to map trends and inform future planning. As part of the ongoing integration of services for the H&SCP, a series of improvement projects have been undertaken. Among these projects are the 'Redesign of Care at Home services' and the restructure of Pavilion 3 at Ayrshire Central into a Rehabilitation and Reablement Hub. These activities should have an impact on reducing the number of people admitted to care homes and therefore reduce overall costs.
Ref	Description	Other LGBF Indicators
CHN8a	The gross cost of children looked after in residential services per child per week	There are no formal targets set for these measures, although we are aiming to reduce the amount of spend on these services. The HSCP has provided greater resource into early intervention and family support services. Through these services the aim is to support families before they enter crisis and prevent the children coming into care.
CHN8b	The gross cost of children looked after in a community setting per child per week	In addition, the service has seen a steady reduction in the number of young people being cared for in Secure Accommodation and residential schools. These residential placements are extremely costly. By placing young people in community placements (Foster/Kinship Care) or in a Local Authority Home, the cost of residential placements will come down.
SW4	% of adults satisfied with social care services	Information is collected through the GP experience survey which provides more valuable information than this measure which is sourced from the Scottish Household Survey. As part of the development of performance frameworks for the H&SCP, particular importance is placed on the gathering of meaningful personal outcomes information for service users. Discussions are ongoing to identify the best way possible to gather meaningful feedback from H&SCP service users.

Education and Youth Employment

Ref	Description	LGBF key priority areas for development
CHN11	Proportion of pupils entering positive destinations	A key priority is to ensure that high numbers of our young people are entering positive and sustainable post-school destinations. We are developing partnership links and collaborative arrangements with the FE sector, developing the curriculum to maximise learners' access to further and higher education, training experiences and employment, and supporting young people with additional support needs to secure a sustainable destination that meets their needs. We are aware of the challenges that we have to continue improving results in terms of young people in positive destinations. However our aim is to ensure that we maintain our position within the top quartile. Our 2015 figure is 96.1% up from 94.1% in 2014. We are currently ranked third in Scotland.
Ref	Description	Other LGBF Indicators
CHN1	Cost per primary school pupil	We do not set targets for these measures. They provide limited value in determining progress against our key priorities as there are too many variables involved.
CHN2	Cost per secondary school pupil	
CHN3	Cost pre-school education place	
CHN4	% of pupils gaining 5+ awards at Level 5	Increasing the attainment and achievement of young people in North Ayrshire schools is a core priority. However, these are legacy measures, based on the previous SQA framework of exams and qualifications. These are not compatible with new INSIGHT measures as the number of exams pupils sit, the curricular framework and the method for measuring attainment national has changed. The key indicators that are now in place to evaluate attainment performance are derived from the national benchmarking tool INSIGHT. Raising the attainment and achievement of young people in North Ayrshire Schools is priority. Work is ongoing with the Improvement Service to build on the Curriculum for Excellence and reflect developments within the National Framework for Education.
CHN5	% of pupils in S6 achieving 5 or more awards at Level 6	
CHN6	Percentage of pupils from deprived areas gaining 5+ awards at level 5	Narrowing the outcomes gap between pupils from advantaged and disadvantaged backgrounds is a key priority. However, the current LGBF indicators are viewed as legacy measures based on the previous SQA framework. These measures are not compatible with the new INSIGHT measures. We currently use the following indicators to track progress in closing the attainment gap: <ul style="list-style-type: none"> • Average total tariff score of pupils in the most deprived areas • % gap in average total tariff score of school leavers resident in the most deprived areas. In the spirit of the Curriculum for Excellence strategy, we would aim to tailor curricular choices to suit learners' abilities and aspirations. We seek to encourage and reflect wider achievement as well as more ambitious academic achievement in our measures. We have secured 'Attainment Challenge' funding from the Scottish Government. This funding will be used over the next four years to ensure children and young people from lower-income households do significantly better at all levels of the education system. The key strands of work which will be undertaken as part of this initiative will include the development of a professional learning academy for teaching staff, development of North Ayrshire Council into a 'Nurturing Authority', provision of enhanced levels of support for young people with complex mental health issues and enhanced levels of support and engagement to promote parental involvement in their child's learning.
CHN7	Percentage of pupils living in the 20% more deprived areas gaining 5+ awards at level 6	
CHN10	Percentage of adults satisfied with local schools	A key area of action for the Education and Youth Employment Directorate is a continued focus on increasing our levels of parental engagement with our schools. We have established a key action to encourage and support active collaboration and engagement with parents in supporting their child's learning. We are aware of the importance of this measure and aim to perform well in this area.

Finance and Corporate Support

Ref	Description	LGBF key priority areas for development
CORP4	The cost per dwelling of collecting council tax	Customers can now register to gain access to their council tax account online at The Hub. We successfully introduced e-billing for a small number of households and will extend this service further to improve customer service and reduce costs. A new Sherriff Officer contract has been awarded and this will reduce the cost of commission paid for the recovery of unpaid council tax. A debt recovery strategy is also being developed to improve collection levels.
CORP7	Percentage of income due from Council tax received by the end of the year	The Council Tax Service has a dedicated debt recovery team. The team support customers who have difficulty paying their Council Tax. Benchmarking is carried out to enable us to make enhancements to our Council Tax performance against other Councils. This allows us to identify good practice and innovative ways of improving collection levels.
CORP6a	Sickness absence days per employee (teacher)	We have done a number of things to manage sickness absence including: new analytic reports; a new occupational health contract; flu vaccines offered to staff; manager training and briefings; a focus on wellbeing and health testing; a revamp of Healthy Working Lives, etc. The Council was in the top quartile for both indicators. A stress survey is being rolled out during Quarter One 2016/17, once analysed an action plan will be developed.
CORP6b	Sickness absence days per employee (non-teacher)	
CORP8	Percentage of invoices sampled that were paid within 30 days	We are aiming to improve our position in this indicator and move into the top quartile. We have visited Renfrewshire and East Renfrewshire Councils to learn about their success in this area. Invoice payments times are being improved by the use of technology such as procurement cards, and The Professional Electronic Commerce Ordering System (PECOS) are also being utilised. Invoice payment processes have been revised and improvements will be implemented during Quarter one 2016/17.
Ref	Description	Other LGBF Indicators
CORP1	Support services as a % of total gross expenditure	We seek to deliver cost effective support services. We are currently top performer showing that the council is continuing to minimise 'back office' services.
CORP3b	The percentage of the highest paid 5% of employees who are women	We continue to apply fair and non-discriminatory recruitment practices. Equalities data is analysed, reviewed and reported to Council committees with appropriate actions as required. North Ayrshire Council is committed to ensuring that it is an equal opportunities employer. The council continues to remain in the top quartile.

Place

Ref	Description	LGBF key priority areas for development
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C&L5b	Percentage of adults satisfied with parks and open spaces	Satisfaction with Council services remains a key measure. Key work in this area will be engagement, enforcement, community transfer/responsibility and a strategic approach in respect of maintenance. A rationalisation of the number of play parks may have a negative impact on this score. The enforcement pilot has been well received by the public and demonstrates shows the Council is committed to dealing with people who commit environmental crime.
ENV3a	Net cost of street cleaning per 1,000 population	This is a key measure in respect of measuring efficiency and best value. This can be, and will be, benchmarked against other Local Authorities Technology such as the Webaspx scheduling system will help reduce costs. The LEAMS score will also be used to inform scheduling.
ENV3b	Street cleanliness score	Well maintained public spaces support key Council objectives in respect of safe communities, economic growth, regeneration & a well maintained environment. Key strategic documents include the 'Open Space Strategy' and the 'Litter, Dog Fouling and Fly-tipping Prevention Strategy'.
ENV7b	Percentage of adults satisfied with street cleaning	Key work in this area will be engagement, enforcement and a strategic approach in respect of maintenance. The Webaspx scheduling system will help with this score. The creation of a dedicated Asset Officer for Streetscene will also help.
ENV6	Percentage of total waste arising that is recycled	This directly supports our key strategic priorities of protecting the environment. The Council's Waste Strategy sets out the actions required to maintain our ranking position. The service is currently ranked 2nd for this indicator with a recycling rate of 56.5%.
ENV7a	Percentage of adults satisfied with refuse collection	An end to end service review has been completed to reduce 'failure demand' and complaints. The services in place were designed through public engagement and a review of national best practice. They are simple and easy to use, encouraging take up and high satisfaction.
HSN1	Gross rent arrears as at 31 March as a % of rent due for the reporting year	Welfare reform – particularly the ongoing roll out of Universal Credit and the reduction in the Benefit Cap – will impact on rent collection and arrears levels. A cross service team is in place and working to mitigate the impact. Housing Services continues to perform well despite the challenges, regularly monitoring the rent collection performance of other social landlords to identify any opportunities for improvement.
HSN2	% of rent due in the year that was lost due to voids	This activity directly supports our key priority to ensure people are healthy, safe and secure by reducing the time council houses are vacant. We are currently ranked number one in Scotland and aim to remain in the top quartile.
HSN3	% of council dwellings meeting Scottish Housing Quality Standard (SHQS)	The Council's 30 year business plan sets out the approach to maintaining the housing stock, enabling us to maintain an upper quartile position. 99.1% of the stock met the SHQS at 31 March 2016, with 100% targeted by 31 March 2017. In April 2015, the Scottish Government introduced a new minimum Energy Efficiency Standard for Social Housing in Scotland (ESSH) to replace the energy efficiency requirements previously contained within the Scottish Housing Quality Standard. All social housing must be compliant with the new standard by December 2020. A data collection exercise has been undertaken to identify how the energy efficiency of our housing stock compares with the new energy efficiency standard. The information has been analysed and confirms that approximately 90% of the stock pass the standard. Further work is now being undertaken to identify the energy improvements required for the remaining 10% of properties. A delivery plan will be developed and implemented to ensure that all of our stock are compliant by the due date.
HSN5	% of council dwellings that are energy efficient	
HSN4	Average length of time taken to complete non-emergency repairs	This indicator can influence overall tenant satisfaction. During 2015/16 non-emergency repairs were completed on average in 8.91 days. A best practice review of end to end processes is underway to eliminate duplication, improve process efficiency and reduce the average response time to 7.0 days.
Corp Asset1	Proportion of operation buildings suitable for their current use	These indicators help us to challenge asset performance in terms of need, utilisation and cost and also assist us to rationalise the property estate where it is appropriate to do so. Suitability assessments have been undertaken for all of our operational properties and the information confirms that at 31 March 2016, 90% of our buildings were suitable for their current use. This information is used to inform decisions on property asset management and rationalisation. We have assessed the condition of our operational properties, including our new PPP schools. The survey information confirms that at 31 March 2016, 99.5% of the internal floor area for these properties are in satisfactory condition and are performing well. Performance has improved due to targeting of investment and property rationalisation.
Corp Asset2	Proportion of internal floor area of operational buildings in satisfactory condition	

		We recognise that it is important to monitor and compare our property portfolio performance with other local authorities. In early 2016 we joined the National Best Value Benchmarking Scheme (NBVBS), which is a property benchmarking scheme set up by property professional societies in conjunction with CIPFA. This provides us with regular updates on public sector asset management issues, topics and best practice guides.
Ref	Description	Other LGBF Indicators
C&L4	Cost of parks and open spaces per 1,000 population	This is not an accurate measure as it takes no account of the extent or type of land maintained. Our relative improvement in this indicator is likely to improve when we calculate the costs in line with how other authorities do so. Work is ongoing with Finance in respect of this.
ENV1	Net cost of waste collection per premise	As a Council with one of the highest recycling levels our relative costs of collection and disposal are higher than Councils with low recycle measures. This is therefore, not a useful comparison indicator.
ENV2	Net cost per waste disposal per premise	
ENV4a	Cost of maintenance per kilometre of roads	This measures total investment in the road network. It does not measure the efficiency of the roads service and is therefore of limited value
ENV4b	Percentage of A class roads that should be considered for maintenance treatment	The additional investment required to achieve upper quartile performance cannot be accommodated within the Council's available capital funds when compared with other projects, such as the school estate, to support our strategic priorities. Our approach to asset management has allowed us to better target our investment in this area, realising an improvement in performance. Work is underway to develop longer term investment plans, improved working practices and more efficient procurement practices to mitigate the impact of reduced investment and maintain current performance levels.
ENV4c	Percentage of B class roads that should be considered for maintenance treatment	
ENV4d	Percentage of C class roads that should be considered for maintenance treatment	
ENV4e	Percentage of U class roads that should be considered for maintenance treatment	

Democratic Services

Ref	Description	LGBF key priority areas for development
CORP2	Cost of democratic core per 1,000 population	Councils interpret and measure this indicator in different ways, making comparisons hard, and meaning the indicator has little relevance. We have undertaken a check of the costs we attribute to the democratic core and a number of costs have been removed.

Economy and Communities

Ref	Description	Other LGBF Indicators
CORP5b 2	Domestic noise response time	Our response to domestic noise complaints are monitored closely and any corresponding actions required to maximise effectiveness are implemented.
C&L1	Cost per attendance at sports facilities	

C&L5d	Percentage of adults satisfied with leisure facilities	A revised KA Leisure operating agreement will assist in improving performance in this area. Work is underway with a new LGBF group to develop a new suite of indicators to support improvements in this area. Whilst these measures are important to note our directorate priorities are in driving economic growth and community resilience.
C&L2	Cost per library visit	We aim to minimise costs and maximise satisfaction and remain in the top quartile for performance in each of these indicators. After an extensive public consultation new library opening hours, that are better aligned to customer patterns of use, have been introduced. We have invested in digital services, such as the library app , to increase convenience for customers. Library channel shift received a COSLA Excellence Bronze Award and the UK Libraries Change Lives Award in 2015. A new library management system and public catalogue will be introduced in summer 2016. We meet regularly and share good practice with seven other councils. Participation in the LGBF Family Group for Libraries, to identify and introduce more good practice, will start in 2016.
C&L5a	Percentage of adults satisfied with libraries	
C&L3	Cost of museums per visit	We have the second lowest costs in Scotland for this indicator and will continue to minimise costs.
C&L5c	Percentage of adults satisfied with museums and galleries	We aim to maximise satisfaction levels. We lead the LBGF Museums Family Group of 10 local authorities and trusts, which is a helpful platform for benchmarking and sharing good practice. Staff digital skills are being developed to enhance our online and social media offer throughout the year. Planning is also underway for new heritage services for the refurbished Irvine Townhouse due to open in 2017.
ENV5a	Cost of trading standards per 1,000 population	Service delivery methods and models are constantly under review to maximise effectiveness and ensure best value.
ENV5b	Cost of environmental health per 1,000 population	
Econ1	% unemployed people assisted into work from council employability programmes	<p>This performance indicator contributes to the Council's Strategic Priorities 1 and 3. The percentage of unemployed people assisted into work from council operated/funded employability programmes decreased from 19.5% to 16% between 2013/14 and 2014/15 but is still above the Scottish average of 14.2%. We are currently in the top quartile. Our employability programmes continue to have a substantial impact in reducing North Ayrshire's unemployment rate with 962 jobs created through council sponsored initiatives. This has been enhanced through the development of a strong partnership at an Employability Hub in Stevenston Library to help deliver targeted employability skills support. Whilst employability is a priority this is not a useful measure as :-</p> <ul style="list-style-type: none"> • it is dependent upon the continued availability of EU funding. With delays in EU funding approval our performance in this area is likely to drop further when 15/16 figures are released. • It measures how many people are supported into work, not how sustainable those jobs are or whether services have been targeted appropriately. <p>We will attempt to make representations to SLAED around developing better measures of success in employability. Locally we are recording our performance in more detail:</p> <ul style="list-style-type: none"> • Number of unemployed people registered with Employability Hub • Number of Modern Apprentices on North Ayrshire Council programme <p>And our cross-team working through:</p> <ul style="list-style-type: none"> • Number of clients entering employment through Economic Growth sponsored initiatives.

NORTH AYRSHIRE COUNCIL

Agenda Item 17

14 November 2016

Audit and Scrutiny Committee

Title: **Public Performance Reporting 2015/16**

Purpose: To advise the Audit and Scrutiny Committee on public performance reporting and the Annual Performance Report 2015/16.

Recommendation: That Committee agrees to note (a) the status of the Council's performance indicators at Appendices 1 and 2, and (b) the Annual Performance Report 2015/16 set out at Appendix 3

1. Executive Summary

- 1.1 Public performance reporting is a statutory requirement on the Council. It can be an effective management tool in driving improvements. It also provides transparency to our key stakeholders, in particular North Ayrshire residents.
- 1.2 This report details the performance of the range of Performance Indicators that will be used to inform our public performance reporting for 2015/16. The report also details the content for the Annual Performance Report which has been published on the Council's website.
- 1.3 Our external auditors will continue to work closely with us to help develop our approach to public performance reporting.

2. Background

- 2.1 Public performance reporting underpins the development of a culture of continuous improvement and is a key component of the Council's Performance Management Strategy. The performance section on the Council's website provides a range of information. This information includes a full set of Performance Indicators, the Performance Management Strategy, Financial Information, and Directorate Plans.

- 2.2 The use of Covalent web publishing allows the Council to take its public performance reporting performance data direct from within the Covalent application onto the web. Each indicator on the *North Ayrshire Performs* portal has notes to explain to the public what the indicator is about, why we measure it, current performance against target, what can affect performance, how our performance compares to others and any action we are taking to improve performance.
- 2.3 The Account Commission's **2014 Direction** covering 2015/16 retains **three statutory performance indicators** – in relation to corporate characteristics, service performance and reporting through the Local Government Benchmarking Framework (LGBF).
- 2.4 **139** indicators including the Council Plan and the LGBF indicators have been identified as being appropriate for demonstrating our performance against the strategic priorities and enablers:
- Growing our economy, increasing employment and regenerating towns
 - Working together to develop stronger communities
 - Ensuring people have the right skills for learning, life and work
 - Supporting all of our people to stay safe, healthy and active
 - Protecting and enhancing the environment for future generations
- 2.5 The information to be included in the Council's public performance reporting arrangements is subject to internal and external audit. Audit provides assurance that:
- services have adequate written procedures in place to collate the performance indicators
 - the controls surrounding the indicators are robust
 - the information recorded and published is accurate and reliable.

3. Proposals

Performance Indicators

- 3.1 Appendix 1 details the full set of indicators to be publicly reported. The report shows (where available) three years of performance trends, along with the target level of performance and a traffic light (Red, Amber Green) symbol to show whether the target level of performance has been achieved. Green shows the indicator has been achieved, amber shows it is slightly adrift of target and red is significantly when the indicator is significantly adrift of target. Analysis of the indicators which have targets is outlined in Table 1.

Table 1

2015/16 Summary of Traffic Light Status	
<i>Traffic Light</i>	<i>Percentage of indicators</i>
Green (<i>met target</i>)	67
Amber (<i>slightly adrift of target</i>)	12
Red (<i>significantly adrift of target</i>)	21

- 3.2 Data for 39 indicators is currently not available. 25 of these indicators are LGBF indicators, 2015/16 data will not be available until early 2017. Data for 10 Education indicators will be available in February 2017. Data for the remainder will be available later in the year.
- 3.3 Appendix 2 lists the 28 Red/Amber indicators along with management commentary from the relevant Directorate.
- 3.4 Comparison of 2015/16 performance with 2014/15 performance and 2012/13 performance is noted in Table 2. Performance improved in 55 percent of indicators from the previous year. There was also an improvement in 61 percent of the indicators over the three year period.

Table 2

2015/16 Summary of one and three year trends		
	<i>One year (%)</i>	<i>Three year (%)</i>
Improved	55	61
Declined	37	37
No change	8	2

Public Performance Report

- 3.5 To meet the various requirements for Public Performance Reporting a Council Annual Performance Report 2015/16 has been produced which is attached in Appendix 3. The Report includes information on:
- Successes and challenges
 - Performance in achieving the strategic priorities in the Council Plan 2015/20
 - Case Studies, quotes and infographs
 - Benchmarking including analysis of the latest LGBF data
 - Financial Spending

- 3.6 The Report is available primarily as an electronic document downloadable from the Council's website. A limited number hard copies of the summary will be made available at the Council's main public buildings. Greater use of infographs will be used in the summary document to improve the accessibility of performance information.
- 3.7 It is proposed that Committee agrees to note (a) the status of the Council's performance indicators at Appendices 1 and 2, and (b) the Annual Performance Report 2015/16 set out at Appendix 3.

4. Implications

Financial:	The cost of design and print run of summary hard copies can be met from the Policy and Performance revenue budget.
Human Resources:	There are no human resource implications.
Legal:	Reporting requirements specified in the Accounts Commission 2008 Direction and subsequent Directions represented a major departure from the previously tightly specified list of Statutory Performance Indicators (SPIs). It introduced scope for Councils to choose their own Performance Indicators (PIs) to fulfil the Best Value obligations arising from the Local Government in Scotland Act 2003. This report confirms the arrangements for the Council's compliance with its duties under the Local Government Act 1992 and the Local Government in Scotland Act 2003 and commitment to improving public performance reporting.
Equality:	There are no equality implications.
Environmental & Sustainability:	There are no environmental and sustainability implications.
Key Priorities:	The Report helps to demonstrate the Council's delivery of its strategic priorities.
Community Benefits:	There are no community benefit implications.

5. Consultation

- 5.1 The Executive Leadership Team discussed this report on the 31 August 2016 and 14 September 2016.
- 5.2 Cabinet agreed the report on the 25 October 2016.



ELMA MURRAY
Chief Executive

Reference :












For further information please contact Anne Todd, Senior Policy and Performance Officer on 01294 324140

Background Papers

Council Plan 2015/20



























Directorate Plans 2015/18

Copy of North Ayrshire Performs - Committee Report

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

1. Growing our economy, increasing employment and regenerating towns

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Number of Modern Apprentices supported through North Ayrshire sponsored initiatives		285	267	220				
Gross weekly earnings – Workforce based	£453.70	£484.30	£507.40	£479.80			£481.50	
Town Centre footfall has increased				6,814,037				
Leverage of External Funding				2.03				
Business Gateway Start-Ups	202	238	234	64				
Number of unemployed people who have progressed to employment through participation in NAC funded or operated employability activities				428				
Gross value added	£44,392.00	£45,767.00					£47,518.00	
Percentage of working age population in employment	62.2%	60.1%	70.5%				64.7%	
Youth employment rate			52.2%				53.9%	

1. Growing our economy, increasing employment and regenerating towns

2. Service performance

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Number of apprenticeships/jobs created through community benefit clauses		19	35	40	↑	↑	33	✓
No of businesses supported by Council Economic Growth activity				388	?	?		?
% Procurement spend with local suppliers	17%	20%	22%	19.4%	↓	↓		📈

1. Growing our economy, increasing employment and regenerating towns

3. LGBF

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
% Unemployed People Assisted into work from Council operated / funded Employability Programmes	13.41%	19.46%	16.03%		?	?		📈

2. Working together to develop stronger communities

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
The number of adult learning opportunities accessed provided by Connected Communities			63,588	72,746	↑	↑	12,375	✓
The number of volunteers who are active in Connected Communities and Third Sector Interface activities			7,585	7,633	↑	↑	8,000	⚠
Resident confidence about the future wellbeing and economic prospects of local area	33	32		31	?	↓	31	✓

Tourism visitor numbers				1,661,870	?	?	1,171,333	✓
Number of Active volunteers who have participated in training delivered by Connected Communities	1,389	216	4,875	11,285	↑	↑	2,000	✓
Number of Groups who have participated in training delivered by Connected Communities	74	36	8,217	2,669	↓	↓	4,000	✗
Number of groups accessing support and guidance by Connected Communities	596	1,383	588	600	↑	↓	600	✓

2. Working together to develop stronger communities

2. Service performance

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Percentage of food poisoning investigations within two days of inquiry (EH) formerly known as SP1213LP_P_A04	100%	100%	100%	100%	▬	▬	100%	✓
Percentage of high priority pest control requests responded to within working one day of enquiry (EH) formerly known as SP1213LP_P_A05	94%	95%	95.7%	97%	↑	↑	95%	✓
Average time between time of noise complaint and attendance on site (hours)	0.6	0.66	0.62	0.53	↑	↑	0.8	✓
% growth in NA tourist numbers since season last	1.11%	1.5%	2.3%	2.35%	↑	↑	2%	✓
Percentage of high priority public health complaints responded to within 1 working day of receipt (EH) formerly known as SP1213LP_P_A03	98%	98%	99.7%	99%	↓	↑	95%	✓
Number of visits to/usages of council funded or part funded museums per 1000 population	889	1,745	1,813	1,951	↑	↑	1,200	✓
Number of library visits per 1000 population	8,265	13,096	13,103	12,061	↓	↑	6,500	✓
The average time (weeks) to deal with major and local planning applications determined during the year: Major developments - Average time (weeks) to deal with applications	30.9	21.5	12.6	26.7	↓	↓	18	✗
The average time (weeks) to deal with major and local planning applications determined during the year: Local developments - Average time (weeks) to deal with applications	8.7	6.8	6.2	5.3	↑	↑	9	✓

2. Working together to develop stronger communities

3. LGBF

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Cost of trading standards per 1,000 population £	£5,968.30	£5,433.83	£5,027.48					
Cost of environmental health per 1,000 population £	£13,739.46	£13,862.11	£11,835.84					
Cost per attendance at sports facilities £	£2.79	£2.28	£2.15					
Cost per library visit £	£2.55	£1.57	£1.52					
Cost per museum visit £	£0.59	£0.16	£0.38					

3. Ensuring people have the right skills for learning, life and work

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
The percentage of participants accessing learning opportunities whose confidence, knowledge and skills has improved as a result				96.5%	?	?	95%	✓
% of children achieving their developmental milestones at the time the child starts primary school		69%	71%	72%	↑	↑		📈
% of leavers attaining literacy at National 4 (SCQF Level 4)	94.78%	93.72%	95.79%		?	?	96%	?
% of leavers attaining literacy at National 5 (SCQF Level 5)	66.47%	67.62%	74.14%		?	?	70%	?
% of leavers attaining numeracy at National 4 (SCQF Level 4)	79.06%	78.83%	86.05%		?	?	80.75%	?
% of leavers attaining numeracy at National 5 (SCQF Level 5)	56.18%	56.63%	64.87%		?	?	58.5%	?
Average tariff score: All Leavers	829.8	785.2	834.5		?	?	810	?
Average tariff score: LAC Leavers	269.9	273.3	357.9		?	?	290	?
% of school leavers entering positive destinations	93.8%	94.1%	96.1%		?	?	94.8%	?

3. Ensuring people have the right skills for learning, life and work

2. Service performance

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Average total tariff score of the lowest 20% attainment cohort	169	160	186		?	?	152	
Average total tariff score of the middle 60% attainment cohort	745	708	756		?	?	802	?
Average total tariff score of the highest 20% attainment cohort	1,744	1,691	1,719		?	?	1,788	?
% of young people choosing to stay onto S5 (as % of S4 roll at September previous year)	73.6	80.1	78.1	79.16	↑	↑	80	⚠
% of participants (on completion of parenting programmes) who report an increase in their confidence levels as a parent			78	100	↑	↑	83	✓
% of participants (on completion of parenting programmes) who report an increase in their levels of interaction with their children			90	100	↑	↑	95	✓
% gap in attainment of Looked After Children	101.8%	96.7%	79.9%		?	?	96%	?

3. Ensuring people have the right skills for learning, life and work

3. LGBF

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Cost per primary school pupil £	£5,117.10	£4,816.00	£4,624.00		?	?		
Cost per secondary school pupil £	£6,572.30	£6,684.70	£6,859.00		?	?		
Cost per pre-school place £	£3,477.60	£3,102.50	£4,047.00		?	?		

4. Supporting all our people to stay safe, healthy and active

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Number of new build Council housing units reaching completion on a yearly basis	0	12	122	56	↓	↑	50	✓
Money Matters – income generation for service users (£)	£4,907,473.00	£5,801,602.44	£7,549,196.20	£7,614,139.00	↑	↑	£7,513,000.00	✓
ASP Inquiries			42.9%	51.9%	↑	↑	80%	✗
Patients whose discharge is delayed > 4 weeks	3		0	0	–	–	0	✓
% of formerly looked after young people entitled to aftercare in employment, education or training	36.99%	32.05%	55.81%	36.59%	↓	↓	38%	✓
Percentage of service users indicating an improvement in their recovery capital following the introduction of the Recovery Capital Questionnaire			7.93%	61.22%	↑	↑		?
Percentage residents within North Ayrshire who feel unsafe walking in their neighbourhood after dark	30%	30%		29%	?	↑	30%	✓
% of people aged 65 or over with intensive needs receiving care at home	38.2%	40.25%	41%	39.17%	↓	↓	34%	✓
Number of attendances per 1,000 population for indoor sports and leisure facilities	7,689	8,931	10,338	11,193	↑	↑	10,000	✓
Percentage of learning disability service users accessing employment support activities	27.02%	27.93%	27.05%	28.13%	↑	↑	30%	✗
Number of Carers assessments completed			61	34	↓	↓		?

4. Supporting all our people to stay safe, healthy and active

2. Service performance

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Homelessness: Number of presentations	656	724	776	744	?	?		📊
% of lets to homeless	28.7%	25.2%	25.5%	24.8%	↓	↓	25%	✓

Average length of time taken to re-let properties in the last year (days)		14.4	14.32	16.07	↓	↓	16	✓
Percentage of individuals subject to level 1 Community Payback Order Unpaid Work completed within three months	54.63%	89.86%	88.81%	90.32%	↑	↑	57%	✓
Percentage of fostered LAAC who are fostered by an in-house placement	80.33%	83.45%	78.98%	82.49%	↑	↑	80%	✓
Percentage of children in a kinship care placement subject to residence order	21.92%	32.26%	38.43%	33.8%	↓	↑	15%	✓
Number of service users (65+) with a community alarm package (Previously SPSS_P_A05)	3,230	2,997	3,109	3,063	↓	↓	2,800	✓
Number of service users with an enhanced telecare package	451	525	2,074	622	↓	↓	600	✓
Percentage of families previously registered on the Child Protection Register who have been re-registered following a period of less than one year	2.0%	5.0%	2.5%	6.3%	↓	↓	5.0%	✗
Percentage of individuals subject to level 2 Community Payback Order Unpaid Work completed within six months	61.31%	74.58%	82.53%	92.45%	↑	↑	67%	✓

4. Supporting all our people to stay safe, healthy and active

3. LGBF

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year		3.2%	3.75%	3.23%	↑	↑	3%	⚠
(Charter 12) Average time taken to complete non-emergency repairs		9.03	9.18	8.91	↑	↑	9	✓
The gross cost of "children looked after" in residential based services per child per week £	£2,954.00	£3,704.62	£3,256.74		?	?	£3,995.18	
The gross cost of "children looked after" in a community setting per child per week £	£215.00	£228.95	£242.01		?	?	£239.00	
Balance of Care for looked after children: % of children being looked after in the Community (Previously SPSS_P_B08)	90.38%	91.11%	90.25%	91.53%	↑	↑	90%	✓
% of rent due in year that was lost due to voids	0.3%	0.38%	0.38%	0.33%	↑	↑	0.6%	✓
% of Council dwellings that meet the Scottish Housing Quality Standard	90.5%	96.32%	98.22%	99.07%	↑	↑	90%	✓

Percentage of council properties at or above the appropriate NHER or SAP ratings sepeified in element 35 of the SHQS, as at 31 March each year.	96.3%	98.17%	99.26%	99.69%	↑	↑	90%	✓
Home care costs for people aged 65 or over per hour £	£19.66	£18.93	£17.94		?	?	£20.82	?
Self-directed support spend for people aged over 18 as a % of total social work spend on adults	1.88%	1.94%	2.05%		?	?	2.4%	
Net residential costs per capita per week for older adults (65+)	£359.44	£337.66	£344.52		?	?		?

5. Protecting and enhancing the environment for future generations

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Overall carbon emissions (tonnes)	57,208	57,142	55,000	50,709	↑	↑	55,962	✓
Street Cleanliness Index - % Clean	95.3	96.9	92.31	95.8	↑	↑	96.5	✓
% of Class A roads that should be considered for maintenance treatment	36.3%	35.5%	34.87%	35.6%	↓	↓	34.5%	⚠
% of Class B roads that should be considered for maintenance treatment	38.8%	39.8%	34.75%	33.6%	↑	↑	34.5%	✓
% of Class C roads that should be considered for maintenance treatment	49.7%	51.2%	51.08%	48.7%	↑	↑	51.1%	✓
% of unclassified roads that should be considered for maintenance treatment	42.3%	38.2%	36.67%	35.4%	↑	↑	36.5%	✓
% of total household waste that is recycled (calendar year as per SEPA)	51.9%	56%	56.5%	56%	↓	↑	57%	✓

5. Protecting and enhancing the environment for future generations

2. LGBF

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Net waste collection cost per premises	£50.35	£55.36	£52.25		?	?	£60.81	

Net waste disposal cost per premises	£88.97	£82.10	£99.53		?	?	£88.77	
Cost of parks and open spaces per 1,000 population £	£40,331.49	£44,777.97	£33,770.61		?	?	£46,366.00	
% of adults satisfied with parks and open spaces	90%	91%	88%		?	?	90%	?
Proportion of operational buildings that are suitable for their current use	87.54%	88.6%	90.26%	89.8%	↓	↑	91%	⚠
Proportion of internal floor area of operational buildings in satisfactory condition	80%	99.4%	99.5%	99.5%	▬	↑	100%	✓
Net cost of street cleaning per 1,000 population £	£14,292.00	£15,739.12	£14,921.22		?	?	£16,783.00	
Road cost per kilometre £	£7,377.05	£9,165.54	£7,567.67		?	?	£6,920.00	?
% of adults satisfied with refuse collection	90%	90%	82%		?	?	90%	?
% of adults satisfied with street cleaning	76%	80%	78%		?	?	80%	?
Overall percentage of road network that should be considered for maintenance treatment	42.7%	40.8%	39.1%	37.8%	↑	↑	39%	✓

6. Underpinning Delivery

1. Council Plan - corporate

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Capital Expenditure - General Fund - Actual expenditure as a percentage of budgeted expenditure			51.13%	90.18%	↑	↑	100%	⛔
Capital Expenditure - Housing Revenue Account (HRA) - Actual expenditure as a percentage of budgeted expenditure			78.61%	69.83%	↓	↓	100%	⛔
Staff Engagement Level - Council wide	55%		65%	69.6%	↑	↑	65%	✓
% of Council-Wide Stage One (Frontline Resolution) Complaints Handled on Time		89%	87%	91%	↑	↑	85%	✓
Revenue Expenditure – General Fund - Actual expenditure as a percentage of budgeted expenditure		99.9%	98.2%	98.4%	↑	↓	100%	⚠
Revenue Expenditure - Housing Revenue Account - Actual expenditure as a		95.5%	94%	95.47%	↑	↑	100%	⚠

percentage of budgeted expenditure								
Percentage of Capital Projects completed on time		70.37%	67.44%	72.97%	↑	↑	95%	⛔
Percentage of Capital Projects completed within budget		92.59%	95.35%	100%	↑	↑	90%	✅
% of Council-Wide Stage Two (Investigations) Complaints Handled on Time		93%	90%	90%	▬	↓	95%	⛔
Sickness absence days per teacher	6.6	5.7	3.64	6.03	↓	↓	6.4	✅
Sickness Absence Days per Employee (excluding teachers)	10.3	10	9.5	9.9	↓	↑	8	⛔
Percentage of invoices sampled that were paid within 30 days	81.57%	90.66%	93.64%	92.5%	↓	↑	95%	⚠️
Freedom of Information requests responded to in 20 working days (%)	95%	88%	93%	88%	↓	↓	94%	⛔

6. Underpinning Delivery

2. Service performance

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Society of Information Technology Management (SOCITM) Better Connected Rating for website (Star Rating)	1	4	4	4	▬	↑	4	✅
Level of satisfaction with public sector partners - North Ayrshire Council	55	55						
Speed of processing Housing Benefit (New Claims) days	20	20.3	26.27	23.11	↑	↓	20.2	⛔
Speed of processing Housing Benefit (Change of circumstances) days	8.8	11.7	15.73	16.3	↓	↓	11.7	⛔
Speed of Processing (Council Tax Reduction) new claims (days)		23.2	31.25	28.99	↑	↓	23.2	⛔
Speed of processing (Council Tax Reduction) changes of circumstances (days)		7.3	9.88	5.97	↑	↑	7.3	✅
Percentage of Customers delighted with the overall Customer Service			74%	69%	↓	↓	77%	⛔
Procurement Capability Assessment (%)	51%	61%	72%	72%	▬	↑	67%	✅
Gross administration cost per Housing Benefit/Council Tax Benefit case (£)	£40.36	£40.28	£41.49	£41.42	↑	↓	£40.14	⚠️












Number of Reportable Incidents (RIDDOR) per 100,000 employees	472.53	366.1	329.3	493	↓	↓	350	🛑
Staff turnover - all employees	9.27%	8.2%	8.58%	9.1%	↓	↓		📈
Council-wide staffing numbers for North Ayrshire Council full-time equivalent (FTE)	5,644	5,542	5,689.7	5,674.5	↑	↓		📈
Total cost of the HR function per 1000 (FTE) employee	£430,000.00	£497,000.00	£495,000.00	£505,820.00	↓	↓	£500,000.00	⚠️
Number of customer complaints	839	2,031	2,139	1,461	↑	↑		📈
Percentage of public service buildings that are suitable and accessible to disabled people	52.5%	56%	61%	62%	↑	↑	60%	✅
Percentage of North Ayrshire Council employees who have recorded as having a disability	1.49%	1.21%	2.11%	2.3%	↑	↑	0%	✅
Percentage of Black and Minority Ethnic (BME) North Ayrshire Council employees	0.64%	0.63%	0.7%	0.7%	→	↑	0%	✅
Percentage of Council staff who have had a Performance and Personal Development (PPD) discussion in the last 12 months	95%	90%	96%	89%	↓	↓	95%	🛑

6. Underpinning Delivery

3. LGBF










Performance Indicator	2012/13	2013/14	2014/15	2015/16	2015/16			
	Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Support services as a percentage of total gross expenditure	2.2%	2.2%	2.46%		?	?	2.2%	
Corporate and democratic core costs per 1,000 population	£29,827.00	£31,485.50	£30,545.99		?	?	£31,000.00	
The percentage of the highest paid 5% employees who are women	53%	53.8%	55.6%	53.7%	↓	↓	50%	✅
Cost of collecting council tax per dwelling £	£11.05	£9.93	£10.19	£10.43	↓	↓	£9.75	🛑
Percentage of income due from Council Tax received by the end of the year %	93.5%	94.75%	94.63%	94.7%	↑	↑	94.8%	✅

Copy of North Ayrshire Performs - Exception Report

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

Traffic Light	
Red	18
Amber	10

2. Working together to develop stronger communities

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Number of Groups who have participated in training delivered by Connected Communities	2015/16 - Quarter Four Update: The Third Sector Interface provide support to the Community and Voluntary sector and deliver a wide range of training previously offered by the Council e.g. grants, data protection, governance arrangements. We also reduced our staffing complement by 4.5 FTE as more emphasis was placed upon community engagement and locality planning.	74	36	8,217	2,669			4,000	
The average time (weeks) to deal with major & local planning applications determined during the year	2015/16 - Quarter Four Update: Exceeded target due to older case files being cleared throughout the year.	30.9	21.5	12.6	26.7			18	
The number of volunteers who are active in Connected Communities and Third Sector Interface activities	2015/16 - Quarter Four Update: Although the target was not met, the trend remains positive. Work across the Ayrshire Community Trust and Connected Communities provides volunteering opportunities and support for individuals and communities. We are funded by the Macmillan Cancer Information Service to co-ordinate and deliver training to volunteers at Saltcoats Library and its outreach services as a new business model. (Total amended from incorrect total of 8,602 at 12th September 2016.)			7,585	7,633			8,000	

3. Ensuring people have the right skills for learning, life and work

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Percentage of young people choosing to stay onto S5 (as percentage of S4 roll at September previous year)	2015/16 - Quarter Four Update: 2015/16 witnessed a slight reduction in our stay on rate compared with the 2013/14, and we were slightly adrift of our target. However, we have seen an improvement since 2010/11. The trend over the last four years has also been reflected nationally.	73.6	80.1	78.1	79.16	↑	↑	80	⚠

4. Supporting all our people to stay safe, healthy and active

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
ASP Inquiries	2015/16 - Quarter Four Update: Although there has been an increase in the number of ASP referrals completed within 5 working days during the year, we did not achieve our target. ASP Senior Officer is working on an action plan to increase performance.			42.9%	51.9%	↑	↑	80%	⛔
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	2015/16 - Quarter Four Update: Welfare Reform has had an overall impact on this result and we did not meet our target. However, this performance compares favourably with the Scottish Housing Regulator 2015/16 Scottish Average of 5.26 percent.		3.2%	3.75%	3.23%	↑	↑	3%	⚠
Percentage of families previously registered on the Child Protection Register who have been re-registered following a period of less than one year	2015/16 - Quarter Four Update: In total, 6 families were re-registered accounting for 6.3 percent of all registered families between April 15 and March 2016. Whilst we did not achieve our target performance, it should be noted that the overall number of families registered throughout the reporting period was 96, less than the 116 registered in the previous year. This can be viewed as a positive trend.	2.0%	5.0%	2.5%	6.3%	↓	↓	5.0%	⛔
Percentage of learning disability service users accessing employment support activities	2015/16 - Quarter Four Update: Whilst we have improved our performance we did not meet our target. Whilst there has been a 6.7 percent increase in the number of service users accessing employment support activities, there has also been a similar increase in those accessing LD services leading to only a modest rise in percentage terms.	27.02%	27.93%	27.05%	28.13%	↑	↑	30%	⛔

5. Protecting and enhancing the environment for future generations

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
% of Class A roads that should be considered for maintenance treatment	2015/16 - Quarter Four Update: There has been a slight increase in the Road Condition Indicator (RCI) for A Class Roads from 2014/15, overall RCI has improved by 1.3%. This is a result of the strategic road maintenance plan targeting overall RCI rather than individual road classes.	36.3%	35.5%	34.87%	35.6%	↓	↓	34.5%	⚠
Proportion of operational buildings that are suitable for their current use	2015/16 - Quarter Four Update: The change in the percentage suitability score is linked to the property rationalisation programme, several assets meeting the standard are now surplus, causing a slight fall.	87.54%	88.6%	90.26%	89.8%	↓	↑	91%	⚠

6. Underpinning Delivery

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
% of Council-Wide Stage Two (Investigations) Complaints Handled on Time	2015/16 - Quarter Four Update: Of the 128 complaints handled at Investigation (Stage Two) 115 (90 percent) were closed on time. This has fallen short of the set target. Those that did not meet the timescale was due to the complexity of the complaints and the involvement of multiple Services/parties in the investigations. The Improvement Service reviewed complaints data for all 32 Scottish Local Authorities. National averages were calculated for complaints closed on time for Stage One and Stage Two to create benchmarks. The Scottish average for Stage Two complaints is 85 percent. During 2015/16 the Council exceeded the Scottish average by 5 percent. The Complaint and Feedback Manager is participating in benchmarking with others to learn from best practice.		93%	90%	90%	▬	↓	95%	⛔
Capital Expenditure - General Fund - Actual expenditure as a percentage of budgeted expenditure	2015/16 - Quarter Four Update: There was a significant improvement in this indicator compared to the previous year. This demonstrates that the initial capital budget and projection were more accurate. The 10 percent underspend relates to slippage in some major projects such as LD Day Centre, Early Learning and Childcare, Cemetery Walls and a reprofiling of expenditure in respect of Largs Academy. Financial Management will continue to work with services to ensure the originally approved budgets are accurate.			51.13%	90.18%	↑	↑	100%	⛔

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Capital Expenditure - Housing Revenue Account (HRA) - Actual expenditure as a percentage of budgeted expenditure	2015/16 - Quarter Four Update: The 30 percent underspend can primarily be attributed to delays on the Fencedyke and Montgomery Court development projects and energy efficiency measures. Financial Management will continue to work closely with Services to ensure more accurate budgeting and progress with the Capital programme.			78.61%	69.83%	↓	↓	100%	⬮
Cost of collecting council tax per dwelling £	2015/16- Quarter Four Update: The small increase in collection cost is due to pay uplift and use of central support services.	£11.05	£9.93	£10.19	£10.43	↓	↓	£9.75	⬮
Freedom of Information requests responded to in 20 working days (%)	2015/16 - Quarter Four Update: The Information Governance Manager left the Council in Oct 2015, a new post-holder was appointed in mid-Dec 2015, creating another vacancy within the team. These personnel changes combined with a 15 percent increase in requests received during Q4 compared to Q3, negatively impacted performance against targets. A number of issues have been identified with the co-ordination and processing of FOI requests. These will be addressed in June when the Change team will conduct a review of all FOI processes using LEAN methodologies to identify improvements and efficiencies.	95%	88%	93%	88%	↓	↓	94%	⬮
Gross administration cost per Housing Benefit/Council Tax Benefit case (£)	2015/16 - Quarter Four Update Although the cost has come down from the previous year, it was outside the target of £40.14.	£40.36	£40.28	£41.49	£41.42	↑	↓	£40.14	⚠
Number of Reportable Incidents (RIDDOR) per 100,000 employees	2015/16 - Quarter Four Update: We did not meet the target of 350. Following review, it has been agreed that the target which was set previously to reduce from 500 to 350 was not realistic and was too ambitious to achieve within a 12 month period. However, all directorates will be proposing actions which will drive safety performance improvement across council operations in the in-coming year. These actions will be agreed and implemented within the services health and safety planning group meetings and then reported to the Corporate Health and Safety Group each quarter.	472.53	366.1	329.3	493	↓	↓	350	⬮
Percentage of Capital Projects completed on time	2015/16 - Quarter Four Update: We set targets for completion of capital projects. Although 27 percent of projects did not complete on time, they did complete during the year. Even though this indicator remains below target, the result is an improvement on the previous year. Work continues to improve the delivery of timescales for capital projects.		70.37%	67.44%	72.97%	↑	↑	95%	⬮

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
Percentage of Council staff who have had a Performance and Personal Development (PPD) discussion in the last 12 months	2015/16 - Quarter Four Update: During 2015/16, 5569 out of a possible 6224 employees had a PPD discussion with their line manager. The main reason the target was not achieved was due to restructures - it was felt that it was not appropriate to conduct PPDs until these were complete.	95%	90%	96%	89%	↓	↓	95%	⬮
Percentage of Customers delighted with the overall Customer Service	2015/16 - Quarter Four Update: During the year three out of seven services achieved the performance target. Action plans are in place to implement improvements for services in 2016/17.			74%	69%	↓	↓	77%	⬮
Percentage of invoices sampled that were paid within 30 days	2015/16 - Quarter Four Update: The number of invoices paid within 30 days fell short of target, however, the process has been reviewed and the revised process will be rolled out during April 2016. It is envisaged that the invoice payments times will show an improvement by the end of Quarter One 2016/17.	81.57%	90.66%	93.64%	92.5%	↓	↑	95%	⚠
Revenue Expenditure – General Fund - Actual expenditure as a percentage of budgeted expenditure	2015/16 - Quarter Four Update: The underspend is a result of funding set aside for Discretionary Housing Payment, Council Tax Reduction Scheme and the implementation of Universal Credit, which were not required. General inflationary assumptions have also been less than expected and underspends have been generated from vacancy management. This has been partially offset by an overspend within the Health and Social Care Partnership due to demand pressures.		99.9%	98.2%	98.4%	↑	↓	100%	⚠
Revenue Expenditure - Housing Revenue Account - Actual expenditure as a percentage of budgeted expenditure	2015/16 - Quarter Four Update: The target was not met due to a saving in loan charges, an underspend in repairs and maintenance and a reduction in rent arrears written off. All underspend has been carried forward to meet expenditure commitments in 2016/17.		95.5%	94%	95.47%	↑	↑	100%	⚠
Sickness Absence Days per Employee (excluding teachers)	2015/16 - Quarter Four Update: Overall the Council failed to achieve the target. Sickness absence continues to be closely monitored and managed in accordance with the Maximising Attendance Policy and Procedures, and this, coupled with support through Occupational Health referral, is expected to reduce sickness absence levels going forward.	10.3	10	9.5	9.9	↓	↑	8	⬮
Speed of Processing (Council Tax Reduction) new claims (days)	2015/16 - Quarter Four Update: The annual performance was outside the target but an improvement on the previous year. 2015/16 has been a year of further challenges for the service including the introduction of Universal Credit in April 2015. To further improve performance within 2016/17 the service will:		23.2	31.25	28.99	↑	↓	23.2	⬮

Performance Indicator	Latest Note	2012/13	2013/14	2014/15	2015/16	2015/16			
		Value	Value	Value	Value	Short Trend	Long Trend	Target	Status
	<ul style="list-style-type: none"> • introduce an integrated electronic claim form • complete the review of the new claims process using Lean Six Sigma principles 								
Speed of processing Housing Benefit (Change of circumstances) days	2015/16 - Quarter Four Update: Although the target was not met for the year, the performance for Quarter 4 was 11.67 days which was an improvement and just within the target. 2015/16 has been a year of further challenges for the service including the introduction of Universal Credit in April 2015. The service continues to address the workload, to improve performance and the service to our customers.	8.8	11.7	15.73	16.3	↓	↓	11.7	⛔
Speed of processing Housing Benefit (New Claims) days	2015/16 - Quarter Four Update: The performance for the year was outside the target but an improvement on the previous year. 2015/16 has been a year of further challenges for the service including the introduction of Universal Credit in April 2015. To further improve performance within 2016/17 the service will: <ul style="list-style-type: none"> • introduce an integrated electronic claim form • complete the review of the new claims process using Lean Six Sigma principles 	20	20.3	26.27	23.11	↑	↓	20.2	⛔
Total cost of the HR function per 1000 (FTE) employee	2015/16 - Quarter Four Update: In 2015/16 the total cost of the Human Resource function per 1000 (FTE) employees was 2% higher than 2014/15, due to pay uplift and additional investment to support change/improvement projects.	£430,000.00	£497,000.00	£495,000.00	£505,820.00	↓	↓	£500,000.00	⚠

DRAFT

North Ayrshire Council
Annual Performance Report
2015-16



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

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Foreword

If there is one thing that remains constant, it is our drive for change. Not change simply for the sake of change, but real, tangible and ambitious change which improves the lives of our residents, grows our economy and regenerates our towns and villages.

Our Annual Performance Report for 2015-16 lays out how we have adapted to a shifting landscape over the past 12 months.

It has been a time of challenge as well as change but we emerge with vigour and a determination to be a great Council, delivering top quality services and ensuring that our communities remain at the heart of everything we do.

The past year has seen the introduction of Locality Planning across North Ayrshire, bringing a new era of grassroots democracy to our local communities and giving people an even bigger say on the issues that matter most to them.

We continue to invest in our young people through a £140 million capital investment programme to improve our school estate, while we have also put together a £28 million package to grow North Ayrshire's economy, including £17million to support regeneration through the Ayrshire Growth Deal - a major part of our transformation process.

There has also been a change in our administration and communities across North Ayrshire can be assured that our key focus will be to improve equity. This will form the backbone of everything we do as we work together to build on our position as a sector-leading Council.

As ever, we also welcome your thoughts on how we are performing and what we can do to improve our services. Please take some time to feedback on our report and let us know how we can continue to change for the better.



Councillor
Joe Cullinane
**Leader
of the Council**



Elma
Murray
**Chief
Executive**

Introduction

Our vision is to be a leading organisation defined by excellent and innovative services. Our 'Good to Great' improvement journey includes service modernisation and transformation and cultural change. The journey focuses on five themes – communities, places, partnerships, processes and people. We have plenty of evidence which shows that we are regularly recognised as being a great Council and some of this is noted in our successes section below.

Audit Scotland's most recent audit of the Council highlights that our 'Good to Great' journey underpins our updated Performance Management Strategy. This is also incorporated within each of our Directorate Plans and appropriate performance management arrangements are in place.

Successes

We enjoyed significant success throughout the year. A number of our awards are noted below:

- › European Customer Contact and Customer Service Award for Best Improvement Strategy and Silver Award for Best Complaints Team
- › National Education Award - Raising Attainment category - Kilwinning Early Years Centre
- › HR Network Awards for Best Workplace of the Year and Employee Engagement
- › Scotland's first 'Flushed for Success' award for our school toilet provision
- › Tenant Participation Gold Accreditation.
- › Investors in People Gold Accreditation retained by Housing Services
- › Customer Service Excellence retained by the Revenues and Benefits Team
- › Scottish Business Excellence Award for Lean Six Sigma
- › SOCITM Customer Satisfaction – Best Performing

- › Contact Centre Excellence Gold Award winners for Innovation in Digital Transformation
- › Personnel Today Award for Excellence in Public Service HR
- › Consultation Institute National Best Practice Award for our Locality Planning process for co-designing the governance of locality partnerships
- › Herald Society Team of the Year Award - Facilities Management
- › Association of Public Sector Excellence Best Service Team of the Year - Catering Services
- › APSE Most Improved Performer award - Building Cleaning Services
- › Best Awards Scheme at the Scottish Events Awards for the Provost's Civic Pride Awards
- › 5 star rating for activity accommodation by Visit Scotland for the Arran Outdoor Education Centre which is now a Scottish Qualifications Authority (SQA) Approved Delivery Centre

Challenges

In spite of our many successes, we continue to operate in a highly challenging environment. Some of the main challenges we face are outlined below:

- › We have worked and will continue to attract more businesses to the area. Last year we assisted 388 firms which created 350 new jobs
- › We were successful in securing Attainment Challenge funding from the Scottish Government. This money will support our ongoing work to tackle the relationship between low educational attainment and deprivation
- › We continue to make smart and innovative use of our resources and be creative in how we develop and deploy our services. This has helped us to respond well to the significant financial challenges faced by local government
- › Our Housing Service's Welfare Reform Advice Team provides intensive support and advice to council tenants affected by welfare reform

Growing our economy, increasing employment and regenerating towns

We are creating a growing, innovative, smart, more productive and inclusive economy. Over the year we focussed on the Ayrshire Growth Deal, the refresh of the North Ayrshire Economic Development and Regeneration Strategy (EDR), the roll-out of Employability Hubs and the skills pipeline as well as our Social Enterprise Strategy.

We progressed the **Ayrshire Growth Deal** with the Scottish and UK governments, in partnership with East and South Ayrshire Councils. The growth deal is an ambitious, cohesive plan to bring new funding into the region to support growth and future prosperity.

Inclusive Growth is one of four national economic priorities for the Scottish Government. It is also a clear focus within our new EDR strategy. We are working with the Scottish Government as one of five pilots. The pilot will identify the barriers to shared growth in North Ayrshire, and identify ways to bring about long term sustainable change within some of our poorest communities.

We continue to roll out and implement our employability programme. For example our **Skills for Life** provides training and work experience over a 26 week period. By the last week of the programme 17 of the 24 people who had started the programme had been supported into work or education. In addition programme participants achieved a 90 percent completion rate in their SQA units. In spite of delays in securing European Funding to support this work we continued to support those not in employment. These results are transforming lives and making a difference in our communities.

Team North Ayrshire brings all business support providers together to increase business competitiveness. The Team was identified as best practice in the Scottish Government's Economic Strategy and was shortlisted for an APSE Award. Last year they supported 230 account managed firms. A Team North Ayrshire Business Conference in March 2016 attracted over **200** local businesses. The event marked two years since the Team North Ayrshire initiative started and gave local companies a chance to network and reflect on achievements.



Team North Ayrshire have been phenomenal. They have given us the ability to win ISO9001, we are only one of six call centres in the UK to be given that. They have mentored us throughout, they have supported us with a graduate programme, they are supporting us with Modern Apprenticeships and they are helping us to relocate in Irvine. It's only by working in partnership with Team North Ayrshire that we'll be able to deliver our goals for this year.



Victoria Edwards, Managing Director,
VOCA Telemarketing Ltd





Some of our highlights

- › **Saltcoats Town Hall** was re-opened by the First Minister, Nicola Sturgeon following its £3.77 million transformation. We already have weddings booked in.
- › We agreed to support **250 Modern Apprentices** within the Council over the next three years.
- › We opened the **Employability Hub** at Stevenston Library and have 20 partners providing services there. A further roll-out of hubs is planned.
- › We have assisted **388** businesses through our Economic Growth services, a 63 percent increase from the previous year.
- › Our business support activity has increased the number of jobs created year on year as follows:
2013-14 - 250 jobs
2014-15 - 269 jobs
2015-16 - 350 jobs
- › We have secured an additional **£5.7 million** funding the European Union, Scottish Government and national agencies to support employability, transport, regeneration and Active Travel projects.
- › We have supported **428** unemployed people into work.
- › **Community benefit** requirements in contracts has created **40 new job opportunities** and a commitment from contractors to provide **64 work experience placements. Along with 11 Science, Technology, Engineering and Mathematics (STEM) workshops** and other workshops and mock interviews, we are helping young people improve their interview and employability skills.
- › Formation of the **Arran Economic Group** to identify opportunities from the harbour redevelopment.
- › **Irvine** was **shortlisted** for the **Most Improved Town SURF Award** and **Irvine Harbourside** was a finalist in the **Academy of Urbanism Great Place Award**.
- › **Five** Modern Apprentices have been working with the **Countryside Ranger Service** – a national **‘first’**.
- › **The Building Standards Team** processed applications for construction projects **valued at over £136 million** an increase of £120 million from last year.

Case Study

Rebecca is a shining example of how a **Modern Apprenticeship** can set someone up for life. The 19-year old has spent just over 18 months as a Modern Apprentice working at Dalry Library. She joined the Council in the summer of 2014 after carrying out voluntary work but had no clear idea of what she wanted to do.



The MA scheme has been brilliant for me - I can't recommend it enough. I didn't really know what I wanted to do a couple of years ago - but the MA has given me a real vision. I'd love to go to university to become a librarian. It was better for me than going to college - it allowed me to learn and work at the same time. It wasn't just my work at the library, the job has allowed me to visit loads of other services and buildings, gaining lots of experience along the way. All I can say is that it's been really, really positive for me and I'd urge anyone to jump at the chance to join the Modern Apprenticeship scheme.



Case Study



Saltcoats Town Hall is arguably the most significant building in the historical streetscape and history of the town. The building has, over its lifetime, been the focus for a range of community and civic functions including council chambers and for some time as a cinema. Over the previous ten years the condition and use of the building had declined significantly. The historical layout of the building including three retail units had made the operation of the building challenging with little market demand for either the commercial or public space. The building subsequently closed to public use and became uninhabitable.

The restoration has provided a major opportunity to reverse this decline. In addition to the physical restoration of this important local building a key outcome of this project was the creation of a new Hub for local Council services. This involved bringing together existing services that were spread across the local area. This has provided a central point for the public to access Council services.

This project has resulted in the re-establishment of the building as the main civic and community building for the town. It also provides a venue for community and social events seven days a week. The completed project anticipates servicing 300 customers a week and hosting over 5,000 other visitors annually.

40

**new apprenticeships/
jobs created through
community benefit
clauses in procurement**

350

**jobs created
up from 269 in
2014-15**

388

**businesses supported
up from 237 in
2014-15**

428

**unemployed people
supported into work
(including via the Council's
Modern Apprenticeship
programme, Skills for
Life, Employability Hubs
and other sector based
initiatives)**

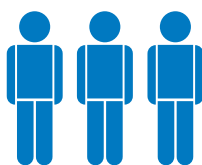


The Quarry Road, Irvine proposals have attracted £1 million Scottish Government Capital Regeneration funding.

Approvals have been secured for £5 million of European Social Fund.

£1.43 million Scottish Government Vacant and Derelict Land Funding for expenditure in 2016-17 has been secured as well as additional money until 2019-20.

A total of £5.7 million of external funding has been generated from across the European Union, Scottish Government and national agencies to support in the main employability, transport, regeneration and Active Travel projects.



Unemployment has fallen. The numbers claiming main out of work benefits reducing from 9.7 percent to 9.2 percent.

We have agreed a three year target to provide 250 Modern Apprenticeship opportunities within the Council.



Over 500 Team North Ayrshire interactions with businesses.

27 percent increase in Scottish Enterprise account managed businesses.

More than 80 businesses referred for Scottish Enterprise Innovation Product Support.



Working together to develop stronger communities

Having strong and vibrant communities is important to us. We are creating Locality Partnerships, to help our communities work with us to identify local priorities. As a trailblazing Council in this area, we have attracted the interest of the Scottish Government and other local authorities.

We hosted the first of six pilot Participatory Budgeting events in Kilwinning in March 2016.

Participatory Budgeting aims to:

- › Improve community confidence to work with agencies to improve local services
- › Bring people together to share the work of their organisations, identify new partners and pool knowledge and experience to address local key issues
- › Give organisations a platform to promote themselves
- › Improve inter-generational working
- › Give local people an understanding of the complexities of making decisions on funding

The event attracted applications from 52 community groups competing for a share of £12,000 of investment for local projects. The funding decisions were made by popular vote on the day. The events also attracted the interest of the Scottish Government and the Big Lottery.





Some of our highlights

- › We won a **Consultation Institute National Best Practice Award** for the design of the governance arrangements for our locality partnerships.
- › We established the **North Ayrshire Tourism Team**.
- › North Ayrshire has one of the fastest growing **Duke of Edinburgh** cohorts in Scotland with 103 Bronze, 32 Silver and 25 Gold awards during the year.
- › Through our new Events Forum we secured the **Scottish Ladies Open Golf** and the **Men's Scottish Open** for **Dundonald Links**.
- › **Partnership working with sportscotland** is seeing the unique development of the Largs Campus, providing world class educational and accessible sports facilities.
- › We were excited to be invited by the Scotland's Children's Commissioner to participate in a **UNICEF Conference** in Tajikistan. This came about from a DVD we made which supported the UNICEF Water, Sanitation and Hygiene (WASH) Conference. Education Scotland will now capture this work in a case study for children's rights training.
- › We have been commissioned by the **Scottish Government** to deliver the **Scottish roll-out of Appiness**, our digital skills programme for early years in libraries and winner of the 2015 UK Libraries Change Lives Award.
- › Our **Trading Standards Team** has managed a number of successful campaigns. These include the **Mail Marshal** initiatives and **'Find a Builder' web page** (to help protect vulnerable members of our community). They also hosted the first Scottish event in a local night club **highlighting the dangers of legal highs**.
- › The successful **Mind Your Health Consultation** was developed by **our Members of the Scottish Youth Parliament** (MSYPs). Our Youth Services Team led the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Youth Group who received national recognition by being **shortlisted for the Scottish LGBTI Awards**.

Case Studies

During 2015 approximately 4,000 baby and toddler Bookbug Packs were distributed to families in North Ayrshire through Health Visitors. Bookbug is a Scottish book-gifting scheme which develops early literacy and family bonding through sharing stories, songs and rhymes in local libraries.

Research has shown that giving books to families increases the amount of time families spend reading together. There is also strong evidence to show that reading to young children improves their mental ability.



Nuisance calls can have a real impact on people's lives, particularly for our vulnerable residents. **Trading Standards** have installed '**call blockers**' in a number of residents' homes. These offer protection by stopping nuisance calls **before the phone even rings**, ensuring only trusted sources can get through. This initiative has had a significant impact with thousands of nuisance calls blocked from reaching those most at risk.

One organisation which has benefitted from the transfer of land from North Ayrshire Council, has been Fullarton Community Association. This local community group has used the ownership of the land and its long standing credibility as a representative community body, to attract approximately £2 million in Lottery and other partnership funding. The funding will be used to build a **new Community Hub** and appoint staff to manage the new facility.

73,500

adult learning opportunities have been provided by Connected Communities

600

groups accessed support and guidance from the Council

1,356

Trading Standards visits have been made to businesses and traders

4,000

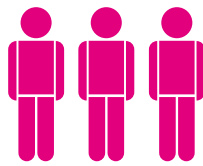
baby and toddler Bookbug Packs were distributed to families in North Ayrshire

7,633

volunteers are active in Connected Communities and Third Sector Interface activities



We have received £48,000 from the Scottish Government's Public Wireless Programme for wifi installation in libraries, Council and community facilities, including the Redburn Travellers' site.



To date hundreds of people have attended the local Participatory Budgeting events and more than 60 groups have received £38,000 to spend on projects, organisations and events.

We have recorded one of the highest numbers in Scotland for first time voter registrations, as a result of the 'your vote your voice' workshops which took place in all secondary schools. 297 young people participated in the programme.



Our Dog Warden Service Facebook page is proving very popular and effective. Designed to help reunite stray dogs with their owners - 74 stray dogs reunited in 2015 - as well as to publicise information, such as the legal requirement to have dogs microchipped, it boasts a strong following of 718 on Social Media.



We have seen a 2.3 percent growth in tourism numbers.

Ensuring people have the right skills for learning, life and work

Our vision is to be the best Education Authority in Scotland where all our young people receive the highest quality learning and teaching.

Our young people are an important and valued part of our communities. Our education focus has been on improving the quality of learning and teaching and providing opportunities for our young people to maximise their attainment and achievement.

Early analysis of 2015-16 exam results is very encouraging, showing our commitment to improving outcomes for our children and young people in North Ayrshire is paying off. Last year, there was a significant increase in attainment of National 5 qualifications by our S4 pupils. This level of achievement has been sustained for 2016. Our S5 pupils have performed significantly better than in previous years and more of our young people than ever before are achieving Higher qualifications. We have also seen improvements in Advanced Higher achievements by our S6 pupils.

Targeted literacy and numeracy work across all sectors is being delivered by a core staff team at our **Professional Learning Academy**.

A number of initiatives continue to address the attainment gap for children and young people from disadvantaged groups.

This includes:

- › Development of a Communications and Languages Strategy
- › Partnership working with the Robert Owen Centre to develop our approach to parental engagement in learning
- › Design of a high quality training programme to support improvements in numeracy and literacy
- › Delivery of a parenting programme which aims to support parents to help improve the behaviour of their three and four year olds.

Parents' comments at the end of the parent workshops included:

- › "I really enjoyed the course and it was good to meet other parents who are going through the same things."
- › "This is a fantastic course with a lot of useful information."
- › "The strategies have made a big difference."
- › "Life is less stressful."
- › "I have better communication with my children and a lot more patience."



Over the duration of the workshops staff observed positive changes in the interactions between parents and their children. During discussions with individual parents they spoke confidently about the strategies they were using with their child and the impact it was having. Staff felt well supported by the North Ayrshire team and it was great to see staff and parents using the same approaches.



Depute Head
Castlepark Early Years Centre

Child Protection remains a high priority in our schools and centres. All centres and schools have clear, appropriate and up-to-date policies and procedures in place to ensure the safeguarding of children and young people. Our Child Protection Co-ordinators' meetings ensure that training and practice remains current. All our staff take part in regular professional learning and are confident in responding to any child protection or safeguarding issue.

Our schools continued to ensure that our young people are prepared for life after school. Once again we built on our success in supporting pupils into post-school destinations with 96.1 percent of our school leavers moving into Further/Higher Education, training or work. We currently have the third best performance for positive destinations in Scotland.

We have been working with local businesses and the Chamber of Commerce to increase the job experience placements on offer to our students. We are also working to secure more places for children with Additional Support Needs. The continuing development of Activity Agreements with the third sector aims to provide increased opportunities for vulnerable young people with significant barriers to employment.

There is a focus on the Science, Technology, Engineering and Mathematics (STEM) agenda through the Scottish Schools Education Research Centre. The centre is currently working with two school clusters.

Schools continue to offer more opportunities for senior pupils to work towards wider achievements. The senior timetables in all of the secondary schools now offer a wider range of courses including Duke of Edinburgh, John Muir Award, Wellbeing Award, Young Applicants in Schools Scheme, Personal Development Award, Saltire Award, Uniformed Services, Leadership Award, Volunteering Award, Skills for Work Sports and Recreation, and mentoring and community events. A number of these options are being run in partnership with community learning and development, volunteers, community groups and employers. Schools have a member of staff who has overall responsibility for wider achievement.



In 2015 pupils who were sitting mainly National 4 exams were given the chance to participate in a wide variety of careers and volunteering experiences to increase their knowledge and skills for life, work and learning. This also led to them gaining units and awards in a variety of areas including Barista (City & Guilds, level 1), Uniformed Services (Level 4), Employability (Level 4) and the John Muir Award.

Attendance continues to be strong across all schools with sound arrangements in place to monitor and track those young people who have attendance issues. Exclusions are rare as schools continue to engage and provide appropriate support and curriculum options to meet young people's needs.

We continue to engage with parents and are looking at a number of programmes designed to help parents support their children's learning at home with a focus on literacy, numeracy and health and wellbeing.



Some of our highlights

- › Irvine Royal Academy is being developed as a **Centre of Excellence** for vocational education. Through our partnership with Ayrshire College, Scottish Funding Council, Skills Development Scotland and others, we are delivering courses in tourism, sport and hospitality. Engineering courses are also being developed.
- › We continue to develop and support the implementation of the 1+2 model for modern languages. This is aimed at ensuring that every child has the opportunity to learn a modern language from P1 onwards. All of our schools have a designated 1+2 co-ordinator to take this priority forward.
- › We have **improved attainment** in literacy and numeracy at Level 5.
- › Our **Music Service** continues to go from strength to strength. We currently have 1,400 pupils in receipt of music tuition. We have won national awards including the **Gold Award at the National Concert Band Festival**.
- › We have established and trained **Pupil Support Teachers** to better support our students.
- › We have created **Nurture Bases** in 15 primary schools. The bases will provide additional support to young people who are experiencing social and emotional problems.
- › Our **Autistic Spectrum Disorder** (ASD) Strategy has been developed. The aim is to provide an integrated approach to support local children with autism through good joint working arrangements.
- › We completed our **Accessibility Strategy**. The Strategy details how we will deliver an accessible curriculum to all learners.
- › We have established a **Creative Learning Network** (CLN) to focus on the progress of creativity and innovation in teaching and the development of creative thinking skills.
- › Further support has been given to schools on the full implementation of **Getting It Right For Every Child** (GIRFEC). This has included training days for Head Teachers and pastoral care staff, regular newsletters and updates and ongoing support from key staff. GIRFEC is the national approach to improve outcomes and support the wellbeing of our children and young people.
- › **Place2Be** is a national charity providing emotional support to children in schools. They are working in six of our primary schools, setting up a counselling service for young people.
- › We currently have the **third best** performance in Scotland for **positive destinations** for our school leavers.
- › We established the **Professional Learning Academy** to focus on improving literacy and numeracy. The Academy will enable teachers to enhance their teaching expertise by developing and sharing good practice.

Case Study

Kilwinning Early Years Centre Raising Attainment in Numeracy

At Kilwinning Early Years Centre we have always had a focus on numeracy. However an opportunity arose for a staff member to attend Maths Recovery training. This training is usually delivered to teachers and usually targets children in primary two and three who are struggling with their maths.

The staff member who attended the training began to share her learning with other staff and we gradually started to implement new ideas across the centre. A snap shot of some of the different experiences include:

- › At our snack area when the children are washing their hands they are encouraged to count to ten This ensures they spend enough time washing their hands and practise their counting
- › At snack time we now have number signs and encourage the children to count out their own snacks e.g. 3 carrot slices, 1 banana, 2 breadsticks
- › At our baking area the children measure quantities and count amounts
- › We encourage children to explore number patterns in a range of resources including dominoes, large dice and playing cards

To involve our parents/carers we have offered workshops and shared the ideas and information on how to ensure children have a sound understanding of numbers. We have created fun interactive home learning packs and many parents have taken these home to use with their children. We are also sharing the learning with other centres.

Our children now have a breadth of numeracy experiences using a fun play based approach. Children are being challenged to ensure they reach their full potential and have a sound basis to build their numeracy skills on. Almost all our children are making progress in numeracy due to the new approaches used.

Case Study

Ardrossan Academy

We are developing staff capability and leadership capacity to support a positive culture of learning in our schools. Our school leadership teams are dedicated to improving teaching and learning through their influence on staff and pupil motivation and commitment.

Ardrossan Academy is a secondary school serving the towns of Ardrossan, Saltcoats and West Kilbride. The school vision is to 'improve performance for the benefit of all young people, involving all stakeholders'. The culture at Ardrossan Academy is outward looking, focusing on developing strong interpersonal skills in order to engage effectively with young people, staff, and parents.

The school was visited by Education Scotland in February 2016. The inspectors praised the 'strong, aspirational vision for improving the school which is shared by young people, parents, staff and partners'.

Underpinning this success is the strong leadership of Head Teacher Lisa Chalmers and her senior team. Lisa has a strong, aspirational vision for improving the school, with a clear focus on the school values of ambition, respect and excellence. All staff are committed to improving outcomes for young people. Across the school, relationships between young people and their teachers are very positive, resulting in a purposeful learning environment.



Positive relationships are vital if we are going to create the best learning environment possible. Staff work hard to ensure learners receive regular feedback, and our learners are always encouraged to interact and participate in classroom and extra-curricular activities. I'm delighted that Education Scotland recognised how confident and motivated our learners are. Ultimately we want to give our learners the best possible chance of achieving both academically and personally. We are hugely ambitious for our young people and firmly believe that there should be no poverty of aspiration, ambition or opportunity. That is certainly the case at Ardrossan Academy.



Lisa Chalmers
Head Teacher

74%

of leavers attained literacy at SCQF Level 5, up from 68% in the previous year

65%

of leavers attained numeracy at SCQF Level 5, up from 57% in the previous year

57%

of our young people left school with five qualifications or more at SCQF Level 5, up from 53% in the previous year

40%

of our young people left school with three Highers or more, up from 38% in the previous year

72%

of children met the expected pre-school milestones, up from 71% in 2015

247

early years places were provided for entitled 2 year-olds, up from 218 in the previous year



80% of our Early Years Establishments have an active communication champion who promotes good practice in listening and talking in the playroom and with parents.

Nurture bases have been created in **15 Primary Schools** and are focused on supporting some of our most vulnerable children.

Over **70%** of all primary aged children have achieved nationally expected levels in numeracy and reading.

Kilwinning Early Years Centre **won** the 'Raising Attainment in Numeracy' award at the Scottish Education Awards.



Greenwood Academy were **finalists** in the category 'Raising Attainment in Literacy' award at the Scottish Education Awards.

We have **92% attendance levels** in our schools.

There has been a **35%** increase in the number of wider achievement courses that are running across the senior phase in our secondary schools compared with the previous year.



Over **450** parents participated in a parenting programme.

100% of participants who completed our parenting programmes reported an increase in their levels of interaction with their children.

We supported leadership development in our staff with **18** senior leaders participating in a leadership coaching programme and a further **44** teachers completing a programme for aspiring leaders.



96.1% of our school leavers entered a positive post school destination, the third highest in Scotland.

A series of employment workshops resulted in **509** applications being received by our HR section from school leavers increasing employment opportunities of North Ayrshire's young people.

Supporting all our people to stay safe, healthy and active

We continue to work with partners to provide a co-ordinated response to the health, social and emotional needs of all children, young people and adults in North Ayrshire. Our first year as an integrated Health and Social Care Partnership (HSCP) has been both challenging and rewarding. We have begun to see some of the benefits of the integrated system working, for example in supporting older people to remain at home or get home from hospital as soon as possible. A key partner is our housing services through providing high quality homes and consulting tenants.

An Annual Performance Report has been published by the partnership which shows what has been achieved and the impact it is having to ensure:



All people who live in North Ayrshire are able to have a safe, healthy and active life.



Details of the HSCP 2015-16 Annual Performance Report can be found on our website at:

www.north-ayrshire.gov.uk/HSCPannualreport

Staying active

We continue to identify and develop opportunities for people to take part in physical activity, sports and volunteering. A number of these are outlined below.



Some of our highlights

- › We are working with our partners including KA Leisure, sportscotland, Maximum Potential and community sports clubs to deliver a wide range of activity programmes.
- › Participation figures have increased on an annual basis and along with our partners we are in the top five of our benchmarking family with targeted programmes engaging early years, GP referrals and health and wellbeing.
- › Our work with communities and sports clubs has led to some notable achievements including - **North Ayrshire Athletics Club** being named **Impact Club of the Year** at the Scottish Athletics Annual Awards, the launch of the **Ayrshire Tornadoes** basketball club, new **Tennis Facilities** at **West Kilbride Sports Club** and a Big Lottery award of over £1 million to the **Fullarton Community Association** for a new health and community hub.
- › **Active North Ayrshire**, a new mind and be active programme secured £70,000 from the Legacy 2014 Fund for a 12 month pilot programme. Early indicators are positive from this initiative.
- › Our **Active Schools Team** continue to deliver activity sessions to primary and secondary pupils along with local clubs and volunteers. **School of Sport** programmes now operate out of seven secondary schools and associated primary schools.
- › The **Nurturing Excellence Programme** in Sport has supported 210 local young athletes participating in 23 Olympic, Paralympic and Commonwealth sports since 2012 to achieve their maximum potential up to and including representation at the 2016 RIO Paralympic Games.



- › Our **Arran Outdoor Education Centre** offers residential outdoor learning and leadership training for both primary and secondary pupils which contributes to improved health, wellbeing and physical activity levels of all participants.
- › Our **Country Parks Team** provides a range of healthy and active educational and recreational activities targeting all ages. Our Acorn Club, Junior Ranger Programme, the Breaking Ground Health Referral Project and Friends of Eglinton, Ardeer and Spiers Volunteer Groups provide a range of conservation based activities for all ages and abilities demonstrating safe

access to the countryside in ways that do not spoil the landscape and heritage but do increase children's and adults' sense of exploration and adventure. Partner organisations such as Parkrun provide a running programme with an average of 150 runners of all abilities attending every weekend, whilst other informal running groups, dog exercise, equestrian and angling groups have boosted the number of overall active pursuits at Eglinton and the wider district this year.

- › **Youth work** in schools and community settings contributes to a range, of positive outcomes including health and wellbeing, positive life choices and community safety. Much of this work is delivered in partnership with other public sector bodies and community organisations. Our young people are also involved in the development and co-design of a youth work provision across all six localities that is based on needs and aspirations.
- › Our **Planning Services** investigate breaches of planning in line with the Council's Planning Enforcement Charter. Public amenity has an impact on peoples' health, their perception of safety and their ability to be active.



Housing

We continue to implement the **Strategic Housing Investment Plan** (SHIP). Since the start of the Plan to the end of March 253 new homes have been completed by the Council.

Research informing the North Ayrshire Council Older People Strategy 2013-16 identified that bed-sit accommodation is no longer desirable, resulting in lower demand for this type of housing. In response, we are currently delivering a Sheltered Housing Redevelopment programme which will provide modern, innovative homes to fully support our tenants to live independently. The homes are being designed to be energy efficient and flexible enough to allow them to evolve to meet the needs of both current and future residents.

Some of our highlights

- › **Montgomery Court, Kilbirnie** - The first phase of the construction works comprising three amenity bungalows and nine sheltered flats was completed on 8 February. The residents of the original sheltered housing unit have now settled into their new homes. The final phase of the development, comprising seven sheltered flats and five amenity bungalows is scheduled for completion in November 2016.
- › **Vennel Gardens, East Road, Irvine** - The new purpose built sheltered housing development was completed on 4 November 2015. The building incorporates 16 one bedroom modern, energy efficient homes as well as a Community Hub.
- › From the results of satisfaction surveys 100 percent of tenants would rate their home as an excellent or good place to live.

One resident stated:



Before moving here I had not been over the door for two years and if it was not for family members I would never have seen anyone. That has all changed since moving here and it has given me my independence back.



95.1%

of antisocial behaviour cases were resolved within locally agreed targets

588

youth work sessions with 64,765 participant attendances

124

qualified adult volunteers

55

secondary pupil volunteers

742

homeless presentations



86% uptake of free school meals in P1 to P3.

Overall free school meals uptake achieved **85%** (10% above Scottish target).



99.07% of Council dwellings met the Scottish Housing Quality Standard (SHQS).

99.69% of Council homes met/exceeded Energy Efficiency Standard for Social Housing.

Council House Building - **56** homes completed in 2015.

96% of all homeless decisions were notified within 28 days.

57% of people assessed as homeless housed into permanent accommodation.



1,184 pupils attended the Arran Outdoor Centre spending **176,732** bed nights at the centre in order to participate in **526,446** sessions of learning and outdoor activity.

210 Nurturing Excellence Programme athletes since 2012 including:

1 World Record Holder

1 Paralympian

6 Olympic and Commonwealth trialists

31 Olympic, commonwealth and para sports

93,315 participant attendances for Active Schools.



Protecting and enhancing the environment for future generations

We have made significant progress implementing our Environmental Sustainability and Climate Change Strategy. A new Energy and Sustainability Service was established in August 2015 to provide a sharper focus to the energy and sustainability agenda by driving forward renewable energy projects, energy efficiency projects, and sustainable behaviour change.

Some of our highlights

- › **CO2 emissions** have reduced from 55,000 tonnes to **50,709** tonnes. We are on target for a 40 percent reduction by 2030.
- › Completion of **solar panel and biomass installations** on a total of **24** Council properties.
- › Ongoing **installation of external wall insulation improvements** to housing stock - **626** mixed tenure properties completed.
- › Implementation of a **new low emission vehicle pool car scheme** for business travel to reduce carbon emissions and business travel costs.



- › Installation of **energy efficient street lighting** to reduce carbon emissions and energy costs.
- › Installation of new energy efficient lighting systems in some Council properties.
- › Increase in the uptake of schools with **Fairtrade** status.
- › Approval of a new **Local Biodiversity Action Plan**.
- › New Renewable Energy Strategy (RES) approved in September 2015.
- › **Implementation of a scheme of works** to improve the household waste recycling centre provision at the Brodick Waste Transfer Station supported by Zero Waste Scotland funding.
- › Working with the community organisation **Eco Savvy** to progress further improvements to sustainable waste management on Arran, including the preparation of a business case for green waste composting on the island.
- › Successful roll out of our **WARP-IT** (Waste Action Reuse Portal) across Council services. We now have 178 registered users, resulting in the avoided landfill of 7.6 tonnes of furniture (19 tonnes of carbon dioxide).
- › Continuing to focus on **improving recycling scheme performance** through targeting our lowest performing areas. We work to encourage residents to participate in the recycling systems and to reduce contamination. A waste awareness communication campaign called **"Right Stuff Right Bin"** was launched in November 2015.
- › Continued development and management of **Shewalton Landfill Site** resulting in the site receiving an **'Excellent'** rating from SEPA under their Compliance Assessment Scheme. We continue to reuse the landfill gas generated for electricity supplied to the National Grid.
- › Continued support to our schools in their endeavours related to learning for sustainability. This includes a number of our schools engaging in initiatives such as the John Muir award, Forest schools award and links to the Food for Life Scotland and their Grow! Cook! Eat! Programme.

Case Study



Our £2.5 million Dickson Drive, Irvine project was a mixed development creating new housing and improving existing shop units. The project has rejuvenated and enhanced the local area, making it a more desirable place to live.

The Dickson Drive development replaced poor-quality, low demand housing with modern, affordable homes in which people are proud to live. The project provided eight modern, fit-for-purpose homes, two of which are amenity standard bungalows designed specifically to meet the needs of older people.

The project included the removal of flats above the existing shop units. This has created a more welcoming retail environment. In addition, a new service yard has been installed to the rear of the buildings. The regeneration of the commercial units has enhanced the area and the introduction of a new road, Dickson Way, has improved connections with the local community. Safety for both the residents and commercial units has been enhanced.

We place a strong focus on sustainability. Not only are the new homes energy efficient and affordable to heat, the overall regeneration of the area aims to create a sustainable community which meets the diverse needs of existing and future residents.

The project was also designed in accordance with the Scottish Government 'Designing Streets' guidance. The project achieved Secure by Design Accreditation and the Scottish Building Standards 'Bronze Active' for sustainability.

Case Studies

We are continuing to reduce our carbon footprint with our exciting and innovative green policies. Our car pool scheme which was launched, in partnership with Enterprise Rent a Car, in October 2015 already has eight vehicles. The development of this scheme and other initiatives will contribute to the wider review of business travel with targeted **savings of £200,000**. Our Car Pool scheme made **significant reductions on CO2 emissions**, to the tune of approximately **1.5 tonnes**, in its first six months.



We have increased litter picking initiatives in communities. We have provided local groups, schools and businesses (including the **Ayrshire Litter Volunteer Network**) with the training and tools to keep our communities and towns cleaner.

These partnerships help keep our neighbourhoods and environment clean and welcoming. In particular great strides have been made at Stevenston Beach and the surrounding area. Streetscene assists volunteers by providing equipment such as trolleys and litter pickers as well as helping with the collection and disposal of the litter picked. There has been engagement with local schools which has seen an increase in the use of Stevenston Beach and is helping to create more civic pride in the area.

Success is breeding more success with the group growing in numbers and expanding into more areas making a real difference to the environment.

24%

reduction in carbon emissions through Carbon Management plan projects since 2006

56.4%

of our household waste is recycled

75

allotment plots have been established, managed by the local community

£5 million

investment in Biomass boiler and Solar PV retrofit programme to provide renewable energy to 20 Council buildings

45

schools achieving green flag status under the Eco Schools programme



CO2 emissions have reduced from 55,000 tonnes to 50,709 tonnes in and we continue to be on target for a **40%** reduction by 2030.

Installation of external wall insulation improvements to **626** mixed tenure properties.

'**Excellent**' rating from SEPA for the management of Shewalton Landfill site.

225 Voltage - the reduced electrical supply to Cunninghame House due to Voltage Optimisation, saving £10,000 per year.

Award of '**Super Local Authority**' from WWF on Climate Change Action.



Overall percentage of road network that should be considered for maintenance treatment is **37.8%**.

We maintain **2,410** hectares of public open space.

The standards of street cleanliness has improved from 92.3% to **95.8%**.

We are the **fourth** most improved road authority in Scotland since 2011.



North Ayrshire has been a Fairtrade Zone **since 2014**.

More than **50%** of food produce used for school meals is from organic sources.

Two schools growing and using their own food.



Underpinning Delivery

We need a sound financial base and a clear focus on what our customers and communities need to deliver effectively on our priorities. We also need good governance, good communication and most importantly highly motivated staff who work well together.

We continue to look at ways to **transform** our services to make them more effective and focused on our customers. A number of initiatives are making a significant contribution to transformational change across the Council.

These include:

- › Using private sector business process improvement tools such as Lean Six Sigma and Kaizen blitz to enhance the way we do things.
- › Developing more creative and innovative ways of delivering our services, including using more digital technology.
- › Investment in our technology to develop more resilient systems and processes.

Some of our highlights

- › A range of projects have been implemented to deliver **exceptional customer service**. Our new Customer Service Centre at Saltcoats Town Hall opened in February 2016 and customer feedback has been very positive. We have used new technology within the Contact Centre and this has helped to improve the percentage of calls answered.
- › We are working to improve the **online services** available to our residents. More customers than ever are now registered for an online account. Particularly successful this year has been the development of a fully automated free school meal and clothing grant process and the roll out of e-bills for Council Tax.
- › We successfully delivered the **2015 Westminster election** in North Ayrshire, involving a range of staff from across the Council.
- › We improved our level of sickness absence (although we just missed reaching our ambitious target of eight days per full time equivalent). The principal causes of sickness absence were Musculo/Skeletal and Stress/Anxiety. We continue to support employees back to work and reduce sickness absence.

Employees

Our People Connect, is our new people strategy that was designed by our people for our people. This short, distinct booklet is brought to life by using augmented reality and has our staff values at the heart of four key priorities that support the Council Plan and its Strategic Priorities, these are:

- › Strengthening leadership across the Council
- › Transforming how we work
- › Creating a great place to work
- › Supporting our people to develop, perform and thrive

A Cross Service Working Group designed Our People Connect and launched it at our Leadership Conference in June 2015. They then took this on tour throughout the Council, engaging with staff and talking about why people are at the heart of everything we do.

Communications

Our Communications staff continue to deliver a robust and professional service for both internal and external audiences.

Highlights of our activity have included:

- › National television coverage on BBC Scotland for our free holiday school meals initiative
- › Extensive online and social media coverage for a variety of campaigns including the Provost's Civic Pride Awards, Registering to Vote and Violence Against Women
- › The formal opening of Saltcoats Town Hall by the First Minister
- › Positioning North Ayrshire as a vibrant, connected and ambitious area where businesses grow and flourish

Online activity has seen us build the corporate twitter account to a followership of 13,500. News items continue to be uploaded regularly to both the website and Connects.

Governance

The Council is responsible for ensuring that its business is conducted in accordance with legislation and proper standards. We also need to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Annual Governance Statement explains how North Ayrshire Council is complying with the Code of Corporate Governance. This framework identifies the systems and processes, and culture and values by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community.

We ensure that all of our key governance documents are reviewed and kept up to date. Recent changes include amendments to the Council's Scheme of Administration and Scheme of Delegation to Officers in terms of the implementation of Locality Partnerships. We are currently reviewing information governance policies and processes in order to develop an Information Management Improvement Plan.

Our Community Planning Team co-ordinate and support the work of the Community Planning Partnership. This includes developing relationships with key partners, linking in with national developments, providing training and briefings, co-ordinating meeting arrangements and producing an Annual Report. In 2015 the Community Planning Team had a key role in developing Locality Partnerships.

A Delivery Partnership Agreement with the Department of Work and Pensions (DWP) and other community partners, has been put in place. The agreement is to deliver Universal Credit, supporting the most vulnerable in our communities. The partnership is working well with the DWP Jobcentres at Kilbirnie, Irvine and Saltcoats. Monthly meetings are held with partners to resolve any operational issues and improve customer service.

A new **Corporate Fraud Team** was established at the beginning of 2015 to investigate suspected fraud within and against the Council. The Team has received a wide range of referrals from within the Council and from the public. During 2015, the team carried out eight separate internal investigations as well as a range of investigations covering areas such as Council Tax, Scottish Welfare Fund, Non-Domestic Rates, Blue Badges and Housing tenancy matters. The team achieved backdated recoveries in these areas of almost £100,000 as well as ongoing cost reductions for the Council of around £70,000.

Case Studies

We have introduced **'Get Connected'** volunteering days which are designed to increase employee engagement, enhance collaborative working and give something back to our communities. These have been a huge success supporting local nursery schools, with our volunteers building water walls, mud kitchens, outdoor classrooms, vegetable boxes, musical gardens and a Loch Ness Monster play area.

All volunteers left with a feeling of pride, and without exception would all love to do it again. The nurseries have been full of praise for providing them with resources they could not afford to buy themselves, all of which have since been well used by the children.



It was great to be involved and incredibly rewarding to know that we made a real difference to a vital local facility. The camaraderie was amazing.



Customer Services led a project team to offer **e-Bills** to those customers who were registered for an online account. The project team worked together to develop a process to securely deliver bills to Council Tax Customers. Customer insight information was used to identify the potential for take up for e-bills and to identify the most effective way of marketing the service. Information security was key and rigorous testing ensured that customers could see only information relevant to them.

A successful marketing campaign encouraged **65 percent** of eligible customers to sign up for an e-bill. Implementation of the next phase is now underway and the expectation is that this will help to reduce postage costs and encourage more customers to use online services.

15%

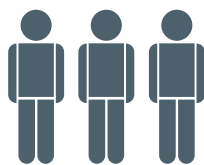
of procurement spend
with local suppliers

91%

of Stage One complaints
were closed on time

90%

of Stage Two complaints
closed on time



Online activity has seen us build the corporate twitter account to have over **12,600** followers.

We have dealt with **602** incoming press enquiries and issued **431** proactive press releases.

Employee engagement rose to **69.6%** in 2015 from 55% in 2012.

8.98 sickness absence days per employee (FTE) for the whole Council.



92.5% of valid invoices are paid within 30 days of receipt.

142,279 pays were produced for our employees.

99.91% of employee pays were produced accurately up from 99.44% in 2014.

4,325 pension forms were processed supporting our employees to plan for their future.



Comparing Performance

We are committed to improving outcomes for the residents of North Ayrshire. We want to know if we are delivering our services effectively. Comparing performance, or benchmarking, supports change and improvement within the Council by learning how better performing organisations achieve their results.

During the past five years we have been working with other Scottish councils and the Improvement Service to develop and improve the Local Government Benchmarking Framework (LGBF). Data is provided for performance indicators by all 32 Scottish councils. This allows us to compare how we are doing against other councils performance. More information on how we compare can be found at <http://scotland.mylocalcouncil.info/>

The latest data available highlights that of the 53 LGBF indicators, we are ranked number one for four indicators. An **overview** of our ranking position by **quartiles** is outlined in the table below.

Quartile	2010/11	2013/14	2014/15
Top quartile (%)	24	36	38
Second quartile (%)	37	32	26
Third quartile (%)	22	24	28
Fourth quartile (%)	20	8	8

Improvement areas and activities to support our LGBF ranking include:

- › Work to reduce **inequalities** impacting on educational outcomes and life chances.
- › Increasing our **engagement** with parents in supporting their child's learning.
- › The **review of our Care at Home** services.
- › Leading the **LGBF Council Tax Family Group**. The focus of the group has been on improving collections for low banded properties. There is evidence that councils with a larger proportion of higher banded properties have higher collection levels than councils with a higher proportion of lower banded properties. North Ayrshire Council has around 80 percent of its properties in bands A to D. Collection performance across councils varies and the group has looked at direct debit initiatives, methods of payment and the number of monthly instalments and improving recovery procedures. The group has also concentrated on cost reduction initiatives like e-billing and data capture technology.
- › Improving our performance on the payment of invoices within 30 days. Visits have been made to Renfrewshire and East Renfrewshire to learn about their success in this area. Following these meetings invoice payment processes have been revised and improvements will be implemented during 2016-17.
- › Recognising that it is important to monitor and compare our property portfolio performance with other local authorities. In early 2016 we joined the National Best Value Benchmarking Scheme (NBVBS), which is a **property benchmarking scheme** set up by property professional societies in conjunction with Chartered Institute of Public Finance and Accountancy (CIPFA). This provides us with regular updates on public sector asset management issues, topics and best practice guides.
- › Leading the **LGBF Museums Family Group** of ten local authorities and trusts, which is a helpful platform for benchmarking and sharing good practice.
- › Involvement of the North Ayrshire Health and Social Care Partnership in a small working group. The initial piece of work was an **analysis of educational attainment for looked after children**. In November 2015, the group completed its second project which was an analysis of the transition process from children to adult services. The report was distributed to key service managers for consideration and action.

- › Work to understand the **high level of children's referrals** to the Scottish Children's Reporter's Administration (SCRA). Although the numbers are reducing, we still compare unfavourably to the rest of Scotland. This learning was used to influence the development of the newly established Police Concerns Hub. Use of new processes in the hub should lead to a lower volume of police referrals to SCRA.
- › We participate in the **Heads of Planning Scotland Benchmarking Group** which consists of participants from five other councils. Over the past year we have discussed issues such as agile working, highlighting the use of shared desks, mobile technology and the associated benefits and disadvantages. This knowledge will help inform service improvements within the whole Council.
- › A comprehensive review of the **Roads service** has been undertaken. This was to identify ways of improving performance further and to find the most appropriate opportunities for an integrated **Streetscene and Roads** service model. The report identified a number of strategic issues and opportunities for consideration and improvement. These have been developed into the Roads and Streetscene Strategic Change Programme which commenced implementation in January 2016.



Our performance has improved in 58% of LGBF performance indicators.

We are ranked first, second or third for 21% of LGBF indicators which shows an improvement from 2013-14 when it was 15%.



We are ranked in the top half of all councils for 64% of LGBF performance indicators.

We are in the top quartile for performance in 38% of the LGBF performance indicators.



Financial Performance

The Council continues to demonstrate sound financial planning and stewardship with appropriate reserves and expenditure contained within our annual budget. A balanced budget was agreed for 2016-17 in February 2016 together with a refreshed long-term capital plan. The Medium Term Financial Plan has been updated and approved and work continues on the Long Term Financial Strategy.

To support further development of the Council's financial management arrangements, the procurement of the new Financial Management System (FMS) is almost complete and is on track for implementation by the end of 2016-17.

Revenue Expenditure

Councils need to account for their spending and income in a way which complies with our legislative responsibilities. Most day to day spending and income is recorded within the General Fund. Costs in relation to the management of our housing stock are recorded within the Housing Revenue Account (HRA).

During the year the Council delivered General Fund services at a cost of £333 million in support of the Council's objectives and this is illustrated in Exhibit 1.

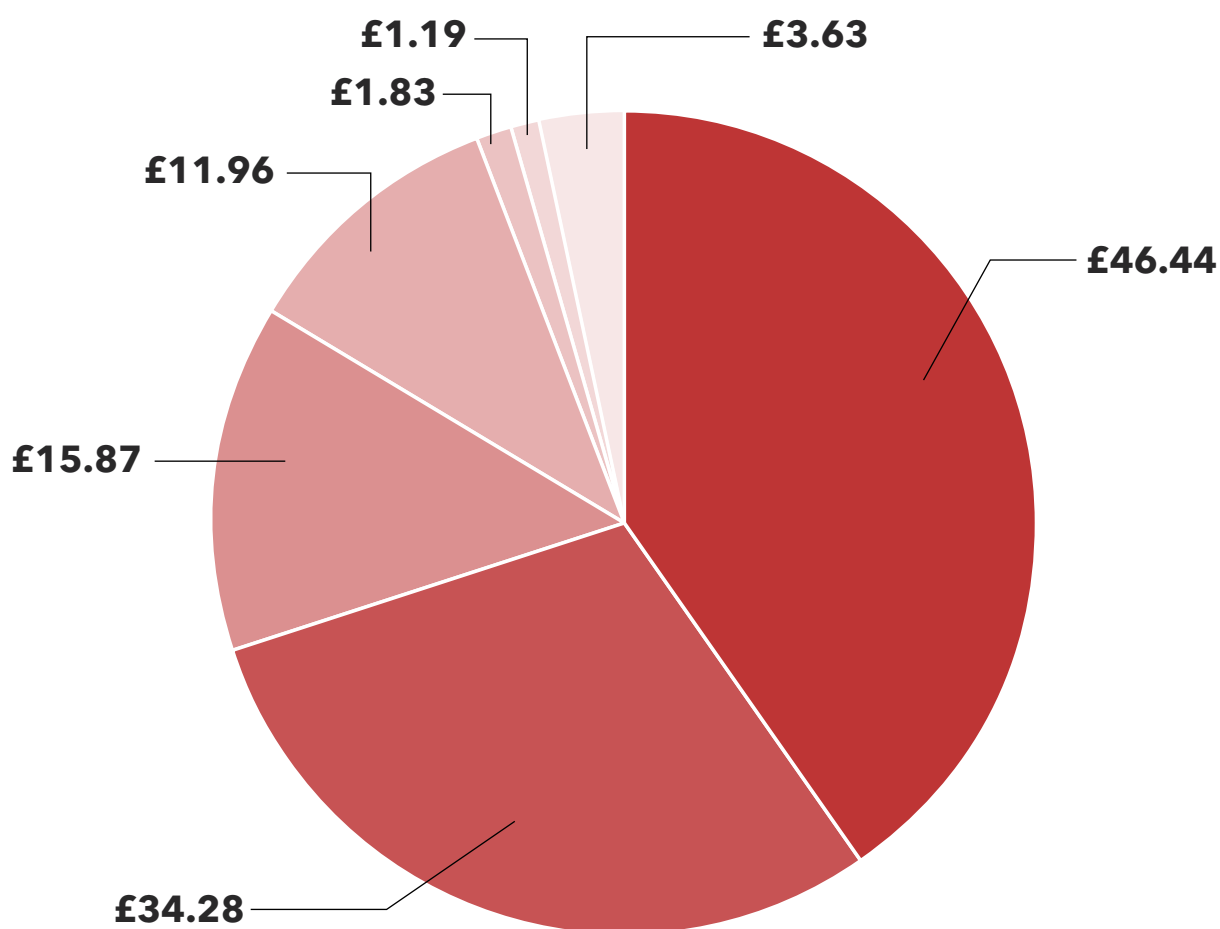
Exhibit 1 - General Fund 2015/16 Revenue Expenditure

Expenditure	2015-16 Budget £m	2015-16 Spend £m	Variance £m
Education and Youth Employment Early Years, Primary, Secondary and Additional Support Needs	135.032	134.346	(0.686)
Integrated Health and Social Care Partnership and Social Services Children and Families, Older People, Independent Services, Learning Disabilities, Mental Health Needs, Criminal Justice and Addiction Services	97.058	99.167	2.109
Place Property Management and Investment, Roads, Streetscene, Transport, Waste Services, Facilities Management and Building Services	46.230	45.913	(0.317)
Economy and Communities Planning and Protective Services, Economic Development and Connected Communities	35.617	34.601	(1.016)
Finance and Corporate Support Finance, Revenues and Benefits, Audit and Risk, Procurement, Human Resources, ICT, Customer Services, Registration and Business Support	6.172	5.280	(0.892)
Chief Executive and Democratic Services Legal, Policy, Performance and Community Planning, Communications, Committee and Member Services, Change Programme and Civic Contingencies	3.734	3.444	(0.290)
Other Corporate Items Financing Costs, Capital Charges	12.428	10.499	(1.929)
TOTAL EXPENDITURE	336.271	333.250	(3.021)

How do we spend your Council Tax?

Monthly spend of £115.20 per household based on Band D

Education and Youth Employment	£46.44
Integrated Health and Social Care Partnership & Social Services	£34.28
Place	£15.87
Economy and Communities	£11.96
Finance & Corporate Support	£1.83
Chief Executive and Democratic Services	£1.19
Other Corporate Items	£3.63



In total General Services underspent by £5.2 million. This was achieved by underspending against our budget by £3 million and generating an additional £2.2 million of income. This has been earmarked for service expenditure in 2016-17. The £5.2 million underspend reflects the robust financial management which is in place across the Council and can be analysed across the following broad categories:

- › Level of funding available from the Scottish Government to fund Discretionary Housing Payments and the Council Tax Reduction Scheme has resulted in the funds set aside by the Council no longer being required (£1.2 million)
- › Delay in the implementation of Universal Credit for residents within the homelessness service means that funds set aside to meet the funding shortfall are not required (£1.0 million)
- › The impact of general inflation being less than anticipated at the start of the year (£1.0 million); and
- › Implementation of vacancy management to help deliver future year efficiencies (£0.8 million)

This underspend has been partly off-set by an overspend within the Health and Social Care Partnership.

Housing Revenue Account Services were delivered at a cost of £44.5 million during the year as detailed below in Exhibit 2.

Exhibit 2 - Housing Revenue Account 2015-16 Revenue Expenditure

Expenditure	2015-16 Budget £m	2015-16 Spend £m	Variance £m
Employee Costs, Supplies and Services, Transport and Admin Costs	9.694	9.420	(0.274)
Running costs of providing a housing service function to tenants			
Repairs and Maintenance	17.557	17.054	(0.503)
Equipment & Adaptions, Voids, Planned & Response repair costs of Council housing			
Capital Financing	19.383	18.048	(1.335)
Capital financing costs including funding contributions and charges in relation to borrowing for Council House build and improvements to existing stock			
TOTAL EXPENDITURE	46.634	44.522	(2.112)
	2015-16 Budget £m	2015-16 Spend £m	Variance £m
Income			
Rental Income, Other Income	(46.634)	(46.384)	0.250
TOTAL INCOME	(46.634)	(46.384)	0.250
NET POSITION	-	(1.862)	(1.862)

The Housing Revenue Account underspent by £1.9 million in the year compared to a budgeted break-even position. The main factors contributing to the final underspend at 31 March 2016 are:

- › Lower than anticipated loan charges, due to the use of internal balances to fund capital investment, together with slippage on the capital programme (£1.3 million)
- › Underspends in repairs and adaptations to housing stock (£0.5 million)
- › Reduced write off of rent arrears which is reflective of current collection levels (£0.3 million)

The underspend in both General Services and HRA will be carried forward in the Council's reserves and utilised in future financial years.

Capital Investment

Key to the delivery of Council services is investment in the assets which are used to deliver our services. This includes schools, houses, infrastructure and the utilisation of capital funding to stimulate regeneration in local areas. In 201-16 the Council budgeted for a total capital investment of £76.5 million. Capital expenditure amounted to £76.1 million, an underspend of £0.4 million (0.5 percent).

Several major projects were successfully completed during the year, including Saltcoats Town Hall, the Millport Field Centre and the Strategic Investment Site in the Irvine Enterprise Area. Work also continues on the new Irvine Leisure Centre, Garnock School Campus and Largs School Campus which will form part of a significant capital investment programme planned over the coming years. We also continue to develop and build new homes.

The combined programme is illustrated in Exhibit 3 on page 54.

Exhibit 3 - Capital Investment 2015-6

Expenditure	2015-16 Budget £m	2015-16 Spend £m	Variance £m
Housing Revenue Account	21.085	19.972	(1.113)
Place	15.495	16.653	1.158
Education and Youth Employment	19.409	19.631	0.222
Integrated Health and Social Care Partnership	0.293	0.213	(0.080)
Economy and Communities	19.168	18.654	(0.514)
Finance & Corporate Support	1.030	1.038	0.008
Other Corporate Items	0.061	-	(0.061)
TOTAL EXPENDITURE	76.541	76.161	(0.380)

Income	2015-16 Budget £m	2015-16 Spend £m	Variance £m
Prudential Borrowing	(34.239)	(35.011)	(0.772)
Scottish Government Funding	(16.161)	(16.160)	0.001
Use of Funds	(5.100)	(4.737)	0.363
Capital Financed from Current Revenue	(11.107)	(11.097)	0.010
Grants and Contributions	(5.034)	(4.942)	0.092
Capital Receipts	(4.900)	(4.214)	0.686
TOTAL INCOME	(76.541)	(76.161)	0.380

2015-16 Performance Indicators

We collect, report and publish a range of performance information. We use measures that help us track progress on our priorities and provide an overview of how we are delivering services. All of our performance indicators are subject to internal and external audit on a sample basis.

Keen to see more?

More data about our performance measures and how our performance compares with other Councils is available at our North Ayrshire Performs portal on our website at:

www.north-ayrshire.gov.uk/councilperformance

In a number of indicators, 2015-16 performance data is not yet available due to a time lag in production of the data. Where available, performance data covering the last three financial years is included in our North Ayrshire Performs portal. Data which is not available will be published as soon as it is available.

What do you think?

Please take a few minutes to tell us what you think about this Annual Report by completing this short questionnaire.

This can be found online at <https://www.surveymonkey.co.uk/r/CMW68QK>

1. How do you rate the design and layout of the Annual Report?

☐ Very good ☐ Fairly good ☐ Average ☐ Poor

2. How easy is it to read and understand?

☐ Very easy ☐ Fairly easy ☐ Not very easy ☐ Not at all easy

3. How useful is it in informing you about the work of your Council?

☐ Very useful ☐ Fairly useful ☐ Not very useful ☐ Not at all useful

4. Which sections did you find particularly useful?

5. What other information would you like to see in a future Annual Report?

6. Other comments

Thank you for your feedback

Alternatively you can print and complete the questions on this page and return to Policy and Performance, Democratic Services, North Ayrshire Council, Cunninghame House, Irvine KA12 8EE

Or contact Democratic Services, North Ayrshire Council, Cunninghame House, Irvine, KA12 8EE, Tel: 01294 324140.

E-mail us at: northayrshireperforms@north-ayrshire.gov.uk

We will use your feedback to improve future publications.

NORTH AYRSHIRE COUNCIL

Agenda Item 18

14 November 2016

Audit and Scrutiny Committee

Title: **North Ayrshire CCTV Ltd: Monitoring Report**

Purpose: To provide the committee with information on the performance of North Ayrshire CCTV Ltd during 2015/16 and the allocation of funding from the Council and other sources.

Recommendation: That the Committee notes the work of the Company as outlined within this report.

1. Executive Summary

- 1.1 'Following the Public Pound' principles apply to organisations that receive Council funding by the Council. Monitoring reports are required to be presented to the Audit and Scrutiny Committee annually, reviewing the work of the organisation and how it utilises Council funding.
- 1.2 This report provides an overview of the performance of North Ayrshire CCTV Ltd for the year to 31 March 2016.

2. Background

- 2.1 During the financial year ending 31 March 2016, North Ayrshire CCTV Ltd continued to monitor the fifty fixed public space CCTV cameras located throughout North Ayrshire.
- 2.2 The Company also operates a mobile CCTV unit, which can be deployed anywhere in North Ayrshire as required, and has access to two mobile cameras. There is a third deployable camera which is currently not in use. These cameras can be located on demand in areas where there is a need for increased monitoring of public spaces.
- 2.3 The Company has a workforce of five full-time Operators and one full-time Manager, which is currently being covered on an interim basis following the retiral of the previous Manager in December 2014. There is also one additional 'bank' staff officer, who provides cover as required.

- 2.4 Average operating costs for the financial year 2015/16 were £0.254m. Of this expenditure, 66% related to employee costs and 15% to network costs for the transmission of images, with the remainder spent on equipment, maintenance and other administration costs.
- 2.5 The Company is currently operating at an annual deficit and has been for the last two financial years. In order to determine the financial viability of the company moving forward, the CCTV board of directors instructed a financial review, which was completed by Rbt J Hart & Co Chartered Accountants in February 2016. The review determined that under the current business model, the company will have exhausted their financial reserves by May 2018.

Operational Performance

- 2.6 The Company monitors CCTV images throughout all major towns in North Ayrshire. The monitoring is conducted from facilities within Saltcoats Police Office, 21 hours per day, 7 days per week. Recording of all images is undertaken 24 hours per day; these images can be used by Police Scotland and partner agencies in pursuit of criminal investigation and prosecution.
- 2.7 Monitoring and recording during the period to 31 March 2016 resulted in the following statistics (figures for 2014/15 shown in brackets):

Monitoring Station

- Number of reportable incidents logged: 3209 (3687);
- Number of those arrested / reported: 331 (333);
- Number of those receiving Police warnings: 139 (78);
- Number of persons searched: 98 (49).

Mobile CCTV Unit

- Number of deployments of the mobile unit: 727 (915);
 - Number of reportable incidents logged: 432 (336);
 - Number of those arrested / detained: 14 (22);
 - Number of persons searched: 48 (60).
- 2.8 The number of deployments of the mobile CCTV unit is wholly dependant on the tasking requirements of the Multi Agency Problem Solving Group (MAPSG), Police Scotland, North Ayrshire Council and other partner agencies. The figures demonstrate a 20.55% decrease in the number of mobile deployments from the previous year.

- 2.9 The two functioning re-deployable cameras are placed in locations where there is a recognised short-term need for surveillance. Deployment requests are initiated by Police Scotland or North Ayrshire Council's Antisocial Behaviour Investigation Team. Meetings are held between the CCTV Manager, Senior Police Officers and other partner agencies to agree tasking for both the re-deployable cameras, and the mobile CCTV unit.
- 2.10 CCTV systems continue to be viewed both as a crime deterrent and an aid in the detection of crime. CCTV Ltd has determined that the reduction in reportable incidents and subsequent warnings and searches of personnel has been the result of one camera being out of commission for the majority of the year and other camera's being broken intermittently throughout the year.

Financial Arrangements

- 2.11 The Company received funding totalling £241,494 in 2015/16, as follows:
- | | | |
|------------------------|----------|---------|
| North Ayrshire Council | £209,000 | (86.5%) |
| Police Scotland | £ 32,494 | (13.5%) |
- 2.12 Police Scotland is currently undertaking a review of public space CCTV in Scotland. This review is examining funding arrangements, management and governance, information sharing, sustainability and future development, and co-ordination. The findings of the review will inform discussion with local authorities on future funding contributions from the Police towards the provision of CCTV across Scotland.
- 2.13 North Ayrshire Council has undertaken a review of North Ayrshire CCTV Ltd and the provision of public space CCTV in North Ayrshire. A proposal regarding the future of North Ayrshire CCTV was presented to Cabinet on 8th November 2016. The outcome of this proposal was unknown at the time of writing this report.

3. Proposals

- 3.1 It is proposed that the Committee notes the work of the CCTV Company during 2015/16, as outlined in his report.

4. Implications

Financial:	Principal funding for the CCTV Company is provided by North Ayrshire Council. Funding from Police Scotland has been confirmed for 2016/17 but future funding will be dependent on the results of a current review of public space CCTV across Scotland.
Human Resources:	There are no human resource implications for the Council arising from this report. The CCTV company employs its own staff.
Legal:	There are no legal implications arising from this report.
Equality:	There are no equality implications arising from this report.
Environmental & Sustainability:	There are no environmental and sustainability implications arising from this report.
Key Priorities:	The provision of CCTV contributes to the Single Outcome Agreement outcomes 'levels of crime and antisocial behaviour have reduced and crimes being detected have increased' and 'fear of crime and antisocial behaviour has reduced'. It also contributes to the Council Plan priority 'Helping all of our people to stay safe, healthy and active'.
Community Benefits:	North Ayrshire CCTV helps communities feel protected and reduces the fear of crime.

5. Consultation

- 5.1 Consultation has taken place with the Acting CCTV Manager and Company Secretary of North Ayrshire CCTV Ltd in the preparation of this report.

CRAIG HATTON
Executive Director (Place)

Reference : YB/JB

For further information please contact Janeine Barrett, Senior Manager
Homelessness & Community Safety on 01294 314602

Background Papers

0

NORTH AYRSHIRE COUNCIL

Agenda Item 19

14 November 2016

Audit and Scrutiny Committee

Title: **To advise on the Interim Equality Mainstreaming Report and Equality Outcomes for the period 2014 - 2015**

Purpose: To advise on the Interim Equality Mainstreaming Report 2014 - 2015.

Recommendation: That the Audit and Scrutiny Committee scrutinises the Interim Equality Mainstreaming Report 2014 - 2015

1. Executive Summary

- 1.1 The report attached at Appendix 1 is the Interim Equality Mainstreaming and Outcome report for 2015. By law the Council is required to publish a report every two years. This report highlights information on Equality issues in the intervening period.

2. Background

- 2.1 Starting from April 2013, Equality Legislation requires North Ayrshire Council to publish an Equality Mainstreaming Report every 2 years. The last report was published in April 2015, covering the 2013/14 and 2014/15 period.
- 2.2 As the main report covers the previous two year period, so does the interim report. This helps to provide a comparison of statistics over that period and follows the requirements of the legislation, with a rolling approach to the presentation of information and activity.
- 2.3 This interim report provides an update on activities carried out over 2014 and 2015 and in a change from the previous financial year end reporting period, has moved to a calendar year. This is to allow adequate time to collect the relevant statistics and have these published by the end of April deadline in the periods where the Council is required to publish a report.

- 2.4 The change to calendar year reporting means there was less information to draw upon as any additional or new/updated information in this report (compared to the previous report), only covers from April 2015 to December 2015 and comparisons for some elements to 2014.
- 2.5 The mainstreaming element of the report covers issues that consider how the Council is embedding Equality work within its Services, systems and processes and includes Equality Impact Assessments, information on training, procurement processes and accessibility of buildings. It also highlights areas of work that do not fit neatly into our current Equality Outcomes, including Connected Communities and Human Resources Services that carry out functions that promote the Equality agenda. The report contains information on internal processes and engagement and work with the general public that influences equality activity.
- 2.6 In addition to key mainstreaming activities, the Council is required to report upon its 9 Equality Outcomes, which are highlighted in the report.
- 2.7 There is also a requirement to publicise Employee Information, which includes a breakdown for both Council and "Education Authority" staff for Race, Disability, Gender and Age. A specific section on equal pay and the pay gap is included every 2 years and will be reported on in the 2017 report.
- 2.8 Moving into 2017, there are a number of additional considerations for inclusion in the 2017 report. These include a review and consultation on the Equality Outcomes (this is currently taking place); the inclusion of race and disability in equal pay policy and occupational segregation information. Report on plans and progress in promoting diversity in boards. Services will be asked to provide case studies around some of the work they are carrying out to support the collection of qualitative information and bring some of the activities 'to life'.
- 2.9 The Interim report for 2014 - 15 also includes considerations around 'Areas for Improvement' to be taken forward towards the next reporting period.

3.0 The Equality agenda is broad and capturing improvements in outcomes continues to prove challenging, a few key areas where improvements have been made are outlined below -

- Services are more aware of their responsibilities around carrying out Equality Impact Assessments.
- There was an increase in the number of staff accessing Cultural and Sensory Impairment training during 2015.
- There was an increase in the number of buildings meeting the Grade 'A' Accessibility category in relation to disability.
- The Council's internal Domestic Abuse policy was reviewed and updated to align with the Violence Against Women Strategy
- Community Development staff continue to support groups and activities that impact on a range of protected characteristics including age, gender, race and sexual orientation. The LGBT Youth group goes from strength to strength and individual quotes from participants, highlighted in the attached report, support this.
- Rates of Domestic Abuse as seen through the work of the Multi-Agency Domestic Abuse Response Team (MADART), are lower in North Ayrshire compared with the rest of Scotland, with 599 reported incidents during 2015, compared with 691 the previous year.
- A survey carried out in conjunction with the Scottish Transgender Alliance, gathered the views of Trans people's experience of addiction support services and has produced recommendations to improve services for this group.

3. Proposals


3.1 That the Audit and Scrutiny Committee considers this report in detail.

4. Implications

Financial:	None
Human Resources:	The report details NAC employee information in relation to protected characteristics under equality legislation
Legal:	None, although failure of the Council to ensure it is implementing its duties under the Equality Act could lead to Legal challenges.
Equality:	The effective reporting on and scrutiny of the issues within this report help the Council to fulfil its equality duty under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
Environmental & Sustainability:	None
Key Priorities:	Mainstreaming Equalities throughout Services, will help to ensure the Council has robust policies, plans and procedures in place that support all the key priorities
Community Benefits:	None

5. Consultation

- 5.1 There no consultations for this report. Services were asked to submit information in support of this report.



ELMA MURRAY
Chief Executive

Reference : AH/EQ

For further information please contact Andrew Hale on 01294 324148

Background Papers

None

North Ayrshire Council Interim Equality Mainstreaming Report and Equality Outcomes Report

2014 – 2015



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

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Summary and Key Highlights

1. Overview

This interim equality report provides an overview of work going on across the Council to meet the requirements of the Equality Act 2010 and subsequent amendments to this legislation. All public bodies are required to produce a report every 2 years, starting from April 2013. In a change to previous reports, the timeframe for this interim report has been moved from the financial year to the calendar year; this is to allow adequate time for gathering and publishing employee information before the end of April deadline on the two yearly legislative reporting cycle. This interim report covers the intervening period until December 2015 and information is provided by Services across the Council.

The public sector 'specific duties' stipulate the requirements of reporting and are covered in section 1.2 of this report. The key elements are, mainstreaming the equality duty, publishing and reporting on equality outcomes and gathering employee statistics.

2. Key Highlights

Below is a summary of some of the key highlights contained in the report –

- Services are indicating greater awareness of their responsibilities around the Equality Impact Assessment process.
- There was an increase (2.7%) in the number of buildings meeting the Grade 'A' status for Accessibility relating to disability.
- There was an increase in the number of staff accessing Cultural and Sensory Impairment training during 2015.
- The Council's internal Domestic Abuse Policy was reviewed and updated to align with the Violence Against Women Strategy.
- Community Development staff continue to support groups and activities that impact on a range of protected characteristic, including age, gender, race and sexual orientation. The LGBT youth group continues to go from strength to strength, as one participant quotes –
"The group is a safe place. You can be yourself without being scared of what people think. It's like having a family that you can tell anything to and can give you support and help"
- Rates of domestic abuse as reported through the Multi Agency Domestic Abuse Response Team are lower than in the rest of Scotland.
- A survey on Trans people's experience of addictions services, carried out in conjunction with the Scottish Transgender Alliance, has provided recommendations to improve services for this group.

3. Areas for Improvement

Considering the nature of the Equality and Diversity agenda, there is always scope for continuous improvement and the following are underway –

- A review of Equality Impact Assessment training, and consideration of the development of an online impact assessment process as part of this.
- Further work with Services to explore positive outcomes and case studies around equality work.
- Continuing to develop relevant performance indicators that show the difference being made to people's lives.

1. Introduction

This interim mainstreaming report sets out how North Ayrshire Council is meeting its requirements under the Equality Act 2010 and the (Specific Duties) (Scotland) Regulations 2012. From April 2013 the regulations required public bodies to produce and publish a mainstreaming report once every 2 years. In addition the Council has opted to produce an interim report in the intervening years to highlight progress around the Equality Outcomes. Each report covers the previous two year period.

The information contained in this interim report now cover a calendar year, rather than a financial year. This is to provide adequate timescales to collate and interpret the statistical information required by the Equality and Human Rights Commission before the biennial publishing date of the end of April. This means the information in this report runs to the end of December 2015.

Under the Equality Act 2010, the Public Sector Equality duty, or 'general equality duty', requires public authorities in the exercise of their functions to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

These elements of the Act are also referred to as the three key needs of the Act.

1.1 Protected Characteristics

The general equality duty makes it unlawful to discriminate against people around the following protected characteristics: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation (table 1). In addition it also places a duty on Public Authorities to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. The public sector equality duty also covers marriage and civil partnerships, with regard to eliminating unlawful discrimination in employment.

Table 1 – Protected characteristic overview

Characteristic	Overview
Age	Refers to a person belonging to a particular age group, or a range of ages, e.g. 18 – 25 year olds, over 65's. A lot focus in relation to Equality and ages tends to fall on either young or elderly age groups
Disability	A person has a disability if they have a physical or mental impairment which has a substantial and long-term effect on that person's ability to carry out normal day to day activities
Gender	Regarding a woman or a man. Gender related pay issues fall in this category
Gender Reassignment	The process of transitioning from one Gender to another, there are a number of terms relating to this, including <ul style="list-style-type: none">• Transsexual (gender identity is different to biological sex);• Transman, (female at birth but gender identity is male);• Transwoman, (male at birth but gender identity is female);• Non-Binary Gender, (Not exclusively male or female)• Cross-Dressing, (Wearing clothing of opposite sex) More information can be found at www.scottishtrans.org or www.lgbtyouth.org.uk
Race	Refers to a group of people defined by their race, colour and nationality (including citizenship), ethnic or national origins.
Pregnancy and Maternity	Pregnancy is the condition of being pregnant or expecting a baby. Maternity is the period after the birth linked to employment and also covers treating a woman unfavourably because she is breastfeeding.
Religion or Belief	As well as the standard meaning for religion also includes religious and philosophical beliefs, including lack of belief (such as Atheism).

Characteristic	Overview
Sexual Orientation	Whether a persons' sexual attraction is towards their own sex, the opposite sex or to both sexes
Marriage and Civil Partnership	Marriage between same sex couples included; Same sex couples can also have their relationships legally recognised as civil partnerships and must not be treated less favourably than married couples.

1.2 'The Specific Duties'

North Ayrshire Council is committed to fulfilling its equality duties as a public authority under the Act. As a listed authority under the Act the Council is required to meet 'Specific Duties', which are:

- report on mainstreaming the equality duty, (once every two years)
- publish equality outcomes and report progress
- assess and review policies and practices
- gather and use employee information
- publish gender pay gap information
- publish statements on equal pay
- consider award criteria and conditions in relation to public procurement
- publish in a manner that is accessible.

These specific duties are within the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. This report outlines work in North Ayrshire to mainstream the equality duty. It also contains an annual breakdown (covering the previous 2 years) of the information gathered under the duty to gather and use employee information, publish gender pay gap information and publish statements on equal pay.

Additional information in relation to equalities issues in North Ayrshire is available on the North Ayrshire Council website: <http://www.northayrshire.gov.uk/council/strategies-plans-and-policies/equality-policy-and-performance.aspx>. This includes Equality Impact Assessments and the Equality Outcomes agreed in 2013. These Outcomes will be reviewed during 2016 and re-published during April 2017.

2. Mainstreaming the Equality Duty within North Ayrshire Council

2.1 The Importance of Mainstreaming

Mainstreaming equality means a move away from seeing equality issues as an additional part of Council business, to being an integral part of the way the Council thinks and functions. This is a progressive journey for the Council building on previous work in changing attitudes, language and behaviours. It involves not just an understanding of equality policies and procedures but also effective implementation throughout North Ayrshire.

The Equality and Human Rights Commission Scotland outlines the benefits of "mainstreaming the equality duty" as follows:

- Equality becomes part of the structures, behaviours and culture of an authority
- An authority knows and can demonstrate how, in carrying out its functions, it is promoting equality
- Mainstreaming equality contributes to continuous improvement and better performance.

North Ayrshire Council has made progress in integrating equality into the day-to-day working of the Council. This can mainly been seen through the implementation of two key areas - Equality Impact Assessments (especially on budget proposals), and ensuring that these are included with committee reports. This section focuses on mainstreaming across the Council as a whole. It covers work during the from January 2014 to December 2015.

2.2 Equality Impact Assessments

Equality has been integrated into the business of the Council through Equality Impact Assessments (EIAs). These are completed when introducing a new policy or function or when reviewing an existing

policy or function. In addition EIAs on budget efficiency proposals are carried out, with an initial 'screening' required to determine if a full assessment is required.

In essence the EIA process is a way for the Council to analyse policies, practices and procedures and highlight areas of concern where protected characteristic groups may be discriminated against. The EIA process should also help to highlight where changes to procedures may have a positive effect on protected characteristic groups and how Council services are delivered.

An EIA Screening tool and full EIA tool, along with a [Guidance Toolkit](#) are in place to support Services to assess the impact of their functions against the Protected Characteristics. The starting point for assessment is to consider the impact of applying the policy against the needs of the general equality duty. Services must therefore:

- ensure that it does not discriminate unlawfully
- consider how the policy might better advance equality of opportunity, and whether the policy will affect good relations between different groups.

2.3 Cumulative Effects

When a number of proposals are inter-linked the cumulative effect of all of the decisions need to be considered both within and across Council Services. Assessments must include consideration of relevant evidence, and evidence from equality groups e.g. monitoring data, external research and national data.

Services are required to produce EIAs on budget savings and this has been incorporated into the Service Planning and Budgeting Guidance. A section is included in the template submitted to Finance by each service on proposed budget efficiencies so that the EIA findings are highlighted. These are also made available to Elected Members to support them in the decision making process. These [Equality Impact Assessments](#) and screening forms have also been made publically available via with North Ayrshire Council website.

Areas for Improvement

Services are much more aware of their responsibilities regarding carrying out EIA's, however quality of EIA's produced varies from Service to Service. Online EIA training is available and this will be reviewed and re-promoted to Services. Some local authority and NHS Health boards have adopted electronic methods of recording the EIA process and this will be investigated with a view to adopting within North Ayrshire Council

2.4 Committee Reports

When services are submitting reports to North Ayrshire Council Committees equality issues must be taken into account. There is a standard sub-heading within the committee report template on equalities implications along with financial, legal, environmental and human resource implications. The corporate guidance on completing committee reports highlights the statutory duty of North Ayrshire Council in relation to equality considerations and of the role of EIAs. Where EIAs are undertaken these are added as an appendix to the committee report.

Areas for Improvement

There is currently no process in place to indicate when EIA's have been submitted along with committee papers. An audit of committee papers should be carried out to determine the number of EIA's submitted with policy proposals over the course of the year.

2.4 General Equalities Considerations Within Service Planning

Guidance was provided to all North Ayrshire Council services when undertaking their service planning. This highlighted the requirement to undertake EIAs. It also advised services that they should provide an overview within their directorate and service plans with a clear commitment to promoting equality and outline what is being done to achieve equality in planning and delivering services.

2.5 The Corporate Equality Group - Indicators and Action Planning

The Corporate Equality Group has membership from across Council services along with Elected Members, they champion equalities and ensures consistency across the Council. The Equality Action Plan sets out how the Council will deliver on the agreed Equality Outcomes for North Ayrshire. The plan is monitored by the group to ensure progress is being made in achieving our outcomes. The Council uses the 'Covalent' performance management system and updates on the Equality Action Plan are uploaded to this system on a quarterly basis.

The performance indicators with the Equality Action Plan are:

- Percentage of black and ethnic minority NAC employees. Current Figure - **0.7 percent** (slight decrease from previous year of 0.1 percent)
- Percentage of Council Buildings in which all public areas are suitable for and accessible to disabled people – **currently 62 percent (1 percent increase from previous year)**
- Percentage of council employees in top 5% of earners that are women – currently **54 percent** (same as previous year)
- Percentage of NAC employees who have recorded as having a disability. Currently **2.3 percent** (slight increase from previous year of 0.3 percent)

Areas for Improvement

Performance indicators to be reviewed moving forward into 2016-17. The layout of the Equality Action Plan on Covalent to be adjusted to better reflect each Council Directorate input against each Equality Outcome. This will provide a better overview of who is contributing to what. Some services by their nature have a bigger involvement in Equality related actions and by flagging this up other services may have a clearer idea of where they can contribute.

2.6 Training on Equalities Issues

North Ayrshire Council uses an e-learning course. There is also a half day face to face training course predominantly aimed at manual staff. The e-learning and face to face courses are designed to raise awareness of equalities issues to all employees and to ensure that staff are knowledgeable about their responsibilities. An input on equality and diversity is also included in the Corporate Induction training day. In addition to these generic courses specific awareness and training is provided by Connected Communities on Cultural Awareness and the Health and Social Care Partnership on Sensory Impairment. Figures for training for 2014 to December 2015 are included in the tables below.

Table 1 - Equality Based training 2015 and 2014

<i>Courses for 2015 (until Q3)</i>	<i>Numbers Attending/completing</i>	<i>Courses for 2014 (until Q3)</i>	<i>Numbers Attending/completing</i>
<i>Equalities E-Learning</i>	77	<i>Equalities E-Learning</i>	492
<i>Equalities – Half day training*</i>	0	<i>Equalities – Half day training*</i>	0
<i>Cultural Awareness</i>	26	<i>Cultural Awareness</i>	0
<i>Sensory Impairment</i>	26	<i>Sensory Impairment</i>	8

*On demand course

Since basic equality training commenced 1844 or 28 percent of staff have had an awareness session relating to Equality and Diversity issues.

Areas for Improvement

A review of the online training is required and re-issued to staff.

2.7 Procurement

At North Ayrshire Council, we ensure that we comply with the Equality Act 2010, in all our procurement activities. We also encourage our suppliers to do the same.

Areas for Improvement

The current Procurement strategy is being re-drafted, equality considerations to be included in the 2017 Mainstreaming Report.

2.8 Accessibility Audit

The Council aims to provide convenient access to all buildings offering open public access to members of the public. The current portfolio has been audited and any issues identified have been reported with necessary corrective actions noted.

As part of our ongoing Estate re-modelling strategy, it is proposed to improve our 'Public Accessible' buildings during any refurbishment or new build programmed works. The re-modelling of the Estate has also allowed us to identify surplus buildings that are considered no longer fit for purpose. This has led to the disposal of certain surplus buildings, which has had an impact on previous grade C and D assessed buildings.

In general and where practical, any minor re-decoration works will take into consideration the recommendations outlined in the Audits previously commissioned. The works will be carried out with reference to and guidance from British Standard 8300, which deals specifically with Equality requirements.

The replacement/installation of appropriate signage and acoustic equipment, such as induction loop systems will also be taken into consideration and addressed accordingly.

The 2015 figures were reported as follows –

Grade A properties = 3.7%
Grade B properties = 58.3%
Grade C properties = 38%
Grade D properties = no more Council properties of this grading.

These figures show a 2.7% increase in properties meeting the Grade A standard from 2014.

The 2014 figures were reported as follows:

Grade A properties = 1%
Grade B properties = 60%
Grade C properties = 39%
Grade D properties = 0%

The figures for 2014 show an increase of approx. 7%, in comparison to 2013 figures, which were;

A Grade properties = 0%
B Grade properties = 53.46%
C Grade properties = 45.54%
D Grade properties = 0.99%

Grade A -	properties are considered to be fully compliant.
Grade B -	properties are considered to be reasonably compliant and currently provide ease of access to all users in terms of the services offered.
Grade C -	Are non-compliant with a degree of working required to meet the standard; properties have been analysed and all faults found have been extracted from the main report and categorised, with high priority issues noted and will be actioned as soon as possible.
Grade D -	Non-compliant with a high level of work requiring to be carried out; properties require substantial works to be carried out in order to make them partially compliant.

Additional Information

An increase in the current accessible properties % shown; reflects completion of refurbishment work to Bridgegate House, automated door system installed to Harbour Arts Centre and Refurbishment works to West Kilbride Community Centre. New build Dirrans Day Centre replaces previous and the opening of the refurbished Stevenston Institute.

All Services have been requested to complete online training relating to 'Equality Awareness', those considered 'Public Facing' will assist with improving awarded access grades given to each relevant building. (Note: From 101. properties, 91 are now considered operational, 4 previously B Graded properties are now surplus; 37 are graded C, (5 C Graded and 1 D Graded property are now surplus).

Protected Characteristic Supported: Disability

3. Mainstreaming the Equality Duty Across North Ayrshire

The Council carries out a wide range of activities that supports equality work both across its communities and within Council Services. This section highlights examples of work carried out that helps to advance equality of opportunity or foster good relations between those who share a protected characteristic and those who do not.

Redburn Gypsy Travellers Partnership 2015 - 2016

The Gypsy Travellers partnership provides a range of activities for residents who live on the Redburn Travellers site. The partners include various Council services as well as Police Scotland, NHS Ayrshire and Arran, Parenting and Early Years.

Activities over the year have included:

- A Consultation on potential learning opportunities
- NHS nurse practitioners run health checks and various health initiatives are in place including childsmile, opticians, and GP surgery on Friday mornings
- All children residing on site were given cash for kids vouchers in December 2015
- A successful funding bid from the Scottish Government will allow proper internet access which will enhance learning opportunities at the site.

Areas for Development

- Access to online health and wellbeing information
- Youth group multimedia project
- Provide learners with up to date Driving theory and mock tests
- Opportunity to access Department of Works and Pensions information
- Facility to search for employment opportunities, insurance and online banking
- Wi-Fi access would allow for i-pads to be fully utilised with the school and Youth group.

Protected Characteristics Supported – Race, Pregnancy and Maternity, Age, Sex Ayrshire Minority Ethnic Communities Association (AMECA)

AMECA is a local organisation that represents various cultural groups across North Ayrshire. The Association organises multicultural activities and provides guidance, support and advocacy to members of Minority Ethnic communities.

The association has been supported by the Council since its inception. We currently provide a sessional worker to support its work. International Women's Day was promoted on 7 March 2015, with a local event that was attended by over 100 people. The Association also has its own Sessional worker who links with the Council to support the delivery of Cultural Awareness training to staff.

The AMECA centre, which is based in Irvine, has been supporting new families from Afghanistan on day to day living issues. Key areas of work supported by the Council include:

- Training and support for the AMECA management committee, which consists of (Black and Minority Ethnic) membership, in managing the centre, and providing support to the Support Worker from the BME community.
- In July 2015 the Chinese Community were given assistance to apply for funding for the Kat O Lok Fu Chinese Elderly Lunch Group, which meets every two weeks in the Volunteer Rooms, Irvine. The community were also supported in applying for CDGS funding for the Chinese Information and Advice centre based at Parterre Halls in Irvine.

Protected Characteristics Supported – Race, Age, Gender

Youth Services Work

- Lesbian Gay Bi-sexual and Transgender (LGBT) History Month - Leap out the closet Twitter campaign - young people sharing a message a day to empower LGBT people and educate people on language and pronouns
- Young people carried out a 24 hour fitness fund-raiser, running nearly 700 miles and using a cross-trainer. The distance represented the distance between their local group in Kilwinning to Cologne in Germany - where the first LGBT memorial statue was resurrected in memory of LGBT people persecuted in WW1
- LGBT youth groups continue to run on a weekly basis.

Support offered to Older People

Celebration of the Achievements of Older Peoples Arts Exhibition, 14-21

October 2015

- Celebration showcased a range of Art, photography, intergenerational projects and craft work older people were involved in **34** people exhibited, **42** people attended the launch.

Access all Areas ‘Come and Try’ event 26-30th October 2015

- A Local Art group (all over 65) planned and delivered an exhibition and free come and try art sessions with **20** participants.

Talent on Tour 27.10.15

- 28 members of a community singing group (oldest member 94) entertained residents from residential units in an afternoon of song. A combined total of **78** participants on the day.

Living Voices, March-October 2015

- (Partnership between Community Development Team and Scottish Poetry library).
- Pilot project which used storytelling to explore common themes, **8** older women took part in the programme. This culminated in a ‘Sharing Event’ (21.10.15) which was attended by **35** people.

Protected Characteristics Supported - Age

Intergenerational Work

A wide range of intergenerational work is facilitated by the Council's Community Development team. A sample of activities are outlined below –

- West Kilbride World War 2 Project.
- Intergenerational Quizzes
- Facilitating connections between Age Concern and Secondary Schools
- Celebration of the achievements of older people's Art Exhibition.
- Access All areas ‘Come and Try’ art event
- ‘Talent on Tour’ singing group (oldest member 94 years), entertained residents in residential units
- Lifting Voices storytelling programme

In total approximately 400 people from older groups and children from primary schools have been

involved in events over the year.

Protected Characteristic Supported: Age, Gender.

3.1 Human Resources

The Council's Human Resource department continue to support and promote the Equality Agenda, through the development of Policies and Procedures and through support for training. Key areas of work carried out include –

Agile Working

The Council continues to cascade information on agile working to all staff. Agile working procedures were reviewed in September 2014 and support employees to maintain or achieve better worklife balance. Proposed changes to Flexitime and Special Leave policies are designed to further promote agile and flexible working for all employees (including for the first time Chief Officials), promoting our family friendly policies, and include completely flexible working hours (no core hours), increases in flexi leave entitlement and flexi hours carry forward, and new on-line booking system.

Revised and re-launched Domestic Abuse Policy and Guidelines

With support from Elected Members, we reviewed and updated our Domestic Abuse Policy, to align it with the Council's Violence Against Women Strategy 2015-18 and reinforce the Council's view that domestic abuse is unacceptable and inexcusable, bringing together, in a single document, our policy statement, taking into account recent best practice advice and template policy guidance from COSLA, as well as strengthening and incorporating our existing guidance for Managers and Employees to support any employee, male or female, who may be experiencing domestic abuse and encourage them to come forward and seek support. We have also updated contact details for sources of support, both within and outwith the Council through the HR Operations and Health & Safety teams and external support organisations.

Employee Stress Survey

We undertook a Pilot Survey in selected Services to test new on-line externally procured Questionnaire software, and will run a full Council survey for all employees next year.

Shared Parental Leave

A policy and Human Resource guide on Shared Parental leave has been developed in line with legislation. This allows employees to share their maternity leave with their partner.

Equality Impact Assessment (EIA) Guidance

New Guidance for HR team members was issued on completing EIA's effectively, to augment and complement our existing on-line EIA toolkit.

3.2 Health and Social Care Partnership

The Health & Social Care Partnership came into existence on 2nd April 2015 and was the first integrated partnership in Scotland. By working in partnership, Primary Health and Social Care Services provide a seamless care service to local people in North Ayrshire and ensure their health and care needs are met.

The partnership is committed to ensuring all people in North Ayrshire are able live a safe, health and active life regardless of a person's background or unique characteristics. The partnership's vision is underpinned by its 7 values; for each person we support, we will be: Person Centred, Respectful, Efficient, Caring, Inclusive, Honest, and Innovative.

In our first year we have supported the equality agenda by:

Getting it right for you: North Ayrshire Children's Services Plan 2016-2020

Contributing to the development of the North Ayrshire Children's Services Plan 2016-2020. The plan aims to address the key needs identified by the young people of North Ayrshire. The plan outlines key promises, that services will deliver to children and young people to support them have the best start in life. Children services with the HSCP will be restructured in order to meet the requirements of the plan.

Scottish Transgender Alliance

Initiating a national survey carried out by the Scottish Transgender Alliance. This research gathered the views of Trans people's experience of engaging with addiction support services. This research has produced a series of recommendations to improve services for this service user group.

Locality Planning

The HSCP has initiated Locality Planning forums who will undertake a key role in future strategic planning of services. The development of these forums will allow for the unique needs of each locality to be identified and addressed. The forums will engage with local people and afford them an opportunity to shape health and care services in their local communities.

Carers

In preparation for the implementation of the Carers (Scotland) Act 2016, service are moving towards making North Ayrshire a 'Caring Community'. This involves engaging local businesses and services to support them fully understand the needs of unpaid carers. Many local business have signed up to a Carers Appreciation card that will afford unpaid carers various discounts and promotions with local businesses.

4. Employee Information

As part of this mainstreaming equalities report a breakdown of North Ayrshire Council and “Education Authority” employee information is required. This is detailed below for North Ayrshire Council staff as a whole and for “Education Authority” staff (i.e. teaching staff) separately in relation to the themes of race, disability, gender and equal pay.

4.1 Race

The race employment monitoring statistics for 2014/15 (all employees) in Table 1 (2015) and 2 (2014) are presented in detail. These figures indicate that the percentage number of staff in each year has remained relatively stable. Employees classed as ‘white’, have seen a drop from 82.9% to 80.6% or a 2.3% decrease and an overall 3.2% decrease since 2013. The ‘Other ethnicity’ category has remained the same at 0.8%.

Data from the 2011 Census indicates that approximately 1.1% of the population of North Ayrshire were from an ethnic background other than white. This is more than the current ethnic workforce of 0.8% or 57 employees. To place this in context, due to the small numbers involved an additional 18 staff from the ‘Other Ethnicity’ category would bring the Council in line with the population statistics for North Ayrshire.

The majority of minority ethnic staff, 21 employees or 0.3% of the total workforce are employed in grades 4 – 7. The highest percentage of minority ethnic staff as a total percentage of any particular grade sit within Grades 1 -3 (9 staff or 1.0%) and 11 – 17 (3 staff, 1.1%). This indicates a balanced spread of staff by ‘other ethnicity’ across the Council by grade.

Education Staff

Information regarding applications, interviews and new starts, for teaching based staff is included with the overall council information. The percentage of ‘Other Ethnicity’ in the general teaching grade is 1.5% (16 employees). This is slightly higher than the population average and includes promoted teaching posts within this. The Promoted teacher posts have also remained static over the last two years at 0.6% (2 employees).

Table 1 – Race Employment Monitoring Statistics 2015

2015	White		Other Ethnicity		Not disclosed		Total
	Number	%	Number	%	Number	%	
Grades 1 - 3	825	89.5%	9	1.0%	88	9.5%	922
Grades 4 - 7	2,651	86.1%	21	0.7%	407	13.2%	3,079
Grades 8 - 10	780	85.2%	8	0.9%	127	13.9%	915
Grades 11 - 17	243	85.3%	3	1.1%	39	13.7%	285
Other	88	87.1%	0	0.0%	13	12.9%	101
Principal Officer	11	61.1%	0	0.0%	7	38.9%	18
Promoted teacher	279	82.5%	2	0.6%	57	16.9%	338
Teacher	806	67.7%	14	1.2%	370	31.1%	1,190
Total Workforce	5683	80.6%	57	0.8%	1108	18.8%	6848

Table 2 - Race Employment Monitoring Statistics 2014

2014	White		Other Ethnicity		Not disclosed		Total
	Number	%	Number	%	Number	%	
Grades 1 - 3	891	90.5%	8	0.8%	85	8.6%	984
Grades 4 - 7	2453	87.3%	21	0.7%	335	11.9%	2809
Grades 8 - 10	769	85.2%	12	1.3%	122	13.5%	903
Grades 11 - 17	241	85.8%	1	0.4%	39	13.9%	281
Other	115	69.3%	0	0.0%	51	30.7%	166
Principal Officer	8	57.1%	0	0.0%	6	42.9%	14
Teacher	768	65.3%	10	0.9%	398	33.8%	1176
Promoted teacher	285	85.3%	2	0.6%	47	14.1%	334
Total Workforce	5530	82.9%	54	0.8%	1083	16.2%	6667

Training Figures by Ethnicity

Table 3 and 4 highlight training by ethnicity, indicating that relative to the other categories the percentage of 'Other Ethnicity' staff (51.2%) attending some form of training during 2015 is lower than 'white' staff (55.8%) but higher than not disclosed 47%. This is opposite compared to the 2014 figures that showed a higher % of 'Other Ethnic' staff involved in training. In interpreting these figures, small changes to 'Other Ethnic' staff will produce a larger percentage change, there are 3 more staff working for the Council than in the previous year and one less participating in training, providing a 6% difference in the figures.

With temporary staff the number trained as a percentage is significantly less than the 'white' category but again this reflects a difference of only 2 additional staff in 2015, with one less trained than in 2014. This information will continue to be monitored each year for longer term trends.

Table 3 – Training figures by Ethnicity 2015

Permanent	Headcount	Received Training		Temporary	Headcount	Received Training	
			%				%
White	5,011	2,795	55.8%	White	672	337	50.1%
Other Ethnicity	43	22	51.2%	Other Ethnicity	14	4	28.6%
Not Disclosed	887	417	47.0%	Not Disclosed	221	82	37.1%

Table 4 – Training figures by Ethnicity 2014

Permanent	Headcount	Received Training	%	Temporary	Staff	Receiving training	%
White	4807	2315	48.2%	White	716	348	48.6%
Other Ethnicity	40	23	57.5%	BME	12	5	41.7%
Not Disclosed	806	317	39.3%	Not disclosed	271	75	27.7%

Retention figures by Ethnicity

Table 5 and 6 highlight retention by ethnicity by year, with 2015 figures for permanent and temporary staff showing a higher percentage turnover for other 'ethnicity'. Again due to lower numbers of 'Other Ethnic' staff slight changes to this number will affect the percentages in a larger direction. The 2015 percentage figure indicate a narrowing of the retention figures between white and other ethnic staff, meaning these figures are moving in a positive direction. Information will be monitored closely over time to identify if there are any trends appearing from the retention figures.

Table 5 – Retention figures by Ethnicity 2015

Permanent	Headcount	Leavers	% turnover	Temporary	Headcount	Leavers	% Turnover
White	5,011	286	5.7%	White	672	177	26.3%
Other Ethnicity	43	3	7.0%	Other Ethnicity	14	4	28.6%
Not Disclosed	887	48	5.4%	Not Disclosed	221	59	26.7%

Table 6 – Retention figures by Ethnicity 2014

Permanent	Head count	Leavers	% turnover	Temporary	Head count	Leavers	% turnover
White	4807	318	6.6%	White	716	133	18.6%
Other Ethnicity	40	4	10.0%	Other Ethnicity	12	3	25.0%
Not Disclosed	806	49	6.1%	Not disclosed	271	42	15.5%

Application figures by Ethnicity

Applicants/Employees as they move from application to leaving the Council.

The percentage of Applicants from the 'other ethnic' category during 2015 was 2.8%, an increase from 2014 of 1.2% or an additional 13 applicants. The number of new starts rose 1 but as a percentage of new starts decreased overall by 0.2%. Of note is the increase in the numbers interviewed from the previous year, both in number, (an additional 5) and percentage (additional 0.4%).

The numbers in the 'other ethnicity' category are generally low and therefore small changes in numbers can affect the overall percentages more dramatically.

Table 7 - Application figures by Ethnicity 2015

2015	White		Other		Not disclosed		Total
	Number	%	Number	%	Number	%	
Applicant	3,804	95.2%	113	2.8%	77	1.9%	3,994
Interviewed	1,519	95.1%	29	1.8%	50	3.1%	1,598
New Start	470	64.5%	8	1.1%	251	34.4%	729
Leavers	463	80.2%	7	1.2%	107	18.5%	577

Table 8 - Application figures by Ethnicity 2014

2014	White		Other Ethnicity		Not disclosed		Total
	Number	%	Number	%	Number	%	
Applicants	6187	97.4%	103	1.6%	64	1.0%	6354
Interviewed	1634	97.8%	24	1.4%	13	0.8%	1671
New starts	406	73.3%	7	1.3%	141	25.5%	554
Leavers	479	83.6%	6	1.0%	88	15.4%	573

4.2 Disability

The disability employment monitoring statistics (all employees) are provided at Tables 9 (2015) and Table 10 (2014). The percentage of employees recorded as having a disability remained exactly the same at 2.1% across both years.

This is, however, unlikely to reflect the actual number of Council employees who could be defined as having a disability. Many people who are eligible do not record themselves as having a disability, as they do not consider the term applicable to them. It is an issue common to all Scottish Councils. Further work would be required to encourage staff to disclose any disability they have and to make staff aware of what constitutes a disability.

Table 9 -Disability Employment Monitoring (2015)

2015	Disabled		Not Disabled		Not Disclosed		Total
	Number	%	Number	%	Number	%	
Grades 1 - 3	22	2.4%	776	84.2%	124	13.4%	922
Grades 4 - 7	60	1.9%	2,496	81.1%	523	17.0%	3,079
Grades 8 - 10	21	2.3%	743	81.2%	151	16.5%	915
Grades 11 - 17	9	3.2%	231	81.1%	45	15.8%	285
Other	5	5.0%	84	83.2%	12	11.9%	101
Principal Officer	0	0.0%	11	61.1%	7	38.9%	18
Promoted teacher	4	1.2%	268	79.3%	66	19.5%	338
Teacher	26	2.2%	762	64.0%	402	33.8%	1,190
Total	147	2.1%	5,371	78.4%	1,330	19.4%	6,848

Regarding grades, the highest percentage of disabled staff fall within Grades 11-17, at 9 or 3.2% of that grading category, followed by grades 1 -3 (2.4%) and 8 – 10 (2.3%) respectively.

Table 10– Disability Employment Monitoring (2014)

2014	Disabled		Not Disabled		Not disclosed		Total
	Number	%	Number	%	Number	%	
Grades 1 - 3	19	1.9%	829	84.2%	136	13.8%	984
Grades 4 - 7	46	1.6%	2308	82.2%	455	16.2%	2809
Grades 8 - 10	20	2.2%	735	81.4%	148	16.4%	903
Grades 11 - 17	8	2.8%	229	81.5%	44	15.7%	281
Other	5	3.0%	100	60.2%	61	36.7%	166
Principal Officer		0.0%	8	57.1%	6	42.9%	14
Teacher	30	2.6%	707	60.1%	439	37.3%	1176
Promoted teacher	3	0.9%	275	82.3%	56	16.8%	334
Total Workforce	131	2.1%	5191	77.9%	1345	20.2%	6667

As with 2013, the bulk of disabled staff, compared to the total workforce are employed in Grades 4 – 7, at 46 (1.6%), followed by grades 1 – 3 and 8 – 10 respectively.

Education Staff

The levels of staff with a disability has changed slightly between 2014, falling from 3.4% to 2.9% in 2015. The actual number of staff employed with a disability during 2014 was 33 teaching staff and 2 staff in a promoted post to 26 teaching staff and 4 promoted posts in 2015. This is a difference of 5 posts and has been affected by increases in non-disabled staff over this period.

There are no recent comparable census figures are available for disability. The 2011 census did not ask a specific question on disability.

Training Monitoring Statistics for Disabled Employees

Tables 11 and 12 provide information highlighting the percentage of disabled staff receiving training and shows a slightly higher number of non-disabled staff (55.8% vs 51.3%) receiving training during 2015. This figure was much closer in 2014, with only a 1.3% difference. To place this in context an extra 6 disabled staff receiving training during 2015 would balance these figures. Interestingly all categories show an increase in staff participating in training from 2014 to 2015.

Training for temporary staff indicates a higher percentage of disabled staff receiving training than non-disabled staff, however this figure is 8 percentage points lower than in 2014.

Table 11 – Staff Development/Training for Permanent and Temporary Disabled Employees 2015

Permanent	Headcount	Received Training	%	Temporary	Headcount	Received Training	%
Disabled	115	59	51.3%	Disabled	32	17	53.1%
Not Disabled	4,728	2,639	55.8%	Not Disabled	643	324	50.4%
Not Disclosed	1,098	536	48.8%	Not Disclosed	232	82	35.3%

Table 12 – Staff Development/Training for Permanent and Temporary Disabled Employees 2014

Disability Permanent Staff	Staff	Received Training	%	Temporary Staff	Received training	%
Disabled	104	49	47.1%	31	19	61.3%
Not Disabled	4530	2194	48.4%	652	310	47.5%
Not Disclosed	1019	412	40.4%	316	99	31.3%

Retention figures for Disabled Employees

Tables 13 and 14 provide retention figures for all disabled and non-disabled employees. The percentage turnover for disabled staff is slightly higher in 2015, 7.8% compared against non-disabled staff and 1.1% higher than in 2014, which relates to two more staff leaving during 2015 than 2014. As with other figures in this report, any changes to the smaller numbers of disabled employees can impact the percentages up or down fairly significantly. The figures do not indicate an issue in relation to retention of disabled employees however with any change these will be monitored over subsequent years to identify any emerging patterns.

Table 13 – Retention figures 2015

Permanent	Headcount	Leavers	% Turnover	Temporary	Headcount	Leavers	% Turnover
Disabled	115	9	7.8%	Disabled	32	7	21.9%
Not Disabled	4,728	269	5.7%	Not Disabled	643	167	26.0%
Not Disclosed	1,098	59	5.4%	Not Disclosed	232	66	28.4%

Table 14 – Retention figures 2014

Disability Permanent Staff	Head count	Leavers	% turnover	Disability Temporary Staff	Head count	Leavers	% turnover
Disabled	104	7	6.7%	Disabled	31	6	19.4%
Not Disabled	4530	296	6.5%	Not Disabled	652	125	19.2%
Not Disclosed	1019	68	6.7%	Not Disclosed	316	47	14.9%

The number of applicants has dropped from 4.9% (2014) of all applicants to 3.7% (2015) of all applicants, with only a slight reduction in the percentage of new starts during 2015. There were actually 4 additional employees classified as having a disability employed during 2015 than in 2014. However the number interviewed as a percentage of applicants has remained fairly high at 4.4% and 5.6% each year respectively. Discrepancies between some of the figures relate to applicants during one year and interviews taking place in the next year.

Table 15 – Application Figures 2015

	Non-Disabled		Disabled		Not Disclosed		Total
		%		%		%	
Applicant	3,756	94.0%	149	3.7%	89	2.2%	3,994
Interviewed	1,478	92.5%	70	4.4%	50	3.1%	1,598
New Start	471	64.6%	21	2.9%	237	32.5%	729
Leavers	463	80.2%	16	2.8%	125	21.7%	577

Table 16 – Application Figures 2014

2014	Disabled		Not Disabled		Not disclosed		Total
	Number	%	Number	%	Number	%	
Applicants	300	4.7%	5987	94.2%	67	1.1%	6354
Interviewed	94	5.6%	1557	93.2%	20	1.2%	1671
New starts	17	3.1%	353	63.7%	184	33.2%	554
Leavers	15	2.6%	446	77.8%	112	19.5%	573

4.3 Gender

The gender employment monitoring statistics are provided at Table 17 (2015) and Table 18 (2015). During 2015, 73.4% of staff were female and 26.6% were male. The proportion of males to females employed by North Ayrshire Council has remained fairly static over the last 2 years, with a slight percentage shift towards more male staff (0.4% more than in 2014)

As we move through the grades to more senior roles, in general the number of female to male staff decreases. This is illustrated in charts 2 and 3 below; these figures follow a similar pattern each year. Not referred to in the tables, but of note, is the outcome for 2014/15 Statutory Performance Indicator relating to the top 5% of earners which shows that in the top 5%, 54% are women.

Table 17 – Gender Employment Monitoring (2015)

2015	Females		Males		Total
	Number	%	Number	%	
Grades 1 - 3	666	72.2%	256	27.8%	922
Grades 4 - 7	2,292	74.4%	787	25.6%	3,079
Grades 8 - 10	606	66.2%	309	33.8%	915
Grades 11 - 17	164	57.5%	121	42.5%	285
Other	57	56.4%	44	43.6%	101
Principal Officer	11	61.1%	7	38.9%	18
Promoted teacher	255	75.4%	83	24.6%	338
Teacher	974	81.8%	216	18.2%	1,190
Total	5,025	73.4%	1,823	26.6%	6,848

Table 18 – Gender Employment Monitoring 2014

2014	Female		Male		Total
	Number	%	Number	%	
Grades 1 - 3	754	76.6%	230	23.4%	984
Grades 4 - 7	2044	72.8%	765	27.2%	2809
Grades 8 - 10	593	65.7%	310	34.3%	903
Grades 11 - 17	163	58.0%	118	42.0%	281
Other	75	45.2%	91	54.8%	166
Principal Officer	7	50.0%	7	50.0%	14
Teacher	985	83.8%	191	16.2%	1176
Promoted teacher	245	73.4%	89	26.6%	334
Total Workforce	4866	73.0%	1801	27.0%	6667

Applicants by Gender

Table 19 and 20 show applicants, interviews, new starts and leavers by gender for 2015 and 2014. This shows that there were more female applicants in 2014 than in 2015. The number and percentage of female staff appointed during 2015 was higher than in 2014, with a slight opposite trend in the other direction for male employees. These figures fluctuate slightly year on year but no overall trend has been identified.

Table 19 –Applicants by Gender 2015

	Female		Male		Not Disclosed		Total
	Number	%	Number	%	Number	%	
Applicant	2,395	60.0%	1,549	38.8%	50	1.3%	3,994
Interviewed	1,031	64.5%	532	33.3%	35	2.2%	1,598
New Start	528	72.4%	201	27.6%	0	0.0%	729
Leavers	341	59.1%	236	40.9%	0	0.0%	577

Table 20 – Applicants by Gender 2014

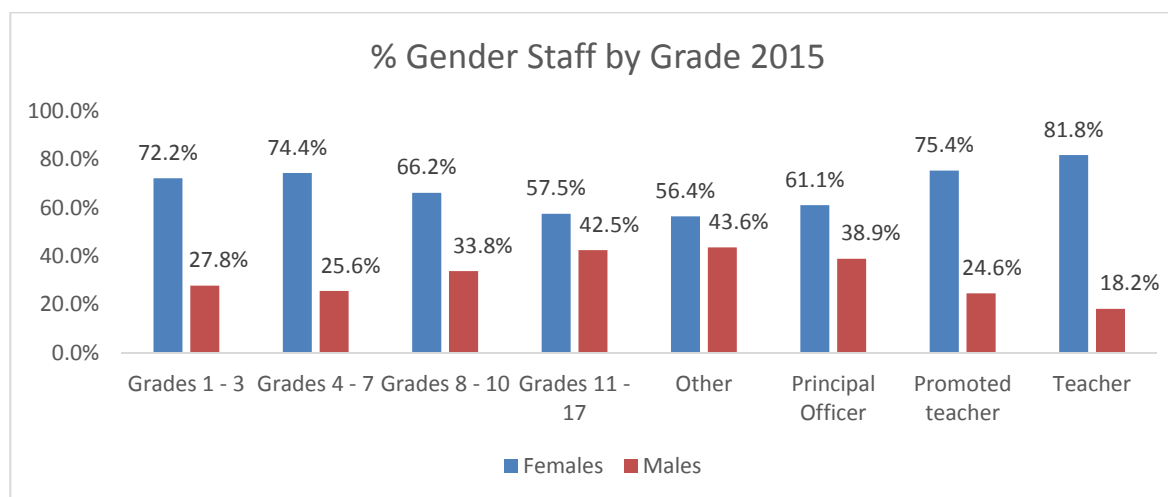
2014	Female		Male		Total
	Number	%	Number	%	
Applicants	4001	63.2%	2334	36.8%	6335
Interviewed	1197	71.8%	469	28.2%	1666
Appointed	485	71.1%	197	28.9%	682
New starts	366	66.1%	188	33.9%	554
Leavers	362	63.2%	211	36.8%	573

Charts 1 shows the percentage of male/female staff by grade.

As you go up the Grades from 1 to 17 the prevalence of female staff declines as a percentage whereas it increases for male staff. Similarly this same pattern is visible in the move from Teacher to Promoted Teacher. Although North Ayrshire has a higher percentage of female staff in the top 5% paid employees, the trend seen in chart 1 was similar in 2014 and is generally a reflection of current practices in the workplace.

The other category comprises both Modern Apprentices and Craft apprentices.

Chart 1



Training and development by Gender

Table 21 indicates that during 2015 a higher percentage of male permanent staff participated in training than female staff. This is a Occupational segregation is often used to explain the differences in the types of training available that will be relevant to staff depending on their role, with a higher percentage of male staff tending to work in traditional manual based jobs. Although still requiring training to support them to perform their duties, many occupations will not have as wide a training requirement than others. During 2014 a much higher percentage of female staff received training.

Table 21 - Staff Development/Training for Permanent and Temporary staff by Gender 2015

Permanent	Headcount	Received Training	%	Temporary	Headcount	Received Training	%
Female	4,370	2,291	52.4%	Female	655	315	48.1%
Male	1,571	943	60.0%	Male	252	108	42.9%

Table 22- Staff Development/Training for Permanent and Temporary staff by Gender 2014

Permanent	Headcount	Received Training	%	Temporary	Headcount	Received Training	%
Female	4165	2062	49.5%	Female	707	331	46.8%
Male	1488	593	39.9%	Male	292	97	33.2%

Staff Retention Figures by Gender

During 2015, there was a slightly higher percentage of male leavers to female leavers in permanent staff across the Council. The percentage turnover figures were lower in 2015, when compared to 2014. This figure is not significant and again could be due to changes in certain occupations and will be monitored over time to identify potential trends.

Table 23–Staff Retention figures Permanent and Temporary staff by Gender 2015

Gender	Headcount	Leavers	Turnover	Gender	Headcount	Leavers	turnover
Females	4,370	229	5.2%	Females	655	112	17.1%
Males	1,571	108	6.9%	Males	252	128	50.8%

Table 24 –Staff Retention figures Permanent and Temporary staff by Gender 2014

Gender	Head count	Leavers	Turnover	Gender	Head count	Leavers	% turnover
Female	4165	239	5.7%	Female	707	94	13.3%
Male	1488	132	8.9%	Male	292	84	28.8%

4.4 Employee Monitoring Statistics - Age

The council has a predominantly ageing workforce. Table 25 provides a breakdown of applicants, interviews and appointments per age grouping for 2015. The figures for 2015 indicate a larger proportion of applicants in the 20 – 29 age ranges. However the highest percentage of interviewed staff took place in the under 20 (38.8%) and the 45 – 49 (33.4%) age groups. North Ayrshire has a relatively high percentage of unemployed young people and has been implementing a range of measures to try and support young people into work. These include the modern apprentice programme and the Graduate Trainee programme.

Table 25 - Employment Monitoring Statistics (2015)

Group	Applicant		Interviewed		Total
	Number	%	Number	%	
Under 20	237	61.2%	150	38.8%	387
20-24	646	79.3%	169	20.7%	815
25-29	642	77.0%	192	23.0%	834
30-34	458	73.0%	169	27.0%	627
35-39	416	70.0%	178	30.0%	594
40-44	419	68.2%	195	31.8%	614
45-49	412	66.6%	207	33.4%	619
50-54	351	68.2%	164	31.8%	515
55-59	255	72.4%	97	27.6%	352
60-64	71	74.0%	25	26.0%	96
65-69	7	70.0%	3	30.0%	10
70 and Over	3	75.0%	1	25.0%	4
Not Disclosed	77	61.6%	48	38.4%	125

5. Specific Report on Education and Youth Employment

As outlined in Section 1 of this report under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 there is a requirement to publish a mainstreaming report. This duty applies to public authorities. Public authorities include:

- A council constituted under section 2 of the Local Government etc (Scotland) Act 1994,
- An education authority in Scotland (within the meaning of section 135(1) of the Education (Scotland) Act 1980,
- A licensing board established under section 5 of the Licensing (Scotland) Act 2005, or continued in being by virtue of that section.

While this report as a whole covers the Council, this section in particular relates to the work of Education and Skills (i.e. the “Education Authority”) within North Ayrshire and the North Ayrshire Licensing Board.

6.1 Education and Youth Employment

Mainstreaming of Equalities in schools is evident in the delivery of A Curriculum for Excellence, within which schools take advantage of opportunities to explore issues and topics around equality and diversity in general, and to discuss attitudes, prejudices and beliefs. Curricular areas, in particular Health and Wellbeing, Expressive Arts, Religious and Moral Education, and Social Studies lend themselves to study, discussion and reflection relating directly to Equality.

Within the four capacities which the Curriculum for Excellence promotes, the aim of developing responsible citizens is supported by programmes which encourage showing respect for others, understanding different beliefs and cultures and developing informed, ethical views of complex issues.

Schools generally view Equalities as something they build into their work as a given. Removing barriers to participation and learning, eliminating discrimination and promoting equality is seen as part of their ethos.

Several schools are pursuing “Rights Respecting Schools” status. A rights-respecting school not only teaches about children’s rights but also models rights and respect in all its relationships: between pupils and adults, between adults and between pupils.

Developing an appropriate ethos together with specific anti-bullying approaches covers all protected groups.

A range of work has been undertaken by Education and Skills in 2014-15 which illustrates mainstreaming of equalities;

- Equality Champions have been nominated and trained in every school and nursery, to promote equality, ensure awareness of duties under equality legislation, and to carry out equality impact assessments in relation to the protected characteristics. A GLOW-based Equalities Champion network area was established to enable easy access to relevant equalities documents.
- The role of Equalities Champions has been extended to Community and Culture. Every library and museum now has access to a trained Equalities Champion.
- Community Development staff continued to provide support to local minority and ethnic communities in engaging with North Ayrshire Council and the wider community. Staff continued to work closely with the Ayrshire Minority Ethnic Community Association (AMECA) in the development of a resource centre for the BME community in Irvine. Adult learning is now providing two different levels of ESOL classes at the AMECA centre to make it accessible to members of the BME community.
- AMECA has taken on a small allotment at Eglinton Growers, Kilwinning to encourage members to get active, to enhance social interactions and to share knowledge of growing varieties of cultural fruits, spices and vegetables with other plot holders.
- A template Equalities policy for schools has been drafted and is now available to schools for customising for their own circumstances.
- A method of recording bullying related to protected characteristics has been agreed and is being piloted in schools.

Stop Now And Plan (SNAP)

Stop Now And Plan is a cognitive behavioural therapy programme designed to help angry and aggressive children between the ages of 8 and 11 years, and their parents, learn how to manage their emotions effectively. The 13 week programme helps children with joining in with others, playing fair, managing peer pressure and recognising body language cues. Parents discuss their use of parenting strategies with each other, and are supported to manage their own issues when parenting their children.

In North Ayrshire the programme is aimed at supporting early intervention and prevention and keeping "at-risk" children in mainstream school by increasing their resilience and ability to manage their emotions more effectively.

All parents participating in the programme, so far, experienced positive change in giving effective direction rewards and consequences, while all children and parents reported better relationships.

Early outcomes from the programme are encouraging, showing increased ability within families to regulate emotions and to implement effective behavioural management strategies consistently, and thus preventing difficulties from escalating to the point where more intrusive interventions are required. It is clear from the information provided in this report that Education and Youth Services (as the Council's Education Authority) remained committed to driving forward the Equality Agenda within North Ayrshire.

Statistics in relation to Staff within Education and Youth Services can be found in the Employee Information section.

6. Licensing Board

North Ayrshire Licensing Board has adopted and published a Licensing Policy Statement, setting out their policy for the exercise of their functions under the Licensing (Scotland) Act 2005. This strategy contains provisions relevant to some protected characteristics and their implementation will support the mainstreaming of equalities.

The Board considers the Licensing Objective "protecting children from harm" as its paramount concern. The Board wishes to see family-friendly premises thriving in the area. The Board expects applicants to appreciate that this places additional responsibilities upon them, at the same time recognising that parents and other adults accompanying children also have responsibilities.

The Board regards under-age drinking as a problem which the whole licensed trade should address. Where a person who appears to be under the age of 25 tries to buy alcohol, he should be asked to provide Proof of Age. The Board expects Premises to be vigilant to the widespread problem of 'agency' sales, where an adult buys alcohol on behalf of under-18s.

The Licensing Board is aware of wide public concern within its area and elsewhere in Scotland surrounding sectarian conduct which focuses on the religious divide between Christian denominations.

If a Licensee behaves in such a fashion, or condones such behaviour by others, he may cause offence. Members of the public may consider themselves excluded from the Premises by reason of their religious beliefs or affiliations. Such conduct can also be intimidating, incite religious or sectarian hatred, and constitute a threat to public order or safety. Several Licensing Objectives are engaged:

'Preventing Crime and Disorder'

'Securing Public Safety'

'Preventing Public Nuisance'.

Standard Condition A.15 states:

'(1) The Licensee shall not engage in, or permit, conduct or activities on the Premises:

- (a) which cause offence, or
- (b) which are likely to cause offence to a reasonable person, or
- (c) which constitute a threat to public order or safety, or
- (d) which are likely to discourage a particular part of the community from using the Premises, on racial, religious, sectarian or other discriminatory grounds.

(2) The Licensee shall take reasonable steps to prevent any other person from engaging in such conduct or activities.

(3) The association of any Licensed Premises with a particular football club or the display of football programmes or football memorabilia within the Licensed Premises shall not of itself breach this condition: provided that any such material displayed does not contain any design, insignia, word or groups of words which discriminate on the basis of race, religion or are sectarian or which could reasonably be construed as being discriminatory or inciting racial, religious or sectarian hatred or violence.'

"C.11 on Disabled Facilities states -

C.11.1 Staff shall when requested use all reasonable endeavours to assist Disabled People to enter, leave, and use all the facilities (other than toilets) of the Premises;

C.11.2 At all times when the Premises are open to the public there should be a member of staff on duty who can assist Disabled People in the event of an emergency evacuation of the Premises."

The Board's Licensing Policy Statement states that it will deal with all of its business in an open and transparent way. Information and assistance will be made available to those who wish to apply for a Licence, to make representations or to object to an Application. The Board is also aware of the need to ensure that the Licensing process is accessible to all. Assistance is available on request for those who require special arrangements to access any part of the process.

All forms (other than those whose content is set by legislation) contain explanatory guidance notes. The Board's staff, including the Board's Licensing Standards Officer (LSO), can always be contacted by Licensees and the public for advice on the Licensing system.

7. North Ayrshire Council Equality Outcomes

Progress Report 2014 – to end 2015

During 2012, the Council developed nine Equality Outcomes, these were developed by utilising the Equality and Human Rights Commission Outcome Framework and carrying out focus sessions with groups representing the protected characteristics. These Outcomes will be reviewed during 2016 and new or adjusted outcomes published in April 2017.

The Outcomes, highlighted below were supported by a range of actions, representing Services across the Council. These actions are reported on through the Council's Covalent Performance Management System.

North Ayrshire Outcomes

1. More disabled people are in work or training.
2. The incidence of violence against women is reduced
3. The incidence of hate crime is reduced
4. Older people are more active and independent in their communities
5. Vulnerable people have improved access to financial advice, services and products
6. More young people are leaving schools for positive, sustained destinations
7. Pupils feel safer in schools
8. More Council employees are working flexibly
9. Employees feel they have increased capacity to respond more confidently and appropriately to the needs of colleagues and customers

North Ayrshire Council Equality Actions

1. Outcome- More Disabled People in Work and Training

Actions

- Learning Disability Services continue to deliver Employment Support activities to service users. As at December 2015, 28% of Learning Disability (LD) service users were accessing Employment Support, short of the target of 30%. The LD Service is reviewing the referral and assessment processes for the Job Support service and will hopefully improve access. An Employability group has been established and will look at developing further opportunities for people with learning disabilities.
- Through its Mental Health services, the Health and Social Care Partnership (HSCP) is working with the Scottish Association for Mental Health (SAMH) to deliver the Positive Steps programme, which will support service users to access a range of employability options.

2. Outcome – Violence Against Women is Reduced

Actions

- The Violence Against Women Strategy has been reviewed and updated and was launched during 2015.
- The Multi Agency Domestic Abuse Response Team (MADAR) continues to increase its effectiveness on reducing reported domestic abuse across North Ayrshire. Rates of domestic abuse in North Ayrshire are decreasing, where they are generally increasing across Scotland. In the year January to December 2015, MADART had a total of 599 incidents referred throughout the year. This represents a reduction on the 691, reported the previous year. This trend continues quarter on quarter.
- The Violence Against Women Partnership promote awareness of gender based violence at various events throughout the year and through the 16 days of action campaign, incorporating the White Ribbon campaign, where men were asked to sign the pledge at various locations across North Ayrshire. The Council's website highlighted a 'Claim back the Night' walk, supported by hundreds of participants, which made its way from Irvine town

centre to Irvine harbour.

3. Outcome – The Incidence of Hate Crime is reduced

Actions

- The Council's Youth Services team have the LGBT Chartermark and are working towards the Gold Chartermark. To support this 80% of staff in the team have been trained in LGBT issues, Transgender awareness and Third Party Hate Crime reporting.
- Youth Services continue to support the North Ayrshire LGBT Youth Group, providing guidance and support to help them to arrange a variety of activities to raise awareness of LGBT issues. The group provides a safe space for young people to meet and interact with like-minded people, which can be seen from the following quotes:

“To me the group is a place to meet new people and make new friends, a place where we needn't feel scared to be who we are or have to hide who we are, a place where we needn't have to worry about anything, a place where can have a good laugh with each other and support each other”

“The group is a safe place. You can be yourself without being scared of what people think. It's like having a family that you can tell anything to and can give you support and help”

“The group for me was somewhere I felt comfortable. I was attending before I came out and it made the whole process easier. I've met some of my best friends attending the group. It's like a family to me”.

4. Outcome - Older People are more active and independent in their communities

Actions

- Since integration, much development work has been carried out to improve services to Older People. This has included increasing capacity of Care at Home service to better support service users to remain at home for longer. In December 2015, 38.8% of over 65s assessed as having intensive care needs are being supported by Care at Home.
- We continue to expand the use of Telecare to help people stay safe and independent at home. In December 2015, 616 people had some form of Telecare installed in their home.
- Our Intermediate Care and Enablement Service (ICES) has helped over 2,000 people in their own homes by supporting them at times of need. In addition, as a result of new multi-disciplinary teams we also facilitated a considerable number of discharges from acute wards into the Pavilion 3 rehabilitation ward. This meant that people were being better supported to be home ready as soon as they were medically fit.
- 7 GP practices in North Ayrshire have been allocated a 'Community Connector', whose role it is to provide advice and signposting to redirect people away from GP Practices on to more suitable community based services.

5. Outcome – Vulnerable People have improved access to financial advice

Actions

- A key priority of the HSCP is to tackle inequalities North Ayrshire, as such we work with people to deal with their financial difficulties. The Money Matters Team have advised and supported the most vulnerable people in our communities to access more of the benefits available to them. Roughly 900 people per quarter are referred to the Money Matters Service. From April to December 2015, Money Matters had generated an additional £5,694,564 for service users.

6. Outcome – More Young People are leaving schools for positive, sustained destinations

Actions

Through our Accessibility Strategy, ensure that all young people have equality of access to the curriculum

- For the school session 2014/2015, 96.1% of North Ayrshire school leavers progressed to a first positive destination. This is North Ayrshire's best ever performance and is the 3rd best percentage rate in Scotland. Within this statistic, there are improving outcomes for disadvantaged groups - the gap is being reduced year on year
- The NAC Accessibility Strategy outlines the key actions that will be undertaken to support and sustain young people with ASN in mainstream school placements has been reviewed by E&YE ELT and presented to NAC Cabinet.
- As part of the Accessibility Strategy staff have been trained to support the effective provision of an accessible curriculum for all children and young people.
- The Education and Youth Skills Directorate has developed proposals to ensure high quality inclusive education can continue to be delivered to children and young people with ASN in North Ayrshire. A capital bid has been submitted for a new ASN school, which will replace current provision and have continued to consult with Parent Councils during this period.

Provide high quality education and support to narrow the outcomes gap for children from disadvantaged groups

- The Psychological Service has been working closely with senior managers and has established a 'writing group' for the Communication and Language Strategy. A menu of training has been devised for levels 1-3 of staged intervention.
- Significant progress has been made in our aim to deliver high quality training with a focus on numeracy and literacy. Learning Academy staff team have been in post since October 2015.

Develop and implement a strategy to reduce the extent to which inequality and deprivation constrains educational outcomes and life chances

- Good progress is being made in implementing the Nurture Strategy to support children and young people in meeting their learning needs and improving their attainment.
- The Development of a 'restorative' practice approach has involved training for headteachers by psychological services.
- A Pan-Ayrshire network has been set up to enhance quality of comparative data across our primary and secondary schools

Continue to support young people with additional support needs (ASN) to secure a sustainable destination that meets their needs

- Our aim of encouraging employers, (in partnership with Economy & Communities) to create opportunities for young people with ASN has continued to present us with a number of challenges. As such, we have not been able to progress this action as we would have wished. However, through the Chamber of Commerce we are increasing our database of employers offering placements to young people with ASN.

Health and Social Care Partnership

- 'Child's Plan' training for staff using the new SEEMIS model. This will ensure appropriate plans are in place for children exhibiting ASN at 2nd and 3rd level of staged intervention and those who are vulnerable inc. LAAC/ LAC.

- The development of 'Activity Agreements' in partnership with the 3rd Sector is currently ongoing with the aim of providing increased opportunities for young people with significant barriers to employment.
- Both the Throughcare and Rosemount Service continue to support vulnerable young people to access employment support opportunities. This includes access to activities such as, Duke of Edinburgh Awards, John Muir Awards and Activity Agreements.
- At December 2016, 33.8% of young people accessing Throughcare were accessing some form of Employment, Education or Training. Further, 21 young people supported by the HSCP were accessing an Activity Agreement

7. Outcome - Pupils Feel Safer in School

Actions

Continue to develop nurturing approaches to promote inclusion across all education establishments

- The nurture programme is almost 60% complete and a training programme has been established, with Headteachers from all of the 15 Primary schools identified to have nurture bases having attended Co-ordinator Nurture Training.
- We have established a number of additional nurture classes in mainstream primary school settings within identified areas of deprivation
- School self-evaluations indicate almost all (90%+) children feel safe in school.

Develop approaches across our schools to support the well-being of our children, teachers, parents and carers in partnership with North Ayrshire Health and Social Care Partnership

- In partnership with NHS Partners we have established a Health and Well Being (H&WB) Strategy Group to promote health and well-being across the BGE and the Senior Phase. A sub-group, which includes Penumbra and CAHMS Practitioners, has also been established to further develop the capacity of the H&WB Strategy Group

8. Outcome - More Council Employees are working flexibly

Action

- Support Agile Working for North Ayrshire Council employees.
As part of the Council's current office refurbishment programme, Services are supported via a 'Cultural Exemplar Approach', as part of this Cultural workshops are available as required.

9. Outcome - Employees feel they have increased capacity to respond more confidently and appropriately to the needs of colleagues and customers

Actions

- Employee engagement Surveys carried out in 2015, identified that HSCP Staff (from both NAC and NHS) are clear and fully understand what is expected of them in their daily role, and a high volume reported that they will 'go the extra mile' or 'strive' to find better ways to deliver services.
- Over 70% of HSCP partnership staff agreed that they have had opportunities to continue their personal and professional development.

Learning and future Developments

The North Ayrshire Equality Outcomes and supporting actions highlight the range of work going on across the Council that supports the Equality Agenda and helps the Council meet its duties against the Equality Act. Going forward the Senior Management team are keen to develop the Council's approach to Equality and Diversity and take a much more proactive approach in supporting and promoting this agenda. Key areas for consideration are highlighted below –

- Develop more Equalities Champions across North Ayrshire Council Services
- Focus on wider general issues relevant to the area, e.g. sectarianism
- Develop systems that make it easier for Services and staff to report on Equality work.
- Enhance and promote the training and awareness of Equality issues to Council staff

These areas for consideration will be developed into a Corporate Equality Plan that will support the wider actions that Services already carry out and report on through the Council's Performance reporting system.

The Council continues to make progress in carrying out its duties under the Equality Act, and is keen to do more to drive this work forward.

Please direct any queries relating to this report to Andrew Hale, Equality and Health Officer, North Ayrshire Council. Telephone: 01294 324148 Email: ahale@north-ayrshire.gov.uk

NORTH AYRSHIRE COUNCIL

Agenda Item 20

14 November 2016

Audit and Scrutiny Committee

Title: **Ayrshire Valuation Joint Board Minutes**

Purpose: To submit the Minutes of the meetings of the Ayrshire Valuation Joint Board (AVJB) held on (i) 12 January 2016; (ii) 29 March 2016; and (iii) 24 May 2016.

Recommendation: Agree that the Committee notes the Minutes.

1. Executive Summary

- 1.1 The former Scrutiny and Petitions Committee of North Ayrshire Council agreed that the Minutes of the meetings of the Ayrshire Valuation Joint Board be submitted to the Committee for information.

2. Background

- 2.1 The Minutes of the Ayrshire Valuation Joint Board meetings held on (i) 12 January 2016; (ii) 29 March 2016; and (iii) 24 May 2016 are attached at Appendix 1.

3. Proposals

- 3.1 It is proposed that the Committee notes the Minutes.

4. Implications

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	Presentation of the Board Minutes to the Audit and Scrutiny Committee supports CPP Partnership Working.
Community Benefits:	None

5. Consultation

5.1 No consultations were required in relation to this report.

A handwritten signature in black ink that reads "Elma Murray". The signature is written in a cursive style with a large, stylized 'E' and 'M'.

ELMA MURRAY
Chief Executive

Reference :

For further information please contact Diane McCaw, Committee Services
Officer on 01294 324133

Background Papers

None

AYRSHIRE VALUATION JOINT BOARD

**Minutes of meeting held on Tuesday, 12 January 2016 at 10.30 a.m. within
County Buildings, Wellington Square, Ayr**

Item 1 - Sederunt

Present:

East Ayrshire	Councillors:	George Mair, John McFadzean, and Elena Whitham.
North Ayrshire	Councillors:	Matthew Brown (Chair) John Easdale, Catherine McMillan and Donald Reid.
South Ayrshire	Councillors:	Andy Campbell, John Hampton, Rita Miller and Alec Oattes.

In Attendance: Helen McPhee, Assessor and ERO; John McConville, Head of Valuation Services and Assistant ERO; Harry McCormick, Principal Administrative and IT Development Officer; Tom Simpson, Corporate Accounting Manager, South Ayrshire Council; Wynne Carlaw (for Clerk) South Ayrshire Council; Fiona Docherty, Finance North Ayrshire Council; and Alison Nelson, Co-ordinator (Democratic Support), South Ayrshire Council and Alan McKenzie, Audit Scotland.

Apologies: Councillor William Menzies, East Ayrshire Council;
Councillor Jim Roberts, East Ayrshire Council;
Councillor John Ferguson, North Ayrshire Council
Councillor Robin Reid, South Ayrshire Council

Item 2 - Declarations of Interest

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct.

Item 3 - Minutes of Previous Meeting

The Minutes of the meeting of the AVJB held on 10 November 2015 were submitted and approved as a correct record.

Item 4 – Matters Arising

There were no matters arising from the minute.

Item 5 - Revenue Budget Monitoring Report 2015/16 – Position Statement at 30 November 2015

There was submitted (circulated) a report dated 23 December 2015 by the Treasurer to the Board presenting the Board's income and expenditure for the period ended 30 November 2015 (monitoring period 8) as compared with the approved revenue budget.

Questions were raised relating to the amount of funds held in reserves. The Treasurer to the Board advised that due to the fact that the Board had performed well and as a result of good budget management the reserves may appear high.

Clarity was also sought on the £167,000 Support Services Costs, the Treasurer to the Board advised that these were charges levied by South Ayrshire Council for the provision of support services i.e. HR, Payroll, Finance etc. These costs were paid at three points in a year; February May and September.

Overall the year end budget is indicating an overspend of £37,000 however this remains subject to the outcome of the supplementary IER funding claim that will be made to the Cabinet Office in late January.

Decided:

- (1) to approve the content of the report.

Item 6 – Audit Scotland Corporate Governance – Review of Internal Audit

There was submitted (circulated) a report of 21 December 2015 by the Treasurer to the Board advising Members of Audit Scotland's annual assessment of South Ayrshire Council's Internal Audit function.

Decided:-

- (1) to note that Audit Scotland will place formal reliance on Internal Audit's work for the purposes of the 2015/16 financial statements audit; and.
- (2) to note the content of Audit Scotland's assessment as detailed in Appendix 1 of the report.

Item 7 – Audit Scotland Charges – 2015/16 Audit

There was submitted (circulated) a report of 21 December 2015 by the Treasurer to the Board to inform Members of the proposed external audit fee for 2015/16.

Members enquired as to whether this fee was negotiable. The Assessor and ERO advised that the fee would be under consideration during budget negotiations.

The Treasurer to the Board advised that this would be the last year that Audit Scotland would act as Auditors. He advised that the Auditor was rotated on a five year basis and that it may be a private company in the future.

Decided:-

- (1) to approve the 2015/16 external audit fee payable to Audit Scotland at £7,090, and agreed to payment in three equal instalments in February, May and (following completion of the audit) in September 2016.

Item 8 – Valuation and Performance

Head of Valuation Services and Assistant ERO advised on the progress achieved in Valuation and Council Tax issues and provided an update to the ongoing reporting of performance up to 30th November 2015 in relation to the following:

- (1) Non-Domestic Subjects
 - Appeals Referred to the Lands Tribunal for Scotland
 - Outstanding Appeals Not Referred to the Lands Tribunal for Scotland
 - Revaluation 2017
- (2) Council Tax;
- (3) VAC Hearing Dates;
- (4) Performance
 - Performance in Council Tax from 1 April to 30th November 2015
 - Performance in Non-Domestic Valuation 1st April 2015 to 30th November 2015

The Head of Valuation Services and Assistant ERO intimated that a further two appeals were currently being process; [REDACTED] [REDACTED]
[REDACTED] in North Ayrshire.

The number of appeals had increased slightly, applicants citing the introduction of the new drink driving legislation.

Revaluation 2017 is currently on target to begin producing indicative values for most of our shops, offices and industrial properties by late January 2016.

Performance levels in both Council Tax and Non Domestic Valuation for the period 1 April 2015 to 30th November 2015 were well ahead of target. However, whilst every effort would be made to maintain these levels it is nevertheless very likely that some slippage will be experienced toward the end of the financial year.

Decided:

- (1) to note the contents of the report.

Item 9 – Electoral Registration

There was submitted (circulated) a report dated 23 December 2015 by the Principal Admin and IT Development Officer advising the Board of recent updates relating to the function of electoral registration in relation to the following areas:-

- (1) Individual Electoral Registration (IER)
- (2) Annual Canvass and Publication
- (3) 2016 Scottish Parliament Election
- (4) Absent Voter Refresh
- (5) Electoral Management System

Appendix 3 of the report indicated that there was approximately 5% of a reduction in the electorate within each Council area due to IER and members of the public dropping of the register. The Principal Admin and IT Development Officer intimated that this figure was likely to change nearer to an election and that the Electoral Commission were about to embark on an advertising campaign promoting registration which would hopefully encourage people to register.

Questions were raised by Members of the Board in relation to the identification of 16/17 year olds who would be entitled to vote at the Scottish Parliamentary Elections taking place in May 2016. Appendix 5 indicated that only 46.7% of 16/17 year olds were registered. The ERO confirmed that she received a list from Educational Services and will target those listed not already registered. The Acting Clerk advised that all Constituency Returning Officers would be sending a letter to all secondary school encouraging Head Teachers to allocate time to the electoral registration process. Colleges in the local area will also be targeted.

The Principal Admin and IT Development Officer advised that approximately 3,000 letters would be issued, in January, to postal voters, whose signature had been held for five years, in order for them to refresh their signature.

Decided:

- (1) to note the contents of the report.

Item 10 - Staffing

There was submitted (circulated) a report dated 17 December 2015 by the Head of Valuation Services and Assistant ERO to advise members of current staffing issues. The report advised on;

- (1) Appointments

- (2) Staffing Structures
- (3) Absences
- (4) Website
- (5) Records Management

Decided:

- (1) to note the contents of the Report.

Item 11 – Annual Complaints Handling Report

There was submitted (circulated) a report dated 21 December 2015 by the Assessor and ERO to advise Members on the outcome of the Board's second year of operating the Scottish Public Services Ombudsman's (SPSO) Model Complaints Procedure and report on annual performance indicators.

It was disappointing to note that the number of complaints received, relating to electoral registration, had increased since the previous year. This could be attributed to the lack of understanding of the IER process and the error made by the AVJB's printing contractor which resulted in the erroneous issue of a large number of Household Enquiry Forms.

The Performance Indicator Report highlighted at No 4 that complaints were being responded to within 2.37 working days which was an improvement on the previous year and was well within the target of 5 days.

No 7 of this Report intimated that a Customer Services Survey had been incorporated into the Board's new website and would be used to improve interaction with customers and stakeholders.

Refresher training in complaints handling procedures is being arranged for all staff during Spring 2016. New procedures have also been agreed with external print and mail contractors.

Decided:

- (1) to note the contents of the Report.

Item 12 – Staff Questionnaire Report

There was submitted (circulated) a report dated 21 December 2015 by the Assessor and ERO which detailed the responses from the Staff Questionnaire issued in December 2015.

The Assessor and ERO intimated that it was comforting to note that during a period of modernisation and transition that staff were largely on board to improve the service going forward.

Decided:

- (1) to note the contents of the Report.

Item 13 – Property Review

There was submitted (circulated) a report dated 23 December 2015 by the Assessor and ERO to advise Members on a number of options should the AVJB move from their current offices at 9 Wellington Square, Ayr.

The Board is aware that the property at 9 Wellington Square has had no modernisation and general maintenance has been restricted. South Ayrshire Council are currently exploring options for new build offices at two locations in Ayr Town Centre.

South Ayrshire Council requested that the Board note interest, by 31 January 2016, in potentially taking space within SAC's new office development.

Members discussed the advantages and disadvantages of refurbishing their current accommodation or moving to new purposes built premises. Concerns were also raised regarding access to a 'public services' building and the possible loss of AVJB identity. The Assessor and ERO advised that all issues would require to be raised, and addressed satisfactorily prior to any decision being made by the Board.

Decision:-

- (1) To agree to the Assessor and ERO noting an interest in space within SAC's new office development.

Item 10 – Date of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 29 March 2016** at 10.30 a.m. within **North Ayrshire Council Headquarters, Cunninghame House, Irvine.**

The meeting ended at 12.10 p.m.

AYRSHIRE VALUATION JOINT BOARD

Minutes of meeting held on Tuesday, 29 March 2016 at 10.30 a.m. within
Cunninghame House, Irvine

Item 1 - Sederunt.

Present:

East Ayrshire Councillors: George Mair, John McFadzean and Elena Whitham.

North Ayrshire Councillors: Matthew Brown (Chair), John Easdale, John Ferguson,
Catherine McMillan and Donald Reid.

South Ayrshire Councillors: Rita Miller and Alec Oattes.

In Attendance: Helen McPhee, Assessor and ERO; John McConville, Head of Valuation
Services and Assistant ERO; Harry McCormick, Principal Administrative
and IT Development Officer; Tim Baulk, Treasurer, South Ayrshire Council;
Tom Simpson, Corporate Accounting Manager, South Ayrshire Council;
Wynne Carlaw, Democratic and Governance Manager (for Clerk), South
Ayrshire Council; Alan McKenzie, Audit Scotland; Fiona Docherty, Finance,
East Ayrshire Council; Gwyneth McKinlay, Finance, North Ayrshire
Council; and Janice McClure, Committee Services Lead Officer, South
Ayrshire Council.

Apologies: Councillor William Menzies, East Ayrshire Council
Councillor Jim Roberts, East Ayrshire Council
Councillor Andy Campbell, South Ayrshire Council
Councillor John Hampton, South Ayrshire Council
Councillor Robin Reid, South Ayrshire Council;

Item 2- Declarations of Interest.

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct.

Item 3 - Minutes of Previous Meeting.

The Minutes of meeting of the AVJB held on 12 January 2016 were submitted and approved as a correct record.

Item 4 – Matters Arising.

There were no matters arising from the minutes of the previous meeting.

Item 5 – Revenue Budget Monitoring Report 2015/16 – Position Statement at 29 February 2016.

There was submitted (circulated) a report dated 22 March 2016 by the AVJB's Treasurer presenting the Board's income and expenditure for the period ended 29 February 2016 (monitoring period 11) as compared with the approved revenue budget.

The Corporate Accounting Manager gave an update on the present position and outlined the variances across the various account headings; the projected overspends and underspends; and advised of the cabinet office funding received by the Ayrshire Valuation Joint Board which would strengthen the Board's financial position to deal with Individual Electoral Registration.

Board Members raised questions in relation to:- whether the cabinet office funding would compensate for the reduction in funding from the three Local Authorities and the Corporate Accounting Manager advised that the Board's resources had been examined and the budget set accordingly for 2016/17, however, the additional funding would improve the Board's financial position. The Assessor and ERO further advised that the cabinet office funding was for IER and the gap in funding it had created.

Decided: to approve the contents of the report.

Item 6 – 2016/17 Revised Revenue Budget.

There was submitted (circulated) a report dated 22 March 2016 by the AVJB's Treasurer seeking approval of the revised 2016/17 revenue budget for Ayrshire Valuation Joint Board (the Board).

The Corporate Accounting Manager advised that this was the third section of the three year budget and updated the Board on the provisions made under the funding available; and the anticipated funding gap which would be bridged using the Board's reserves.

Board members raised issues in relation to:-

- (1) whether there would be sufficient monies in the reserves should the AVJB move premises and the Corporate Accounting Manager advised that, as no decision had yet been taken on future premises for the AVJB, a costing could not be made;
- (2) the impact of the cost of the Referendum. The Assessor and ERO advised that, as some future elections, such as Referendums could not be predicted, the budget had been finalised prior to the Referendum being announced;
- (3) whether the increased payroll turnover target of £58,195 was realistic and how would it balance out and the Assessor and ERO advised that this represented three vacant posts within the admin section which may be filled on a temporary basis; and

- (4) the reserves of 8.6% and whether these should be reduced as best practice was to have reserves of between 2 and 4%. The Assessor and ERO advised that the Board had faced many challenges and would be facing many more challenges in the future and it was therefore prudent to retain reserves above the recommended levels in order to meet these challenges, including the unknown of continued support from the Cabinet Office for IER.

Decided:

- (a) to note a reduction in requisition income from the Board's three constituent local authorities (the local authorities); East, North and South Ayrshire, from the previously approved £2,223,897 to £2,146,061 for financial year 2016/17 (as outlined in paragraph 4.2);
- (b) to approve the revised 2016/17 revenue budget as summarised at section 4 and detailed in Appendix 1; and
- (c) to request the Assessor and ERO and the Treasurer to prepare a requisition and reserve strategy for the three year period from 2017/18 to 2019/20, in order to promote a level of funding certainty for both the Board and the local authorities and to help ensure that uncommitted reserves remained at an appropriate level.

Item 7 – Support Agreement between South Ayrshire Council and Ayrshire Valuation Joint Board 2016-19

There was submitted (circulated) a report dated 22 March 2016 by the AVJB's Treasurer and Clerk seeking approval from members of the Ayrshire Valuation Joint Board (the Board) for a Support Agreement between South Ayrshire Council (SAC) and the Board from April 2016 to March 2019.

Decided: to approve the Support Agreement attached as Appendix 1 to the report, subject to a minor alteration.

Item 8 – Annual Audit Plan 2015/16

There was submitted (circulated) a report dated 22 March 2016 by the AVJB's Treasurer providing background information to Board Members on the presentation by Audit Scotland on its Annual Plan 2015/16 (the Audit Plan).

Decided:

- (1) to approve the management assurances and planned audit actions contained in the Audit Plan; and
- (2) otherwise, to note the contents of the report.

Item 9 – Valuation and Performance.

There was submitted (circulated) a report of 14 March 2016 by the Head of Valuation Services and Assistant ERO advising on progress achieved in Valuation and Council Tax issues and to provide an update to the ongoing reporting of performance up to 29 February 2016 in relation to the following:

- (1) Non-Domestic Subjects
 - Appeals Referred to the Lands Tribunal for Scotland
 - Outstanding Appeals Not Referred to the Lands Tribunal for Scotland
 - Revaluation 2017
- (2) Council Tax;
- (3) VAC Hearing Dates; and
- (4) Performance
 - Performance in Council Tax from 1 April 2015 to 29 February 2016
 - Performance in Non-Domestic Valuation 1 April 2015 to 29 February 2016

The Head of Valuation Services and Assistant ERO advised of the present position in relation to appeals and the progress made; and the progress currently being made in regard to 2017 Revaluation.

Questions were raised by Board Members in relation to:- why the appeals by licensed premises had been withdrawn and the Head of Valuation Services and Assistant ERO advised that the appellants had failed to prove that there had been a material change which had affected the value; and whether the 2017 Revaluation of shops, offices and industrial type premises had shown an increase in value and the Assessor and ERO advised that provisional valuations had proved very mixed, however, these were very early valuations.

Decided: to note the contents of the report.

Item 10 – Electoral Registration

There was submitted (circulated) a report dated 17 March 2016 by the Principal Admin and IT Development Officer updating the Board on the current position with regard to the Board's functions concerning Electoral Registration in relation to the following areas:-

- (1) Registration Activity;
- (2) 2016 Scottish Parliamentary Elections;
- (3) Absent Voter Refresh;
- (4) EU Referendum; and
- (5) Electoral Management System.

Decided: to note the contents of the report.

Item 11 - Staffing

There was submitted (circulated) a report dated 18 March 2016 by the Head of Valuation Services and Assistant ERO to advise of the following staffing issues:-

- (1) Appointments;
- (2) Staffing Structures;
- (3) Absence;
- (4) Records Management; and
- (5) Terms and Conditions and New Policies

Questions was raised by Board Members on whether staff were aware of the new terms and conditions and the Assessor and ERO advised that these had been published on the Board's Sharepoint site for the information of staff and that, as these terms and conditions had been adapted from South Ayrshire Council's policy, that local authority had consulted with Trade Unions on this; and on how the new Capability Policy had been received by Council staff and the Democratic and Governance Manager advised that this was a new policy and training was currently taking place on this, however, it had initially been well received by staff.

Having heard from the Assessor and ERO in relation to the improvement in staff absence, the Board agreed to continue to receive reports on absence, but possibly at every second Board meeting from now on.

Decided:

- (a) to approve the changes to the Terms and Conditions of Employment;
- (b) to approve the Capability Policy; and
- (c) to note the contents of the report.

Item 12 – Risk Registers

There was submitted (circulated) a report dated 18 March 2016 by the Head of Valuation Services updating Board Members on the progress of the Board's existing Risk Register in an attempt to:-

- (1) update and modernise its content;
- (2) simplify the language used;
- (3) incorporate the risks identified in recent Audit Scotland reports;
- (4) consider in much greater detail the financial, structural and corporate risks that were not apparent in light of, amongst other things, budgetary, governance and statutory pressures; and
- (5) integrate the ER risks fully within the main risk register, removing the requirement of maintaining a separate IER Risk Register.

Decided:

- (a) to approve the updated and combined AVJB Risk Register; and
- (b) to note the contents of the remainder of the report.

Item 13 – Scheme of Delegation

There was submitted (circulated) a report dated 15 March 2016 by the Assessor and ERO seeking approval of the draft Scheme of Delegation.

Decided: to approve the draft Scheme of Delegation, attached as Appendix 1 to the report.

Item 14 – Maximising Electoral Registration

There was submitted (circulated) a report dated 8 March 2016 by the Assessor and ERO

- (1) updating the Board on the maximising registration/democratic engagement progress and outlining the future of this element of service delivery;
- (2) advising that a robust local public engagement strategy had been utilised to engage with under-represented groups and to ensure the completeness and accuracy of the register;
- (3) outlining that the main activities such as canvass were covered in the Electoral Registration Report; and
- (4) reporting that the progress made had involved partnership working with the three Chief Executives (Returning Officers) of the three Ayrshire Councils and other organisations.

A question was raised by a Board Member regarding the success of issuing letters to the properties where there were no registered electors, encouraging the residents to register and the Assessor and ERO advised that this had not proved very successful, however, the properties had been previously canvassed and would also be targeted in other ways.

Decided: to note the contents of the report.

Item 15 – A.O.C.B.

(1) Electoral Management System

The Assessor and ERO advised that she had recently attended an Association of Electoral Administrators event where she had viewed EMS systems and engaged with providers with a view to purchasing a new system and that she would report back to a future Board meeting on any future decision.

Questions were raised by Board Members in relation to:- other authorities using the systems being considered and the Assessor and ERO advised that other EROs were utilising the systems being looked at; whether the training was provided and the Assessor and ERO advised that all systems provided a support system for users which included training; and whether transferring the data would be straightforward and the Assessor and ERO advised that test data would be provided prior to any migration. Work was however, still ongoing and timing of any change would be carefully planned.

Decided: to request that the Assessor and ERO submit a report to a future Board meeting on this matter.

(2) Overpayment of Tax Credits

A Board Member expressed concerns regarding several of her constituents receiving requests to repay over-payments of tax credits as the number of residents registered did not match the number claiming benefits and whether this was due to the electoral register being out of date; and enquiring who was responsible for this. The Assessor and ERO advised that it was the householder's responsibility to update the annual canvass forms (HEFs) that were issued and return them to ensure the register could be updated.

Item 16 – Date of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 24 May 2016** at 10.30 a.m. within the **Troon Room, South Ayrshire Council Headquarters, County Buildings, Ayr.**

The meeting ended at 11.50 a.m.

AYRSHIRE VALUATION JOINT BOARD

Minutes of meeting held on Tuesday, 24 May 2016 at 10.30 a.m. within
County Buildings, Wellington Square, Ayr

Item 1 - Sederunt

Present:

East Ayrshire	Councillors:	William Menzies, Jim Roberts and Elena Whitham
North Ayrshire	Councillors:	Matthew Brown (Chair), Donald Reid
South Ayrshire	Councillors:	Andy Campbell, Alec Oattes and Rita Miller from Item10 onwards.

In Attendance: Helen McPhee, Assessor and ERO; John McConville, Head of Valuation Services and Assistant ERO; Harry McCormick, Principal Administration and IT Officer; Tom Simpson, Corporate Accounting Manager, South Ayrshire Council; Wynne Carlaw, Democratic and Governance Manager (for Clerk), South Ayrshire Council; Alan McKenzie, Audit Scotland; Fiona Docherty, Finance, East Ayrshire Council and Alison Nelson, Co-ordinator Democratic Services, South Ayrshire Council.

Apologies: Councillor George Mair, East Ayrshire Council
Councillor John McFadzean, East Ayrshire Council
Councillor John Ferguson, North Ayrshire Council
Councillor Catherine McMillan, North Ayrshire Council
Councillor John Hampton, South Ayrshire Council
Councillor Robin Reid, South Ayrshire Council

Item 2- Declarations of Interest

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct.

Item 3 - Minutes of Previous Meeting

The Minutes of meeting of the AVJB held on 29 March 2016 were submitted and approved as a correct record.

Item 4 – Matters Arising

There were no matters arising from the minutes of the previous meeting.

Item 5 – Unaudited Annual Accounts for the Year Ended 31 March 2016

There was submitted (circulated) a report dated 18 May 2016 by the Treasurer to the Ayrshire Valuation Joint Board presenting to Members the Unaudited Annual Accounts for the year ended 31 March 2016.

The Corporate Accounting Manager briefed the Board on the Unaudited Annual Accounts.

Board Members raised issues in relation to:-

- (1) whether the funding relating to IER would be sufficient. The Treasurer advised that an exercise had been undertaken to identify the costs associated with the implementation of IER and advised that the funding received, £254,991 would be sufficient.
- (2) whether the funding, relating to IER, could be used for any other function. The Assessor and ERO advised that it could not; however, any budget surplus could be used as appropriate.
- (3) the lack of explanatory detail as to the difference in the salary of the Assessor and ERO from 2014/15 and 2015/16.

Decided:

- (a) to consider the Unaudited Annual Accounts as detailed in Appendix 1 prior to their submission to external audit, noting that all figures remain subject to change;
- (b) to request that the Treasurer insert an explanatory paragraph, within the annual accounts, under the heading 'Remuneration of Senior Employees'.
- (c) to request the Treasurer report back to the Board following completion of the audit.

Item 6 – Valuation and Performance

There was submitted (circulated) a report dated 13 May 2016 by the Head of Valuation Services and Assistant ERO advising on progress achieved in Valuation and Council Tax issues and to provide an update to the ongoing reporting of performance up to 30 April 2016 in relation to the following:-

- (1) Non-Domestic Subjects
 - Appeals Referred to the Lands Tribunal for Scotland
 - Outstanding Appeals Not Referred to the Lands Tribunal for Scotland
 - Revaluation 2017
- (2) Council Tax
- (3) VAC Hearings; and
- (4) Performance
 - Performance in Council Tax 2015/16
 - Performance in Non-Domestic Rating 2015/16

Decided:

- (a) the Board approved the proposed performance targets in Council Tax and Non-Domestic Rating for 2016/17.
- (b) notes the contents of the remainder of the Report.

Item 7 – Public Performance Report 2015/16

There was submitted (circulated) a report dated 11 May 2016 by the Head of Valuation Services and Assistant ERO seeking members approval of the Ayrshire Valuation Joint Board's Public Performance Report 2015/16.

Decided: the Board approved the Ayrshire Valuation Joint Board's Public Performance Report 2015/16 and its publication.

Item 8 – 2017 Revaluation Progress Report

There was submitted (circulated) a report dated 5 May 2016 by the Assessor and ERO to brief the Board on the progress made on the 2017 Non-Domestic Rating Revaluation which becomes effective on the 1 April 2017.

The Assessor and ERO advised that of the 13,789 subjects 8,057 had been revalued resulting in 58% of the revaluation exercise complete.

Board Members raised the issue of unworked and derelict open cast mines in the area, particularly East Ayrshire and what the position is in their revaluation where no owner could be found. Discussion arose and, due to the complexity of this particular issue, as the Assessor and ERO chairs the Scottish Assessors Association Industrial Committee she agreed to raise this issue with the Chair of the Working Group dealing with mines and minerals, at the AGM of the Scottish Assessors Association.

Decided: to note the contents of the Report.

Item 9 – Electoral Registration

There was submitted (circulated) a report of 6 May 2016 by the Principal Administration and ICT Officer updating the Board on the current position with regard to the electoral registration in relation to the undernoted areas:-

- (1) Registration
- (2) 2016 Scottish Parliamentary Election
- (3) Absent Voter Refresh
- (4) EU Referendum – 23 June 2016

Board Members expressed disappointment that 965 (1.92%) of postal votes returned were invalid due to their postal vote statements failing.

It was also noted there will be a by election in North Ayrshire. This is likely to be in August, the ERO noted that the canvass will begin in August accordingly an early date in August would be welcome.

Decided: to note the contents of the report.

Item 10 – Staffing

There was submitted (circulated) a report dated 12 May 2016 by the Head of Valuation Services and Assistant ERO to advise of the following staffing issues:-

- (1) Appointments
- (2) Staffing Structure
- (3) Staff Workloads
- (4) Absence
- (5) Records Management

The Head of Valuation Services and Assistant ERO further updated the Board advising that the Keeper of the Records of Scotland had approved the Board's Record Management Plan on an 'improvement basis'.

In terms of absences, Board members requested, if possible, a breakdown of the various categories for absence.

Decided:

- (a) that the Head of Valuation Services and Assistant ERO submit a report to the next meeting of the Board on the approved Records Management Plan.
- (b) that, if possible, absence statistics detail the various categories for absence.
- (c) to note the contents of the remainder of the report.

Item 11 – Induction Policy and Checklist

There was submitted (circulated) a report dated 1 May 2016 by the Assessor and ERO seeking approval to formalise the Induction Policy and Checklist.

Decided: to note the contents of the Report and approve the policy.

Item 12 – Governance and Performance Framework

There was submitted (circulated) a report dated 8 April 2016 by the Assessor and ERO illustrating the commitment of Ayrshire Valuation Joint Board to the principles of sound governance and good management.

Decided: to note the contents of the Report.

Item 13 – Annual Report

There was submitted (circulated) a report dated 1 May 2016 by the Assessor and ERO providing an update on performance and highlighting challenges affecting the future direction of the Joint Board.

Decided: to note the contents of the Report.

Item 16 – Date of Next Meeting

The Board noted that the next meeting would be held on **Thursday 1 September 2016** at 10.30 a.m. within Council Headquarters, East Ayrshire Council, London Road, Kilmarnock.

The meeting ended at 11.40 a.m.