

Scrutiny Committee
10 October 2011

IRVINE, 10 October 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

John Hunter, Anthea Dickson, Matthew Brown, Andrew Chamberlain, Anthony Gurney, Jean Highgate, Pat McPhee, Jim Montgomerie and Alan Munro.

In Attendance

I. MacKay, Solicitor to the Council; A. Herbert, Corporate Director (Finance and Infrastructure); I. Colvin, Corporate Director (Social Services and Health), M. Docherty, Head of Service (Education 3-18) and M. Armstrong, Head of Service (Logistics and Infrastructure) (Education and Skills); J. Montgomery, General Manager (Policy & Service Reform), A. Anderson, Economic Development Manager; K. Dyson, Communications Officer and P. Shiach, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Hunter in the Chair.

1. Declarations of Interest

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

2. Minutes

The Minutes of the previous meeting of the Committee held on 26 September 2011 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Single Outcome Agreement (SOA) Annual Report 2010/11

Submitted report by the Chief Executive on the North Ayrshire Single Outcome Agreement Annual Report 2010/11.

The Scottish Government requires an annual progress report to be submitted by 30 September 2011 on progress on the Single Outcome Agreement for 2010/11, to provide a factual statement covering progress against national and local outcomes on the basis of data available for the previous financial year.

The Annual Report also provides a qualitative assessment covering areas such as the effectiveness of partnership working, the nature of community engagement and how performance against delivery of the SOA is monitored to achieve outcomes.

As a result of the CPP Governance Review and the SOA prioritisation exercise undertaken in 2010, it was agreed that the SOA should focus on those 20 local outcomes that have been identified as being key to contributing to the three agreed shared priorities:

- Tackling Worklessness
- Tackling Health Inequalities
- Tackling Community Safety

The draft Annual Report and Action Plan were attached at Appendix 1 to the report and provided progress on the community planning priorities, outcomes and indicators.

The Scrutiny Committee sought, and received, clarification on a number of issues relating to the report and appendix, in particular:

- the submission of future Annual Reports to the Scrutiny Committee prior to its submission to the Scottish Government;
- the outcome of £100,000 LEADER funding on Arran and Cumbrae;
- links between the volunteering culture and economic development;
- the effects of European rules in relation to procurement;
- comparisons between East and North Ayrshire Councils in terms of sourcing services in the local area, and the possibility of the introduction of policies to assist in this;
- investigation into additional methods of assisting local businesses;
- differences between the three Ayrshire Councils in terms of risk averse and risk awareness, and
- the submission of a report to a future meeting on proposals for improved performance in relation to encouraging entrepreneurship.

The Committee noted (a) that the Annual Report was submitted to the Scottish Government on 30 September 2011; and (b) agreed that reports be submitted to future meetings on (i) proposals for increasing the set up rate of new businesses, and (ii) proposals to assist in increasing locally sourced services.

4. Revenue Budget 2010/11: Budgetary Control Statement to 31 July 2011

Submitted report by the Corporate Director (Finance and Infrastructure) on the budgetary control position for the Council at the end of July 2011.

As part of the monitoring procedures to keep the Executive and Scrutiny Committee informed of the financial position, budgetary control reports are presented on a regular basis. The report presented the position at the end of July 2011, bringing together all Services and items of a corporate nature. Future reports for 2011/12 will inform Members of the financial situation at the end of September, November and March.

The Committee was advised that the Council budgeted for the use of £0.036 million from its balances in 2011/12 to subsidise Auchrannie swimming pool for a further year. The unaudited accounts for 2010/11 reflected a cumulative surplus of £9.433 million as at 31 March 2011 of which £2.300 million has been earmarked for Equal Pay settlements, and £2.000 million earmarked for Service Redesign Investment.

Since the closure of the accounts on 30 June 2011, a number of issues have been identified affecting the 2010/11 financial year which will require to be adjusted in the audited version of the accounts. Full details were contained within the report.

The net effect of the adjustments detailed in the report resulted in an increase in the 2010/11 surplus of £0.104 million, producing an uncommitted balance of £5.237 million. In relation to the final outturn for 2011/12, indications suggested that a net in-year deficit of £0.054 million was anticipated.

The report provided a commentary on significant general services variances in terms of the following services:

- Chief Executive's Service
- Corporate Services
- Education and Skills
- Social Services and Health
- Finance and Infrastructure
- Other Services (Strathclyde Police, Strathclyde Fire and Rescue, Strathclyde Passenger Transport, SPT Concessionary Fares, Ayrshire Valuation Joint Board and Changing Children's Services Fund)
- Building Services and
- Major Revenue Works

Detailed explanations were contained in Appendices 1 to 8 respectively. Housing Revenue Account details were contained in Appendix 9 to the report.

Members of the Scrutiny Committee sought, and received, clarification on a number of issues arising from the report including:

- The availability of European Income in relation to Economic Development beyond 2013, and
- The anticipated overspend of £0.359 million in respect of PPP utilities and rates which would be partially offset by a projected underspend in SPT school transport of £0.213 million.

Noted.

5. Capital Monitoring to 31 July 2011

Submitted report by the Corporate Director (Finance and Infrastructure) on the capital monitoring position as at 31 July 2011.

The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council in February 2011. The General Services capital programme approval covered a two year period to March 2013.

Prior to March 2011, £2.920 million of expenditure originally planned for 2010/11 was re-profiled to 2011/12.

The report advised that in 2011/12, the General Services capital programme was £4.964 million underspent compared to the final budget for the year. Full details were contained within the report.

The 2011/12 General Services capital programme approved at the Council meeting in February 2011 included projects totalling £20.282 million compared to the planned income of £22.490 million.

Officers were asked to review the approved 2012/13 programme in order to identify projects that could easily be accelerated to 2011/12 to utilise the excess funding available. Submissions were made to the Executive in April 2011 and approval given to accelerate projects totalling £1.775 million from 2012/13 to 2011/12. All project slippages from 2010/11 into 2011/12 and from 2011/12 to 2012/13 have been examined and confirmed by the Capital Programme and Assets Group. A table illustrating the movements in the General Services budget since February 2011 was contained within the report.

In terms of Capital Expenditure, actual expenditure to 31 July 2011 amounted to £2.128 million, which equated to 8.6% of the revised annual budget for 2011/12 of £24.723 million. Details of the actual spend by project against the revised budget for 2011/12, together with anticipated spend to 31 March 2012 were contained in appendix 1 to the report .

In terms of the Housing Revenue Account, the report indicated that subsequent to approval by the Council of a HRA Capital Budget of £29.567 million for 2011/12, it was recognised that £0.970 million would require to be accelerated from 2011/12 into 2010/11 for construction of the houses at Winton Avenue, Kilwinning. In addition, a total of £0.221 million was slipped from 2010/11 to 2011/12 for construction of houses at Castlepark, and work at the multi-storey flats.

As a result of procurement savings on tenders of £2.695 million, further discussions have taken place between Housing Services and Infrastructure and Design Services to reinvest these savings within the programme. Realignment of the budgets was undertaken to accelerate the achievement of the Scottish Housing Quality Standard (SHQS).

In terms of capital expenditure, the report indicated that actual expenditure to 31 July 2011 (Period 4) amounted to £4.368 million, which equated to 15.2% of the revised annual budget, which compares with an actual spend of 15.3% for the same period in 2010/11. Full details were contained in appendix 1 to the report.

The Committee noted (a) the approved revisions to budgets and (b) the actual expenditure to 31 July 2011 and the forecast of expenditure to 31 March 2012.

6. Review of PSIF and updated Self Assessment Strategy

Submitted report by the Chief Executive on the review of the Public Service Improvement Framework (PSIF) project and the updated Self-Assessment Strategy.

At its meeting on 21 January 2008, the Scrutiny Committee agreed to the adoption of the Public Services Improvement Framework (PSIF) as the Council's core approach to self-assessment. PSIF is based on the European Foundation for Quality Management (EFQM) Excellence Model, and has been mapped to other quality models and standards including HMIE's Quality Management in Education (QMIE2) and the former Social Work Inspection Agency's Performance Improvement Model.

The Best Value 2 BV2 Improvement Plan approved by the Council in April 2011 contains a commitment to review the PSIF project and develop an updated self-assessment strategy.

The overall objective of the initial phase of the PSIF project was to ensure every Council service had undergone at least one self-assessment exercise by 31 March 2011. Details of the planned approach to implementation and expected outcomes from the project as set out in the Project Initiation Document, were contained within the report.

In terms of review, the report indicated that the overall objective had been met, as all services within scope had undergone self-assessment by the due date, and all of the planned steps to implementation were taken.

At its meeting on 2 August 2011 the Education Executive approved proposals to introduce a variant on self-assessment, "Validated Assisted Self-Evaluation" (VSE) across Education and Skills.

The Executive, at its meeting on 30 August 2011, was informed of the review of the PSIF project and approved the updated Self Assessment Strategy.

The report indicated that while there is evidence to support progress in achieving the expected outcomes from self assessment, more sustained effort required to be made. In terms of an updated self-assessment strategy, the following key elements of the strategy were detailed in the report:

- PSIF should continue to be the core self-assessment framework for use within all Services;
- Social Work and Skills will use PSIF for support services and the SWIA Performance Improvement Model for frontline services;
- A regular proportionate and risk-based programme of self-assessment activity should recommence across all Services in April 2012. All Services should include in the 2012/13 Service Plans a programme of self-assessment activity to be undertaken over the three years of the Service Plan;
- Services using PSIF should focus not only on the areas of improvement identified but also on the scores for each aspect of the model to enable benchmarking across the Services through the creation of a "Corporate DNA" . this will identify common areas for improvement and support the embedding of a performance improvement culture;
- The Council should actively participate in the proportionate, robust and supportive PSIF Quality Assurance (QA) methodology supported by the Improvement Service;
- The Council should contribute to, and become involved with the PSIF benchmarking network on those indicators under the PSIF Results criteria;
- The Council should undertake a second Council-wide self-assessment in 2013 as a prelude to meeting its 2014 vision as stated in the Performance Management strategy. Consideration should also be given to including elected Members in the Council-wide exercise;
- Services which do not have EFQM Accredited Assessors or peer assessors should consider the development of this capacity to provide a greater awareness of the Excellence Model and PSIF, and
- The Council should participate in the Quality Scotland recognition scheme, "Levels of Excellence", which is based on the EFQM Excellence Model. This will enable the Council to demonstrate that it has advanced practice as recognised by Audit Scotland's Performance Management Best Value Toolkit.

Members of the Committee sought, and received, clarification on several issues arising from the report, including the operation of the VSE model by Education and Skills.

Noted.

7. Annual Performance Report 2010/11

Submitted report by the Chief Executive on the Annual Performance Report 2010/11.

On 10 August 2010, the Executive considered a report on Public Performance reporting and its three underlying principles, that:

- the Council's culture and practices should promote effective and stakeholder-focused public performance reporting;
- the Council should demonstrate that it has arrangements in place to meet all statutory requirements and support effective public performance reporting, and
- the Council's public performance reports should provide good quality information for effective public accountability.

The Executive agreed to a web based Annual Performance Report with signposting by other electronic means.

The Council agreed, in November 2010, an updated Code of Corporate Governance, which also provided for the publication of an annual report to communicate the authorities activities and achievements, its financial position and performance. On 27 September 2011, the Executive approved the draft Annual Performance Report 2011.

The Annual Performance Report 2010/11 seeks to provide a factual and balanced picture of performance against the Council Plan for 2010/11. The content is drawn from approved committee reports , including Service Performance Reports as at 31 March 2011, the Council Plan Action Plan Progress Report and the 2010/11 performance indicators reported on North Ayrshire Performs. The report includes information on:

- Performance in achieving the four core objectives in the Council Plan;
- Performance Indicators, and
- Finance.

A copy of the Annual Performance Plan for 2010/11 was contained in appendix 1 to the report.

Members of the Committee sought, and received, clarification on various aspects of the report, including tourism growth, jobs created from the £1.9 million European Union funding, the 5 "adequate" assessments identified in terms of the Independent Assessment of Care Services and absence rates.

In addition the Economic Development Manager advised that a report on the number of jobs created which did not attract European Funding would be submitted to a future meeting.

The Committee noted (a) the Annual Performance Report; (b) the arrangements for its publication; and (c) agreed that a report on jobs created which did not attract European Union funding be submitted to a future meeting.

8. Economic Development, Business Development Approvals Committee: Minutes of Meeting held on 2 September 2011

Submitted report by the Chief Executive on the Minutes of the Meeting of the Economic Development, Business Development Approvals Committee held on 2 September 2011.

Noted.

The meeting ended at 3.55 p.m.