# Audit and Scrutiny Committee

A Meeting of the **Audit and Scrutiny Committee** of North Ayrshire Council will be held in the **Council Chambers**, **Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 12 November 2019** at **10:00** to consider the undernoted business.

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

**2      Minutes**
The accuracy of the Minutes of the Ordinary Meeting of the Audit and Scrutiny Committee held on 10 September 2019 and the Special Meeting held on 24 September 2019 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      HSCP – Budget Monitoring Report**
Submit report by the Director (Health and Social Care Partnership) on the financial performance of the HSCP to August 2019, including the projected outturn for the 2019-20 financial year  (copy enclosed).

**4      Audit Scotland: Principles for Community Empowerment**
Submit report by the Executive Director (Interim) (Communities) on the new Audit Scotland approach to Community Empowerment (copy enclosed).

**5      Public Performance Reporting**
Submit report by the Head of Democratic Services on 2018/19 public performance reporting and the draft Annual Public Performance Report 2018/19 (copy enclosed).

North Ayrshire Council, Cunninghame House, Irvine KA12 8EE

**6**     **National Scrutiny Plan 2019/2020**
Submit report by the Executive Director (Finance and Corporate Support) on the National Scrutiny Plan, a summary of planned Local Government strategic scrutiny activity (copy enclosed).

**7**     **Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update**
Submit report by the Executive Director (Finance and Corporate Support) on progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2019 (copy enclosed).

**8**     **Internal Audit Plan 2019/20: Mid-Year Update**
Submit report by the Executive Director (Finance and Corporate Support) on progress made in delivering the 2019/20 Internal Audit Plan (copy enclosed).

**9**     **Corporate Fraud Team: Mid-year Progress**
Submit report by the Executive Director (Finance and Corporate Support) on progress made in delivering the 2019/20 Internal Audit Plan (copy enclosed).

**10**    **Strategic Risk Register 2019/2020: Mid-Year Update**
Submit report by the Executive Director (Finance and Corporate Support) providing a mid-year update on the progress with actions related to the Strategic Risk Register (copy enclosed).

**11**    **Internal Audit Reports Issued**
Submit report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between August and September 2019 (copy enclosed).

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

## Audit and Scrutiny Committee Sederunt

| Marie Burns (Chair)<br>Margaret George (Vice Chair)<br>Joy Brahim<br>Alan Hill<br>Tom Marshall<br>Donald Reid<br>John Sweeney | Chair:<br><br><br><br>Apologies:<br><br><br><br>Attending: |
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Audit and Scrutiny Committee
10 September 2019

**IRVINE,** 10 September 2019 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

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

**In Attendance**
L. Friel, Executive Director and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); S. Brown, Director and C. Whyte, Chief Finance and Transformation Officer (Health and Social Care Partnership); A. McClelland, Head of Service (Learning, Teaching and Curriculum) (Communities), J. Miller, Senior Manager, Planning and J. Cameron, Senior Manager, Physical Environment (Place); and A. Fraser, Head of Democratic Services and D. McCaw, Committee Services Officer (Chief Executive's Service).

**Chair**
Councillor Burns in the Chair.

**Apologies**
Margaret George.

**1.    Declarations of Interest**

In terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors, John Sweeney declared a non-pecuniary interest in Agenda Item 4 – Early Learning and Childcare Update on the basis that a close relative worked in early years and took no part in the discussion thereon.

**2.    Minutes**

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

**3.    Health and Social Care Partnership (HSCP) Budget Monitoring**

Submitted report by Caroline Whyte, Chief Finance and Transformation Officer on the HSCP projected financial outturn for the financial year as at June 2019.  The budget monitoring report and Appendices which were presented to the IJB on 29 August 2019 were attached as an Appendix to the report.

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

• the breakdown of numbers waiting for a care at home package or an increase in the scope of their current package;
• the review of care at home packages on a regular basis;

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- the challenges faced across Arran and the North Coast in relation to recruitment of care staff;
- financial resourcing being a factor in delaying care at home packages or reducing the quality of packages;
- the balancing act of delivering services within spending limits while monitoring waiting list timescales and numbers;
- recruitment and vacancy underspend comparisons with the same period last year;
- difficulties with recruitment to mental health and psychology services, including turnover rates;
- assumptions and projections in relation to care services;
- the position in relation to reviewing the model used to determine overnight support requirements;
- the challenging savings target for 2019/2020 which will be reflected in the financial recovery plan for the IJB;
- managing risk in relation to ensuring services are delivered to those in most need;
- the revised opening date for the Trindlemoss Project due to building construction delay; and
- penalty notices and potential return of funding arising from the construction delay.

Councillor Hill joined the meeting at this point.

The Committee agreed to (a) note the financial position with regard to the Health and Social Care Partnership; and (b) continue to receive regular update reports throughout financial year 2019/2020.

**4.      Early Learning and Childcare Update**

Submitted report by the Interim Executive Director (Communities) providing an update on progress with the expansion programme for Early Learning and Childcare across North Ayrshire and outlining key areas of focus for the next six months identified in the Education and Youth Employment Quarter 4 Performance Report.

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

- start times and working hours available in connection with the programme;
- current feedback from parents which indicates that they appreciate the greater flexibility now provided, compared with the pilot model;
- the specific information requested by the Committee and the potential for any additional information required by Members being provided through a North Ayrshire News article; and
- any loss of partner providers in connection with the roll-out of the expansion programme.

Noted.

**5.** **School and Early Learning and Childcare Inspections Annual Report 2018/19**

Submitted report by the Interim Executive Director (Communities) on the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2018/19. Appendix 1 to the report summarised the inspection outcomes for all establishments, while Appendices 2 and 3 detailed the full Education Scotland and Care Inspectorate reports, respectively. Appendices 4 and 5 provided information in relation to Education Scotland's six-point scale used to report on performance and the July 2018 report on the North Ayrshire Council Education Authority.

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

- changes and planned improvements within the quality improvement framework;
- more school-focussed emphasis following a review with Head Teachers; and
- development of a full action plan to support Loudoun Montgomery Primary School and Early Years class to make improvements in the key areas identified.

The Committee agreed to (a) note the content of the report; (b) commend the performance of North Ayrshire schools in inspections led by Education Scotland and the Care Inspectorate; and (c) receive an update report from the Interim Executive Director (Communities) after the follow-through inspection of Loudoun Montgomery Primary School and Early Years Class.

**6.** **Seafield House, Ardrossan**

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

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

- a potential Compulsory Purchase Order (CPO) which would require an initial Listed Building Repair Notice to be served;
- costs and property value associated with any CPO;
- no approach having been made to the Council in terms of any back-to-back transfer and uncertainty over the costs which would be involved;
- concern that the developer has not progressed actions identified through the Committee petition process;
- ongoing dialogue between the Planning Services Manager and the owner;
- the action taken by the Planning Committee on 4 September in respect of an 'Amenity Notice';
- a progress report being provided to Committee in 6 months; and
- actions to be considered should no progress be made in the intervening 6-month period.

The Committee agreed (a) to note (i) the actions taken by Planning Services to date; and (ii) the decision of the Planning Committee in respect of an 'Amenity Notice'; (b) that no further action by taken at this time in respect of the service of a Repairs Notice;

and (c) that the Executive Director (Place) provide a follow-up report to the Committee in 6 months.

## 7. Annual Assurance Statement to the Scottish Housing Regulator 2018-19

Submitted report by the Executive Director (Place) on the Council's Annual return on the Charter 2018/19 submission and endorsement of the Annual Assurance Statement for submission to the Scottish Housing Regulator. Appendix 1 to the report detailed the Annual Return on the Charter submission 2018-19. Appendix 2 detailed the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation while the Annual Assurance Statement was detailed at Appendix 3 to the report.

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

- comparable figures for last year which would help to identify trends;
- an explanation on the definition and number of 'lets from other sources' during the reporting year being provided to the Committee;
- the reduction in stock numbers;
- Scottish Housing Quality Standard requirements for year on year work to properties;
- homes and areas scheduled for improvements;
- figures in relation to the percentage of new tenancies to applicants assessed as statutory homeless which were sustained for more than a year; and
- the piloting of the housing first approach with homeless applicants to help with sustaining tenancies.

The Committee agreed (a) to note (i) the Annual Return on the Charter submission 2018-19, attached as Appendix 1 to the report; and (ii) the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation attached as Appendix 2 to the report; and (b) that the Committee Chair sign the Annual Assurance Statement attached as Appendix 3 to the report, for submission to the Scottish Housing Regulator.

## 8. Councillor Development

Submitted report by the Chief Executive on the development sessions provided to Councillors over the 18 months to 30 June 2019 and on future planned development sessions. Appendix 1 to the report provided details of 41 of the 2018 sessions while Appendix 2 detailed the eight development sessions between January and June 2019. Appendices 3 and 4 provided sample feedback comments from sessions and the Elected Member Learning and Development Event Schedule respectively.

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

- whether videoing or webcasting would restrict the flow of discussion or discourage attendance at sessions;
- interactive presentations, with questions taken throughout, being more beneficial;

- any feedback received from those who did not attend sessions on the effectiveness of slides which had been provided;
- the benefits of filming a 10 minute presentation to go along with presentation slides for those unable to attend sessions;
- monitoring in relation to views of the 10 minute presentations and how this could be carried out;
- recording of attendance or non-attendance at sessions, where the information being presented could have already been provided on another platform;
- differences between a training and briefing session;
- the need to consider training which will increase Members' knowledge;
- that the Head of Democratic Services contact Group Leaders to discuss with their Groups particular areas to take forward;
- that individual Members would not be identifiable in future reports.

The Committee agreed (a) to note the report; (b) that the Head of Democratic Services (i) note the feedback given by Members on means to support Member attendance and on improvements to future programmes; and (ii) contact Group Leaders with regard to suggestions on particular areas to take forward for future sessions.

## 9. Audit and Scrutiny Self Evaluation

Submitted report by the Chief Executive on the outcome of the self-evaluation of the Audit and Scrutiny Committee undertaken as part of the improvement actions identified in the External Audit Interim Report 2018/19. The findings arising from the self-evaluation, together with improvement actions, were detailed in Appendix 1 to the report.

The Committee (a) noted the findings of the self-evaluation as detailed in Appendix 1 to the report; (b) agreed to approve the improvement actions identified in Appendix 1 to the report; and (c) agreed to repeat the self-evaluation exercise on an annual basis.

## 10. Complaints Report

Submitted report by the Head of Democratic Services on the Council's complaint performance and the volume and trends of complaints received in 2018/19. The report detailed the volume of complaints received and closed, complaints closed at each stage, complaint outcomes, the average time in working days for a full response at each stage, complaints closed within timescale, complaint timescale extensions, trends identified from upheld/partially upheld complaints and changes or improvements made as a result of complaints.

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

- the positive reasons for the increase in the volume of complaints received and closed; and
- breached complaints where reasons for breaching had not been provided.

The Committee agreed (a) to note the information contained in the report; and (b) that the Head of Democratic Services provide a report to a future meeting of the Committee on breached complaints.

## 11. Planning for EU Exit

Submitted report by the Head of Democratic Services on the Council's planning arrangements to address the risks arising from a 'no-deal' exit from the European Union and outlining resilience arrangements. Appendix 1 to the report detailed potential reasonable worst case scenarios having regard to the Scottish Government's Planning Assumptions. Appendix 2 a summary of external organisation views on the economic impact of EU exit.

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

- preparations for any potential electoral event;
- figures in relation to EU residents applying for settled status at 30 June 2019;
- all applicants not having been granted settled or pre-settled status.; and
- the risks and planning for a negotiated deal.

Noted.

## 12. Internal Audit and Corporate Fraud Action Plans: Quarter 1 Update

Submitted report by the Executive Director (Finance and Corporate Support) on progress made by services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 June 2019. Appendix 1 to the report provided full details of 3 actions which were overdue at end of June 2019.

Noted.

## 13. Internal Audit Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed during May and July 2019. The findings from seven separate audit assignments were detailed at Appendix 1 to the report, together with their respective executive summary and action plans.

Members asked questions and were advised that an assurance will be given at the next meeting in connection with the 15 actions arising from the Community Based Support audit and on how these have been addressed.

The Committee agreed (a) to note the information contained in the report; and (b) to receive an assurance at the next meeting of the Committee in connection with how Community Bases Support audit actions have been addressed.

Councillor Hill left the meeting at this point.

## 14. Exclusion of the Public

The Committee resolved in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following items of business on the grounds indicated in terms of Paragraph 1 of Part 1 of Schedule 7A of the Act.

**15.    Corporate Fraud Reports Issued**

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of corporate fraud investigations completed between May and June 2019.

Noted.

**16.    Corporate Fraud Report Timeline Update**

Submitted report by the Executive Director (Finance and Corporate Support) on the overview of the timeline in relation to an investigation which was requested by the Committee at its meeting held on 28 May 2019.

Noted.

The meeting ended at 12.20 p.m.

Audit and Scrutiny Committee
24 September 2019

**IRVINE,** 24 September 2019 - At a Special Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

**Present**
Marie Burns, Joy Brahim and John Sweeney.

**In Attendance**
L. Friel, Executive Director, M. Boyd, Head of Service and D. Forbes, Senior Manager (Finance and Corporate Support); A. Craig, Senior Manager (Legal Services) and D. McCaw, Committee Services Officer (Chief Executive's Service).

**Also In Attendance**
Kyle McAulay (Deloitte).

**Chair**
Councillor Burns in the Chair.

**Apologies**
Alan Hill, Tom Marshall and Donald Reid.

1.     **Declarations of Interest**

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

2.     **Annual Report on the 2018/19 Audit**

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of the 2018/19 Annual Audit report and received a verbal update from the external auditor.  The letter of representation to be signed by the Executive Director (Finance and Corporate Support) as the responsible officer for North Ayrshire Council was attached at Appendix 1 to the report. The External Auditor's Annual Report was appended at Appendix 2 and included the findings of the 2018/19 audit and agreed action plan.

Kyle McAulay of Deloitte provided a verbal report on the appendices to the report, including the key messages contained within the external auditor's unqualified report on the 2018/19 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 were further advised by the External Auditor of typographical errors within the Annual Report which would be updated prior to the issue of the final version and that ISA 260 would be updated to reflect this.

The Chair indicated that this was a positive report and noted that the Council had been commended for areas of good practice.  On behalf of the Committee, the Chair thanked the Financial Services team for their work in connection with the production of the Annual Accounts.

Members asked a question and were provided with further information in relation to FRS16.

The Committee agreed to (a) note (i) the findings of the 2018/19 audit of the financial statements as contained in the External Auditor's annual report at Appendix 2; (ii) the agreed action plan as outlined on page 28 of the annual report; and (b) approve the audited Annual Accounts for signature.

The meeting ended at 10.20 a.m.

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

### Audit & Scrutiny Committee

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

## 1.  Executive Summary

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

## 2.  Background

2.1 The Audit and Scrutiny Committee agreed to receive regular reports on the financial performance of the Health & Social Care Partnership.  The Budget Monitoring report presented to the IJB on 24 October 2019 outlines the projected financial outturn for the financial year as at August 2019 and is attached as an appendix.

## 3.  Proposals

3.1 It is proposed that the Committee note the report and the Financial Recovery Plan outlining the actions the partnership will require to take to bring the financial position back into balance for 2019-20.

## 4.  Implications

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

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

## 5. Consultation

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

Stephen Brown
Director Health & Social Care Partnership

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

**Background Papers**
None

**Integration Joint Board**
**24 October 2019**

| **Subject:** | **Budget Monitoring – Month 5 (August 2019)** |
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| **Purpose:** | To provide an update on financial performance to August 2019, including the projected outturn for the 2019-20 financial year. |
| **Recommendation:** | It is recommended that the IJB:<br><br>a) Note the projected year-end overspend of £2.308m;<br>b) Approve the changes in funding as detailed in section 2.11 and Appendix E; and<br>c) Note the potential impact of the Lead Partnerships. |

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

| 1. | **EXECUTIVE SUMMARY** |
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| 1.1 | The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services.   It should be noted that although this report refers to the position at the July period end that further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practically be reported. |
| 1.2 | The projected outturn is a year-end overspend of £2.308m for 2019-20 which is an adverse movement of £0.311m from the previous reporting period. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings.  The position at July was a projected overspend of £1.997m and a financial recovery plan was approved by the IJB to work towards delivering financial balance. Progress against the plan will be closely monitored as the IJB may be required to approve additional actions later in the financial year if the planned impact is not realised. |
| 1.3 | There has been as adverse movement in the position which mainly relates to the inclusion of the full year funding impact of the Intermediate Care and Rehab model of care.  The main areas of pressure continue to be learning disability care packages, |

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| | care homes, care at home, looked after children, and adult in-patients within the lead partnership. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support bringing expenditure back into line with budget. |
| 1.4 | It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis as financial balance needs to be achieved. The service transformation programme and the delivery of those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services. |
| **2.** | **CURRENT POSITION** |
| 2.1 | The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and action required to work towards financial balance. |
| | **FINANCIAL PERFORMANCE** |
| 2.2 | Against the full-year budget of £242.359m there is a projected overspend of £2.308m (0.95%).  An integrated view of the financial position should be taken; however, it is useful to note that this overall position consists of a projected overspend of £2.345m in social care services offset by a projected underspend of £0.037m in health services. |
| | The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. |
| | Appendix A provides the financial overview of the partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets with detailed analysis provided in Appendix B. |
| 2.3 | **Community Care and Health Services** |
| | Against the full-year budget of £67.775m there is a projected overspend of £1.488m (2.2%) which is an adverse movement of £0.384m. The main reasons for the projected overspend are: |
| | a) Care home placements including respite placements – projected to overspend by £0.167m (£0.010m adverse movement). This is mainly due to funding a number of emergency respite placements on a permanent basis which brings the care home respite budget online but increases the overspend on permanent placements to £0.367m. This was agreed as it was likely that the emergency placements would not be discharged, and it allows the permanent placements to be financially assessed with the individual contributing appropriately to their care.  Permanent placements will continue to be managed to bring the budget back into line.  The projection can vary due to factors other than the number of placements e.g. the impact of interim funded places and outstanding requests for funding, this will require to be monitored closely. These overspends are partially offset by a projected over-recovery of Charging Order income of £0.200m which is based on income received to date and improved processes to track the charging orders. |
| | b)  Independent Living Services are projected to overspend by £0.268 (favourable movement of £0.048m) which is due to an overspend on physical disability care |

packages within the community and residential packages. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and payment only for the actual hours of care delivered.

c) Packages of care are projected to underspend by £0.097m which is an adverse movement of £0.006m. This is due to delays in new packages offsetting the use of supplementary staffing for existing packages, this has improved from the 2018-19 position.

d) Care at home (purchased and in house) projected to overspend by £0.595m which is an adverse movement of £0.097m. The overspend is due to an increase in provided hours and the budget being reduced to reflect the 2019-20 approved saving. The overspend on in-house services relates to providing additional hours to cover a service that a provider handed back and the in-house service had to increase capacity to ensure the safety of vulnerable service users within the community of the North Coast locality and also the need to facilitate patient discharges from Crosshouse Hospital . The projection assumes that the number of hours currently being invoiced will reduce following an internal review of the hours provided. The service currently has, between hospitals and community individuals waiting on a care at home package and individuals waiting on an increase in their care packages.

e) Long Term Conditions (Ward 1), projected overspend of £0.270m (adverse movement of £0.006m) which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure for which funding requires to be identified. This will be reviewed during 2019-20 along with other wards. Ward 2 is projected to be £0.026m underspent (favourable movement of £0.026m) but this is subject to continuing to receive £0.504m of funding from East HSCP for their patients, East have indicated their intention to reduce the number of commissioned beds.

f) Community Care employee costs are projected to overspend by £0.308m (adverse movement of £0.020m) due to supernumerary / unfunded posts. These posts will be allocated to the appropriate service to manage the costs within the delegated budget.

g) Locality services employee costs are projected to overspend by £0.176m (adverse movement of £0.031m) due to a projected shortfall in payroll turnover targets.

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

i) Intermediate Care (excluding Models of Care) is projected underspend by £0.089m due to vacancies.

j) Intermediate Care and Rehab Models of Care is projected to overspend by £0.260m which represents the full year funding impact of the model. This is subject to a separate report on the agenda, and whilst the IJB has not formally agreed to fund this investment on a permanent basis the posts are filled on a permanent basis and the additional cost is unavoidable. The projected

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| | overspend is based on the posts which are currently filled, with an assumption that any vacancies would be held until a longer term decision on funding investment is taken.<br><br>k) Aids and adaptations – are projected to underspend by £0.200m per the approved recovery plan. |
| 2.4 | **Mental Health Services** |
| | Against the full-year budget of £75.483m there is a projected overspend of £1.275m (1.7%). The main reasons for the projected overspend are:<br><br>• Learning Disabilities – projected overspend of £1.364m, of which £1.157m is in relation to community care packages and £0.361m for residential placements. The projection assumes that the level of invoice variations will be higher than previously assumed and some slippage with planned new packages. These overspends are partially offset by vacant posts.<br><br>• Community Mental Health – is projected to underspend by £0.031m (adverse movement of £0.022m) mainly due to vacancy savings (after allocating £0.090m of payroll turnover) and an underspend in care packages. .<br><br>• Addictions – is projected to be underspent by £0.095m (favourable movement of £0.005m) due to vacant posts.<br><br>• Lead Partnership for Mental Health – overall projected overspend of £0.037m (favourable movement of £0.053m) which consists of:<br><br>*Overspends:*<br><br>• Adult inpatients £0.580m (favourable movement of £0.009m) - mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ability to close Lochranza will be dependent on discharging at least two patients. The projection also assumes that a fifth bed will be sold by October 2019.<br><br>• Psychiatry £0.025m (favourable movement of £0.020m) – overspend primarily due to agency costs. Agency staff are used in the absence of being able to recruit permanent posts.<br><br>• UNPACS £0.242m (no movement) – based on current placements and an increased charge from the state hospital for the period April to August 2019.<br><br>*Underspends:*<br><br>• CAMHS £0.270m (favourable movement of £0.015m) – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover.<br><br>• Psychology £0.160m (no movement) – due to vacancies. This is after applying £0.150m of payroll turnover. |

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| | • Adult Community Mental Health £0.069m (no movement) - due to vacancies. |
| | • MH Pharmacy £0.154m (no movement) – due to continued lower substitute prescribing costs. |
| | • MH Admin £0.125m (favourable movement of £0.009m) - due to vacancies. |
| | Note that elderly inpatients are reporting an adverse position at month 5 due to holding vacancies in relation to reconfiguring the wards.  This resulted in using supplementary staff in the interim, but it is assumed to be online following implementation of the elderly mental health review. |
| 2.5 | **Children & Justice Services** |
| | Against the full-year budget of £35.745m there is a projected overspend of £1.069m (3%) which is an adverse movement of £0.150m. The main reasons for the projected overspend are:<br><br>a) Residential Schools and Community Placements – projected overspend of £1.262m (favourable movement of £0.109m). The projection is based on the current number of placements and estimated discharge dates for each placement.  There are currently 22 placements and 2 secure placements.  The reported projection assumes 3 discharges in December with the remaining 19 assumed to be still in a placement at the year end.  There is no provision for any increase in placements. The favourable movement relates to two children transferring to the children with a disabilities care package budget.  Whilst there has been some progress in reducing the overall number of external placements the financial benefit of this has been offset by unplanned secure placements.<br><br>b) Looked After Children Placements – projected underspend of £0.118m (adverse movement of £0.018m) due to the current demand for fostering, adoption and kinship placements.<br><br>c) Early Years – projected to underspend by £0.018m (adverse movement of £0.026m) mainly due to the level of vacancies in heath visiting.  This is after allocating £0.200m of payroll turnover and accounting for £0.175m of potential additional costs for the regrading of the HV posts.<br><br>d) Children with Disabilities Residential Placements – projected underspend of £0.177m (adverse movement of £0.188m) due to two children transferring from Residential Placements. |
| 2.6 | **Management and Support Costs** |
| | Against the full-year budget of £9.319m there is a projected underspend of £1.496m (16%) which is a favourable movement of £0.255m. This underspend relates to the potential delay in commitment for pressure funding set aside in the 2019-20 budget, the requirement for this funding will need to be closely monitored and may require to be delegated to services as and when required. |
| 2.7 | **Primary Care and Prescribing** |
| | Prescribing is the responsibility for the Health Board to fund and under the terms of the Integration Scheme the Health Board continues to underwrite the prescribing position across the three Ayrshire IJBs. At month 5 prescribing is projected to be |

| | |
|---|---|
| | £1.107m overspent.  This is not included in the projected outturn due to the NHS underwriting the overspend. |
| 2.8 | **Savings Progress** |

a)  The approved 2019-20 budget included £6.134m of savings.

| RAG Status | Position at Budget Approval £m | Position at Period 5 £m |
|---|---|---|
| Red | - | 0.393 |
| Amber | 2.980 | 2.529 |
| Green | 3.154 | 3.212 |
| **TOTAL** | **6.134** | **6.134** |

b)  The projected year-end outturn position assumes:

i)      £0.215m of the Red savings in relation to reducing LD sleepovers may not be delivered as planned and this is reflected in the overall projected outturn position; and

ii)     The £0.328m risk of savings relating to Trindlemoss is partially reflected (£0.178m) in the projected overspend position as there is ongoing work to establish the deliverability of the saving given that the savings were based on the service being operational from September.

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

The projected financial position assumes that all remaining savings on the plan will be delivered.  Progress with savings delivery requires to be closely monitored to ensure the impact on the financial position can be assessed and corrective action taken where necessary.  Appendix C provides an overview of the savings plan, this highlights that at this stage a total of £2.319m of savings have been delivered successfully.

The Transformation Board is in place to provide oversight and governance to the programme of service change.   A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track.

| | |
|---|---|
| 2.9 | **Financial Recovery Plan** |

The Integration Scheme requires the implementation of a recovery plan if an overspend position is being projected, to take action to bring overall service delivery back into line with the available resource.  The previously approved financial recovery plan is included in Appendix D.

This includes specific targeted actions with a focus on addressing the pressure areas, the actions will not only improve the projected overspend this year but will also address recurring overspends in service areas moving into future years.  The plan requires the IJB support and approval, while many of the plans are operational management actions there may be some resistance from service users and communities to any changes to care packages and services.

| | |
|---|---|
| | The plan will be monitored closely and is underpinned by more detailed plans with clear actions for high risk service areas. One of the most significant risk areas is Learning Disabilities, a more detailed plan with all actions including tracking progress with reviews is co-ordinated between the service and finance and transformation team. Weekly cross-service progress meetings are being held to track progress and ensure are implemented at pace.

The overall recovery plan will be an iterative document to remain under review. Progress with the plan will be monitored against to ensure it has the required impact and this will feature in future reporting to the IJB. The plan was agreed in September therefore at this stage it is difficult to quantify the impact, further detail in relation to progress and financial impact will be included in future financial monitoring reports.

There is a risk that if the planned impact is not achieved that further actions will require to be added to the plan and these may include actions that would impact on the quality and performance of front-line services. The plan also highlights areas where a future policy decision may be required by the IJB to support delivery, where required this will be brought back to the IJB. |
| 2.10 | **Financial Risks** |
| | The 2019-20 budget setting paper noted unfunded pressures which could present a risk to the projected outturn position. This included:

a) Paid as if at work is a pressure relating to health employed staff and the payment of a holiday pay element for regular additional payments, e.g. overtime. The cost across the Health Board is estimated to be £1.4m but is unclear at this stage what the cost will be for each service, for North Ayrshire this is estimated to be around £0.2m. When the cost pressure value is known the partnership will look to services to fund from within existing resources where possible.
b) There is a potential pressure in relation to GP practices in difficulty. This is a dynamic pressure which we will look to manage in-year. If this cannot be achieved, then the default position would be to fund the North fair share of this (circa £0.2m) from any underspend in the Primary Care Improvement Fund (PCIF).

In addition to these pressures there is a potential reduction to the funding available for Ward 2 in Woodland View as East HSCP are reviewing the number of beds they want to commission from the ward.

The IJB may be asked to take further decisions during 2019-20 in relation to managing the above pressures. |
| 2.11 | **Budget Changes** |
| | The Integration Scheme states that "*either party may increase it's in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis….without the express consent of the Integration Joint Board".*

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

***Reduction Requiring Approval:*** |

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

- Prescribing £0.550m – relates to a reduction an allocation for tariff reduction to global sum, this reduction is a flow through of a reduction in Scottish Government funding to the Health Board. As the Health Board underwrite prescribing budgets there is no risk to the IJB of this reduction.

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

***Future Planned Changes:***

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

1) Transfer of hub funding to the Communities Directorate  (approx. £57k)

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

| 2.12 | **Lead Partnerships** |
| --- | --- |
| | ***North Ayrshire HSCP***<br>Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.051m (£0.037m MH and £0.014m Children) overspent.  Full detail on the underspend is given in section 2.4 above. |
| | ***South Ayrshire HSCP***<br>Services hosted and/or led by the South Partnership are forecast to be online. The Community Equipment Store was funded with an additional £0.280m as part of the budget for this year, however it continues to be a source of pressure. It should be noted that expenditure is volatile depending on the timing of purchases. |
| | ***East Ayrshire HSCP***<br>Services managed under Lead Partnership arrangements by East Ayrshire Health and Social Care Partnership are projected to marginally overspend by £0.288m in total. The overall Primary Care Lead Partnership projected overspend is £0.266m and this projected variance mainly relates to additional payments within Primary Medical Services to GP practices currently experiencing difficulty (mainly practices that the NHS Board is administering due to previous GPs handing back contracts). The GP practices in difficulty issue is extremely fluid however negotiations are progressing with practices with a view to them returning to independent contractor status. Additional Ayrshire Urgent Care Services costs resulting from increased rates being paid to attract GPs over certain periods can prove challenging to fill without financial incentives. These additional costs are partially offset by savings in Dental services. This reflects the month 4 position for East as their next update is month 6. |
| | Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements.  This is to ensure the IJB are fully sighted on |

| | |
|---|---|
| | the impact for the North Ayrshire partnership. The IJB will be kept informed of progress with this work which is being progressed by the Ayrshire Partnership Finance Leads.<br><br>At month 5 the impact of the Lead Partnerships has been calculated based on the average NRAC share which is the method that was used in previous years and has been agreed by the Ayrshire Finance Leads.<br><br>The NRAC shares are: North 36.6%, South 30.5% and East 32.9% |
| 2.14 | **Set Aside**<br><br>The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process. The 2019-20 set aside budget for North HSCP is £30.094m, based on expenditure in 2018-19. The acute directorate, which includes the areas covered by the set aside budget, is overspent by £5.5m after 5 months.<br><br>58 additional and unfunded beds were open at the 31st March 2019. Crosshouse and Ayr hospitals have experienced a high level of demand and delayed discharges, resulting in increased operational pressures and additional expenditure.<br><br>During 2018-19 the North Partnerships use of the set aside resources was £30.094m against the NRAC 'fair share' of £28.697m which is £1.127m above the 'fair share'. There is an expectation that the North Partnership will move towards its 'fair share'. The Models of Care programmes including the Intermediate Care and Rehab investment and the Palliative End of Life proposals being developed represent agreed or potential investment in community services with a view to reducing acute beds. This is in effect a mechanism to reduce the set aside resources. |
| **3.** | **PROPOSALS** |
| 3.1 | **Anticipated Outcomes** |
| | Continuing to implement and monitor the financial recovery plan will allow the IJB to take the action where required to ensure the partnership can deliver services in 2019-20 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.<br><br>The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line. |
| 3.2 | **Measuring Impact** |
| | Updates to the financial position will be reported to the IJB throughout 2019-20. |

| 4. | IMPLICATIONS |
|---|---|
| **Financial:** | The financial implications are as outlined in the report.

Against the full-year budget of £242.359m there is a projected overspend of £2.308m (0.95%). The report outlines the action being taken and proposed action to reduce the projected overspend.

There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.

The financial recovery plan details planned actions to reduce the projected overspend, this plan will require to be closely monitored and reviewed to determine if further actions may be required to bridge the gap.

The main areas of financial risk which may impact on this position are highlighted in the report. |
| **Human Resources:** | None |
| **Legal:** | None |
| **Equality:** | None |
| **Children and Young People** | None |
| **Environmental & Sustainability:** | None |
| **Key Priorities:** | None |
| **Risk Implications:** | Within the projected outturn there are various over and underspends including the non-achievement of savings which need to be addressed. If the financial recovery plan does not deliver the required improvements to the financial position, there is a risk that further actions will require to be identified and service quality and performance may be compromised to achieve financial balance. |
| **Community Benefits:** | None |

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

| 4. | CONSULTATION |
|---|---|
| 4.1 | This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.

The report is shared with the Director of Finance for NHS Ayrshire and Arran and the Executive Director Finance and Corporate Support for North Ayrshire Council. |

| 5. | CONCLUSION |
|---|---|
| | It is recommended that the IJB:<br><br>a) Note the projected year-end overspend of £2.308m;<br>b) Approve the changes in funding as detailed in section 2.11 and Appendix E; and<br>c) Note the potential impact of the Lead Partnerships. |

**For more information please contact:**

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# 2019-20 Budget Monitoring Report–Objective Summary as at 31 August 2019

| Partnership Budget - Objective Summary | Council | | | Health | | | TOTAL | | | Over/(Under) Spend Variance at Period 4 | Movement in projected budget variance |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Budget | Outturn | Over/(Under) Spend Variance | Budget | Outturn | Over/(Under) Spend Variance | Budget | Outturn | Over/(Under) Spend Variance | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **COMMUNITY CARE AND HEALTH** | **54,814** | **56,038** | **1,224** | **12,961** | **13,225** | **264** | **67,775** | **69,263** | **1,488** | **1,104** | **384** |
| : Locality Services | 24,919 | 25,726 | 807 | 4,486 | 4,400 | (86) | 29,405 | 30,126 | 721 | 608 | 113 |
| : Community Care Service Delivery | 26,035 | 27,204 | 1,169 | 0 | 0 | 0 | 26,035 | 27,204 | 1,169 | 991 | 178 |
| : Rehabilitation and Reablement | 1,765 | 1,568 | (197) | 1,912 | 2,055 | 143 | 3,677 | 3,623 | (54) | (100) | 46 |
| : Long Term Conditions | 1,736 | 1,205 | (531) | 4,574 | 4,787 | 213 | 6,310 | 5,992 | (318) | (395) | 77 |
| : Integrated Island Services | 359 | 335 | (24) | 1,989 | 1,983 | (6) | 2,348 | 2,318 | (30) | 0 | (30) |
| **MENTAL HEALTH SERVICES** | **23,654** | **25,148** | **1,494** | **51,829** | **51,610** | **(219)** | **75,483** | **76,758** | **1,275** | **1,276** | **(1)** |
| : Learning Disabilities | 17,830 | 19,302 | 1,472 | 511 | 403 | (108) | 18,341 | 19,705 | 1,364 | 1,329 | 35 |
| : Commmunity Mental Health | 4,459 | 4,481 | 22 | 1,611 | 1,558 | (53) | 6,070 | 6,039 | (31) | (53) | 22 |
| : Addictions | 1,365 | 1,365 | 0 | 1,345 | 1,250 | (95) | 2,710 | 2,615 | (95) | (90) | (5) |
| : Lead Partnership Mental Health NHS Area Wide | 0 | 0 | 0 | 48,362 | 48,399 | 37 | 48,362 | 48,399 | 37 | 90 | (53) |
| **CHILDREN & JUSTICE SERVICES** | **32,135** | **33,144** | **1,009** | **3,610** | **3,670** | **60** | **35,745** | **36,814** | **1,069** | **919** | **150** |
| : Intervention Services | 3,859 | 3,950 | 91 | 325 | 371 | 46 | 4,184 | 4,321 | 137 | 157 | (20) |
| : Looked After & Accomodated Children | 16,325 | 17,341 | 1,016 | 0 | 0 | 0 | 16,325 | 17,341 | 1,016 | 1,059 | (43) |
| : Fieldwork | 4,713 | 4,765 | 52 | 0 | 0 | 0 | 4,713 | 4,765 | 52 | 6 | 46 |
| : CCSF | 311 | 266 | (45) | 0 | 0 | 0 | 311 | 266 | (45) | (21) | (24) |
| : Criminal Justice | 2,627 | 2,627 | 0 | 0 | 0 | 0 | 2,627 | 2,627 | 0 | 0 | 0 |
| : Early Years | 394 | 376 | (18) | 2,868 | 2,868 | 0 | 3,262 | 3,244 | (18) | (44) | 26 |
| : Policy & Practice | 3,906 | 3,819 | (87) | 0 | 0 | 0 | 3,906 | 3,819 | (87) | (252) | 165 |
| : Lead Partnership NHS Children's Services Area Wide | 0 | 0 | 0 | 417 | 431 | 14 | 417 | 431 | 14 | 14 | 0 |
| **PRIMARY CARE** | 0 | 0 | 0 | 47,169 | 47,169 | 0 | 47,169 | 47,169 | 0 | 0 | 0 |
| **ALLIED HEALTH PROFESSIONALS** | | | | 5,131 | 5,081 | (50) | 5,131 | 5,081 | (50) | (50) | 0 |
| **MANAGEMENT AND SUPPORT COSTS** | 7,412 | 6,080 | (1,332) | 1,907 | 1,743 | (164) | 9,319 | 7,823 | (1,496) | (1,241) | (255) |
| **CHANGE PROGRAMME** | 655 | 655 | (50) | 1,082 | 1,082 | 0 | 1,737 | 1,737 | (50) | (50) | 0 |
| **TOTAL** | **118,670** | **121,065** | **2,345** | **123,689** | **123,580** | **(109)** | **242,359** | **244,645** | **2,236** | **1,958** | **278** |
| Return Hosted Over/Underspends East | 0 | 0 | 0 | | 0 | (17) | | | (17) | (34) | 17 |
| Return Hosted Over/Underspends South | 0 | 0 | 0 | | 0 | (16) | | | (16) | (32) | 16 |
| Receive Hosted Over/Underspends East | 0 | 0 | 0 | | 0 | 105 | | | 105 | 105 | 0 |
| **REVISED PROJECTED OUTTURN** | **118,670** | **121,065** | **2,345** | **123,689** | **123,580** | **(37)** | **242,359** | **244,645** | **2,308** | **1,997** | **311** |

# 2019-20 Budget Monitoring Report – Detailed Variance Analysis per service

| | Budget £000's | Outturn £000's | Over/(Under) Spend Variance £000's | |
|---|---|---|---|---|
| **COMMUNITY CARE AND HEALTH** | **67,775** | **69,263** | **1,488** | |
| Locality Services | 29,405 | 30,126 | 721 | **Older People permanent care homes** - projected overspend of £0.367m based on 816 placements. Respite care is projected to be online.<br>**Income from Charging Orders** - projected over recovery of £0.200m'<br><br>**Independent Living Services :**<br>* Direct Payment packages- projected underspend of £0.089m on 62 packages and a net decrease of 1 packages expected during the year..<br>* Residential Packages - projected overspend of £0.020m based on 35 packages.<br>* Community Packages (physical disability) - projected overspend of £0.159m based on 49 packages<br><br>**NHS Packages of Care** - projected underspend of £0.097m due to use of supplementary staffing offset by slippage in other packages. |
| Community Care Service Delivery | 26,035 | 27,204 | 1,169 | **Care at home**<br>- in house service - projected overspend of £0.139m based on the current level of contracted costs remaining until the year end.  Care at home staff have been incurring additional hours as there are moratoria on four of the purchased care providers.<br>- Purchased Care at home - projected overspend of £0.456m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving.  There are four moratoria in place but the hours purchased from other providers has increased.<br><br>**Direct Payments** -  projected underspend of £0.106m based on 28 packages continuing until the year end.<br><br>**Transport costs** -  projected overspend of £0.055m due to increase in staff mileage within care at home.<br>**Admin costs** - projected overspend of £0.80m mainly due to mobile phone equipment.<br>Supplies and Services - projected overspend of £0.125m in relation to uniforms and other supplies.<br>**Voluntary Organisations** - projected overspend £0.088m mainly in relation to the Alzheimer service.<br>**Income** - projected over recovery £0.043m mainly in relation to CM2000 non compliance charges. |

| | Budget £000's | Outturn £000's | Over/ (Under) Spend Variance £000's | |
|---|---|---|---|---|
| Rehabilitation and Reablement | 3,677 | 3,623 | (54) | **Employee costs -** projected underspend £0.190m due to vacancies.<br>**Intermediate Care and Rehab Models of Care** - projected to overspend by £0.260m which is the full year funding impact.<br>**Aids and Adaptations** - projected underspend of £0.200m per the approved recovery plan |
| Long Term Conditions | 6,310 | 5,992 | (318) | **Ward 1 -** projected overspend of £0.270m due to the use of supplementary staffing.<br>**Ward 2 -** projected underspend of £0.026m assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients.<br>**Elderly CMHT -** underspend of £0.044m due to vacancies.<br>**Carers Act Funding** - projected underspend of £0.561m based on the committed spend.  This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments.  This underspend will be used in the first instance to cover the projected overspend on care home respite placements. |
| Integrated Island Services | 2,348 | 2,318 | (30) | **Outwith the threshold for reporting** |
| **MENTAL HEALTH SERVICES** | **75,483** | **76,758** | **1,275** | |
| Learning Disabilities | 18,341 | 19,705 | 1,364 | **Residential Packages-** projected overspend of £0.361m based on 41 current packages.<br><br>**Community Packages (inc direct payments) -** projected overspend of £1.157m based on 291 current packages less 5% invoice variances. The projection assumes savings of £0.490m will be achieved and that any new packages or increases to current packages will be cost neutral.  The direct payments projection is based on 40 current packages with a net increase of  3 to the year end less £0.102m recovery of unspent balances.<br><br>**Employee costs -** projected underspend £0.073m mainly due to vacant posts |
| Community Mental Health | 6,070 | 6,039 | (31) | **Outwith the threshold for reporting** |
| Addictions | 2,710 | 2,615 | (95) | **Employee costs -** projected underspend £0.095m due to vacant posts<br>**ADP** - projected online position. |

| | Budget £000's | Outturn £000's | Over/ (Under) Spend Variance £000's | |
|---|---|---|---|---|
| Lead Partnership (MHS) | 48,362 | 48,399 | 37 | **Adult Community** - projected underspend of £0.069m due to vacancies.<br>**Adult Inpatients**- projected overspend of £0.580m due to a delay in closing the Lochranza wards. Assumes a 5th bed is sold from October.<br>**UNPACs** - projected overspend of £0.242m which includes the charges from the state hospital (April - August 2019).<br>**LDS -** assumed online pending completion of the relocation of services to Woodland View.<br>**Elderly Inpatients** - assumed online pending the finalisation of the elderly mental health bed redesign.<br>**Addictions** - projected underspend of £0.030m due to vacancies.<br>**CAMHS** - projected underspend of £0.270m due to vacancies.<br>**MH Admin** - projected underspend of £0.125 due to vacancies..<br>**Psychiatry** - projected overspend of £0.025m due to agency costs.<br>**MH Pharmacy** - projected underspend of £0.154m mainly within substitute prescribing.<br>**Psychology**- projected underspend of £0.160m due to vacancies.<br>**Action 15** - assumed online position |
| **CHIDREN'S AND JUSTICE SERVICES** | **35,745** | **36,814** | **1,069** | |
| Intervention Services | 4,184 | 4,321 | 137 | **Employee costs -** projected overspend of £0.013m mainly due to incremental drift.<br>**Supported Carers Scheme -** projected overspend of £0.031m based on 6 carers supporting 6 children.<br>**Transport Costs** - projected overspend of £0.043m in relation to mileage costs.<br>**Third Party payments** - projected overspend of £80k (combination , Children's 1st Advocacy and Action for Children (Functional Family Therapy) |

| | Budget £000's | Outturn £000's | Over/ (Under) Spend Variance £000's | |
|---|---|---|---|---|
| Looked After & Accom Children | 16,325 | 17,341 | 1,016 | **Looked After Children placements -  projected underspend of £0.118m based on the following:-**<br>**Kinship -** projected overspend of £0.050m. Budget for 339 placements, currently 334 placement but projecting 345 placements by the year end.<br>**Adoption -** projected overspend of £0.003m. Budget for 74 placements, currently  74 placements.<br>**Fostering** - projected underspend of £0.039m.  Budget for 120 placements, currently 122 placements but projecting 114 placements by the year end.<br>**Fostering  Xtra** - projected underspend of £0.137m. Budget for  32 placements,  currently 25 placements but projecting 24 placements by the year end.<br>**Private fostering -** projected underspend of £0.081m.  Budget for 11 placements, currently 10 placements.<br>**IMPACCT carers -** projected underspend of £0.016m.  Budget for 4 placements, currently 2 placements.<br><br>**Residential School placements including community packages -** projected overspend of £1.262m.   The projection is based on the current number of placements and estimated discharge dates for each placement based on the support from the mainstreamed Challenge Fund project.  There are currently 22 placements.  The projection assumes 3 discharges in December with the remaining 19 assumed to be still in a placement at the year end. There is no provision for any increase in placements. |
| Fieldwork | 4,713 | 4,765 | 52 | Various minor overspends on transport and the out of hours service. |
| CCSF | 311 | 266 | (45) | **Outwith the threshold for reporting** |
| Criminal Justice | 2,627 | 2,627 | 0 | **Outwith the threshold for reporting** |
| Early Years | 3,262 | 3,244 | (18) | **Outwith the threshold for reporting** |
| Policy & Practice | 3,906 | 3,819 | (87) | **Employee costs -** projected overspend of £0.084m due to non achieved payroll turnover.<br>**Residential Placements -** projected underspend of £0.177m.  This underspend has reduced as two children transferred from residential provision. |
| Lead Partnership (CS) | 417 | 431 | 14 | **Outwith the threshold for reporting** |

| | Budget £000's | Outturn £000's | Over/ (Under) Spend Variance £000's | |
|---|---|---|---|---|
| **PRIMARY CARE** | 47,169 | 47,169 | 0 | **Outwith the threshold for reporting** |
| **ALLIED HEALTH PROFESSIONALS** | 5,131 | 5,081 | (50) | **Outwith the threshold for reporting** |
| **MANAGEMENT AND SUPPORT** | 9,319 | 7,823 | (1,496) | **Projected underspend** - this underspend relates to pressure funding awarded as part of the 2019-20 and the pressures have not yet arisen.  This funding will be closely monitored and delegated to services as and when required. |
| **CHANGE PROGRAMME & CHALLENGE FUND** | 1,737 | 1,737 | (50) | **Outwith the threshold for reporting** |
| **TOTAL** | **242,359** | **244,645** | **2,236** | |

*Threshold for reporting is + or - £50,000*

**2019-20 Savings Tracker** **Appendix C**

| Savings reference number | Description | Responsible Senior Management Lead | Deliverability Status at budget setting | Approved Saving 2019/20 £ | Deliverability Status Month 5 | Net Saving Achieved at Period 5 £000's |
|---|---|---|---|---|---|---|
| | **Health and Community Care** | | | | | |
| SP-HSCP-19-02 | Roll out of multidisciplinary teams - Community Care and Health | Helen McArthur | Amber | 55,000 | Amber | 0 |
| SP-HSCP-19-04 | Day Centres - Older People | Helen McArthur | Green | 38,232 | Green | 38,232 |
| SP-HSCP-19-05 | Deliver the Strategic Plan objectives for Older People's Residential Services | Helen McArthur | Green | 130,350 | Amber | 0 |
| SP-HSCP-19-09 | Care at Home - Reablement Investment | Helen McArthur | Amber | 500,000 | Amber | 0 |
| SP-HSCP-19-12 | Assessment and Self Directed Support | Isabel Marr | Green | 150,000 | Amber | 0 |
| NHS - HSCP-9 | Packages of Care | Isabel Marr | Amber | 150,000 | Green | 150,000 |
| | **Mental Health and Learning Disabilities** | | | | | |
| SP-HSCP-19-01 | Integration of the Learning Disability team | Jan Thomson | Amber | 56,000 | Green | 56,000 |
| SP-HSCP-19-07 | Mental Health - Tarryholme / Trindlemoss (Council element) | Jan Thomson | Amber | 328,000 | Red / Amber | 0 |
| NHS - HSCP-1 | Trindlemoss (full year impact is £0.370m)* NHS element | Jan Thomson | Amber | 250,000 | Green | 0 |
| SP-HSCP-19-10 | LD - Reduction to Sleepover Provision | Jan Thomson | Amber | 215,000 | Red | 25,000 |
| SP-HSCP-19-11 | Reprovide Fergushill/Hazeldene at Trindlemoss & redesign commissioned services | Jan Thomson | Green | 111,000 | Amber | 0 |
| SP-HSCP-19-06 | Adult Community Support - Commissioning of Services | Jan Thomson/Julie | Green | 388,000 | Amber | 1,500 |
| NHS - HSCP-4 | UnPACs - 7% reduction* | John Taylor | Green | 200,000 | Amber | 0 |
| NHS - HSCP-5 | Substitute Prescribing - 5% reduction* | John Taylor | Green | 135,000 | Green | 135,000 |
| NHS - HSCP-3 | Review of Elderly Mental Health Inpatients* | William Lauder | Green | 727,000 | Green | 0 |
| NHS - HSCP-6 | See a 5th bed at Woodland View - MH inpatients* | William Lauder | Amber | 90,000 | Amber | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **Children, Families and Justice Services** | | | | | |
| SP-HSCP-19-03 | Fostering - reduce external placements. | Mae Henderson | Green | 127,408 | Green | 127,408 |
| SP-HSCP-19-08 | Children's residential placements (CF) | Mae Henderson | Amber | 355,000 | Amber | 0 |
| | **Partnership Wide** | | | | | |
| SP-HSCP-19-13 | Charging Policy | Lisa Duncan | Green | 200,000 | Green | 200,000 |
| NHS - HSCP-10 | Reduce business admin services | Julie Davis | Green | 50,000 | Green | 50,000 |
| NHS - HSCP-11 | ICF Project - Partnership Enablers | Michelle Sutherland | Amber | 27,000 | Green | 27,000 |
| NHS - HSCP-12 | ICF Project - Buckreddan care home | Michelle Sutherland | Amber | 16,000 | Green | 16,000 |
| NHS - HSCP-13 | Uncommitted ICF Funding | Michelle Sutherland | Green | 80,000 | Green | 80,000 |
| SP-HSCP-19-20 | Living Wage | n/a | Green | 187,000 | Green | 187,000 |
| NHS - HSCP-7 | Resource Transfer to South Lanarkshire | n/a | Green | 40,000 | Green | 40,000 |
| SP-HSCP-19-14 | 19/20 impact of 18/19 part year savings | Stephen Brown | Green | 113,000 | Green | 113,000 |
| SP-HSCP-19-15 | Respite | n/a | Green | 200,000 | Green | 200,000 |
| SP-HSCP-19-16 | Payroll Turnover Target | Stephen Brown | Amber | 500,000 | Amber | 208,333 |
| SP-HSCP-19-17 | Lean Efficiency Programme | Stephen Brown | Green | 50,000 | Amber | 0 |
| NHS - HSCP-2 | Payroll Turnover Target - Mental Health * | Thelma Bowers | Amber | 300,000 | Green | 300,000 |
| NHS - HSCP-8 | Payroll Turnover Target - Other Services | Thelma Bowers | Amber | 365,000 | Green | 365,000 |
| | | | | **6,133,990** | | **2,319,473** |

| Ref | Service Area | Action | Service Impact | IJB Support | Included in P4 Position £000's | Planned Impact £ 000's | Responsible Officer |
|---|---|---|---|---|---|---|---|
| **Health and Community Care:** | | | | | | | |
| 1 | Care at Home | **Reduction in Care at Home Provision:** <br> - reduce weekly hours of purchased provision by between 50 and 100 hours per week, by closing cases for clients admitted to hospital <br> - review care packages with any reduction in hours closed to offset the overspend <br> - continue to review the actions of Independent Providers in the use of CM2000 for maximum efficiency <br> - further roll out and embed the reablement approach in CAH service to allow packages to be reduced | May lead to delays in care at home packages being delivered and may impact on hospital discharges and increase delayed discharges.  May have impact on Waiting list.   Risk of this will be mitigated by ensuring resources are used efficiently, with a risk based approach to allocating resources. | | | 200 | Helen McArthur |
| 2 | Care Homes - Respite Placements | **Health and Community Care Service to enforce a policy and criteria in relation to emergency respite in commissioned care home settings:** <br> - significant increase in emergency respite where in many cases residents are placed in long term care, action taken to fund long term placements in September <br> - change of practice for social workers in relation to use of respite <br> - provide clairty to commissioned care home providers that respite beds will be used for short term care to ensure expectations of service, care home and service user are aligned | Action has been taken to address current placements to ensure the service delivered is equitable, that the HSCP are appropriately financially assessing residents and that the commissioned care homes are funded for long term care placements.  The appropriate use of emergency respite placements will be reinforced to the social work team.  The longer term commissioning and use of respite provision for older people is being considered as part of the Care Home Strategy. | √ | √ | - | Helen McArthur |
| 3 | Equipment & Adaptations | **Temporary reduction (2019-20 only) in the equipment and adaptations budget.** <br> - mirrors the reduction made in 2018/19 to assist with overall financial position, would not be sustainable on a recurring basis as provision of equipment fundamental to keeping people safe at home <br> - priority for equipment provision will be: <br> 1. support for end of life care <br> 2. complete adaptations started or committed to in writing prior to tightened control of expenditure <br> 3. maintain equipment and adaptations in situ and on which service users depend <br> 4. provide essential equipment to support avoidance of hospital admission | Potential delays to equipment and adaptations for service users, this will be kept under review together with any waiting lists and impact on delivery of community based services, including monitoring the costs of any delays in supporting individuals to be supported in the community. | | | 200 | Helen McArthur |

| Ref | Service Area | Action | Service Impact | IJB Support | Included in P4 Position £000's | Planned Impact £ 000's | Responsible Officer |
|---|---|---|---|---|---|---|---|
| **Mental Health and Learning Disabilities:** | | | | | | | |
| 4 | Learning Disabilities | **Prioritised Review of Adult Community Packages:**<br>- targeted reviews to be carried out immediately, reviews co-ordinated on a prioritised list with a focus on individuals moving service provider following the outcome of the tender exercise and with high cost packages being prioritised<br>- will be supported with significant additional LD social work capacity with additional professional lead, additional social workers and the employment of agency staff to accellerate planned reviews<br>- reviews will ensure the split of personal and non-personal care is appropriate and equitable (to ensure equity of provision and charging)<br>- direct payments to be reviewed to progress claw-back of underspends<br>- incorporates looking at clients where the service provided has been less than than commissioned to formalise re-alignment of care packages based on need | Service users will be reviewed by a dedicated review team, the outcome should ensure that all reviews are up to date and appropriate and equitable levels of care are being provided. This process may cause some anxiety for service users as there is an expectation that significant reductions can be made to care packages. No reduction will be made to care packages unless deemed to be safe and appropriate by the service, however there may be some resistance to change from service users, their families and advocates. | √ | | 750 | Thelma Bowers |
| 5 | Learning Disabilities | **Trindlemoss development finalise the financial impact of the new service (LD day service, complex care unit and supported accommodation):**<br>- for 2019/20 require to plan to mitigate delay in savings being achieved<br>- opportunities to further reduce cost of amalgamating day services<br>- identifying supports required for service users in supported accommodation<br>- policy in relation to eligibilty and prioritisation for supported accommodation, model of care blueprint for other supported accommodation coming online | The opening of the new service at Trindlemoss (originally planned August 2019) has been delayed due to delays in the building works, this has impacted on the timescales for service users and patients transferring. The service will require to be configured around the affordability of the care and support, taking into account the positive environment and the opportunities the shared accommodation space offers in terms of reducing existing high cost care packages. | √ | | tbc | Thelma Bowers |
| 6 | Learning Disabilities | **Sleepovers - develop policy in relation to 24 hour care for Adults in the Commnunity:**<br>- policy decision to not provide one to one 24 hour sleepover service where there are:<br>* supported accommodation alternatives available;<br>* opportunities for service users to share a service (will be identified by geographically mapping services); or<br>* where technology supports can be provided supported by a responder service.<br>- Recovery plan action and financial impact is based on a plan to deliver a responder service from the Trindlemoss supported accommodation to support removal of sleepovers in the area | This will result in the removal of one to one 24 hour support from service users, an enhanced overnight service will be provided from Trindlemoss to support capacity for response. Individual service user safety will be a priority and the one to one support will only be removed where safe to do so. | √ | | 128 | Thelma Bowers |
| 7 | Learning Disabilities | **Transition Cases (Adults aged 65+):**<br>- reviews undertaken jointly with LD and Older People's service which will deliver some savings, some work outstanding in relation to these reviews where changes to care packages have been identified<br>- further action to scrutinise outcome of reviews and equity of service provision across client groups, particularly for high cost care packages which are not equitable with community care provided in Older People's services<br>- requires a clear policy decision in relation to transitions of care and funding for community based supports | Service users are being reviewed with a view to reducing the cost of packages as the clients transition to the Older People's service. Some reviews for high cost community packages have identified individuals suitable for the criteria of long term care but resistance from service users to change from current care and support. If care packages cannot be reduced the IJB will be asked to agree a policy decision on the level of care provided in such cases. | √ | | 134 | Thelma Bowers/Helen McArthur |

| Ref | Service Area | Action | Service Impact | IJB Support | Included in P4 Position £000's | Planned Impact £ 000's | Responsible Officer |
|---|---|---|---|---|---|---|---|
| 8 | Adult Community Packages | **Adult Resource Group no overall increase in care package provision:**<br>- ARG in place for Mental Health and Learning Disability care packages for approval, ARG will no longer be permitted to approve any increase to existing or new care packages unless there has been a reduction in service elsewhere<br>- will require social workers to proactively review caseload and use finite resource available to support whole client group<br>- arrangements will remain in place until the service brings the overall expenditure on community care packages back into line | Service users assessed as requiring a service will have to wait until resource has been identified to fund the care package, this is equitable with waiting lists for other services where resources are limited. This may result in delays in supports being provided but will also ensure that the service is managing, directing and prioritising resources effectively. | √ | √ | | Thelma Bowers |
| 9 | All | **Self Directed Support:**<br>- exploring how to embed this alongside the asset based approach promoted through the HSCP *Thinking Different, Doing Better* experience into services to change how we deliver services and balance service user and community expectations<br>- undertaking self-evaluation for North Ayrshire against good practice, this will include stakeholder engagement to develop future approach | Positive impact to embed Self Directed Support, with a view to being realistic in managing expectations of services and service users. Address a perceived inequity in how services are delivered and how embedded SDS is across social care services. | √ | | - | Stephen Brown |
| **Children and Families:** | | | | | | | |
| 10 | Looked After and Accomodated Children | **Children's External Residential Placements bring forward planned discharge dates:**<br>- overspend due to delays in bringing children back from expensive external residential placements due to timescales slipping, recovery action based on pulling forward all estimated timescales by one month and moving to planned level of 14 placements by March 2020<br>- scrutiny of detailed plans for individual children, to be reviewed alongside the internal children's houses to free up capacity to bring children back to NA sooner<br>- close working with Education services as shared ambition and requirements to provide educational supports within NA<br>- formalise and reinforce governance arrangements for approval of new external children's placements | Transformation plan to support more looked after children in North Ayrshire is focussed on delivering more positive outcomes for Children. Accellerating plans to move children to different care settings is challenging for the service as these are sensitive complex cases. | | | 200 | Alison Sutherland |

| Ref | Service Area | Action | Service Impact | IJB Support | Included in P4 Position £000's | Planned Impact £ 000's | Responsible Officer |
|---|---|---|---|---|---|---|---|
| **Other:** | | | | | | | |
| 11 | All | **Recruitment freeze non-front line posts:**<br>- hold recruitment to all vacant non-front line care posts, eg support services, admin support<br>- partnership vacancy scrutiny group remains in place and will ensure posts are not approved for recruitment until the new financial year | Minimal impact on front line services but depending on where vacancies arise during the rest of the year could have an impact on the capcitay of support services, in particular to respond to service requests. The HSCP vacancy scrutiny group will ensure consideration is given to the impact on services when recruitment is delayed for individual posts. | | | 200 | Caroline Whyte |
| 12 | All | **Moratorium non-essential expenditure:**<br>- communication issued to all budget holders (social care and health) with an instruction to delay or cease any areas of discretional spend (areas including supplies and services, training, third party payments etc)<br>- finance teams will liaise with budget holders as part of regular engagement and budgets will be removed non-recurringly to allow target reduction to be met | Minimal impact on front line services but is a short term one-off approach to reducing expenditure. | | | 185 | Caroline Whyte |
| 13 | All | **Systems improvements re care packages:**<br>- Extension of CM2000 to adult services which will enable payment to care providers based on actual service delivered, being rolled out to some providers in advance of new tender<br>- finance working with services to review areas where service delivered differs from that commissioned to improve systems and basis of financial projections, this work also supports ongoing reviews<br>- action plan in relation to improving projections and actions identified from recent internal audit report re Community Based Care, including streamlining systems and processes to remove duplication, scope for error and reliablity of information | Significant work requried to review systems across social care services where different approaches are used for different service areas, some areas involve duplication of information and systems. Work will result in more assurance re the information reported, including financial projections and will also ensure the partnership has assurance that we only pay for the direct care delivered. | | √ | - | Thelma Bowers/Helen McArthur/Caroline Whyte |
| | | **TOTAL** | | | | 1,997 | |

# 2019-20 Budget Reconciliation                Appendix E

| COUNCIL | Period | Permanent or Temporary | £ |
|---|---|---|---|
| Initial Approved Budget | | | 95,067 |
| Resource Transfer | 3 | P | 22,993 |
| ICF Procurement Posts - Transfer to Procurement | 3 | T | (85) |
| FPC under 65's Scottish Government Funding | 3 | P | 702 |
| Transfer to IT WAN circuit Kilwinning Academy | 4 | P | (3) |
| Waste Collection Budget | 4 | P | 27 |
| CLD Officer from ADP Budget to E & C | 4 | T | (31) |
| **Period 5 reported budget** | | | **118,670** |

| HEALTH | Period | Permanent or Temporary | £ |
|---|---|---|---|
| Initial Approved Budget  (based on month 9 of 2018-19) | | | 145,425 |
| Adjustments to reflect month 10 -12 of 2018-19 including non-recurring amounts | | | (1,845) |
| **Opening baseline budget for 19-20** | | | **143,580** |
| Resource Transfer | 3 | P | (22,993) |
| Superannuation Uplift | 3 | P | 2,994 |
| Voluntary Redundancy Scheme | 3 | P | 271 |
| Post from acute  -  PA to Clinical Nurse Manager, Long Term conditions | 3 | P | 15 |
| Post from acute - Clinical Nurse Manager, Long Term Conditions | 3 | P | 34 |
| Functional Electrical Stimulation (Physio Equip) Equipment from acute | | | 10 |
| Pharmacy Fees | 3 | P | 19 |
| HPV Boys Implementation | 3 | P | 18 |
| Action 15 (anticipated increase) | 3 | P | 930 |
| Post from Acute -Specialist Pharmacist in Substance Misuse | 3 | T | 12 |
| Old age liaison psychiatrist from acute | 3 | P | 108 |
| Patient Transport Service | 3 | P | 49 |
| Infant feeding nurse | 3 | T | 41 |
| Associate Medical Director responsibility payment to Medical Director | 3 | T | (24) |
| Associate Medical Director sessions to the Medical Director | 3 | T | (71) |
| Contribution to the Technology Enabled Care (TEC) project | 3 | T | (50) |
| Superannuation Uplift Overclaimed | 4 | P | (270) |
| Action 15 overclaimed | 4 | T | (485) |
| Prescribing Reduction | 5 | P | (550) |
| Medical Training Grade Increase | 5 | P | 51 |
| **Period 5 reported budget** | | | **123,689** |

| **GRAND TOTAL** | | | **242,359** |

# DIRECTION

From North Ayrshire Integration Joint Board

| 1. | Reference Number | 24102019-<mark>XX</mark> | |
|----|----|----|----|
| 2. | Date Direction Issued by IJB | 24102019 | |
| 3. | Date Direction takes effect | 24102019 | |
| 4. | Direction to | **North Ayrshire Council** | |
| | | **NHS Ayrshire & Arran** | |
| | | **Both** | X |
| 5. | Does this direction supercede, amend or cancel a previous direction – if yes, include the reference numbers(s) | **Yes** | X – 26092019-08 |
| | | **No** | |
| 6. | Functions covered by the direction | All NAHSCP delegated functions | |
| 7. | Full text of direction | NHS Ayrshire and Arran & North Ayrshire Council are required to: <br> • Action the budget changes outlined in para 2.11 and Appendix E; and <br> • Deliver the Financial Recovery Plan detailed in Appendix D. | |
| 8. | Budget allocated by Integration Joint Board to carry out direction | North Ayrshire Council £118.670m <br> NHS Ayshire & Arran £123.689m <br> TOTAL £242.359m | |
| 9. | Performance Monitoring Arrangements | Regular financial updates will be reported to the IJB during 2019-20, the financial recovery plan will be monitored to ensure this aligns with delivering financial balance. | |
| 10. | Date of Review of Direction (if applicable) | n/a | |

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

**Audit and Scrutiny**

| | |
|---|---|
| **Title:** | **Audit Scotland: Principles for Community Empowerment** |
| **Purpose:** | To inform the Audit and Scrutiny Committee about the new Audit Scotland approach to Community Empowerment |
| **Recommendation:** | That the Audit and Scrutiny Committee notes the new Audit Scotland approach to Community Empowerment. |

## 1. Executive Summary

1.1 Community empowerment is relevant to all parts of the public sector and is an area of increasing importance across sectors given developing legislation and policies.

1.2 The document was prepared by Audit Scotland, working with a Community Empowerment Advisory Group. The group included experts in the field of community empowerment and representatives from Scottish public bodies and scrutiny bodies. Two local authorities were invited on to the group. North Ayrshire Council was represented on the group by the Interim Executive Director of Communities.

1.3 The group was set up under the direction of the Strategic Scrutiny Group which brings together Scotland's main public-sector scrutiny bodies.

1.4 The Principles for Community Empowerment document aims to raise awareness of community empowerment and promote a shared understanding across scrutiny bodies, supporting high-quality scrutiny of community empowerment. It may be used as a tool by public bodies as they develop their own approaches to community empowerment, reflecting the particular challenges and environment each body faces.

## 2. Background

2.1 The Scottish Government defines community empowerment as: 'a process where people work together to make change happen in their communities by having more power and influence over what matters to them.' Communities may be geographically located, or they may share common interests, concerns or identities.

2.2 Community empowerment processes support people to do things for themselves and enable people to take control over the decisions and factors that affect their lives and communities.

Effective community empowerment processes:

- Rebalance power and influence between government and agencies and communities and citizens;

- Are underpinned by changes in the feelings and confidence of those being empowered;

- Help to build trust between communities and public bodies providing their everyday services, and their partners, and increase the value they place on the relationship; and

- Require active understanding and commitment from a wide number of stakeholders to achieve it.

2.3 Community empowerment is underpinned by public service reform and legislation. In 2011, the Christie Commission on the future delivery of public services identified four principles for public services reform. One of the principles is that public service reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use.

2.4 In 2014, the Commission on Strengthening Local Democracy published its report. It identified seven principles for stronger democracy in Scotland.

2.5 The Community Empowerment (Scotland) Act 2015 provides supportive legislation which places duties on public bodies and provides rights for those being engaged and empowered.

2.6 In June 2018, the Scottish Government launched its refreshed National Performance Framework (NPF) jointly with COSLA with a new outcome: 'We live in communities that are inclusive, empowered, resilient and safe.' More empowered communities will also help achieve the other outcomes set out in the NPF.

2.7 The Islands (Scotland) Act 2018 aims to further empower island communities.

2.8 During 2018/19, the Scottish Government and COSLA began reviewing local governance to look at how local decisions are made and how local democracy is working (Democracy Matters). Reports were published in May 2019 following the initial consultation phase with an outline of the next steps.

2.9 The report highlights that community empowerment activities are wide ranging and include (not exclusively) the following:

- *Community led and based organisations* (for example, North Ayrshire has 26 Community Associations who operate our community centres);

- *Community activism* (for example, #SaveOurFerry – the Herald Society Awards 2017 Campaign of the Year)

- *Participation in local decision-making structures* (for example, North Ayrshire Community Planning Partnership's approach to Locality Planning, where community representatives, including community councils, have parity of esteem with Elected

Members).

- *Land or island buy-out* (for example, Beith Community Development Trust's purchase of Geilsland).

- *Asset transfer* (for example, Fullarton Community Association's asset transfer of land for their new community hub).

- *Participation request*s (for example, Friends of Stevenston request to be included in future development of the Ardeer Peninsula through the Ayrshire Growth Deal.)

- *People deciding how local money is spent* (Participatory Budgeting) (for example, 152 small projects have been funded to date in North Ayrshire and more than £750,000 has been committed to mainstream PB).

- *Local communities working with public bodies to improve outcomes in their local area through community planning processes* (North Ayrshire's Locality Partnerships have identified and acted on local priorities, with a view to reducing inequalities and these are included within the Local Outcomes Improvement Plan for North Ayrshire.

- *Engaging with local communities:* The National Standards for Community Engagement define community engagement as:

  'A purposeful process which develops a working relationship between communities, community organisations and public and private bodies to help them to identify and act on community needs and ambitions. It involves respectful dialogue between everyone involved, aimed at improving understanding between them and taking joint action to achieve positive change.'

  North Ayrshire is recognised as sector leading in this regard, winning the 2015 UK award by the Consultation Institute for Skills Development

2.10 The benefits of community empowerment include:

- Better, more responsive and efficient services;
- Better outcomes for communities, including improving well-being, self-confidence and self-esteem;
- A positive impact on the local economy, including developing co-operatives and delivering local services;
- Greater satisfaction with quality of life in a local neighbourhood;
- Re-energised local democratic processes, systems and structures;
- Greater accountability of public bodies and elected members; and
- Increased trust and confidence between communities and public bodies.

2.11 As a result of the work of Audit Scotland and the advisory group, the following principles have been developed and agreed to raise awareness and develop a renewed shared understanding of community empowerment:

2.11.1 Principle 1: Community control

Support communities to successfully take more control over decisions and assets
Public bodies support communities to successfully take greater control over decisions

and assets. Effective processes are in place and public bodies support a fair and sustainable approach.

2.11.2 Principle 2: Public sector leadership

<u>Strong and clear leadership on community empowerment sets the tone and culture of the organisation</u>
Leaders provide a clear and consistent message, set clear objectives and priorities, encourage ideas and innovation, community leadership and support communities to develop sustainable approaches.

2.11.3 Principle 3: Effective relationships

<u>Build effective working relationships between public bodies, local communities and local partners</u>
There is a healthy working relationship between communities, public bodies and local partners, marked by reciprocal trust, openness and transparency.

2.11.4 Principle 4: Improving outcomes

<u>Evaluate whether outcomes for local communities are improving and inequalities are being reduced</u>
Public bodies are continuously improving their approach to community empowerment, evaluating local outcomes and experiences and learning from others. This includes evaluating the impact on local inequalities and understanding and learning from the experiences of seldom heard groups in communities.

2.11.5 Principle 5: Accountability

<u>Be accountable and transparent</u>
Public bodies are clear and open about their approach to community empowerment and provide regular information to communities that is understandable, jargon-free and accessible. Public bodies are responsive to local communities when reaching decisions with a clear rationale for making difficult decisions and provide regular feedback.

2.12 Good practice and case studies are provided to illustrate how these principles could and should work in practice.

## 3.  Proposals

3.1  That the Audit and Scrutiny Committee notes the new Audit Scotland approach to Community Empowerment.

## 4.   Implications/Socio-economic Duty

**Financial**

4.1  The report contains no direct financial implications.

## Human Resources

4.2   The report contains no direct HR implications.

## Legal

4.3   The report contains no direct legal implications.

## Equality/Socio-economic

4.4   The report underlines and strengthens he principle of ensuring all voices are heard and that all individuals and groups in communities benefit from support from public bodies to fulfil their aspirations.

## Environmental and Sustainability

4.5   Strengthening individual and community social capital ensures more resilient and sustainable communities.

## Key Priorities

4.6   The following key priorities of the Council are supported by this report:

- Active and strong communities
- Children and young people experience the best start in life
- Inclusive, growing and enterprising local economy
- People enjoy good lifelong health and well-being
- People and communities are safe
- Vibrant, welcoming and attractive places.

## Community Wealth Building

4.7   The following Community Wealth Building principles are supported:
- Advancing community enterprises;
- Advancing local ownership of underused land and buildings.

## 5.   Consultation

5.1   Audit Scotland's advisory group consulted with a wide range on partners as part of their work.

Insert Director's name Audrey Sutton
Executive Director (Communities)

For further information please contact **Audrey Sutton, Executive Director (Interim),** on **01294 324414**.

## Background Papers
0

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# Principles for community empowerment

ACCOUNTS COMMISSION

AUDIT SCOTLAND

Inspectorate of Prosecution in Scotland

HMICS improving policing across Scotland

Healthcare Improvement Scotland

Scottish Housing Regulator

Education Scotland Foghlam Alba

HMIPS HM INSPECTORATE OF PRISONS FOR SCOTLAND

care inspectorate

HMFSI

# Introduction
## from the Strategic Scrutiny Group

Community empowerment is relevant to all parts of the public sector and is an area of increasing importance given developing legislation and policies. The Community Empowerment (Scotland) Act 2015 requires community planning partners to secure the participation of community bodies in community planning, in particular those that represent the interests of people who experience inequalities of outcome from socio-economic disadvantage.

It is important that public service providers and scrutiny bodies have a shared understanding of what we mean by community empowerment when considering what it means for our work. The *Principles for community empowerment* document aims to raise awareness of community empowerment and promote such a shared understanding across scrutiny bodies to support high-quality scrutiny of community empowerment.

Although this document was primarily developed for scrutiny bodies it will also benefit public bodies and their partners to be aware of the expectations of scrutiny bodies as encapsulated in a shared framework of what good community empowerment looks like. It is not intended to be guidance or a checklist. It may be used as a tool by public bodies as they develop their own approaches to community empowerment reflecting the particular challenges and environment each body faces.

Community empowerment sits within an increasingly complex, changing and uncertain environment which places different demands and expectations on public bodies at the same time

> The document was prepared by Audit Scotland, working with a Community Empowerment Advisory Group (CEAG) referred to in the Appendix (page 24).
>
> The group includes experts in the field of community empowerment and representatives from Scottish public bodies and scrutiny bodies. The CEAG was set up under the direction of the Strategic Scrutiny Group (SSG), which brings together Scotland's main public-sector scrutiny bodies.

as funding pressures continue. The level of resources provided by public bodies to support local communities varies and this is more challenging in areas with high levels of deprivation. This will require public bodies to collaborate with partners, with the third sector and with communities, to think differently about how they deliver and fund services. New ways of working bring risks. Public bodies will need to take measured and proportionate risks when implementing new approaches, recognising that not all will be successful. It is important that as new approaches are tested, public bodies use the learning from their own experience and that of others to develop and improve community empowerment processes. Not taking action is not a solution – there are also risks in public bodies not working effectively with communities and citizens not feeling empowered.

2

Community empowerment is relevant to all departments, roles and levels within public bodies. It should not be seen as only relevant to staff who work directly with communities. All public bodies should be involving citizens more in decisions about public services. It needs clear leadership to embed this approach across organisations and to empower staff to carry out the activities and behaviours required to do this. It will mean more co-production of services, which will require trust between communities and public bodies and time to build up relationships.

Community empowerment should not be considered as an add on or separate to other work, but part of a new way of working. It can help public bodies to manage the pressures they are facing by supporting communities and working with community groups to support each other in meeting the needs of communities. Ultimately, community empowerment should reduce inequalities and improve the wellbeing of communities, particularly those suffering from persistent inequality. This document provides:

- an overview of what we mean by community empowerment

- summarises the benefits for communities and public bodies of doing community empowerment well and some of the risks associated with it

- outlines principles to promote a shared understanding across scrutiny bodies and to help public bodies make the most of the opportunities

- highlights some good practice examples of what is already happening across Scotland.

Community empowerment is a priority area for the SSG. The SSG endorses the Principles for community empowerment as a common framework under which to carry out scrutiny work. The SSG also encourages public bodies to use this document as a tool to support community empowerment approaches.

## Graham Sharp

Chair of the Strategic Scrutiny Group and Chair of the Accounts Commission

**Links**

⊕ PDF download

⬀ Web link

▶ Internal navigation

# Background

## Community empowerment is about supporting people to take more control over their lives

### Definition of community empowerment

There is no one standard definition of community empowerment:

The World Health Organisation describes community empowerment as:

> 'the process of enabling communities to increase control over their lives.'

Similarly, the Scottish Government defines community empowerment as:

> 'a process where people work together to make change happen in their communities by having more power and influence over what matters to them.'

Communities may be geographically located, or they may share common interests, concerns or identities.

### What is community empowerment?

Community empowerment processes support people to do things for themselves and enable people to take control over the decisions and factors that affect their lives and communities.

**Effective community empowerment processes:**

rebalance power and influence between government and agencies and communities and citizens

are underpinned by changes in the feelings and confidence of those being empowered

help to build trust between communities and public bodies providing their everyday services, and their partners, and increase the value they place on the relationship

requires active understanding and commitment from a wide number of stakeholders to achieve it
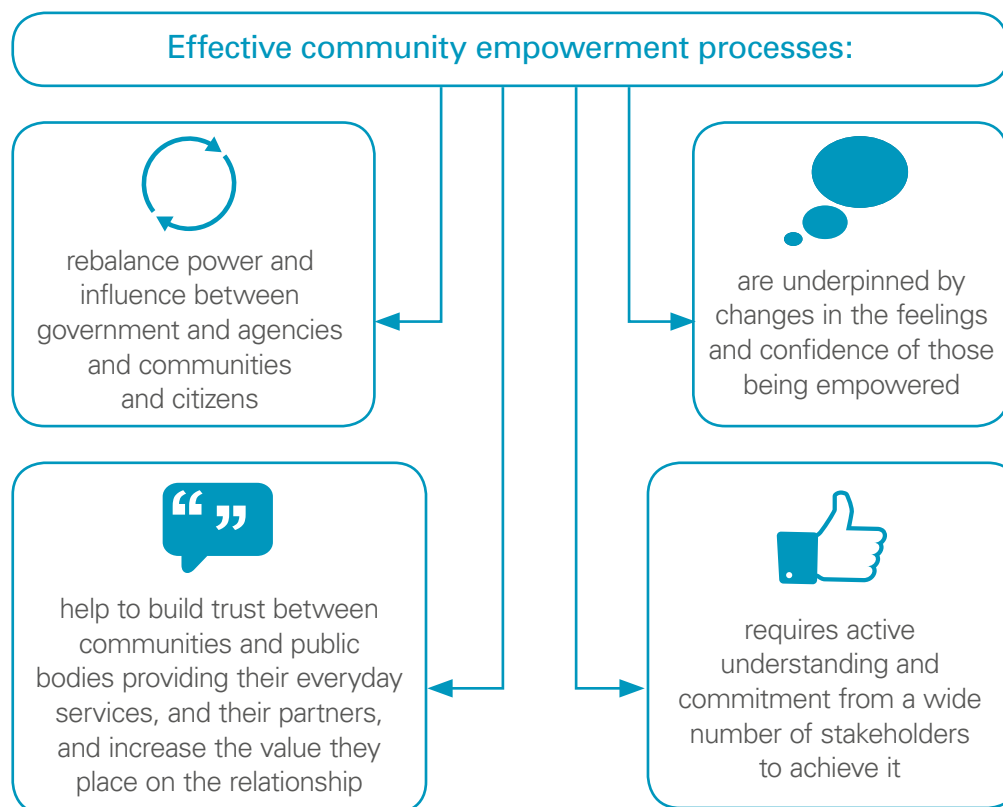
# Community empowerment is a priority in Scotland

## Implementing community empowerment

Empowering communities is a national priority for the Scottish Government. It is an important part of public service reform, focusing attention on reducing disadvantage and inequality and improving outcomes for communities. Community empowerment is central to a human rights based approach to policy and decision-making. The human rights PANEL principles (Participation, Accountability, Non-Discrimination and Equality, Empowerment and Legality) mean that:

- people should be involved in decisions that affect their rights and be fully supported to take part in developing policy and practices which affect their lives

- prioritising those people who face the biggest barriers to realising their rights.

Community empowerment is a gradual process which involves continual learning and the constant building of a community's capacity to articulate and address their priorities. It also involves communities having greater influence and input to decision-making. Public bodies and communities are likely to be at different stages as they develop their understanding and gain confidence in working together. Public bodies need to invest in capacity building appropriate to their local communities, particularly in the poorest communities, to successfully address inequalities.

In some communities, people may already be driving change and public bodies have a role in supporting and facilitating this. Other communities will need to be supported to participate more fully. Public bodies should be finding ways to empower communities, for example by sharing and shifting power in decision-making and supporting local communities to make a difference. It is important that children and young people also have a say in services that affect them.

- If people are driving the activity, scrutiny bodies need to consider how public bodies help catalyse the activity, how they respond to it and support it. For example, a local community group developing a befriending project to link socially isolated people back into the community. They may want to access some training that the council could provide.

- If public bodies are driving the activity, scrutiny bodies need to consider how effective it is and what difference it is making to service delivery and outcomes for local communities. Leadership, organisational culture and ways of working are key to supporting staff to deliver change and work effectively with their communities.

# Community empowerment is underpinned by public service reform and legislation

## Implementing community empowerment

**2011**

In **2011**, the Christie Commission ⬉ on the future delivery of public services identified four principles for public services reform. One of the principles is that public service reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use.

**2014**

In **2014**, the Commission on Strengthening Local Democracy ⬉ published its report. It identified seven principles for stronger democracy in Scotland.

**2015**

The Community Empowerment (Scotland) Act 2015 ⬉ provides supportive legislation which places duties on public bodies and provides rights for those being engaged and empowered.

**2018**

In **June 2018**, the Scottish Government launched its refreshed National Performance Framework ⬉ jointly with COSLA with a new outcome: **'We live in communities that are inclusive, empowered, resilient and safe.'** More empowered communities will also help achieve the other outcomes set out in the NPF.

The Islands (Scotland) Act 2018 ⬉ aims to further empower island communities.

**2019**

During **2018/19**, the Scottish Government and COSLA began reviewing local governance to look at how local decisions are made and how local democracy is working (Democracy Matters) ⬉. Reports were published in May 2019 following the initial consultation phase with an outline of the next steps.

### The Community Empowerment (Scotland) Act 2015

The Act is based on the principles of subsidiarity (that social and political decisions are taken at as local a level as possible), community empowerment and improving outcomes. Underpinning all these provisions is the intent to focus attention on reducing disadvantage and inequality.

The aims of the legislation are to:

- empower community bodies through ownership of land and buildings and through strengthening their voices in the decisions that matter to them

- support an increase in the pace and scale of public sector reform by cementing the focus on achieving outcomes and improving the process of community planning.

Three major elements of the Act have implications for audit and scrutiny:

- **Part 2** is about strengthening community planning so communities have more of a say in how public services are to be planned and provided.

- **Part 3** enables communities to identify needs and issues and request action to be taken by public bodies on these. These are known as participation requests.

- **Parts 4 and 5** extend the community right to buy or otherwise have greater control over assets.

| Background | ▶ Principles | ▶ Community control | ▶ Public sector leadership | ▶ Effective relationships | ▶ Improving outcomes | ▶ Accountability | ▶ Case studies |

Background | 7

# Community empowerment activities are wide ranging

## Community led and based organisations

Set up by individuals or community groups. Those with a well-established presence in a community, stable resources and capacity for supporting new developments and activities are often known as community anchors. They can have different purposes, but generally provide support, opportunities and develop positive cultures for people to feel valued and able to participate, influence and make local decisions. They are often a community development trust or a community-controlled housing association (Case study 6, page 22). For example, Ardenglen Housing Association is a community controlled housing association which owns almost 1,000 homes in the east of Castlemilk in Glasgow. Over the past 20 years, it has channelled almost £50 million of public money into transforming the housing, local environment and living conditions of their community in Castlemilk.

## Community activism

Individuals or community groups have self-organised to tackle a local issue, often known as community activism. Here, members of a community voluntarily work together, in a planned way, to bring about a clearly identified and agreed change which contributes to an improvement in quality of life.

## Participation in local decision-making structures

People have a voice on local decision-making structures and are helping to improve the lives of others in their community through new or improved services. This could be delivered by individuals and/or co-produced with local organisations. There are also routes through community councils and local authorities for participating in decisions about local issues.

## Land or island buy-out

Individuals or community groups have self-organised to buy land or an entire island. The right to buy land is extended under **Part 4** of the Act ⬑.

## Asset transfer

Community bodies have bought, lease, manage or use land and buildings belonging to the public sector. This is known as asset transfer and is covered under **Part 5** of the Act ⬑. To do this, the community must set out what it plans to do with the asset and how it will improve economic development, regeneration, health, social or environmental wellbeing, or reduce inequalities.

## Participation request

A community body can request to take part in a process with a public body where it believes it could help improve an outcome. This is known as a participation request and is covered under **Part 3** of the Act ⬑. An individual community body requests a discussion with public authorities on their terms to have a say about local issues and services. It can also involve getting better access to a decision-making process, such as a board, working group or meeting, and making it more transparent to the wider community.

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## People deciding how local money is spent

This is known as participatory budgeting (PB). The Scottish Government is working with PB Scotland to develop a PB charter ⬊. This sets out principles and good practice, including public deliberation before voting. People should have the opportunity to consider different evidence, perspectives and arguments before voting. Public bodies need to build capacity within local communities to get inclusive participation and sustainable shared benefits from PB processes. The Scottish Government and COSLA have agreed a joint framework ⬊ to support councils to develop PB as a mainstream approach for people to participate in local decision-making. This aims to move beyond small grants to more deliberative dialogue that enables communities to influence and agree local priorities and create meaningful outcomes.

## Local communities working with public bodies to improve outcomes in their local area through community planning processes

Under **Part 2** of the Act ⬊, local authorities are required to work with their community planning partners, engaging with community bodies, to improve local outcomes. Joint efforts and resources should be targeted on those areas of greatest need to reduce inequalities. Each Community Planning Partnership must prepare and publish a local outcomes improvement plan (LOIP). The plan should set out priority areas for improving outcomes, the improvements it aims to achieve and the timescales. It should also link with outcomes set out in the National Performance Framework.

## Engaging with local communities

The National Standards for Community Engagement ⬈ define community engagement as:

> 'a purposeful process which develops a working relationship between communities, community organisations and public and private bodies to help them to identify and act on community needs and ambitions. It involves respectful dialogue between everyone involved, aimed at improving understanding between them and taking joint action to achieve positive change.'

The standards set out good practice for public bodies, the third sector and others, to engage with communities. They are designed to help public bodies plan how to involve communities in shaping local plans and services, identify who should be involved, and make sure that the community engagement process is fair and effective. Public bodies will engage in different ways, but should consult people in a way that demonstrates genuine dialogue and enables communities to influence decisions. Public bodies can be legally challenged if they do not follow consultation law, known as the Gunning principles ⬊. These rules for public consultation were proposed in 1985 by Stephen Sedley QC, and accepted by the Judge in the Gunning v London Borough of Brent court case relating to a school closure consultation. The Scottish Government is developing guidance for integrated authorities on consulting with communities on major service change.

Public bodies should also be finding ways of involving communities more in the design and delivery of services. In a co-production approach, public bodies and communities work together to co-define the issues, co-design the best responses and co-deliver using all the available public body and community resources and assets. This represents a greater shift of power to local decision-making.

# The importance of getting community empowerment right

**All public bodies should be involving citizens more in decisions about public services to improve outcomes for communities and reduce inequalities.**

There are many benefits to both the organisation and the community:

- (+) If individuals and communities are able to express the issues which matter to them, it can help to direct investment in public services to where it is most needed. This includes the character of the area and the direction of the local economy.

- (+) It harnesses the strengths people from all communities can bring.

- (+) It increases confidence and skills among people.

- (+) It mobilises individuals to make improvements to their own lives and help others.

**It can lead to:**

- (+) better, more responsive and efficient services

- (+) better outcomes for communities, including improving well-being, self-confidence and self-esteem

- (+) a positive impact on the local economy, including developing co-operatives and delivering local services

- (+) greater satisfaction with quality of life in a local neighbourhood

- (+) re-energised local democratic processes, systems and structures

- (+) greater accountability of public bodies and elected members

- (+) increased trust and confidence between communities and public bodies.

**There are risks in implementing new approaches, but there are also risks associated with public bodies not working effectively with communities and citizens not feeling empowered.**

This can happen when:

- (−) public bodies provide little opportunity for communities to influence or take control of decision-making processes

- (−) it is not recognised that communities are varied, diverse and rarely speak with one voice. Community empowerment processes need to include a cross-section of the community, not just the most vocal, articulated or resourced

- (−) communities that are under resourced, do not have the capabilities or are not supported to take part in community empowerment processes. This can increase inequalities between different community groups. Public bodies need to invest in capacity building with communities, particularly in those who are seldom heard or who are disengaged with public services

- (−) there are poor relationships and a lack of trust between communities and the public sector. This can affect the willingness and capacity to share power and work together towards a shared goal

- (−) continued financial pressures and austerity measures adversely affect how community empowerment is implemented by public bodies

- (−) too narrow an approach is taken to tackling the underlying causes of poverty and the impact on reducing inequalities is limited. It requires the implementation of broad social, political and economic policies and interventions

- (−) leadership does not clearly demonstrate the attitudes and behaviours to embed cultural change and make it relevant to the whole organisation.

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# Principles for community empowerment

**Principles for community empowerment**

**1**

**Community control**
Support communities to successfully take more control over decisions and assets

Public bodies support communities to successfully take greater control over decisions and assets. Effective processes are in place and public bodies support a fair and sustainable approach.

**2**

**Public sector leadership**
Strong and clear leadership on community empowerment sets the tone and culture of the organisation

Leaders provide a clear and consistent message, set clear objectives and priorities, encourage ideas and innovation, community leadership and support communities to develop sustainable approaches.

**3**

**Effective relationships**
Build effective working relationships between public bodies, local communities and local partners

There is a healthy working relationship between communities, public bodies and local partners, marked by reciprocal trust, openness and transparency.

**4**

**Improving outcomes**
Evaluate whether outcomes for local communities are improving and inequalities are being reduced

Public bodies are continuously improving their approach to community empowerment, evaluating local outcomes and experiences and learning from others. This includes evaluating the impact on local inequalities and understanding and learning from the experiences of seldom heard groups in communities.

**5**

**Accountability**
Be accountable and transparent

Public bodies are clear and open about their approach to community empowerment and provide regular information to communities that is understandable, jargon-free and accessible. Public bodies are responsive to local communities when reaching decisions with a clear rationale for making difficult decisions and provide regular feedback.

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# Principle 1: Community control
## Support communities to successfully take more control over decisions and assets

**Good practice**
Public bodies support communities to successfully take greater control over decisions and assets.
Effective processes are in place and public bodies support a fair and sustainable approach.

### What does this involve?

- Enabling communities to meaningfully take part in key decision-making processes, such as setting priorities, making budget choices and designing services.

- Supporting communities to take a stepped approach to taking greater control, for example delivering services or taking on management, lease or ownership of public assets.

- Putting in place effective governance processes as greater control is shifted to communities to promote a strong and sustainable approach.

- Being clear about the level of influence communities have over decisions and managing expectations where there are genuine constraints.

- Building capacity among communities, particularly seldom heard groups, or those who feel they do not have a say, so they can fully participate and are supported to do so. For example, through community and learning development approaches in councils.

- Recognising that communities are varied, diverse and rarely speak with one voice. Community empowerment processes should include a cross-section of the community, not just the most vocal, articulated or resourced.

- Providing a range of support to communities to promote a sustainable approach. This includes financial support, help with governance arrangements, professional advice and judgement.

# Principle 2: Public sector leadership

**Strong and clear leadership on community empowerment sets the tone and culture of the organisation**

**Good practice**
Leaders provide a clear and consistent message, set clear objectives and priorities, encourage ideas and innovation, community leadership and support communities to develop sustainable approaches.

## What does this involve?

- Leaders understanding and being committed to community empowerment, understanding the types of decisions at corporate and service level that need community empowerment at the heart of them.

- Promoting a culture across the whole organisation of trust, equality and collaborative relationships with local communities and partners.

- Clearly and consistently embedding community empowerment in organisational and partnership objectives and strategies.

- Linking related strategies on poverty and disadvantage, being clear about how community empowerment can help achieve wider objectives and support a preventative approach.

- Involving local communities, including seldom heard groups, in plans and decision-making.

- Supporting appropriate capacity and resource at staff level to facilitate community empowerment processes. Encouraging new ideas and innovative approaches, valuing the benefits of new ways of working. Recognising there will be risks in implementing new approaches, but being measured and learning from unsuccessful approaches.

- Investing appropriate resources (financial and non-financial) to build community capacity and encourage community leadership, particularly among seldom heard groups, to empower communities in a sustainable way.

- Understanding where skilled individuals are in the organisation and deploying them effectively to help support and embed community empowerment across the organisation. Empowering all staff to carry out the expected roles and behaviours.

**Leadership**
Traits of effective collaborative leaders (Exhibit 8, page 25)

*Health and social care integration: update on progress*
Audit Scotland
November 2018
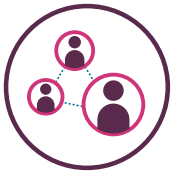
# Principle 3: Effective relationships
Build effective working relationships between public bodies, local communities and local partners

**Good practice**
There is a healthy working relationship between communities, public bodies and local partners, marked by reciprocal trust, openness and transparency.

## What does this involve?

- Communicating in an open and accessible way. Avoiding jargon and minimising bureaucracy.

- Recognising and harnessing the strengths and assets in all parts of communities, including those who have been traditionally less involved. This includes focusing on the positive aspects of individuals and communities, valuing their capacity, skills, knowledge and connections.

- Going at the pace of the community. Recognising it can take time and investment in financial, practical and emotional support for members of the community who are engaging, particularly the most vulnerable.

- Working effectively with community planning partners, the third sector, social sector and volunteer partners to empower communities with a clear focus on preventative work. Many of these organisations are deeply embedded in the community, have strong relationships and understanding of communities, and staff and volunteers with the right skills.

- Understanding and managing expectations of different parts of communities and managing conflict effectively. Seeking out consensus, but understanding that consensus may not always be achieved.

- Appreciating that building relationships and trusts between communities and public bodies takes time. Being open and honest about experiences and using this learning to continually improve community empowerment approaches.

# Principle 4: Improving outcomes
## Evaluate whether outcomes for local communities are improving and inequalities are being reduced

**Good practice**

Public bodies are continuously improving their approach to community empowerment, evaluating local outcomes and experiences and learning from others. This includes evaluating the impact on local inequalities and understanding and learning from the experiences of seldom heard groups in communities.

### What does this involve?

Evaluating the impact of community empowerment from the perspective of communities, understanding their experience of the process and whether they feel empowered.

Evaluating local outcomes and whether these have improved, understanding how community empowerment has contributed to these, and how it is helping to deliver national outcomes.

Evaluating the impact on inequalities in local communities and understanding and learning from the experiences of seldom heard groups.

Evaluating in a proportionate and accessible way so as to encourage participation by individuals or community groups with limited resources and capacity.

Sharing experiences of community empowerment processes and outcomes across the organisation and with other public bodies, promoting a greater understanding of what works well and the persisting challenges.

Drawing on these learning experiences to continuously improve the organisation's approach to community empowerment.

# Principle 5: Accountability
## Be accountable and transparent

**Good practice**
Public bodies are clear and open about their approach to community empowerment and provide regular information to communities that is understandable, jargon-free and accessible. Public bodies are responsive to local communities when reaching decisions with a clear rationale for making difficult decisions and provide regular feedback.

| What does this involve? |
|---|
| ✓ Communicating in a way that is understandable, jargon-free and accessible. |
| ✓ Being clear and open about community empowerment approaches. This includes providing information about how communities can get involved, key contacts within the public body and clearly setting out processes. |
| ✓ Providing accessible information about the organisation's strategic direction and priorities, local outcomes and improvement plans and how these aim to improve outcomes for communities. |
| ✓ Engaging regularly with communities about what matters to them and being honest and realistic about what support can be provided and timescales to achieve shared goals. |
| ✓ Being open about budgets for different services, including proposed budget reductions. Setting out options and opportunities for communities to get involved in having their say about what happens to them or taking more responsibility in delivering them. |
| ✓ Putting in place appropriate governance arrangements for effective scrutiny and decision-making about community empowerment, without being overly bureaucratic or risk averse. |
| ✓ Clearly demonstrating how decisions have been made, how community views were considered and providing regular feedback. |
| ✓ Providing regular feedback on community empowerment developments and the outcome of processes such as participation requests, community asset transfer, participatory budgeting. |

# Case studies

## Case study 1: **Citizens' jury**

### ? What is it?

A citizens' jury brings members of the public together to help make important and difficult decisions.

In the autumn of 2018, a diverse group of Scottish citizens considered the question: 'What should shared decision-making look like and what needs to be done for this to happen?'. The participants were helped by experienced facilitators to make sure everyone had a fair say and that the task was achieved.

### Who's involved?

Twenty-four citizens, expert commentators, facilitators, Scottish Health Council, Scottish Government.

### >> What did they do?

The citizens' jury gathered over three days to share ideas, opinions and experiences and question expert commentators before attempting to reach a consensus and list of recommendations.

### Q What were the outcomes and the learning?

Our Voice Citizens' Jury on Shared Decision-making
March 2019

The citizens' jury presented 13 recommendations to the Chief Medical Officer and other key stakeholders in health and social care, who discussed the implications of the recommendations.

The *Our Voice Citizens' Jury on Shared Decision-making: Final report* documents the process followed and lists the recommendations in the participants' own words. The recommendations included: informing and educating patients on their right to ask questions; training for all health and social care staff on shared decision-making; and providing opportunity for advocates to be present in discussions between patients and medical professionals.

The Scottish Government committed to consider each of the jury's recommendations and reply to them all, either with a commitment to action or an explanation as to why that recommendation could not be taken forward. The Scottish Government's response includes information on work towards the recommendations that is already under way and plans for new work to help address any gaps.

There is a video on the citizens' jury website with participants talking about their experiences.

66 In my 35 years in the NHS this is the first meeting I have attended when it was the public presenting their views and expertise to the professionals present. It is now our duty to give these our respectful consideration.

Chair of the oversight panel for the jury – Erica Reid, Associate Nursing Director, NHS Borders 99

Read Erica's blog

Visit Our Voice Citizens' Jury webpage

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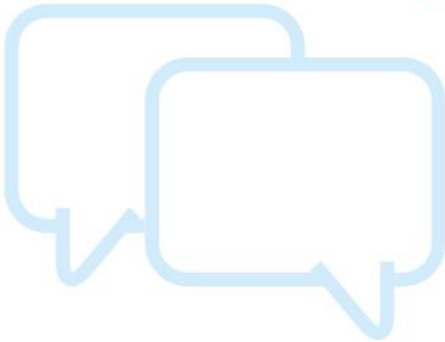
## Case study 2: Community partnership approach to tackling crime

### ? What is it?

In 2013/14, the initial 'Operation Modulus' programme involved community planning partners working together with groups of young people to tackle anti-social behaviour and gang crime in the Gorbals area of Glasgow.

### 👤 Who's involved?

City Building, Community Safety Glasgow, Glasgow Community Planning Partnership, Glasgow Life, Jobs and Business Glasgow, One Glasgow, Police Scotland, Scottish Fire and Rescue Scotland, Skills Development Scotland, housing associations.

### ≫ What did they do?

Community planning partners and gang members co-produced a four-week programme of voluntary courses responding to the interests of the young people. Mentors worked intensively with the young people involved, during and after the programme.

### 🔍 What were the outcomes and the learning?

Better outcomes for the participants and the wider community, including: an 80 per cent reduction in crime by the gang members; gang members gaining trades qualifications and employment; and a significant reduction in complaints about the gang from the community.

Four elements identified as success factors were:

- leadership to instigate the partnership, and a collaborative leadership style to enable the partners to work successfully together
- sustained partnership working
- co-producing the programme with young people and treating the young people as assets
- a focus on outcomes.

The approach and learning has now been implemented in two more areas of Glasgow: Castlefern and Govan. A report ⤢ draws further conclusions from this work on public service reform, co-production, the role of anchor organisations, and sustaining outcomes.

In 2016, the *Govan Voice community magazine* ⬇ provided a summary of the project, including photos and quotes from participants (pages 16-17).

Richard Brunner, Research Associate, What Works Scotland, wrote a blog ⤢ explaining why the report on the Gorbals programme was presented as a case study. He describes how telling the story of the actual practices reveals the 'backstage' of implementing the Christie principles and provides transferrable lessons.

## Case study 3: **Participatory budgeting**

### ? What is it?

During 2018, Glasgow City Council developed approaches to support different communities across Glasgow to get involved in deciding how some of the council's budget is spent. This builds on participatory budget work since 2014.

### Who's involved?

Glasgow City Council, citizens, community organisations including Glasgow Disability Alliance, other communities of interest.

### ⟫ What did they do?

Glasgow City Council has agreed that at least one per cent of budgets will be subject to participatory budgeting. Glasgow City Council launched a £1 million participatory budget strategy targeted at four of the most deprived areas of the city, and to a community of interest (via Glasgow Disability Alliance). The four areas were: Calton for child poverty; Canal in North Glasgow for work and employment; Pollokshields to address issues of black and minority ethnic population experience; and Pollok to engage with and support work for young people.

Glasgow City Council commissioned community organisations with deep roots in the four areas to support people to establish citizens' panels to test how participatory budgeting (PB) should best work in their community. They were also asked to minimise barriers to participation through providing childcare, transport and other support needed.

A council-led PB group was responsible for overseeing the work in partnership with third sector and national PB organisations. The communities and organisations worked with council staff and elected members to co-produce a city-wide framework outlining how they can move towards PB in a fairer and more equal way. The council is working with partners to roll out the approach and inform a shift towards mainstreaming PB. The Glasgow Centre for Population Health is carrying out a short independent evaluation of the 2018/19 PB process.

### 🔍 What were the outcomes and the learning?

Glasgow's PB journey is detailed in a report on the PB Scotland website. It summarises learning from the 2018 work as follows:

> "Feedback from meetings… has helped GCC refine plans and ensure that as few barriers as possible remain.
>
> Issues raised have included: how panels will represent full council wards and their liability for decisions made; ensuring language is inclusive, not off-putting; the sustainability of projects funded through PB after the funding period; how to ensure panels are diverse and representative; how PB fits with current council funding plans; and how the allocation of budgets by the panels relates to democratically elected community councils."

In 2016, Glasgow City Council developed an evaluation framework in collaboration with a range of community planning partners and What Works Scotland for local authorities to measure effectiveness of PB processes.



This video shows the **Big Night In** live broadcast which saw over 600 young people vote on the Young Scot website to decide £200,000 of funding in the Greater Pollok area.

🖥 Visit the website

## 📁 Case study 4: **Place-based working**

### ❓ What is it?

The Corra Foundation 🖥 launched the People in Place programme in 2014. It identified communities that were not coming forward for funding or accessing support. It supported people from these communities to come together to identify and deliver shared priorities and actions.

### 👤 Who's involved?

Local people, Corra Foundation and a range of partners – including councils, NHS, businesses and the third sector – in nine communities across Scotland.

### ⟫ What did they do?

Each community has a dedicated community co-ordinator who brings people together for conversations; helps them to identify shared priorities and supports them to develop locally led actions aimed at improving their local community. The programme is designed to seek out voices that are seldom heard, build capacity within communities and widen community participation.

### 🔍 What were the outcomes and the learning?

In a report 🖥, the Corra Foundation has identified several strengths of place-based working in the different areas in Scotland:

- communities have greater power
- anchor organisations improve sustainability
- alignment of local priorities
- a supportive policy environment
- collaborative working and long-term, personal commitment.

It also made several recommendations for improving place-based practice in Scotland.

**Frances' video blog; My Carbrain**
By Ffyona Taylor | 20th June 2019 | Blogs, Place

Corra Foundation works alongside nine communities, listening to local people and partners, identifying shared aspirations and priorities to support positive change. Corra has been working alongside local people in Carbrain Cumbernauld, North Lanarkshire since September 2018.

In this video blog, Frances Parks' shares what Carbrain means to her and inspired her to get involved in her community.

This video is a resident's story of getting involved in the **Getting Alongside Communities programme**.

🖥 Visit the website

## Case study 5: **Partnership approach to tackling homelessness**

### ? What is it?

An approach to co-develop a community action plan for people experiencing homelessness.

▣ Visit the website



### 👤 Who's involved?

East Ayrshire Health and Social Care Partnership (EAHSCP) works with Community Friends, a befriending project of East Ayrshire Churches Homelessness Action (EACHa). EACHa is a charity set up to help relieve hardship or distress experienced by people who are homeless or at risk of becoming homeless within East Ayrshire.  Approximately 400 individuals per year are assisted by Community Friends, with around 80 attending each week.

### » What did they do?

EACHa, with help from officers from East Ayrshire Council's Vibrant Community Service, interviewed people supported by the project to identify the issues most commonly faced by vulnerable and marginalised people. This led to a community action plan being published in October 2018.

Four key areas identified were:

- raising public awareness
- access to services
- availability of employment, training and volunteering
- key transitions.

### 🔍 What were the outcomes and the learning?

Two conferences were held to raise awareness of the issues among professionals and the public in East Ayrshire. The council, NHS, EASHCP and voluntary agencies have agreed to work alongside users of services to improve their experiences of health and social care services and address the key issues in the action plan. During 2019, four theme groups, including service users, have been working to address the recommendations in the action plan and report to an overall governance group. This is co-chaired by a local elected representative and the Scottish Health Council.

Progress so far includes:

- a pledge from health and social care services to increase peer workers
- a new East Ayrshire front-door service, where service users have access to a range of professional advisors in one location
- an information day, where training and volunteering organisations will advise service users about opportunities.

A further conference is planned for October 2019.

The approach has highlighted the importance of fostering co-operation with statutory services, voluntary organisations and service users. Key areas for success included: involvement of service users at all stages of developing the plan, at the conferences and in the theme groups; involvement of third sector organisations in influencing and shaping policy; and an elected representative taking an active role in leading the work and providing a link with the health and social care partnership.
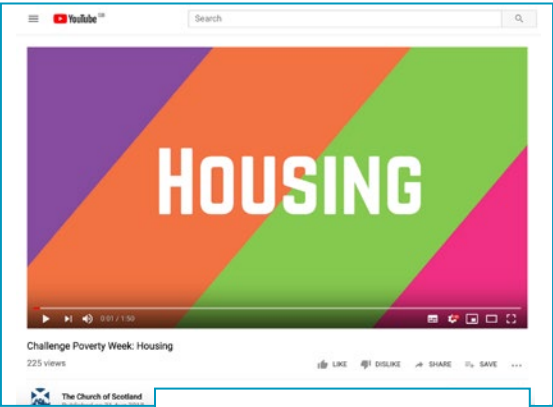


Users of the **Community Friends project** talk about how it has helped them in this **video** ▣.

## 📁 Case study 6: **Community Anchor**

### ❓ What is it?

A community-controlled housing association in one of the most deprived areas in Scotland aspiring to make East Castlemilk a safer, better place to live.

### 👤 Who's involved?

Ardenglen Housing Association (AHA) run by volunteers, over 35 partner organisations and the local community.

### ≫ What did they do?

What Works Scotland identified AHA as one of six community sector organisation exemplars of strong community anchors. AHA staff work with partner organisations to deliver a wide range of community-based activities aimed at addressing issues identified by their community under its 'The Only Way is Up' (TOWiU) development and regeneration programme.

Courses include: money and welfare rights advice; employability and practical skills training; energy advice; IT skills training and English language lessons; youth activities; positive parenting and intergenerational activities. The AHA's Community Committee delivers these services from its community hall. Anyone in the Castlemilk area can participate.

Low aspirations, arising through decades of deprivation, were highlighted as a challenge by AHA:

> 66 It's the community mind-set which takes longer... the negative perception of things that comes through a fourth generation, lacking skills and confidence and self-worth in some cases. 99
>
> AHA interviewee

### 🔍 What were the outcomes and the learning?

Ongoing training opportunities helps equip volunteers with skills and confidence that are often lacking. Several of the volunteers on the Management Board have come through their TOWiU programme. This has helped to give them the new skills and confidence to think that they are 'good enough to get involved'.

What Works Scotland reported that AHA as a community anchor illustrates:

- a highly participatory approach to the development and running of wide-ranging community learning and regeneration activities that community ownership and control can bring.

- how a multi-purpose, locally-committed body can support the building of strong, trusting relationships, which can empower local people – helping to mitigate some of the impacts of welfare reform, sustain tenancies and embed community cohesion.

> 66 Ardenglen HA and the community they serve have taken a highly participatory approach to the development and running of their regeneration activities. They have taken the time to build trusting relationships with local residents and empower them to engage via the Housing Association with other partners and agencies to develop and deliver real and targeted support for those most in need in their community. 99
>
> CPP partner



📥 Read the report

# Other key references and ongoing work

Scottish Community Empowerment Action Plan – Celebrating Success: Inspiring Change, Scottish Government, March 2009.

Christie Commission on the future delivery of public services, Scottish Government, June 2011.

Community Empowerment (Scotland) Act 2015.

Scottish Government National Performance Framework – National outcome: We live in communities that are inclusive, empowered, resilient and safe.

Democracy Matters – Scottish Government and Cosla local governance review.

Islands (Scotland) Act 2018.

Gunning principles – rules for public consultation and implications, Consultation Institute.

National Standards for Community Engagement – Scottish Government and Scottish Community Development Centre.

PANEL principles, Scottish Human Rights Commission.

PB charter, PB Scotland.

Participatory budgeting – Elected member briefing, Improvement Service, 2017.

Place Standard – How good is our place? – a framework to structure conversations about the physical and social elements of a place.

Place Principle, Scottish Government, April 2019, The Place Principle was developed by a wide range of cross sectoral partners to help partners, public, third, private and community to develop a clear vision for their place.

How good is the learning and development in our community? Evaluation resource, Education Scotland, September 2016.

Health and Social Care Standards: My support, My life, Scottish Government, June 2017 (Standard 1.10 is particularly relevant 'I am supported to participate fully as a citizen in my local community in the way that I want.').

Local Outcomes Improvement Plans Stock-take – Emerging Themes, The Improvement Service, NHS Health Scotland and Audit Scotland, June 2018.

A quality framework for care homes for older people, Care Inspectorate, July 2018 (Key question 1: How well do we support people's wellbeing? – quality indicators support resident empowerment and set out what good looks like).

Hard to reach' or 'easy to ignore'? Promoting equality in community engagement, What Works Scotland, December 2017.

Community Planning after the Community Empowerment Act: The Second Survey of Community Planning Officials in Scotland, What Works Scotland, April 2018.

Support for CPPs – Leadership development, Improvement Service and SCDC, May 2018.

Empowering People and Places: What Works?, What Works Scotland, November 2018.

Training for facilitating collaboration and participation, What Works Scotland, November 2018.

Place-based working resources, Corra Foundation.

# Appendix
## Advisory group members

**The Community empowerment advisory group has representatives from the Strategic Scrutiny Group, plus:**

| | |
|---|---|
| Scottish Government | Development Trusts Association Scotland |
| COSLA | Scottish Council for Voluntary Organisations |
| Health Scotland | What Works Scotland |
| Inspiring Scotland | Scottish Health Council |
| SURF | Forestry and Land Scotland |
| North Ayrshire Council | South Ayrshire Council |
| Scottish Community Development Centre | Improvement Service |
| Scottish Community Safety Network | The Consultation Institute |

# Principles for community empowerment

This report is available in PDF and RTF formats, along with a podcast summary at:
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or **info@audit-scotland.gov.uk**

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**NORTH AYRSHIRE COUNCIL**

**12 November 2019**

**Audit and Scrutiny**

| | |
|---|---|
| **Title:** | **Public Performance Reporting 2018/19** |
| **Purpose:** | To present the 2018/19 public performance reporting and the Annual Public Performance Report 2018/19. |
| **Recommendation:** | That the Audit and Scrutiny Committee agrees to note (a) the status of the Council's performance indicators at Appendices One and Two; and (b) the Annual Public Performance Report 2018/19 set out at Appendix Three. |

**1.    Executive Summary**

1.1    This report details the Council's performance against a range of Performance Indicators (PIs) during 2018/19.  It highlights how the Council, in conjunction with communities and its partners, has worked to improve economic growth; close the attainment gap; protect and enhance our natural environment; and ensure that resources are directed to support those who need them most.

1.3    The report also sets out the content of the Council's Annual Public Performance Report for 2018-19.

**2.    Background**

2.1    The Accounts Commission, in its 2015 Direction on Public Performance Reporting, set out two clear categories of performance information.  This gave Councils more flexibility in determining their specific PIs that would meet the requirements of the Direction outlined in Table one below:

**Table 1: Accounts Commission Direction 2015**

| Part 1 - Achievement of Best Value | Part 2 - Local Government Benchmarking Framework |
|---|---|
| **Statutory Performance Indicator 1:** Each Council will report a range of information setting out:<br><br>• Its performance in improving local public services (including with partners);<br>• Its performance in improving local outcomes (including with partners);<br>• Its performance in engaging with communities and service users and responding to their views and concerns;<br>• Its performance in achieving Best Value, including its use of performance benchmarking; options appraisal; and use of resources. | **Statutory Performance Indicator 2:** Each Council will report its performance in accordance with the requirements of the Local Government Benchmarking Framework (LGBF). |

2.2. The Council has 66 PIs which they viewed as most important in terms of demonstrating our performance against the 2014-2019 Council Plan and part one of the Accounts Commission Direction.  80 Local Government Benchmarking Framework (LGBF) indicators are reported separately via our website which meets part two of the Accounts Commission Direction.

2.3 Our website contains considerable performance information which is reviewed on a regular basis.  Links to information on community and locality planning performance are also available on the website.

2.4 PIs are published on our website using an interactive portal – *North Ayrshire Performs*. Detailed information including performance status and trends are available for public inspection. Links have also been made to the set of LGBF indicators and the *mylocalcouncil* portal which also allows communities and residents to view how well we perform compared to other Scottish Councils.

2.5 This report relates only to performance for 2018/19.  Following the implementation of our new Council Plan 2019-2024 '*A Council that is Fair for All'* and the associated Performance Management Framework in June 2019, arrangements for Public Performance Reporting will require to be reviewed.

## 3. Performance Indicators

3.1 **Appendix 1** details the full set of PIs, showing (where available) three years of performance data, together with targets and a traffic light (**Red**, **Amber**, **Green**) symbol to show whether the target level of performance has been achieved (**Green**), is slightly adrift of target (**Amber**) or is significantly adrift of target (**Red**).

3.2 Analysis of the indicators with latest available targets is outlined in Table 2 below. 81.3% of indicators are on target or slightly adrift of target.

**Table 2:  Summary of Traffic Light Status**

| 2018/19 Traffic Light Status | |
| --- | --- |
| **Traffic Light** | **Indicators** |
| on target | 37 (77.1%) |
| slightly adrift | 2 (4.2%) |
| significantly adrift | 9 (18.7%) |
| data only/unavailable | 18 |
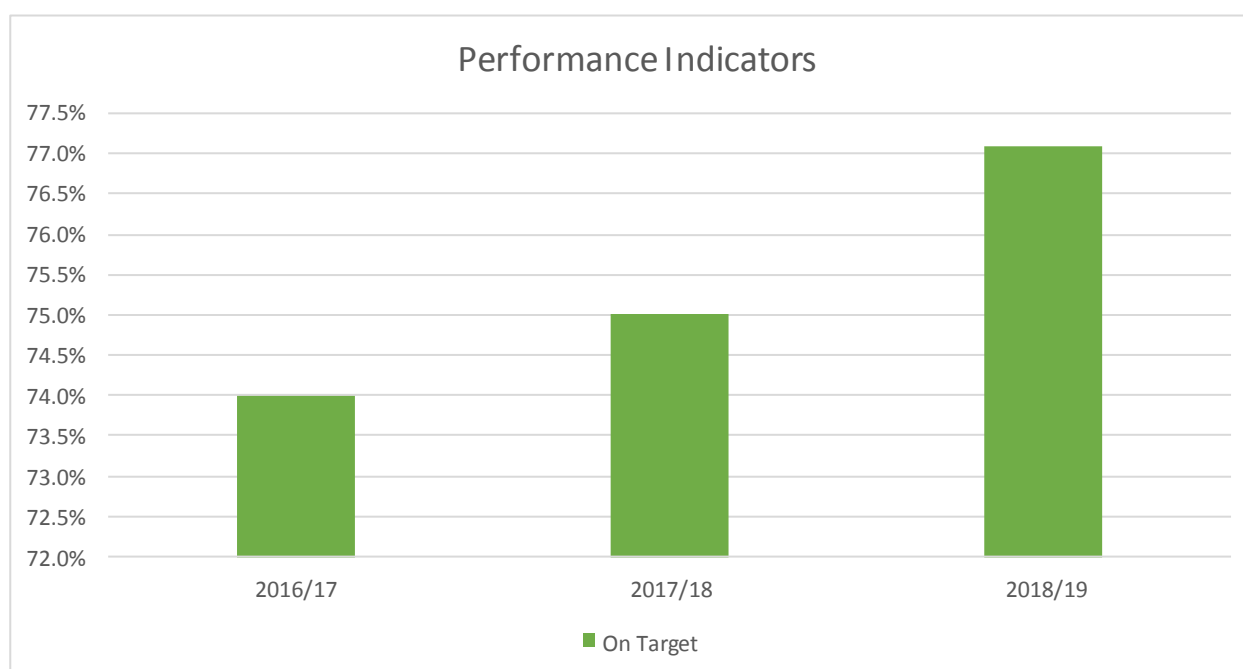


**In 2018/19, 77.1 % our key PIs were on target, this is an increase from the previous two years.**

3.3 2018/19 data for seven education indicators will not be available until February 2019.

3.4 There are two performance indicators that are missing data, in these instances the data is not recorded every year.  There are also 9 indicators that are data only.  This means that no target has been set for them to achieve.

3.5 **Appendix 2** lists the 11 **Red**/**Amber** indicators along with management commentary from the relevant Directorate.

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3.6 Comparison of 2018/19 performance with 2017/18 and 2016/17 performance is noted in Table 3 below. Performance improved in 49.1% of indicators with trend information over the one year period and in 56.1% over the three year period.

**Table 3: Summary of short term/long term trends**

| 2018/19 short term/long term trends | | |
|---|---|---|
| | **Short Term** | **Long Term** |
| Improved | 49.1% | 56.1% |
| Declined | 33.3% | 36.8% |
| No change | 17.5% | 7.0% |

## 4. Annual Public Performance Report

4.1 The draft Annual Public Performance Report 2018/19 is attached at **Appendix 3.** The Report provides a summary of how the Council, working closely with communities and its partners, has worked to improve economic growth; close the attainment gap; protect and enhance our natural environment; and ensure that resources are directed to support those who need them most.

4.2 We continue to learn from other Councils including feedback from Best Value Audit reports and this year we have included within our Annual Performance areas of good practice and areas of focus.

4.3 The Annual Public Performance Report now includes:

- **A summary of our PIs** – this is shown as a simple chart and allows readers to see at a glance that the number of our key PIs that were on target has continued to increase over the last three years.

- **Information on the Local Government Benchmarking Framework** – this is shown as a chart and allows readers to see that a high proportion of our indicators were either in the top or second quartile, i.e. performing above the Scottish average.

- **A Year of Key Events** – this is an easy to read timeline which highlights some of our key events, exciting developments and major announcements over the last year.

- **A Priority in Action Section –** this provides brief case studies demonstrating the impact of our activities on our communities, residents and businesses.

- **Areas for Focus Section –** this recognises that further work needs to be carried out in some areas.  These Areas for Focus also align to our new Council Plan 2019-2024.

4.4 The Annual Public Performance Report is available as an electronic document downloadable from the website. A limited number of summary hard copies will shortly be made available at the Council's main public buildings. The summary document will

highlight key data through the use of infographics which will be used to improve the accessibility of performance information.

4.5 The Council's social media channels e.g. Facebook and Twitter are being used to raise awareness of the Annual Public Performance Report.

## 5.    Proposals

5.1 It is proposed that the Audit and Scrutiny notes (a) the status of the Council's Performance indicators at Appendices One and Two; and (b) the content of the Annual Council Performance Report 2018/19 set out at Appendix Three.

## 6.    Implications

| Financial: | There are no financial implications. |
|---|---|
| Human Resources: | There are no human resource implications. |
| Legal: | Reporting requirements specified in the 2015 Accounts Commission Direction represent a departure from the previous Direction. The Accounts Commission want to better reflect the impact that Councils are making on their communities and how they are contributing to improved outcomes for local people. There is more 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:<br><br>Children and Young People: | There are no equality or implications for children and young people. |
| Environmental & Sustainability: | There are no environmental and sustainability implications. |
| Key Priorities: | This Report helps to demonstrate the Council's delivery of its strategic priorities. |
| Community Benefits: | There are no community benefit implications. |

**5.    Consultation**

5.1    Feedback from the Executive Leadership Team informed the content of this report.

**Andrew Fraser**
**Head of Democratic Services**

For further information please contact **Barry Tudhope, Manager (Corporate Policy, Performance & Elections)** on **01294 324113**.

**Background Papers**
Council Plan 2014 – 2019

# Appendix 1 - Annual Performance Report Committee Report Summary

| PI Status | | Long Term Trends | | Short Term Trends | |
|---|---|---|---|---|---|
| 🔴 | Alert | ⬆️ | Improving | ⬆️ | Improving |
| 🔺 | Warning | ➖ | No Change | ➖ | No Change |
| ✅ | OK | ⬇️ | Getting Worse | ⬇️ | Getting Worse |
| ❓ | Unknown | | | | |
| 📈 | Data Only | | | | |

**Priority 1. Growing our economy, increasing employment and regenerating towns**
**Theme 1. Council Plan - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CP_DE_P04 Number of Modern Apprentices supported through North Ayrshire sponsored initiatives | 188 | ✅ | 176 | 🔺 | 85 | 85 | ✅ | ⬇️ | ⬇️ |
| EG_11 Leverage of External Funding | 3.27 | 📈 | 3.43 | 📈 | 3.04 | | 📈 | ⬇️ | ⬆️ |
| EG_21 Number of jobs created by businesses in North Ayrshire supported by Business Development. | 655 | ✅ | 588 | ✅ | 555 | 450 | ✅ | ⬇️ | ⬇️ |
| EG_28 Town Centre Footfall | 7,137,165 | ❓ | 7,137,409 | ✅ | 6,726,874 | 6,800,000 | 🔺 | ⬇️ | ⬇️ |
| WR18 Numbers accessing the employability pipeline | 1,590 | 📈 | 1,693 | 📈 | 1,149 | | 📈 | ⬇️ | ⬇️ |

**Priority 1. Growing our economy, increasing employment and regenerating towns**
**Theme 2. Service performance**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| DP_FACS_P01 No of weeks employment through using Community Benefit clauses | New measure in 2017/18 | | 1,190 | ✅ | 2,093 | 1,200 | ✅ | ⬆️ | ⬆️ |
| OP_FCS_PRO_P_P01 % Procurement spend with local suppliers | 20% | 📈 | 22.78% | 📈 | 22% | | 📈 | ➖ | ⬆️ |

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**Priority 2. Working together to develop stronger communities**
**Theme 1. Council Plan  - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CC_04 The number of new and additional community management and ownership initiatives | 5 |  | 8 |  | 0 | |  | ⬇ | ⬇ |
| CC_11 Total number of activities, programmes and learning event opportunities which support participation in democracy accessed by young people | New measure in 2017/18 | | 10,259 | ✅ | 9,515 | 4,000 | ✅ | ⬇ | ⬇ |
| CC_12 Percentage of community group respondents who feel the Council is an effective partner in helping them deliver their aspirations (was E&S_P_C05) | New measure in 2017/18 | | 100% | ✅ | 100% | 95% | ✅ | ▬ | ▬ |

**Priority 2. Working together to develop stronger communities**
**Theme 2. Service performance**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| SPI 11_A_02 Number of visits to/usages of council funded or part funded museums per 1000 population | 1,962 | ✅ | 1,819 | ✅ | 1,373 | 1,500 | 🛑 | ⬇ | ⬇ |
| SPI 12_A_02 Number of library visits per 1000 population | 11,213 | ✅ | 7,690 | ✅ | 7,999 | 10,000 | 🛑 | ⬆ | ⬇ |
| SPI 13a_SDS4aii 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 | 13.8 | ✅ | 9.5 | ✅ | 10.2 | 18 | ✅ | ⬇ | ⬆ |
| SPI 13b_SDS4bii 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 | 5.2 | ✅ | 5.3 | ✅ | 5 | 9 | ✅ | ⬆ | ⬆ |

**Priority 3. Ensuring people have the right skills for learning, life and work**
**Theme 1.  Council Plan - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CC_01 The percentage of participants accessing learning opportunities whose confidence, knowledge and skills has improved as a result | 97.9% | ✅ | 98% | ✅ | 97.13% | 96% | ✅ | ⬇ | ⬇ |
| E&S_P_B01 % of children achieving their developmental milestones at the time the child | 77% |  | 77.2% |  | 78% | |  | ⬆ | ⬆ |

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| starts primary school | | | | | | | | | |
| E&YE_PI_D02 % of leavers attaining literacy at National 5 (SCQF Level 5) | 81.62% | 🟢 | 83.54% | 🔺 | | 85.5% | | ⬆ | ⬆ |
| E&YE_PI_D04 % of leavers attaining numeracy at National 5 (SCQF Level 5) | 66.83% | 🔺 | 70.04% | 🔺 | | 73% | | ⬆ | ⬆ |
| E&YE_PI_D06 % gap in attainment of Looked After Children | 86.2% | 🔺 | 99.6% | 🔴 | | 78% | | ⬇ | ⬇ |
| SOL_CHN11 % of school leavers entering positive destinations | 93.4% | 🔺 | 95.6% | 🟢 | | 95.4% | | ⬆ | ⬆ |

**Priority 3. Ensuring people have the right skills for learning, life and work**
**Theme 2.  Service performance**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| E&S_P_A05 Average total tariff score of the lowest 20% attainment cohort | 174 | 🔴 | 170 | 🔴 | | 187 | | ⬇ | ⬇ |
| E&S_P_A06 Average total tariff score of the middle 60% attainment cohort | 805 | 🟢 | 815 | 🔴 | | 840 | | ⬆ | ⬆ |
| E&S_P_A07 Average total tariff score of the highest 20% attainment cohort | 1,786 | 🟢 | 1,785 | 🟢 | | 1,810 | | ▬ | ⬆ |
| E&S_P_B04 % of participants (on completion of parenting programmes) who report an increase in their confidence levels as a parent | 100 | 🟢 | 100 | 🟢 | 100 | 100 | 🟢 | ▬ | ▬ |
| E&S_P_B05 % of participants (on completion of parenting programmes) who report an increase in their levels of interaction with their children | 100 | 🟢 | 100 | 🟢 | 100 | 100 | 🟢 | ▬ | ▬ |

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**Priority 4. Supporting all our people to stay safe, healthy and active**
**Theme 1. Council Plan - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| FM_PI001 % uptake of free school meals (Primary) | 87.68% | ✅ | 85.52% | 🔺 | 87.5% | 86.25% | ✅ | ⬆ | ⬆ |
| FM_PI002 % uptake of free school meals (Secondary) | 70.7% | ✅ | 73.38% | ✅ | 75.45% | 71.25% | ✅ | ⬆ | ⬆ |
| HS - PI003 Number of new build Council housing units reaching completion on a yearly basis | 7 | | 34 | 🔴 | 64 | 64 | ✅ | ⬆ | ⬆ |
| HS - PI005 Number of homeless presentations | 761 | 📈 | 1,044 | 📈 | 1,032 | | 📈 | ⬆ | ⬇ |
| SOA_SSNA5 Percentage residents within North Ayrshire who feel unsafe walking in their neighbourhood after dark | Measured every two years | | 19% | ✅ | Measured every two years | | | ❓ | ⬆ |
| SP_DE_C18 Percentage uptake of school meals | 59.55% | ✅ | 59.04% | ✅ | 59.5% | 59% | ✅ | ➖ | ⬇ |
| SPI 10_B_01 Number of attendances per 1,000 population for indoor sports and leisure facilities excluding pools | 11,313 | ✅ | 13,605 | ✅ | 13,897 | 10,000 | ✅ | ⬆ | ⬆ |

**Priority 4. Supporting all our people to stay safe, healthy and active**
**Theme 2. Service performance**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| HS - PI009 % of lets to homeless | 27.3% | ✅ | 27.9% | ✅ | 22.38% | 25% | 🔴 | ⬇ | ⬇ |
| HS - PI028 Average length of time taken to re-let properties in the last year (days) | 15.44 | ✅ | 16.71 | ✅ | 19.92 | 17 | 🔴 | ⬇ | ⬇ |
| NAHSCP_03 Percentage of individuals subject to level 1 Community Payback Order Unpaid Work completed within three months | 93.37% | ✅ | 95.33% | ✅ | 95.65% | 57% | ✅ | ➖ | ⬆ |
| NAHSCP_09 Percentage of fostered LAAC who are fostered by an in-house placement | 87.08% | ✅ | 92.77% | ✅ | 92.5% | 80% | ✅ | ➖ | ⬆ |
| NAHSCP_11 Percentage of children in a kinship care placement subject to a Kinship Order | 34.64% | 🔺 | 38.46% | ✅ | 48.78% | 40% | ✅ | ⬆ | ⬆ |
| NAHSCP_21 Number of service users (65+) with a community alarm package (Previously SPSS_P_A05) | 3,219 | ✅ | 3,526 | ✅ | 3,566 | 2,800 | ✅ | ⬆ | ⬆ |
| NAHSCP_22 Number of service users with an enhanced telecare package | 770 | ✅ | 917 | ✅ | 1,038 | 1,000 | ✅ | ⬆ | ⬆ |
| OP_EC_03 Percentage of food poisoning investigations within two | 100% | ✅ | 100% | ✅ | 100% | 100% | ✅ | ➖ | ➖ |

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| days of inquiry (EH) formerly known as SP1213LP_P_A04 | | | | | | | | | |
| OP_EC_04 Percentage of high priority pest control requests responded to within working one day of enquiry (EH) formerly known as SP1213LP_P_A05 | 97.7% | ✅ | 97.2% | ✅ | 97.5% | 95% | ✅ | ⬆ | ⬆ |
| SOA1112_08a_001 Percentage of families previously registered on the Child Protection Register who have been re-registered following a period of less than one year | 4.8% | ✅ | 3.9% | ✅ | 4.9% | 5% | ✅ | ⬇ | ⬆ |
| SP_EG_15 Percentage of high priority public health complaints responded to within 1 working day of receipt (EH) formerly known as SP1213LP_P_A03 | 98.4% | ✅ | 93.9% | 🔺 | 97.4% | 95% | ✅ | ⬆ | ⬆ |
| SPSS_P_C05 Percentage of individuals subject to level 2 Community Payback Order Unpaid Work completed within six months | 95.63% | ✅ | 94.27% | ✅ | 97.34% | 67% | ✅ | ⬆ | ⬆ |

**Priority 5. Protecting and enhancing the environment for future generations**
**Theme 1. Council Plan - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CP_FCS_001 Overall carbon emissions (tonnes) | 47,076 | ✅ | 43,756 | ✅ | 40,666 | 45,137 | ✅ | ⬆ | ⬆ |
| PL_PI024 Total installed capacity of low carbon heat and electricity generation across the Council's estate | New measure in 2017/18 | | 9,029 | ✅ | 9,682 | 9,600 | ✅ | ⬆ | ⬆ |
| SENV03b Street Cleanliness Index - % Clean | 90.6 | 🛑 | 92.2 | 🔺 | 94.5 | 94 | ✅ | ⬆ | ⬆ |

**Priority 6. Supporting our Priorities**
**Theme 1. Council Plan - corporate**

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CP_FACS_004 Capital Expenditure - General Fund - Actual expenditure as a percentage of budgeted expenditure | 72.2% | 🛑 | 68.4% | 🛑 | 92.5% | 99% | 🛑 | ⬆ | ⬆ |
| CP_FACS_005 Capital Expenditure - Housing Revenue Account (HRA) - Actual expenditure as a percentage of budgeted expenditure | 83.1% | 🛑 | 54.9% | 🛑 | 101% | 95.5% | ✅ | ⬆ | ⬆ |
| CP_FCS_002 Revenue Expenditure – General Fund - Actual expenditure as a | 98.3% | ✅ | 96% | 🔺 | 99.4% | 99% | ✅ | ⬆ | ⬆ |

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| percentage of budgeted expenditure | | | | | | | | | |
| CP_FCS_003 Revenue Expenditure - Housing Revenue Account - Actual expenditure as a percentage of budgeted expenditure | 91.7% | ⚠ | 99.1% | ✅ | 99% | 97% | ✅ | ▬ | ⬆ |
| CP_FCS_008 Percentage of Capital Projects completed within budget | 94.6% | ⚠ | 94.1% | ⚠ | 96.9% | 99% | ⚠ | ⬆ | ⬆ |
| DP_DS_P15 The value of media (print/ online/ TV/ radio) coverage secured for North Ayrshire Council | 19,592 | 📈 | 18,683 | 📈 | 18,062 | | 📈 | ⬇ | ⬇ |
| SOL_CORP06 Sickness Absence Days Per Employee Full Time Equivalent (FTE) for the Whole Council | 9.79 | 🛑 | 9.6 | 🛑 | 9.67 | 7.92 | 🛑 | ▬ | ⬇ |

<div style="background:lightblue">

**Priority 6. Supporting our Priorities**
**Theme 2. Service performance**

</div>

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| CP_FACS_011 % of Council-Wide Stage One (Frontline Resolution) Complaints Handled on Time | 90% | ✅ | 91% | ✅ | 92% | 80% | ✅ | ⬆ | ⬆ |
| CP_FCS_009 % of Council-Wide Stage Two (Investigations) Complaints Handled on Time | 92% | ✅ | 89% | ✅ | 90% | 85% | ✅ | ⬆ | ⬇ |
| CPP_PP5 Level of satisfaction with public sector partners - North Ayrshire Council | Previously measured in 2013/14 | | 60 | ✅ | Previously measured in 2017/18 | | | ❓ | ❓ |
| DP_FACS_P04 Speed of processing Housing Benefit (New Claims) days | 20.32 | ✅ | 16.75 | ✅ | 8.51 | 18 | ✅ | ⬆ | ⬆ |
| DP_FACS_P05 Speed of processing Housing Benefit (Change of circumstances) days | 13.9 | ✅ | 11.25 | ✅ | 10.46 | 11 | ✅ | ⬆ | ⬆ |
| DP_FACS_P06 Speed of Processing (Council Tax Reduction) new claims (days) | 25.43 | ✅ | 22 | ✅ | 28.28 | 22 | 🛑 | ⬇ | ⬇ |
| DP_FACS_P07 Speed of processing (Council Tax Reduction) changes of circumstances (days) | 4.44 | ✅ | 3.97 | ✅ | 7 | 4.4 | 🛑 | ⬇ | ⬇ |
| DP_FACS_P08 Gross administration cost per Housing Benefit/Council Tax Benefit case (£) | £37.26 | ✅ | £34.88 | ✅ | £41.49 | £36.50 | 🛑 | ⬇ | ⬇ |
| DP_FACS_P11 Percentage of Customers delighted with the overall Customer Service | 77% | ✅ | 84% | ✅ | 81% | 77% | ✅ | ⬇ | ⬆ |
| SP_FCS_P09 Percentage of | 67% | ✅ | 67.4% | ✅ | 70% | 68% | ✅ | ⬆ | ⬆ |

| Code & Short Name | 2016/17 | | 2017/18 | | 2018/19 | | | Short Term Trend | Long Term Trend |
|---|---|---|---|---|---|---|---|---|---|
| | Value | Status | Value | Status | Value | Target | Status | | |
| public service buildings that are suitable and accessible to disabled people | | | | | | | | | 82 |
| SP_FCS_P_A04 Percentage of North Ayrshire Council Employees who Have Recorded as Having a Disability | 2.22% |  | 2.08% |  | 2.18% |  | | ⬆ | ⬇ |
| SP_FCS_P_A05 Percentage of Black and Minority Ethnic (BME) North Ayrshire Council Employees | 0.93% |  | 0.94% |  | 0.82% |  | | ⬇ | ⬇ |

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# Appendix 2 - Annual Performance Report Committee Exception Report

**North Ayrshire Council**
Comhairle Siorrachd Àir a Tuath

**Scorecard Hierarchy Priority 1. Growing our economy, increasing employment and regenerating towns**
**Theme 1. Council Plan - corporate**

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|------|-----------|---------|--------|--------|---------|--------|--------|------------|-----------|------|
| | | Value | Target | Status | Value | Target | Status | | | |
| EG_28 | Town Centre Footfall | 7,137,409 | 6,800,000 | ✅ | 6,726,874 | 6,800,000 | ⚠️ | ⬇️ | ⬇️ | Town Centre Footfall has fallen behind target at year end. The main contributing factors are a decrease in footfall at Irvine (-8.9% or 361,039) and Largs (-5.54% or 67,278, the third year of reduction). Saltcoats has seen a slight rise in footfall of 0.95% or 17,782. The reduction is largely due to the quality of the retail mix. For example within Irvine there is a large proportion of betting and discount shops. The offering is exacerbated by business rates and the rise of internet shopping. |

**Scorecard Hierarchy Priority 2. Working together to develop stronger communities**
**Theme 2. Service performance**

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|------|-----------|---------|--------|--------|---------|--------|--------|------------|-----------|------|
| | | Value | Target | Status | Value | Target | Status | | | |
| SPI 11_A_02 | Number of visits to/usages of council funded or part funded museums per 1000 population | 1,819 | 1,200 | ✅ | 1,373 | 1,500 | 🛑 | ⬇️ | ⬇️ | The Heritage Centre was closed for the first three months of this period. Internal Audit advised a different definition for recording virtual visits which reduced last year's total. In 18/19, the Heritage Centre reopened in June with new interactive exhibitions, loans to schools and a variety of enquiries. A successful Facebook strategy sharing information about the museum's collection and local history, has seen a sharp rise in engagement. |
| SPI 12_A_0 | Number of library visits per 1000 population | 7,690 | 6,500 | ✅ | 7,999 | 10,000 | 🛑 | ⬆️ | ⬇️ | Internal Audit advised a different definition for recording virtual visits which reduced last year's total. North Ayrshire Council has worked with partners and the |

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|------|-----------|---------|---------|--------|---------|---------|--------|------------|------------|------|
| | | Value | Target | Status | Value | Target | Status | | | |
| 2 | | | | | | | | | | Improvement Service to adopt the definition originally used by North Ayrshire Council. Refurbishment closures contributed to the 3.5% reduction in visits, including one of the busiest libraries, Saltcoats library, which was shut for 4 weeks. Public realm works outside Irvine library also had an impact. Staff continue to work with communities and partners to meet their needs. |

**Scorecard Hierarchy Priority 4. Supporting all our people to stay safe, healthy and active**
**Theme 2. Service performance**

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|------|-----------|---------|---------|--------|---------|---------|--------|------------|------------|------|
| | | Value | Target | Status | Value | Target | Status | | | |
| HS - PI009 | % of lets to homeless | 27.9% | 25% | ✅ | 22.38% | 25% | 🛑 | ⬇ | ⬇ | Two of our new sheltered housing developments, Glencairn House and Kyleshill Court, were completed in 2018/19.  Since the vast majority of homeless applicants are under 60, this results in a disproportionate number of properties unavailable for allocation to this needs group.  In addition, a decision was made to exclude a number of specific flatted properties in the Three Towns from allocation to homeless applicants.  This was following analysis of failed tenancies, in an effort to increase tenancy sustainment and reduce the high turnover in those areas. |
| HS - PI028 | Average length of time taken to re-let properties in the last year (days) | 16.71 | 17 | ✅ | 19.92 | 17 | 🛑 | ⬇ | ⬇ | The regeneration of the multi-storey flats in Irvine is impacting re-let times.  The agreed void specification for multi-storey residents being displaced includes additional works, e.g. paintwork throughout, which is increasing the time it takes to complete all void works.  In addition, it was agreed to provide floor coverings and blinds to these tenants, which are installed post void works.  Glencairn House and Kyleshill Court sheltered housing developments also impacted re-let times, as the developer was unable to return properties on a phased basis.  This resulted in 64 new build properties experiencing void rent loss, where in previous developments this had not been the case. |

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**Scorecard Hierarchy Priority 6. Supporting our Priorities**
**Theme 1. Council Plan - corporate**

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Value | Target | Status | Value | Target | Status | | | |
| CP_FACS_004 | Capital Expenditure - General Fund - Actual expenditure as a percentage of budgeted expenditure | 68.4% | 98.5% | 🔴 | 92.5% | 99% | 🔴 | ⬆ | ⬆ | There has been a significant improvement from 17/18 in 18/19 data. 92.5% of the General fund Capital Expenditure has been delivered during 2018/19, compared to 68.4%, 72.2% and 90.2% for 2017/18, 2016/17 and 2015/16 respectively. A review of slippage has identified the main themes as: Third Party / Contractor Delays - where delays with contractor lead in times or third party requirements have delayed the completion of projects; Reassessment of specification or strategy - where changes in the specification or delivery strategy have delayed projects; and Other - where delays have been caused by revisions to funding arrangements.<br><br>Financial Services continue to work with services to ensure that the capital investment programme is achievable. |
| CP_FCS_008 | Percentage of Capital Projects completed within budget | 94.1% | 98% | 🔺 | 96.9% | 99% | 🔺 | ⬆ | ⬆ | 96.9% of capital projects have been completed within budget for 2018/19 compared to 94.1%, 94.6% and 100% for 2017/18, 2016/17 and 2015/16 respectively. One project was completed with a minor overspend during the year. |
| SOL_CORP06 | Sickness Absence Days Per Employee Full Time Equivalent (FTE) for the Whole Council | 9.6 | 7.53 | 🔴 | 9.67 | 7.92 | 🔴 | ⬇ | ⬇ | Managers continue to adhere to the Council's maximising attendance policy to ensure that employees are adequately supported, and an approach of early intervention is taken. Various policy changes and initiatives have taken place throughout 2018/19 to minimise absence, support managers and encourage employee ownership to wellbeing. Absence reporting has been strengthened with Senior Managers now having direct access to interactive absence reports. Trends, issues and actions are discussed quarterly with Heads of Service as part of workforce planning meetings. Research has also been undertaken to access the appropriateness of absence triggers with feedback provided to the COLT. Work will continue in 19/20 to ensure short/medium term triggers are effective |

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**Scorecard Hierarchy Priority 6. Supporting our Priorities**
**Theme 2. Service performance**

| Code | Short Name | 2017/18 | | | 2018/19 | | | Short Term Trend | Long Term Trend | Note |
|------|------------|---------|--------|--------|---------|--------|--------|---------|---------|------|
| | | Value | Target | Status | Value | Target | Status | | | |
| DP_FACS_P06 | Speed of Processing (Council Tax Reduction) new claims (days) | 22 | 26 | ✅ | 28.28 | 22 | 🛑 | ⬇ | ⬇ | The increase in processing time is attributable to delays in obtaining Universal Credit award information. This delay is outwith the Council's control and the target for 2019/20 reflects this. Resource has been diverted to this area of work to ensure Council Tax Reduction is awarded as quickly as possible once information is received. Looking ahead to 2019/20, the service will investigate the automation of Universal Credit related tasks and work with the Transformation Team to review service delivery in view of the changing demands on the team. |
| DP_FACS_P07 | Speed of processing (Council Tax Reduction) changes of circumstances (days) | 3.97 | 4.6 | ✅ | 7 | 4.4 | 🛑 | ⬇ | ⬇ | The increase in processing time is attributable to the increasing Council Tax Reduction workload following the Universal Credit rollout on 22 November 2017. Resource has been diverted to this area of work to ensure Council Tax Reduction is awarded and updated as quickly as possible. Looking ahead to 2019/20, the service will investigate the automation of Universal Credit related tasks and work with the Transformation Team to review service delivery in view of the changing demands on the team. |
| DP_FACS_P08 | Gross administration cost per Housing Benefit/Council Tax Benefit case (£) | £34.88 | £40.14 | ✅ | £41.49 | £36.50 | 🛑 | ⬇ | ⬇ | The increase in gross administration cost is primarily related to one off severance costs incurred in 2018/19. |

# Annual Performance Report 2018/19

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

# Contents

# Welcome

Our ambition is to make North Ayrshire a more prosperous, safe and sustainable place. A place with a dynamic and thriving economy that will allow our people and communities to flourish. Most importantly, a place that is Fair for All.
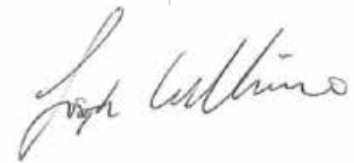
**Councillor Joe Cullinane**
Leader of the Council

**Craig Hatton**
Chief Executive

This Annual Public Performance Report presents how our Council, working with our communities and partners, has been working innovatively to deliver on those aims to all of our residents.

Over the past 12 months, we have accelerated our ambitions to improve the lives our residents.

We have been challenging poverty by opening our Holiday Schools Meals Programme to a record number of young people and expanded our ground-breaking Period Poverty initiative to ensure sanitary products are available in all Council buildings.

Our children are getting the best start in life with the expansion of early learning and childcare and fantastic new education facilities like our £52 million Largs Campus.

We have stepped up our commitment to give residents safe and energy-efficient homes and are well on the way to delivering 1375 new Council houses by 2024.

And we have attracted transformational investment through the Ayrshire Growth Deal, which will deliver new jobs and regenerate our towns and our economy.

This Annual Public Performance Report demonstrates how we have been fulfilling our commitment to tackling inequalities and creating a society where everyone has the same life chances to live fulfilling and healthy lives.

Our new Council Plan 2019-24 sets out our new Vision, Mission and Priorities for the next five years. For North Ayrshire to become the best place to live, work and grow up – a place that is Fair for All – we can't do it alone. We need your help to make our vision a reality.

That is why we want to hear what you think about our performance and what we can do to improve. Please join us on the journey by sharing your thoughts.

# Introduction

North Ayrshire is home to over 135,000 people and covers an area of 134,000 square miles and includes the Islands of Arran, Great Cumbrae and Little Cumbrae.

Our communities are unique and varied with vibrant seaside towns, quaint rural villages and historic civic centres. Some key facts about our area and our Council are provided below:

## About the Council

**11** LABOUR ELECTED MEMBERS

**7** CONSERVATIVE ELECTED MEMBERS

**11** SNP ELECTED MEMBERS

**4** INDEPENDENT ELECTED MEMBERS

### STAFF

**26%** MALE

**74%** FEMALE

**5,855** FULL-TIME EQUIVALENT STAFF

Skelmorlie
Largs
Fairlie · Kilbirnie · Beith
Millport
- Lochranza
West Kilbride · Dalry
Ardrossan · Kilwinning
Saltcoats · Stevenston · Springside
Irvine
Brodick
- Lamlash

## POPULATION

**135,280** POPULATION

**47.6%** MALE

**52.4%** FEMALE

**80.2 Yrs** FEMALE LIFE EXPECTANCY

**76.1 Yrs** MALE LIFE

**22.2%** AGED OVER 65

**61%** AGED 16-64

**16.8%** AGED UNDER 16

## ECONOMY

**70.4%** of adults in employment

**27%** of Children living in poverty

## SIMD
**27.4%** of SIMD Datazones in North Ayrshire amongst 15% most deprived in Scotland

**4,205** Businesses Operating across North Ayrshire

## INFRASTRUCTURE

**9** Secondary Schools
**49** Primary Schools
**4** ASN Schools
**5** Early Years Centres

**1,036** Kilometres of Roads

**12,940** Council Houses

Our mission which was set out in our Council Plan 2014-2019 is to **improve the lives of North Ayrshire's people and develop stronger communities**.  Our Council Plan had **five strategic priorities** where we focused our attention:

**Growing our economy, increasing employment and regenerating towns**

**Working together to develop stronger communities**

**Helping all of our people to stay safe, healthy and active**

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

**Protecting and enhancing the environment for future generations**

In 2018/19, more than 77% of our key performance indicators were on target, this is an increase from the previous two years.

**Performance Indicators**

2016/17

2017/18

2018/19

● On Target

72%  72.5%  73%  73.5%  74%  74.5%  75%  75.5%  76%  76.5%  77%  77.5%
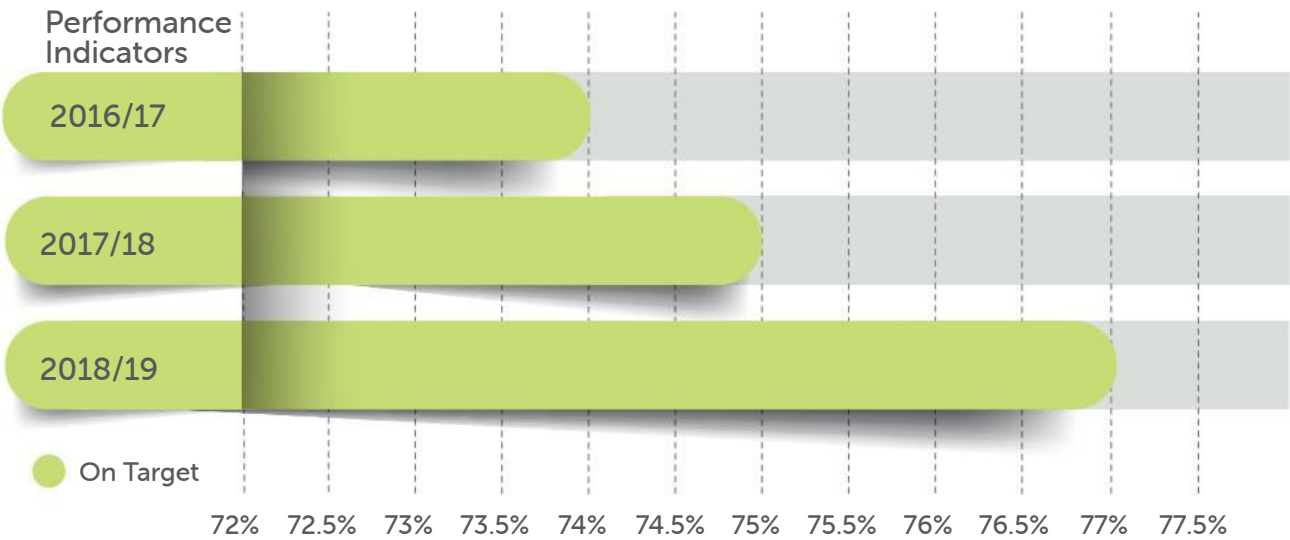
More detailed information on our performance indicators can be accessed at our North Ayrshire Performs portal http://www.north-ayrshire.gov.uk/council/performance-and-spending/council-performance.aspx

This report highlights some of the key achievements we have made with our communities and partners across the public, private and third sectors over the last year in terms of our five strategic priorities. It also provides information on **our areas of focus** in line with our **new Council Plan 2019-24**.

We are ambitious for North Ayrshire and we want to provide the best possible public services, with the resources available to us. We continue to develop our relationships with our communities and partners and learn from the high performance and good practice of others.

We also benchmark our performance through a number of national benchmarking forums including the Local Government Benchmarking Framework. We view scrutiny (including external inspection) and self-assessment as ways of identifying best practice and securing improvement.

## Local Government Benchmarking Frameworking

40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%

Quartile 1    Quartile 2    Quartile 3    Quartile 4

● 2015/16    ● 2016/17    ● 2017/18
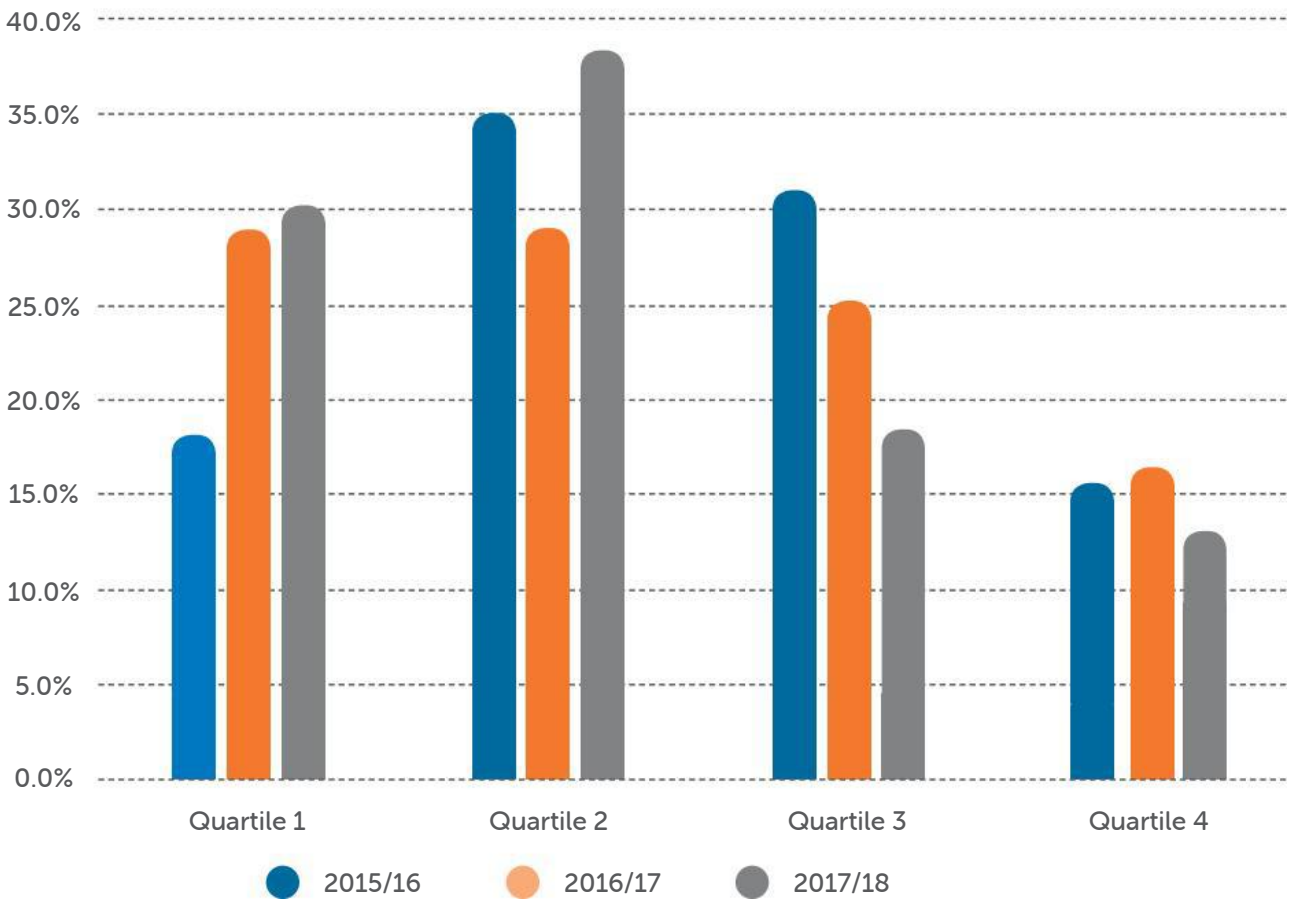
**Local Government Benchmarking Framework (LGBF)**
68.5% of indicators in 2017/18 (2016/17: 58.2%) were either in the top quartile or second quartile, i.e. performing above the Scottish average. The chart above shows the improving trend since 2015/16.

# A Year of Key Events

**£8.5million investment in Quarry Road, Irvine commenced providing office space, sports and business incubator facilities**

**Junior Football Exhibition and celebration of all North Ayrshire junior teams**

**£52 million state of the art Largs Campus formally opened**

**Head Teacher of the Year Award – Margaret Shedden, Springside Primary School**

**Formal opening of refurbished Glencairn House/ Bill Smith Court Sheltered housing unit**

**We became the first Local Authority in the UK to offer free sanitary provision in our public buildings**

**Holiday school meals reached record numbers – over 14,000 nutritious meals served**

**Ardrossan Employability Hub opened, the 5th to be opened in North Ayrshire**

**We signed our first Apprenticeship Charter ensuring we deliver positive outcomes for both apprentices and employers**

**We supported Challenge Poverty Week, through a series of events, highlighting our initiatives to tackle poverty**

**We hosted the Who Cares Scotland Annual Conference**

**World renowned musician Nicola Benedetti joined young musicians at Dalry Primary School**

**We secured approval to consult on the preferred option for the £27.5m Millport Coastal Flood Protection Scheme**

**We set the budget for 2019/20, creating jobs in social care and early years**

| Apr 2018 | Jun | Aug | Oct | Dec | Feb |
|---|---|---|---|---|---|

| May | Jul | Sep | Nov | Jan | Mar 2019 |
|---|---|---|---|---|---|

**Cabinet Secretary for Education & Skills visit to Largs Campus**

**Celebrating Young People, Civic Reception at Saltcoats Town Hall**

**14 young people received Gold Duke of Edinburgh Awards at a ceremony at Holyrood Palace**

**Craig Hatton was announced as our new Chief Executive**

**We hosted our first North Ayrshire Social Enterprise Conference**

**The Ayrshire Growth Deal was secured with an announcement that £251 million would be invested in the Ayrshire economy**

**We agreed to a £10m investment in improving our council estates**

**£1.7m planned investment to ensure derelict land is available for commercial or community use**

**We hosted an event with the Scottish Government for EU Citizens on the impact of Brexit - their right to live, work, study or retire in Scotland**

# Our Priorities at a Glance

## Growing our economy, increasing employment and regenerating towns

We have made good progress in achieving our ambition for North Ayrshire to be a fair and equitable society. Working with our local businesses more jobs have been created. Future growth in our economy will be delivered through the recently signed Ayrshire Growth Deal.

### KEY ACHIEVEMENTS

- The Ayrshire Growth Deal (AGD) provides a once in a generation opportunity to transform the economic prospects of Ayrshire. The £251 million Deal was signed in March 2019 and will deliver much needed investment, which will deliver 7,000 jobs and lever in additional private sector investment of around £300m over the next 10 – 15 years. The AGD will create an inclusive economy where everyone can benefit from the opportunities of growth and wellbeing. For North Ayrshire, the Deal will develop an inclusive, agile and resilient local economy including our visitor economy. It will contribute to industrial innovation and digital technologies, help Scotland move to a low carbon economy, and ensure the economic opportunity of the 'blue economy' – which covers marine and coastal assets. Across Ayrshire a programme of work to develop Community Wealth Building and Skills and Inclusion will be progressed.

- Increasing employment and job opportunities is one of our top priorities, through our five employability hubs, with the most recent one in Ardrossan opening, we have secured more than 600 jobs for local people. We have held a number of jobs fairs with more than 900 people coming along, with more than 40 employers seeking to recruit.

- We have one of the most ambitious house building programmes in the UK, which will deliver 1,375 new Council homes by 2024. This multi-million pound construction programme has allowed us to secure apprenticeships for young people, upskill the workforce and support economic growth. Homes for Scotland suggests that 4.1 jobs are created for every new home constructed.

- We continue to invest in our town centres as part of our wider regeneration ambitions. Development of the public realm in Irvine and The Circuit at Quarry Road, a sports and leisure facility including indoor 7-a-side football facilities, outdoor 3G football pitch, cycle loop track and changing, meeting and community space alongside business start-up facility.

# Priority in Action

The Council has had a long-standing working relationship with Thorne Travel in Kilwinning.  What started in a small office with two part time staff in 2009, is now an international business with a team of 20, all from North Ayrshire.

The current team includes two Modern Apprentices working towards a qualification in Digital Marketing.  Shona Thorne, the Managing Director, is committed to staff development and training, ensuring that her team are fully trained and experienced.

More recently Shona worked with the Council's Economic Growth Team and established Thorne Experience, offering a range of day trips, events and related products.  The events side has continued to grow and contributes 37% of sales and 53% of gross profit of the business.  The business in now an accredited Living Wage Employer.

Thorne Travel recognised early on that a strong social media presence was vital for the future growth of the business.  To ensure they maximized their online presence they heavily invested in their website, social media, IT infrastructure, training and development of staff.  This has all been supported by the Council and its partner organisations.

In 2018 Thorne Travel won the Ayrshire Business of the Year Award and went on to be named as the Number 1 Travel Agency for the UK and Ireland out of more than 900 agencies.

**66 Working with the Council's Economic Growth team has proved invaluable and has allowed us to grow at an incredible rate, providing lots of job opportunities for local people.  We have also been able to ensure that our team enjoys high quality, up-to-date training and development opportunities. We have accessed funding which has led to the development of our new innovative meeting space, and an exciting new product being launched. 99**

**Shona Thorne, Managing Director
Thorne Travel**

# Priority in Action

Amy was referred to Community Enterprise in Scotland (CEIS) Ayrshire by Saltcoats Jobcentre Plus in December 2018. Amy was unemployed and not in further education or training.  Due to her unsettled family life and background she struggled to hold down a job or even get interviews due to the gaps in her employment.

CEIS Ayrshire registered her on North Ayrshire Council's Employability Pipeline contract.  We carried out an initial needs assessment with Amy to identify any practical and emotional barriers she had. We also created an action plan to work through with Amy and try to help her overcome any barriers.

Amy was accepted to start work for North Ayrshire Council's employability hubs on a six-month traineeship.  This programme specialises in training on all aspects of reception, customer service and administration.

As part of the traineeship Amy has completed an NCFE Level 2 in Business and Administration. Amy produced excellent work for her qualification and has received excellent feedback from her workplace and her West College Scotland assessor.

Amy progressed from her traineeship into full time employment with CEIS Ayrshire. Amy's confidence in her abilities has grown considerably and she is now undertaking another qualification in Business & Administration.

**66 Support from North Ayrshire Council and CEIS has been invaluable. I received lots of 1-2-1 help to develop my skills and this enabled me to secure sustainable employment. My confidence has grown considerably since starting my new job and I feel very positive about the future. 99**

**Amy**

**£251 million** Ayrshire Growth Deal secured ✓

Best performing planning authority in Scotland

**553** residents supported into work (2,075 over the last 3 years)

**868** businesses supported, an increase of 114 from last year

**£500k** POVERTY CHALLENGE FUND for supported employment helping disabled people back to work

**555** NEW JOBS CREATED (1,500 over last 5 years)

**277** MODERN APPRENTICES recruited in three years, with 85 supported in 2018/19

**£120k** for corporate mentoring project to support care experienced young people

**£3 MILLION** EXTERNAL FUNDING SECURED (more than £10million over the last 3 years)

**5 WEEKS** is the average time taken to deal with major and local planning applications, this is well below the target of 9 weeks

## AREAS OF FOCUS

- Develop our Community Wealth Building plans to ensure a more inclusive and fairer economy for local people and businesses.

- Continue to regenerate our towns and communities to provide attractive and sustainable places to live, visit and work.

- Deliver on our Ayrshire Growth Deal plans to regenerate and revitalise the Ayrshire economy and create employment.

- Work with partners nationally and locally in response to UK's EU exit.

# Working together to develop stronger communities

Our work in supporting communities and enabling community groups and organisations to achieve their goals is acknowledged to be of high quality. We work collaboratively with our communities making sure their voices are heard, influencing how we work together to meet local needs and aspirations.

## KEY ACHIEVEMENTS

- Locality Planning and community empowerment are evidenced through the co-design and approval to date of eight Community Investment Fund projects (totalling £266,000) addressing locally identified priorities. Projects include;

  • the Garnock Valley Men's Shed addressing social isolation and unemployment,

  • the Three Towns Growers developing sustainable food education and growing through community empowerment,

  • Fullarton and Vineburgh Community Associations tackling local food poverty and addictions.

- Our sector leading approaches resulted in North Ayrshire being invited by Audit Scotland to help shape guidance on "The Principles for Community Empowerment".

- We have  worked in partnership with the Friends of Stevenston Volunteer Group to deliver significant environmental benefits to Stevenston. The group has collected over 10,000 bags of litter, created a coastal meadow, extended the Local Nature Reserve and is currently helping with the restoration of the dunes. A number of new species and insects are now evident in the area thanks to their fantastic efforts.

> **❝ I cannot thank North Ayrshire Council enough for the continued investment in volunteering. Together we have changed the environment and our entire community. ❞**
>
> **Ian Cassidy, Friends of Stevenston Volunteer Group**

# Working together to develop stronger communities

## KEY ACHIEVEMENTS

- We are recognised as a national leader in mainstreaming Participatory Budgeting. We are one of two local authorities featured in a recent Scottish Government Mainstreaming Participatory Budgeting awareness campaign and are involved in designing and testing a national digital Participatory Budgeting tool. Our approach continues to develop and involve more people through the "Shaping North Ayrshire" engagement and co-design approach. Over £1 million of the Council's core budget is now being considered via participatory approaches. Partnerships with Health and Social Care, NHS, the Third Sector and community groups have given grants for local projects aligned to locality plans, including our national Green Health Partnership pilot.

- North Ayrshire's Fair for All Commission and Advisory Group, supported by national partners to address inequalities and tackle poverty, has been recognised as demonstrating good practice in the development of North Ayrshire's first Child Poverty Report and Action Plan. This was highlighted through our invitation to contribute to the national Child Poverty conference in December 2018.

**National leader in mainstreaming Participatory Budgeting**

**Our Fair for All Commission recognised as demonstrating good practice in its first Child Poverty Report and Action Plan**

## KEY ACHIEVEMENTS

- Food poverty continues to be addressed through powerful local community initiatives and networks, supported by our Food Forum where 30 organisations meet regularly to lead the provision of food with dignity alongside food growing projects. Our Food Charter captures our commitment with partners to reduce food poverty and to encourage healthy and sustainable local food provision. This network is supported by our Fair for All Commission, our Café Solace partners and a range of third sector and community organisations, and our Participatory Budgeting approach. This work is regarded as good practice by the Convention of Scottish Local Authorities (CoSLA) and Scottish Government and involves more than 100 local organisations.

- North Ayrshire is Carnegie UK's national test site for kindness, alongside the national Kindness Network. This approach to recognising and improving how we do our business as an organisation and with our partners and communities is the subject of a major national report and the adoption of our Kindness Charter with Community Planning Partners is in progress. This includes committing to achieving the best outcomes for our residents and changing our processes where required to ensure this happens.

**30 organisations contribute to our Food Forum**

**North Ayrshire is Carnegie UK's national test site for kindness**

## Priority in Action

Our innovative mainstream 'Participatory Budgeting' approach has been piloted then rolled out across North Ayrshire, providing opportunities for communities to decide how £750,000 of Grounds Maintenance resources are being spent in their area. Initially trialled within the Three Towns, where drop in sessions and on-line surveys gathered suggestions, the five most popular proposals were identified, and residents were encouraged to vote for their top three - which were then implemented. Following this pilot, Participatory Budgeting is being rolled out to all localities, with over 200 suggestions on grounds maintenance received within the first month.

**66 Quite keen on fruit and herb beds, possibly promoting the idea of healthy eating and reducing food poverty. 99**

**66 Nectar corridors improve visual impact and reduces need for grass cutting. 99**

**66 Brilliant idea in any spare space, encourages wildlife and improves the look of the area. 99**

**66 Great idea, would love to see this across North Ayrshire. 99**

**PB Events Participants**

**66 Participatory budgeting isn't just about money – it's about how local people can be involved in influencing and contributing to issues that are important to them. PB makes this real for people and I'm delighted at the progress we are making to involve more people. 99**

**Councillor Louise McPhater,
Cabinet Member for Communities.**

## Priority in Action

During the successful 2018 Year of Young People, North Ayrshire was selected to host the Scottish Youth Parliament sitting, the national Brexit event and the national Young Scot awards, welcoming people from across Scotland to make decisions at a national level and to celebrate achievements. A first-of-its-kind Joint Cabinet Live featured digital representation from all secondary schools in North Ayrshire.

North Ayrshire Council's Cabinet approved a Year of Young People Legacy Plan, which is focusing on young people's voices, health and well-being and tackling poverty, including establishing a Young People's Commission on reducing the impact and stigma of poverty on children and young people.

**66 For me, the year has been about celebrating young people and finding out what they want their legacy to be. 99**

**Year of Young People Ambassador.**

**66 Thanks to the privilege of being North Ayrshire's Young Person's Champion, I know we have some of the best examples of what can be achieved by young people when they have a real say in decisions that affect them. I have no doubt that once again North Ayrshire's young people will be a real inspiration to us all and lead the way in showcasing to the rest of the country just how integral they are to our society." 99**

**Councillor Shaun Macaulay
Young Person's Champion.**

# £180,000 ✓

**awarded via Participatory Budgeting (including Green Health Partnership Funding) for community projects**

## 2,413 votes

were cast at Locality Participatory Budgeting events

## 100%

of community groups

feel the Council is an effective partner in helping them deliver their aspirations

## 16,285

Council provided adult learning opportunities were accessed by local residents, an increase of 5% from last year

## AREAS OF FOCUS

- We will continue to work with communities to increase the number of community asset transfers.

- We will work with communities to develop the Community Charter, aligned to our new Council Plan.

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

We continue to make very good progress with improving learning, raising attainment and narrowing the poverty-related attainment gap. We are seeing increased numbers of toddlers and young children achieving their developmental milestones; attainment in literacy and numeracy for school leavers continues to improve and more young people are achieving a positive destination on leaving school.

### KEY ACHIEVEMENTS

- We have a number of programmes focussed on the social and emotional wellbeing of pupils. These are being delivered in our primary and secondary schools and early learning and childcare centres. The results have been significant, with 95% of children in early learning and childcare, 76% of primary children and 76% of learners in secondary schools showing improvement. Similar improvements were also observed in the social and emotional wellbeing for these young people.

- We continue to invest in our teaching workforce through our Professional Learning Academy, recognised nationally in 2019 through the Scottish Public Service Awards for its sector-leading work in developing the skills of the education workforce to improve the quality of learning and teaching across our schools and early years establishments.

- We are making significant progress in reducing the gap between the attainment of learners from the most deprived and least deprived areas in literacy and numeracy (from Primary to S3).

- The gap between the attainment of leavers from the 20% most deprived areas and the ones from the rest of the areas (80%) has reduced in 2018 to 37%, from 44% the previous year and is much smaller than the corresponding gap calculated for all leavers in Scotland (46%).

- The number of young people leaving school to enter a positive destination has increased to 95.6%, against a target of 95.7% and benchmark of 92.3%.

# Priority in Action

We are rolling out delivery of 1,140 hours of Early Learning and Childcare (ELC) to ensure we provide high quality learning experiences for children, and flexible provision for families and communities to support parents / carers into employment or education.

We are already delivering 1,140 hours at nine of our centres, well in advance of the August 2020 deadline, and six more will become operational over the next six months. We can already see that improvements are being achieved for the children, parents and carers.

In order to ensure our ELC buildings are ready for the increased provision we have a number of building projects which will deliver improvements to the learning environments. Overall, we will invest £11.4m in our ELC buildings.

To support this construction programme, we are growing our workforce in a number of ways: in partnership with Ayrshire College; creating opportunities for our staff to change careers and increasing the number of Modern Apprentices. Our partnership with funded providers, key to successful delivery of our ambitions, is recognised nationally as very good practice.

Skills for Life is an intensive skills and training programme that aims to help unemployed lone parents progress into employment.

Delivered over six months, Skills for Life participants first complete a skills and training academy at the Ayrshire College – gaining several formal SQA qualifications. They then progress onto a 26-week work placement with the Council to gain all important work experience.

**66 The Skills for Life programme allowed me to achieve and stretch my goals by securing a permanent job. My priority of seeing my children happy and feeling more secure has been the greatest reward. It has truly been one of the best things I have ever done – it helped me turn my life around. 99**

**Skills for Life graduate**

**78%** of children achieved their development milestones at the point at which they started school; this has increased by 6% in the last three years

**558** young people supported through secondary school counselling resulting in a positive impact on mental wellbeing

**1,140** hours of free childcare in Nine early years establishments

**83.54%** of school leavers attained literacy at National 5 (SCQF Level 5) in 2017/18, an increase from 81.62% in 2016/17 and above National Level

**70.04%** of school leavers attained numeracy at National 5 (SCQF Level 5) in 2017/18, an increase from 66.83% in 2016/17 and above national Level

**96%** of School Leavers from North Ayrshire entered a positive destination, work, training or education

Support and sustained engagement with over 4,000 families through our innovative Family Learning Team

**100%** participants in parenting programmes reporting an increase in their levels of interaction with their children

## AREAS OF FOCUS

- We will continue to design and implement programmes to achieve excellence and equity for our learners, with a clear focus on reducing the poverty-related attainment gap.

- We will focus on providing the highest quality learning experiences for all children from 3-18, including fully implementing 1,140 hours of early learning and childcare by August 2020.

- We will offer opportunities to our young people and their families to play a more active role in school life and encourage more participation in learning.

- We will work with all young people to build their resilience, supporting their mental health and physical well-being.

- We will work with Regional Partners to develop an ambitious regional skills investment to ensure we develop the future skilled workforce required to help transform the economy. As part of this we will ensure that the £8.5m regional skills and inclusion programme supports this transformation.

# Supporting all our people to stay safe, healthy and active

**We continued to build on our successful partnerships providing a co-ordinated response to the health, social and emotional wellbeing of everyone in North Ayrshire.**

The Health and Social Care Partnership (HSCP) has begun to realise some of the benefits of integrated working, for example in supporting more people to be cared for longer and independently closer to home. The HSCP is working with our Education team to improve outcomes for children by wrapping children's intervention teams around school settings and with Housing to provide high quality housing that supports independent living.

In addition, our Community Safety Service has made significant progress in tackling antisocial behaviour across the communities of North Ayrshire and our Active Communities Strategy encourages a holistic approach to health and physical activity across partners and communities.

## KEY ACHIEVEMENTS

- We have invested £14.7 million to transform several of our sheltered housing units including Bill Smith Court in Stevenston, Dickson Court in Beith and completed a new sheltered housing complex at Kyleshill Court in Saltcoats. The new models will help address issues such as loneliness and social isolation.

- The successful pilot of a 'Housing First' approach in our homelessness services is providing mainstream, settled accommodation for our tenants as quickly as possible.

- We now have 12 Community Link Workers in North Ayrshire with a presence in every GP practice to support mental and physical health by providing care and information on a wide range of issues, including managing stress, local activities and support groups, employment, a healthy lifestyle, alcohol and drugs and living with health conditions.

- Our Universal Early Years team continues to provide support, ensuring the health of young children. This support has seen the percentage of young children at 27 months with a BMI greater than 91 reduce to 10.2%, a 2.6% reduction from the previous year.

## KEY ACHIEVEMENTS

- 14 Social Care inspections undertaken by the Care Inspectorate demonstrated a high standard of care with Very Good or Excellent gradings across services. Our internal Care at Home service was inspected with Quality of Care and Quality of Staffing being the focus. The outcome was a grading of 'Very Good' for both inspected elements.

- Our Housing Support Services and hostel provision continue to receive the highest accreditation from the Care Inspectorate, with a Level 6 award provided for each service. The Care Inspectorate recognise our customer focus, leadership and quality of services.

- Responses to our most recent Health and Care Experience Survey (2017-18) stated that 84% of adults supported at home agreed that they are supported to live as independently as possible. This is greater than the 81% Scottish average.

- Our Intermediate Care Team (ICT) supports people to regain their independence by supporting them when they are either discharged from hospital, or in their own homes, to prevent admission to hospital resulting in more than 6,563 hospital bed days avoided.
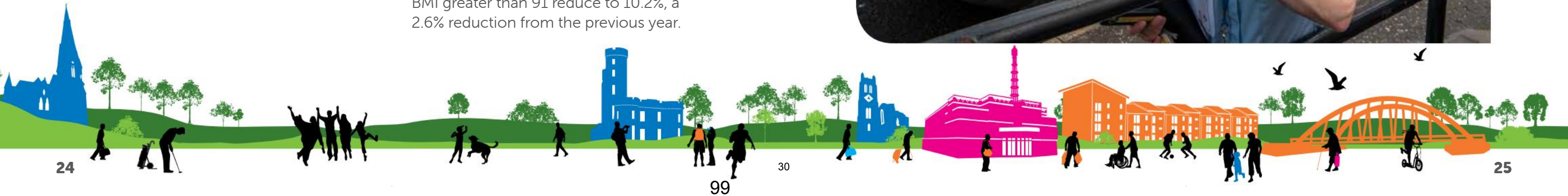
## Priority in Action

North Ayrshire Sports Academy (NASA), led by Active Schools, is a new sports coach and personal development programme for young people in North Ayrshire. The purpose of this is to build capacity, empower and help prepare young people for the world of work. This is a year-long programme for S5/6 pupils with an application and selection process.

Our universal Active Schools Programme supports young people to take part in physical activity and sport with a recent increase of over 12% in participation rates. 54 young people are selected from across all schools in North Ayrshire to work with the Active Schools team to experience a range of workshops, National Governing Body courses, leadership and residential opportunities. With continued support from their Active Schools Coordinator they then, in turn, provide a wide range of opportunities for young pupils and the associated primaries.

This year, 51 pupils graduated from the programme, 714 workshops / qualifications were achieved, and 3,372 voluntary hours delivered across North Ayrshire.

Opportunities provided by our young people have included delivering activities with community sports clubs to increase participation, helping school staff prepare teams for events within the Active Schools School Sport Calendar and other roles in sport such as umpiring and supporting events.

> 66 I absolutely loved the NASA course last year. It has completely changed me as a person, it has made me more confident, able to run lunchtime and afterschool sports clubs within my school and local primaries. To date I have done over 100 volunteering hours for Active Schools. I feel I have gained a huge amount of responsibility for myself throughout this course. 99
>
> **S6 Greenwood Pupil**

## Priority in Action

Service user Neil (age 47) required rehabilitation following a stroke. Prior to his stroke he was an active man who ran his own painting and decorating business. He lived alone in an upstairs flat. Neil struggled with the dramatic change in his life.

Following discharge from hospital he received physiotherapy and speech and language therapy and was referred to the Dirrans Centre.

At the centre Neil was appointed a key worker who spent time finding out all about Neil, his likes / dislikes, what was important to him and his hopes and goals for the future. At the centre the Occupational Therapist (OT) introduced Neil to adult literacy, cooking and a life skills class to help build up confidence dealing with money, helping with communication and recognising values, etc.

He was then introduced to the local Pennyburn Gym and the OT helped to develop a tailored exercise programme for him. His confidence began to grow as he developed new activities and skills. His mobility improved and he was walking with a quad stick.

Neil is now a fully engaged member of his community. He attends computing classes, his local gym four times a week, and is investigating job opportunities. He has been re-housed to a bungalow which meets his needs and allows him to be as independent as possible.

Name has been changed

Over **£9.5m** of income has been generated for Money Matters service users

**234** empty homes brought back into use, an increase of almost 200 from last year

**GOLD**

Gold Food for Life Award held by our school catering service

**87.5%** uptake of Free School Meals (Primary)

85.52% - 2017/18, 87.68% - 2016/17

**74.54%** uptake of Free School Meals (Secondary)

73.38% - 2017/18, 70.70% 2016/17

**365,669** attendances at all swimming pools, an increase of over 2,500 from last year

**189,410** attendances at outdoor sports and leisure facilities, an increase of over 20,000 from last year

**1,886,930** attendances at indoor sports and leisure facilities, an increase of almost 30,000 from last year

**64** new build Council homes were completed (283 over the last five years)

**65.8%** of people aged 65 and over with long term care needs are to be supported to remain at home, the Scottish average is 61.7%

Emergency Admissions has decreased by 32% from 17,899 in 2015-16 to 12,087

Telecare users has increased by 13.2% to 1,038 from 917

The number of people with a Community Alerts has reached 4,912

We provided almost 22,000 out-of-term school meals in 2018/19, an increase of more than 37.4% since we started in 2015/16

## AREAS OF FOCUS

- Our Homelessness Service, working closely with the Health and Social Care Partnership (HSCP) will focus on the implementation of the North Ayrshire Rapid Rehousing Transition Plan to extend the prevention of homelessness.

- HSCP to deliver transformation at scale and pace to support the significant demographic challenge it faces.

- HSCP to shift the balance of care from institutional to community settings with less services delivered from acute hospital settings.

# Protecting and enhancing the environment for future generations

We continue to make good progress in protecting our environment through further reductions in our carbon emissions and improvements in our street cleanliness levels.

## KEY ACHIEVEMENTS

- Our on-going commitment to protect our natural environment for future generations has seen us deliver a further 7% reduction in our carbon emissions, taking us to 29% over the last five years.

- We secured funding to commence work on 'Garnock's Buzzing,' a four year project aiming to create a haven for pollinators across the Garnock Connections landscape. This implemented community involvement project forms part of a range of actions identified within North Ayrshire's Local Biodiversity Action Plan.

- Our streets, beaches and open spaces are cleaner through our continued partnership working with communities and environmental volunteers. A further 2.3% increase takes our street cleanliness standards to 94.5%.

- More than £5.6m capital investment in our Roads, Structures and Street Lighting has led to an improvement in our Roads Condition Index and improved the safety and appearance of some of our footbridges.

- We are making good progress with flood protection; we expect construction to commence in our £27.5m Upper Garnock Scheme in summer 2020 with significant engagement taking place with communities on the development of the Millport Coastal Scheme.

- We invested £1.7m in developing vacant and derelict sites returning 43 hectares into use.

# Priority in Action

Our Zero Waste Strategy sets out the framework for waste resource management in North Ayrshire.

We continue to be one of Scotland's top performers in recycling waste, achieving a figure for 2018/19 of over 55%.

We were the first Scottish council to commit to be a single-use plastic-free council by 2022. We also supported the 'Think About Plastic' initiative on Arran to gain accreditation for the Island as the first 'Plastic-Free Community' in Scotland.

We continue to work in partnership with Cunninghame Furniture Recycling Company to collect and redistribute unwanted furniture and white goods. This diverted 180 tonnes of bulky goods from landfill this year and assisted 1,900 residents on low incomes to furnish their homes. The partnership also provided 18 training and employment opportunities for the residents of North Ayrshire.

We worked in partnership with five other local authorities to secure a residual waste treatment and energy from waste facility, to treat North Ayrshire's non-recyclable waste. This will improve recycling further and provide a more environmentally-friendly and sustainable solution for the long-term management of non-recyclable waste.

Satisfaction levels with the refuse collection remain high at 87.67% for the year. This was achieved alongside reducing the Council's net costs for both waste collection and disposal.
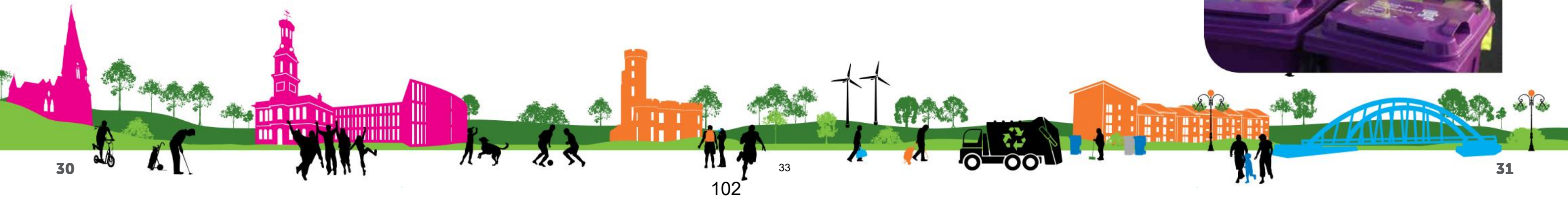
# Priority in Action

During 2018/19, a pilot project was undertaken to install roof mounted solar systems on eligible domestic Council properties. This offers an effective way for tenants to generate renewable electricity for their homes using energy from the sun. So far 186 properties have had the solar panels installed, with more planned for the coming year.

The project aims to have a positive impact on the environment and sustainability through decarbonisation of the electricity supply. The installations to date are expected to generate an equivalent saving of 3,700 tonnes of carbon over 20 years.

In addition to the benefits of carbon emission reduction and increased energy security, it also helps to tackle fuel poverty, with residents able to save up to £120 on energy bills in the first year alone.
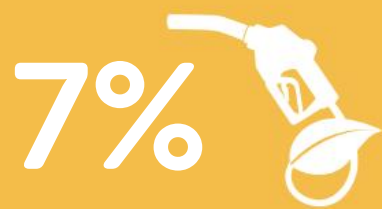
**7%** reduction in carbon emissions (29% over the last five years )

**99.5%** of fly-tipping incidents on public land were cleared within five working days

**35,000** tonnes of household waste recycled — equivalent to
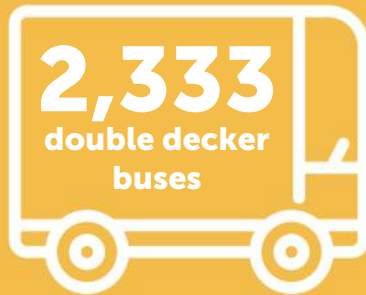
**2,333** double decker buses

**98.43%** of Council homes are now compliant with the Energy Efficient Standard for Social Housing

**99.3%** of instances of graffiti were removed within five working days

**87%** satisfaction level with our household refuse collection service

## AREAS OF FOCUS

- Following our declaration of a climate change emergency in North Ayrshire in June 2019, we will undertake a public engagement campaign entitled 'Climate Change: Just Cool It' to set out how we will secure net-zero emissions in North Ayrshire.

- Progress towards being a plastic-free Council by 2022.

- We will continue to galvanise our partnerships with local communities and support our wide network of environmental volunteers who assist in litter picking, beach cleans and other clean-up activities to enhance the appearance of our area.

# Supporting our Priorities

We are making progress in accelerating the scale and pace of change across the Council. Our investment in technology and use of data analytics, alongside our robust resource management is helping us to deliver more efficient and effective services.

## KEY ACHIEVEMENTS

- We consulted with our communities on our new Council Plan. This sets out our future direction, standard of service delivery and our £15.5m transformation programme.

- To support our transformation agenda a 'Transformation Think Tank' has been established to develop new ideas, improve collaboration, share best practice and deliver better outcomes and financially sustainable services.

- Supporting our transformation is our investment in technology and use of data and information.

- We have developed our Medium Term Financial Plan, aligning resources with the strategic priorities set out in our Council Plan.

- A refresh of our Capital Investment Programme incorporated an acceleration of a number of projects including Montgomerie Park Primary School and the Community Campus in Ardrossan as well as additional support for the Ayrshire Growth Deal.

- We introduced a new Strategic Workforce Planning methodology focussed on service redesign and supported by robust data analytics to ensure we have the most effective workforce to meet the needs of our communities.

- We maintained the Healthy Working Lives Gold Award for another year, which supports all our staff.

- Securely handling data and personal information is very important to us. We achieved compliance with the Public Services Network (PSN) Information Assurance accreditation, which confirms that we have rigorous security arrangements in place.

# Priority in Action

Digital is a key strand of our transformation programme - by maximising the use of technology we are delivering better outcomes for our communities, making best use of our resources and empowering our workforce.

We identified a great opportunity in our Grounds Maintenance service to improve productivity by digitalising our works scheduling. We digitally mapped all areas and activities alongside time and resource to carry out all tasks. The system allows our staff to work autonomously and adapt their schedules to fit with local conditions. Tasks, such as grass cutting and hedge trimming, are generated automatically and sent directly to employees' tablets. This has improved productivity through enhanced mobilisation.

Our new system has an interactive map showing the areas requiring maintenance. Operators can draw on their own experience to reschedule tasks e.g. defer grass cutting if a prolonged dry spell makes it unnecessary. The proximity feature in the system alerts staff when they are near the locations of other jobs, enabling them to plan their time more productively. As well as reducing travel costs we also reduce carbon emissions.

In addition real time data can be shared with the public on how we are maintaining community space, potentially reducing the number of enquiries and enhancing transparency of services delivered.

We have used this project to pilot some of our technology and optimise use of our data. We know what works and will be rolling this out across a number of other services as part of our wider transformation programme.

# Priority in Action

We have created coding clubs for all learners in North Ayrshire, aged between 8 and 13. An increasingly digital world requires a digitally skilled workforce. In Scotland, the technology sector is forecast to be the fastest growing sector to 2024. This will create new employment opportunities for those with the right skills.

**❝ Code Club has helped me develop skills for when I grow up. ❞**

**Lana, Primary 6**

**❝ I believe it's amazing that children young and older are learning extraordinary skills. ❞**

**Courtney, Primary 6**

**❝ I think coding is so exciting. I love having the time dedicated to coding. I know that I will always have time to code every week. The code club is a great opportunity to develop my knowledge of coding and then I can continue to use what I have learned at home. It is great fun to make the cool characters at the clubs and I can share my work with my friends and family at home or at incentive time. ❞**

**Zoe, Primary 5**

## 81%

**OF CUSTOMERS WERE DELIGHTED** with the service from our customer service centre an improving trend and higher than our target of 77%

## 40.09%

**OF SELF-SERVICE TRANSACTIONS** now accessed online by members of the public, an increase of over 3%

## 9.62

**full time equivalent sickness days per employee (9.79 16/17, 9.6 17/18)**

## 25,000

**Twitter followers (as at March 2019)**

Almost 95% of invoices paid within 30 days, an increase of 3%.

## 10% INCREASE

in the number of council tax **E-BILLS** being issued

Almost 94% of capital projects completed within timescales and 97% completed within budget

## 2,093

number of weeks employment through community benefits clauses, an increase of more than 75%

## 700,000

annual saving from re tendering the Council's insurance

## AREAS OF FOCUS

- Continue to strive to reduce sickness absence in line with our ambitious targets.
- Improve processing times for Council Tax Reduction claims.
- We will accelerate the pace of digitising services to deliver more efficient customer focussed services.
- We will increase community involvement in co-designing services.

# Our Council Plan 2019-24

We recently unveiled our vision, mission and priorities for the five year period 2019 -2024 in our new Council Plan titled 'North Ayrshire: A Council that is Fair for All'.

The new Council Plan is focused on making North Ayrshire a fairer and more equal society for residents and communities. To achieve this, our priorities are centred on 'Aspiring Communities' – covering all people services including education, employability, health and wellbeing, community safety and community empowerment - and 'Inspiring Place' – covering infrastructure, housing, sustainability and the environment.

Our future performance reporting will concentrate on the priorities set out in the new Council Plan and will focus on ambitious pieces of work relating to issues facing residents in North Ayrshire.

This will include ensuring local people and businesses benefit from the spending of the Council and other major public sector organisations as the we develop a Community Wealth Building strategy.

Tackling fuel poverty and reducing carbon emissions are other big areas of focus. We are looking to enlist the views of young people in helping to shape the Environmental Sustainability and Climate Change strategy for 2020 as part of a long-standing ambition to reduce carbon emissions by 2023.

The development of a Community Charter will see us working with local communities to come together and set out things we jointly commit to do to help improve localities. This is in recognition that everyone has a part to play and their own ideas in making North Ayrshire fairer.

We will develop our approach to the allocation of Council resources to give our residents more opportunities to direct our spend through our participatory budgeting approach.

Further information on our new Council Plan priorities and associated Performance Management Framework for the next five years is available https://www.north-ayrshire.gov.uk/council/strategies-plans-and-policies/north-ayrshire-council-plan.aspx

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A COUNCIL THAT IS FAIR FOR ALL

We welcome your comments on our Council Plan. Visit www.north ayrshire.gov.uk/councilplan and join the discussion.

**Our Vision:-**
A North Ayrshire that is 'Fair for All'.

**Our Council:**
- Recognises there is strength in doing things together.
- Engages with, listens to and supports communities to be active partners in what we do.
- Believes in fairness, tackles inequality and bases its decisions on these values.
- Is ambitious, determined and committed to improving North Ayrshire.

**Our Mission:-**
Working together to improve well-being, prosperity and equity in North Ayrshire.

- Acts early, taking a preventative approach.
- Focuses resources towards our priority outcomes.
- Innovates and drives positive change, embracing technology, to provide valued and cost effective services for our communities.
- Makes sure its voice is heard – locally, regionally and nationally – to influence decision-making and to attract investment.

**Our Priorities:-**

**Aspiring Communities**

**Priorities:**
- Active and strong communities.
- Children and young people experience the best start in life.
- Inclusive, growing and enterprising local economy.
- People enjoy good life-long health and well-being.
- People and communities are safe.

**Key Measures:**
- Value of decisions taken by communities through participation.
- Educational attainment and pupils entering further education, training or employment.
- Children living in poverty.
- People in work and training.
- People supported to live independently at home.
- Repeat homelessness.

**Inspiring Place**

**Priorities:**
- Effective infrastructure and digital connectivity.
- Affordable, modern and well-designed homes that meet residents' needs'.
- Vibrant, welcoming and attractive places.
- A sustainable environment.

**Key Measures:**
- Condition of roads, buildings and homes.
- New homes constructed.
- Quality of homes.
- Visitor numbers.
- Appearance of the area.
- Carbon emissions.
- Fuel poverty.

Valuing and investing in our workforce to deliver our services with Focus. Passion. Inspiration.

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

# How did we spend your council tax?

Band D  **£ 1222.16**  2018/19

Other Corporate Services
**£125.06**
(including financing costs)

Chief Executive and Democratic Services
**£12.87**

Finance & Corporate Support
**£63.30**

Education and Youth Employment
**£399.33**

Economy and Communities
**£70.44**

Health and Social Care Partnership
**£343.62**

Place
**£207.54**

# What do you think?

Please take a few minutes to tell us what you think about our Annual Performance Report by completing our questionnaire.  You can complete this page and return it to our Policy and Performance Team, Democratic Services, Cunninghame House, Irvine KA12 8EE

Alternatively you complete our survey online at
https://www.surveymonkey.co.uk/r/CMW68QKa

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.  We will use your feedback to improve future publications.

For further information on Council performance, contact us at Tel: 01294 324163.
E-mail us at: northayrshireperforms@north-ayrshire.gov.uk

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Cunninghame House, Irvine KA12 8EE
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www.north-ayrshire.gov.uk

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

**Audit and Scrutiny Committee**

| | |
|---|---|
| **Title:** | **National Scrutiny Plan 2019/2020** |
| **Purpose:** | To advise the Audit and Scrutiny Committee of the National Scrutiny Plan, a summary of planned local government strategic scrutiny activity. |
| **Recommendation:** | It is proposed that the Committee notes the National Scrutiny Plan and in particular the scrutiny work which is scheduled for North Ayrshire Council. |

**1.    Executive Summary**

1.1    The National Scrutiny Plan (NSP) is issued by Audit Scotland on behalf of the main public sector scrutiny bodies and outlines forthcoming planned scrutiny activity.

1.2    The NSP identifies 3 areas of planned scrutiny activity for North Ayrshire Council during 2019/2020; these are a Best Value audit (Audit Scotland/Deloitte), a review of career information, advice and guidance services (Education Scotland) and a review of services for people who are homeless (Scottish Housing Regulator).

**2.    Background**

2.1    The National Scrutiny Plan (NSP) is issued by Audit Scotland on behalf of the Strategic Scrutiny Group for local government, which comprises the main public sector scrutiny bodies, including the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate and Healthcare Improvement Scotland.

2.2    This NSP summarises all planned and announced strategic scrutiny activity from September 2019 in each Council and will be updated every six months to ensure it is up-to-date and comprehensive. The full NSP can be viewed at:

https://www.audit-scotland.gov.uk/uploads/docs/report/2019/sp_190917_scrutiny_plan.pdf

<u>Developing Scrutiny Programmes</u>

2.3   Each scrutiny body adopts a similar approach to developing their programmes of work – this involves taking account of national priorities, risks, data and intelligence. These are currently identified as:

- an increasingly challenging financial outlook
- the impact of the UK's departure from the EU
- the ability to ensure there are the skills and capacity required to manage and deliver services
- the ability to demonstrate the impact from public sector reform
- failure to capitalise on the opportunities offered by new technologies.

2.4   The NSP identifies 3 areas of planned scrutiny activity for North Ayrshire Council during 2019/2020; these are a Best Value audit (Audit Scotland/Deloitte), a review of career information, advice and guidance services (Education Scotland) and a review of services for people who are homeless (Scottish Housing Regulator).

2.5   The Best Value audit will take place between January and April 2020, with a report to the Accounts Commission scheduled for June 2020. Each Council receives a Best Value Assurance Report (BVAR) at least once in a five-year period that presents an overall picture of the Council, drawn from a range of audit activity and the work of other scrutiny bodies. The last Best Value audit of North Ayrshire Council took place in 2011.

2.6   HM Inspectors of Education will evaluate and report on the quality of careers information, advice and guidance services delivered by Skills Development Scotland across five Council areas, including North Ayrshire. These inspections will conclude a commitment to review these services across all Councils during a five-year period. The review is scheduled during January to March 2020.

2.7   The Scottish Housing Regulator (SHR) carries out regular engagement with Councils to gain assurance that they are complying with statutory and regulatory requirements and serving the interests of tenants and service users. Engagement with North Ayrshire Council during 2019/20 will cover services for people who are homeless.

2.8   The NSP also details the National Performance Audits which are planned for 2019/2020. Each of these will be reported to the Audit and Scrutiny Committee when published, along with local context for North Ayrshire.

## 3.   Proposals

3.1   It is proposed that the Committee notes the National Scrutiny Plan and in particular the scrutiny work which is scheduled for North Ayrshire Council.

**4.    Implications/Socio-economic Duty**

**Financial**

4.1   None.

**Human Resources**

4.2   None.

**Legal**

4.3   None.

**Equality/Socio-economic**

4.4   None.

**Environmental and Sustainability**

4.5   None.

**Key Priorities**

4.6   Effective external scrutiny helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

**Community Wealth Building**

4.7   None.


**5.    Consultation**

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


**Laura Friel**
**Executive Director (Finance and Corporate Support)**

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

**Background Papers**

None.

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

**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 2019. |
| **Recommendation:** | That the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those Services that have not implemented actions within the previously agreed timescales. |

## 1. Executive Summary

1.1 The CIPFA document 'Audit Committee Principles in Local Authorities in Scotland' highlights that Audit Committees should monitor and review the progress made in implementing audit recommendations.

1.2 Service managers are responsible for ensuring that agreed actions arising from Internal Audit and Corporate Fraud reviews are implemented. This provides assurance that identified control weaknesses have been addressed and are being managed effectively.

1.3 All actions are monitored on the Pentana system and service managers are responsible for updating Pentana as they progress each action. This enables Internal Audit to monitor progress on a 'real-time' basis and address any delays in implementation.

1.4 This report details the position at 30 September 2019.

## 2. Background

2.1 The last report to the Audit and Scrutiny Committee on 10 September 2019 highlighted that there were 49 actions outstanding at the end of June 2019: 3 that had not been started or were only partially implemented and 46 where the due date had not yet passed.

2.2 In addition to these 49 'carried forward' actions, there have been 2 new actions agreed during quarter 2, giving a total of 51 action points for review.

2.3 Services have completed 22 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 29 actions, 7 were either not started or only partially complete at 30 September and the remaining 22 were not due for completion until after that date.

2.5 Appendix 1 to this report provides the Committee with full details of the 7 actions that were not complete within the agreed timescales. There no areas of concern.

## 3. Proposals

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

## 4. Implications/Socio-economic Duty

### Financial

4.1 None.

### Human Resources

4.2 None.

### Legal

4.3 None.

### Equality/Socio-economic

4.4 None.

### Environmental and Sustainability

4.5 None.

### Key Priorities

4.6 The effective implementation of agreed Internal Audit and Corporate Fraud actions helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

### Community Wealth Building

4.7 None.

**5.	Consultation**

5.1	Council Services are consulted during the completion of each Internal Audit and Corporate Fraud review and have also provided updates on progress made in implementing action points.


<div align="right">

**Laura Friel**
**Executive Director (Finance and Corporate Support)**

</div>

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 2019 but not started or partially complete**

**Generated on:** 22 October 2019

| Code | IA2019IJB001c | Description | HSCP Management should work with officers from East and South Ayrshire HSCPs to progress the risk sharing arrangements at the earliest opportunity | | |
|---|---|---|---|---|---|
| Priority | 1 | Latest Note | HSCPs have agreed risk sharing arrangements for the current financial year. Work and discussions are ongoing through the Ayrshire Finance Leads and Pan Ayrshire Directions workshops, progress has been delayed, as agreement needs to be reached across partners to allow a formal documented agreement to be in place. The anticipated timescale for completion is March 2020. | | |
| Progress Bar | 20% | Original Due Date | 30-Sep-2019 | Due Date | 30-Sep-2019 |
| Parent Code & Title | IA2019IJB001 IJB Lead Partnership Arrangements | | | Managed By | Caroline Whyte |
| | | | | Assigned To | Caroline Whyte |

| Code | IA2019PA009l | Description | Written procedures should be agreed and implemented between the Children and Families Disabilities Team and HSCP Finance to ensure that all necessary paperwork from the Resource Allocation Form (RAF) is provided to HSCP Admin for the invoice checking process. | | |
|---|---|---|---|---|---|
| Priority | 1 | Latest Note | The Business Improvement Officer post was not filled. We have now realigned the roles from the current team and work has commenced as of 3rd October. Expected completion date 30th November 2019. | | |
| Progress Bar | 0% | Original Due Date | 31-Aug-2019 | Due Date | 31-Aug-2019 |
| Parent Code & Title | IA2019PA009 Community Based Support | | | Managed By | Caroline Whyte |
| | | | | Assigned To | Lisa Duncan |

4

| Code | IA2019PA014b | Description | Social Work Resources should complete and publish the 'HSCP Eligibility for Transport Assistance' Policy. |
|---|---|---|---|
| Priority | 2 | Latest Note | Work is continuing on the development of a new policy covering the provision of supported transport.  Close working between Learning Disability Service and Transport colleagues has resulted in the development of a draft policy, which is now being shared with other services.  This is being done in the interests of establishing a single policy which will apply across the Partnership. Action to be completed by December 2019. |
| Progress Bar | 75% | Original Due Date | 31-Mar-2019 | Due Date | 31-Jul-2019 |
| Parent Code & Title | IA2019PA014 Transportation | | | Managed By | Thelma Bowers |
| | | | | Assigned To | Jan Thomson |

| Code | IA2019PA027d | Description | The project for the new HR and Payroll system should have a requirement to ensure that the mileage reason field has a sufficient number of characters which allow the reason to be recorded in full. |
|---|---|---|---|
| Priority | 2 | Latest Note | This requirement is being built as part of the new HR and Payroll system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by the end of January 2020, therefore the due date needs to be updated accordingly. |
| Progress Bar | 50% | Original Due Date | 31-Aug-2019 | Due Date | 31-Aug-2019 |
| Parent Code & Title | IA2019PA027 Payroll Transaction Testing | | | Managed By | Fiona Walker |
| | | | | Assigned To | Tracy Nicol |

5

| Code | IA2019PA027e | Description | Employees should be reminded to submit mileage claim forms within the 3 month period as per the guidance |
|---|---|---|---|
| Priority | 3 | Latest Note | 1. Employees and Managers who did not comply with requirement have been contacted and reminded of the requirement to submit claims within a 3 month period. 2. Rules will be built into the new HR Payroll system to automatically reject claims where dates are outwith a 3 month period. This will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly. |

| Progress Bar | 80% | Original Due Date | 31-Aug-2019 | Due Date | 31-Aug-2019 |
|---|---|---|---|---|---|
| Parent Code & Title | IA2019PA027 Payroll Transaction Testing | | | Managed By | Fiona Walker |
| | | | | Assigned To | Karen Clarke; Tracy Nicol |

| Code | IA2019PA027g | Description | Payroll and/or HR should review the need to keep both the Addition to Salary and Extra Work Fee allowance codes. |
|---|---|---|---|
| Priority | 3 | Latest Note | A review of pay components has commenced. Implementation of changes will be built in as part of the new HR and Payroll system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly. We will continue with the current arrangements until the new system is in place. |

| Progress Bar | 80% | Original Due Date | 31-Aug-2019 | Due Date | 31-Aug-2019 |
|---|---|---|---|---|---|
| Parent Code & Title | IA2019PA027 Payroll Transaction Testing | | | Managed By | Fiona Walker |
| | | | | Assigned To | Jackie Hamilton |

6

| Code | IA2019PA027h | Description | Payroll should consult with HR to ensure that Addition to Salary and Extra Work Fee allowances are included in the Terms and Conditions of Employment document. This will provide the relevant advice to Services about the criteria required to claim such allowances as well as clarifying the information that should be provided to Payroll to allow them to be processed. In addition, the guidance should specify the level of approval that must be provided for such exceptional allowances. | | |
|---|---|---|---|---|---|
| Priority | 1 | Latest Note | A review of all pay components has been undertaken as part of the implementation of the new HR Payroll System. This includes ensuring there is a clear link to Terms and Conditions of Employment and a relevant process for payment instruction. The rules around approval for addition to salary allowances etc will be incorporated into the build of the system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly. We will continue with the current arrangements until the new system is in place. | | |
| Progress Bar | 80% | Original Due Date | 31-Aug-2019 | Due Date | 31-Aug-2019 |
| Parent Code & Title | IA2019PA027 Payroll Transaction Testing | | | Managed By | Fiona Walker |
| | | | | Assigned To | Jackie Hamilton; Jackie Smillie |

Agenda Item 8

**12 November 2019**

**Audit and Scrutiny Committee**

| | |
|---|---|
| **Title:** | **Internal Audit Plan 2019/20: Mid-year update** |
| **Purpose:** | To provide an update at as 30 September 2019 on progress made in delivering the 2019/20 Internal Audit Plan. |
| **Recommendation:** | That the Committee (a) notes the mid-year position and (b) approves the withdrawal of two audits from the plan. |

## 1. Executive Summary

1.1 The current Internal Audit Plan, covering the period April 2019 to March 2020, was approved by the Audit and Scrutiny Committee in March 2019. 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 position at 30 September 2019. The plan is on track for completion by the end of the financial year and it is recommended that two audits are removed from the previously approved plan.

## 2. Background

2.1 Appendix 1 to this report is the approved audit plan for 2019/2020. For each audit, additional information has been provided to show the actual activity to 30 September and for competed audits, dates when the final report was published and reported to the Audit and Scrutiny 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 12 reports have been published during the first half of 2019/2020; 10 of these were from the 2018/19 plan and the remaining 2 have been completed from the current plan. A further 6 reports were at draft stage at 30 September, 10 audits were being worked on and the remaining audits are scheduled during quarters 3 and 4.

2.4 In line with good practice, the plan has been reviewed at the mid-point and it is proposed that two audits are withdrawn from the approved plan. The first relates to Welfare Reform and Universal Credit; during initial work to identify the key risks for the Council it became clear that this could be covered within the Housing Rents audit. The second relates to Property Asset Management, where it has been identified that the key risk areas have been reviewed during other recent audit work.

2.5 5 of the 12 audits published during the first half of 2019/20 (42%) have been completed within the budgeted days. This is significantly below the target of 75%. This reflects the completion of individual audit assignments rather than the audit plan as a whole which is on track for completion at the end of 2019/20; other work which has been under budget has compensated. Most of the audits which have been over budget have only been marginally so, although significant additional work was carried out to finish audits of Community Based Support and Regeneration from the 2018/19 plan. Recent changes have been made to the format of the audit report and it is anticipated this will increase the proportion of audits completed within the budgeted time.

2.6 The 'cost per productive audit day' cannot be calculated until the closure of the annual accounts and so was not included within the 2018/19 annual report to Committee in May. This has now been calculated for 2018/19 as £264.77; in 2017/18 the equivalent cost per day was £261.19. This represents a marginal increase of 1%, in comparison to a pay award for 2018/19 of 3.5%. The costs have reduced significantly in recent years.

## 3. Proposals

3.1 It is proposed that Committee (a) notes the mid-year position and (b) approves the withdrawal of two audits from the plan.

## 4. Implications/Socio-economic Duty

**Financial**

4.1 None.

**Human Resources**

4.2 None.

**Legal**

4.3 None.

**Equality/Socio-economic**

4.4 None.

**Environmental and Sustainability**

4.5 None.

**Key Priorities**

4.6 The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

**Community Wealth Building**

4.7   None.


**5.   Consultation**

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



**Laura Friel**
**Executive Director (Finance and Corporate Support)**

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

**Background Papers**
None.

**NORTH AYRSHIRE COUNCIL**
**INTERNAL AUDIT PLAN 2019-2020**

**PROGRESS REPORT at Quarter 2**

**PRODUCTIVE TIME - AUDIT PLAN**

| Key Corporate Systems | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| Procurement and Accounts Payable | Review controls within the Procurement and Accounts Payable section. | 15 | 21 | -6 | Draft report with Service | | |
| Treasury Management | Examine the Council's treasury management arrangements. | 10 | 4 | 6 | Fieldwork ongoing | | |
| General Ledger | Review controls in the new Integra GL system. | 15 | 0 | 15 | Planned Q4 | | |
| **TOTAL AUDIT DAYS** | | **40** | **25** | | | | |

| Other Systems | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| Licensing | Review processes within the Licensing section. | 20 | 5 | 15 | Fieldwork ongoing | | |
| Welfare Reform / Universal Credit | Examine controls in relation to Universal Credit | 15 | 1 | 14 | Audit recommended for withdrawal | | |
| Better Off North Ayrshire programme | Review the use of the Better Off North Ayrshire funding. | 20 | 16 | 4 | Draft report with Service | 02/10/2019 | 12/11/2019 |
| Residential Placements (Education/HSCP) | Review the use of placements within other authorities, residential schools or private educational establishments. | 20 | 24 | -4 | Draft report with Service | | |
| Music Tuition | Review controls in relation to the charging for music tuition | 10 | 10 | 0 | Finalised | 16/09/2019 | 12/11/2019 |
| SEEMIS/Click and Go | Examine the system controls within the SEEMIS/Click and Go system. | 15 | 1 | 14 | Fieldwork ongoing | | |
| Agency staff and workers | Examine the Council's use of agency staff and workers. | 15 | 15 | 0 | Draft report with Service | | |
| Kelio | Review system controls in the Kelio time management system | 15 | 18 | -3 | Draft report with Service | | |
| Capital Monitoring | Examine the effectiveness of the Council's capital monitoring arrangements. | 15 | 0 | 15 | Planned Q4 | | |
| Financial Intervention Orders/Corporate Appointeeships | Review the administration of Financial Intervention Orders and Corporate Appointeeships within the Health and Social Care Partnership. | 15 | 0 | 15 | Planned Q3 | | |
| Self Directed Support | Review the use of 'Self Directed Support' to provide assurance that appropriate controls are in place and operating effectively. | 15 | 14 | 1 | Fieldwork ongoing | | |
| Carefirst system | Examine the use of the Carefirst system by the Health and Social Care Partnership. | 20 | 0 | 20 | Planned Q4 | | |
| Integration Joint Board audit days | Carry out audit work within the Health and Social Care Partnership as agreed by the Performance and Audit Committee of the Integration Joint Board. | 15 | 0 | 15 | Planned Q3 | | |
| Transport Hub (inc. Fleetwave system; vehicle replacement) | Review controls in the Transport Hub with a particular focus on the sale and replacement of vehicles. | 15 | 16 | -1 | Finalised | 20/08/2019 | 12/11/2019 |
| Commercial Refuse service | Examine controls in the commercial refuse service. | 15 | 0 | 15 | Planned Q4 | | |
| Housing Rents income and arrears (inc. iWorld system) | Examine a range of controls within Housing. | 15 | 11 | 4 | Fieldwork ongoing | | |
| Property Asset Management (inc. system; maintenance + repairs) | Review the Council's property asset management arrangements. | 15 | 0 | 15 | Audit recommended for withdrawal | | |
| Housing improvement grants | Examine the use of Housing Improvement Grants | 15 | 0 | 15 | Planned Q4 | | |
| **TOTAL AUDIT DAYS** | | **285** | **131** | | | | |

| ICT Auditing | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| IT assets | Review controls over a range of ICT assets. | 20 | 1 | 19 | Fieldwork ongoing | | |
| Telecommunications | Review a range of controls in relation to Agile Working across the Council, including remote and wireless access to networks and systems. | 20 | 0 | 20 | Planned Q4 | | |
| **TOTAL AUDIT DAYS** | | **40** | **1** | | | | |

| Governance | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| Code of Corporate Governance | Examine compliance with aspects of the Code of Corporate Governance. | 15 | 4 | 11 | Fieldwork ongoing | | |
| Information Governance and Data Protection | Review aspects of the Council's Information Management and Data Protection arrangements. | 20 | 0 | 20 | Planned Q4 | | |
| Workforce Planning (inc. VER/VR schemes) | Review the Council's workforce planning arrangements. | 15 | 0 | 15 | Planned Q3 | | |
| **TOTAL AUDIT DAYS** | | **50** | **4** | | | | |

| Regularity Audits | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| Accounts Payable transaction testing | Use computer audit software to interrogate the Accounts Payable system and examine any anomolies which arise. | 15 | 8 | 7 | Fieldwork ongoing | | |
| Payroll transaction testing | Use computer audit software to interrogate the HR/Payroll system and examine any anomolies which arise. | 15 | 13 | 2 | Draft report with Service | | |
| **TOTAL AUDIT DAYS** | | **30** | **21** | | | | |

| Following the Public Pound | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 |
|---|---|---|---|---|---|
| Community Councils | Annual audit of Community Councils accounts' to ensure Council funding is used in accordance with the Council's Scheme of Administration. | 10 | 5 | 5 | 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** | **8** | | |

| Other Work | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 |
|---|---|---|---|---|---|
| Prior year audit work | Completing audits from the previous year's audit plan that were not fully complete by the end of March 2019 or starting audits early from the 2020/21 audit plan. | 20 | 42 | -22 | All 2018/19 audits complete during Q1 - see note at para 2.5 |
| 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. | 30 | 12 | 18 | As required |
| Follow-up | Follow up of previous audit reports to ensure that appropriate action has been taken. | 15 | 4 | 11 | As required |
| Audit planning and monitoring | Preparing audit plans and monitoring progress and performance against plans. | 20 | 13 | 7 | As required |
| Audit and Scrutiny Committee | Supporting the Council's Audit and Scrutiny Committee by preparing reports, attending meetings and delivering training for elected members as required. | 25 | 16 | 9 | As required |
| Governance documents | Review of governance documents | 2 | 1 | 1 | As required |
| Development of the Audit service | Carry out developmental work to further enhance the efficiency of the audit section. | 5 | 6 | -1 | As required |
| Internal Audit self-assessment against PSIAS | 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 | Certification of expenditure funded by specific grants from external funding bodies | 2 | 0 | 2 | As required |
| Annual Accounts | Work in relation to the Council's annual accounts, including stock counts, reviewing imprests and preparing the Annual Governance Statement. | 2 | 1 | 1 | As required |
| **TOTAL AUDIT DAYS** | | **133** | **99** | | |

| **TOTAL** | **PRODUCTIVE TIME - AUDIT PLAN** | **590** | **289** | | |

**PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS**

| Special Investigations | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | Final Report issued | Report to Audit and Scrutiny |
|---|---|---|---|---|---|---|---|
| Payroll overpayments | Small investigations relating to payroll overpayments reported to Internal Audit by Payroll | | 1 | | As required | | |
| Community Association | Review the accounts of a Community Association | | 2 | | Fieldwork ongoing | | |
| | | | | | | | |

| **TOTAL** | **PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS** | **20** | **3** | | |

## PRODUCTIVE TIME - RESERVE AUDITS

| Reserve Audits | Audit Objective | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 | 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 | | | |
| Burials and Bereavements | Review a range of controls within the Burials and Bereavements team. | 10 | 0 | 10 | | | |
| Additional Special Needs schools | Review controls within the Council's additional special needs schools establishments. | 15 | 3 | 12 | Fieldwork ongoing | | |
| **TOTAL** | **PRODUCTIVE TIME - RESERVE AUDITS** | **40** | **3** | | | | |

## NON-PRODUCTIVE TIME

| | | Planned Audit Days | Actual Days @ 30/09/19 | Variance Fav / (Adv) | Current Progress @ 30/09/19 |
|---|---|---|---|---|---|
| Management | | 16 | 8 | 8 | On target - no concerns identified |
| Administration | | 22 | 13 | 9 | On target - no concerns identified |
| Meetings | | 36 | 15 | 21 | On target - no concerns identified |
| Training | | 18 | 9 | 9 | On target - no concerns identified |
| **TOTAL** | **NON-PRODUCTIVE TIME** | **92** | **45** | | |
| **TOTAL DAYS** | | **702** | **340** | | |

| | ANNUAL BUDGET | ACTUAL to 30/09/19 |
|---|---|---|
| PRODUCTIVE DAYS | 610 87% | 295 87% |
| NON-PRODUCTIVE DAYS | 92 13% | 45 13% |
| **TOTAL DAYS** | **702 100.0%** | **340 100.0%** |

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

**Audit and Scrutiny Committee**

| | |
|---|---|
| **Title:** | **Corporate Fraud Team: Mid-year Progress** |
| **Purpose:** | To provide the Audit and Scrutiny Committee with a mid-year progress report 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 2019. |

### 1. Executive Summary

1.1 The Corporate Fraud Team provides the Council with the capacity to investigate fraud both within and against the organisation.

1.2 Committee receives bi-annual updates on the work of the team. This report provides an overview of the activity of the team between April and September 2019.

### 2. Background

Investigation Work

2.1 Referrals for investigation have been made to the team from a number of different sources, including Revenues and Benefits and Housing, members of the public and other agencies and local authorities. The publicity used by the team, including posters and leaflets, advertising on Council vans and contact information on the Council website, continues to be successful in generating a stream of referrals.

2.2 Investigations have been carried out across a range of areas including employee-related matters as well as Council Tax, Discretionary Housing Payments, Scottish Welfare Fund, Blue Badges and Housing tenancy issues. Although responsibility for investigating Housing Benefit fraud now lies with the DWP Single Fraud Investigation Service (SFIS), issues may be identified by the Corporate Fraud Team which can result in changes being made to benefits in payment. The team has also commenced formal joint working with SFIS in cases where there are suspected frauds relating to both Housing Benefit and Council Tax Reduction.

2.3 The team received 202 referrals for investigation during the first half of 2019-20 and financial recoveries of £143,000 were achieved for the Council. A number of onward referrals were also made by the team to SFIS, Police Scotland and other Council Services. All referrals made to the team are investigated although many can subsequently prove unfounded.

2.4 Employee-related investigations are the subject of a separate report to the appropriate Service and the findings are also reported to the Audit and Scrutiny Committee.

2.5 The team investigates all tenancy abandonments which are referred by Housing. While Housing focus on recovering the tenancy, the Corporate Fraud Team can add value by locating the missing tenant, which can often lead to changes to benefits or discounts in payment elsewhere, as well as enabling Housing to recover costs associated with house clearances and cleaning. 12 tenancies were recovered by Housing during the first half of 2019-20 with involvement from the Corporate Fraud Team and associated financial recoveries are included within the figure at 2.3 above.

2.6 All Blue Badge referrals were investigated, and this resulted in the recovery of 5 badges and the issue of 7 warning letters for misuse.

2.7 The team continues to lead the Council's response to unlicensed HMO (House of Multiple Occupation) investigations, working in conjunction with Licensing, Building Standards and the Private Sector Housing Team. A further case was referred to the Procurator Fiscal during the first half of 2019-20. Two other significant cases which were investigated during 2018-19 remain with the Procurator Fiscal.

2.8 A further HMO case which was reported to the Procurator Fiscal during 2018-19 resulted in a successful prosecution in May 2019, when a local letting agent was found guilty of breaching the Housing (Scotland) Act 2006 by facilitating the occupation of an unregistered house in multiple occupation and fined £750. The financial advantage for an individual in this type of case includes the avoidance of the HMO licence fee, the avoidance of repair costs to bring the property to a tolerable standard and the collection of rental income.

Other Updates

2.9 Potential data matches from the biennial National Fraud Initiative (NFI) exercise were received from the Cabinet Office in February 2019. Investigation of these is ongoing by the appropriate teams across the Council and the outcomes will be the subject of a future report to the Audit and Scrutiny Committee. The deadline for investigation of the potential matches is March 2020.

2.10 International Fraud Awareness Week takes place between 17th and 23rd November and a number of awareness-raising events are planned by the team in public areas across North Ayrshire.


3. **Proposals**

3.1 It is proposed that the Committee notes the work carried out by the Corporate Fraud Team.

**4.     Implications/Socio-economic Duty**

**Financial**

4.1   None.

**Human Resources**

4.2   None.

**Legal**

4.3   None.

**Equality/Socio-economic**

4.4   None.

**Environmental and Sustainability**

4.5   None.

**Key Priorities**

4.6   The work of the Corporate Fraud Team helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

**Community Wealth Building**

4.7   None.


**5.     Consultation**

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


**Laura Friel**
**Executive Director (Finance and Corporate Support)**

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

**Background Papers**
None.

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|---|---|---|
| **NORTH AYRSHIRE COUNCIL** | Agenda Item 10 | |
| | **12 November 2019** | |

**Audit and Scrutiny Committee**

| | |
|---|---|
| **Title:** | **Strategic Risk Register 2019/2020: Mid-year Update** |
| **Purpose:** | To provide the Committee with a mid-year update on the progress with actions related to the Strategic Risk Register. |
| **Recommendation:** | It is proposed that the Committee notes the mid-year update on the 2019/20 Strategic Risk Register. |

## 1. Executive Summary

1.1 The Council's most significant risks are identified through the Strategic Risk Register, which is refreshed annually and was last approved by Cabinet in March 2019.

1.2 The recent self-assessment of the Audit and Scrutiny Committee identified the requirement for a mid-year update report on the Strategic Risk Register.

1.3 This report and the appendix demonstrate progress made by the Council in mitigating against the potential impact of the Strategic Risks.

## 2. Background

2.1 The Council's most significant risks are identified through the Strategic Risk Register, recognising the challenges facing the Council within the current financial year and demonstrating the arrangements in place for managing those risks.

2.2 The Strategic Risk Register is refreshed annually and was last approved by the Cabinet in March 2019; thereafter it was reported to the Audit and Scrutiny Committee in May as this Committee has a remit for monitoring key risks.

2.3 The recent self-assessment of the Audit and Scrutiny Committee in September identified a number of improvement actions – one of these was the introduction of a mid-year update report on the progress made with mitigating these key risks.

2.4 The register is attached at Appendix 1 and provides update on that approved by Cabinet in March. The next full refresh of the risk register will take place early in the new year, be taken to Cabinet for approval in March 2020 and thereafter reported to Audit and Scrutiny.

2.5 Where relevant, key actions from the Council Plan Delivery Plan have been linked to the risks and progress shown at the end of September. These actions are more strategic in

nature. Some risks are managed as 'Business as Usual', through the appropriate operational plans within Services or through current controls.

<u>Very High Risks</u>

2.6     There are three strategic risks classed as 'Very High' (scoring 17-25):

**Financial Environment (risk score 20)** – the risk is that the level of funding for local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources. A range of control measures is in place including long-term and medium-term financial plans. However, the Council cannot directly influence the external financial environment and funding for local government continues to reduce. Significant work has been carried out to develop an updated 'Medium-term Financial Outlook' for the period from 2020/21-2022/23 which will be reported to Council in November. This, alongside a programme of locality budget engagement sessions, will inform the next medium-term financial plan.

**Inequalities (20)** – the risk to the Council is that North Ayrshire residents, especially children, single parents, people with disabilities and people from ethnic minority backgrounds will experience increasing levels of poverty and its effects. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

**Health and Social Care Partnership (20)** – there is an increased financial risk to the Council as a result of the delegation of resources and the responsibility for planning the delivery of social care services to the Integration Joint Board at a time of reducing resources and growing demand. The most recent financial monitoring report to the IJB on 24th October indicated a projected year-end overspend of £2.308m. It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis as financial balance needs to be achieved. The service transformation programme and the delivery of those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services. A recovery plan was approved by the IJB and a medium-term financial plan is under development. The Audit and Scrutiny Committee has received regular update reports on the financial position and the measures to address the overspend.

<u>High Risks</u>

2.7     There are four strategic risks classed as 'High' (scoring 10-16):

**Cyber Security (16)** – this reflects the increasing risk from external cyber-attack which is being faced by all organisations. The Scottish Government has put in place a cyber-resilience action plan which the Council is complying with. In order to further mitigate against this risk, the Council has developed a new Cyber Security Approach, aligned to the Digital Strategy and Technology Strategy. This has four key principles – manage cyber security risk, protect against cyber-attacks, detect cyber security events and respond to cyber security incidents.

**Brexit (16)** – there remains uncertainty about the United Kingdom's exit from the EU, both the timing and the form it will take. Regular reports have been brought to the Audit and Scrutiny Committee which highlight the actions being taken within the Council to prepare for the exit. The most significant risk to North Ayrshire relates to the combined impact of a no-deal exit on businesses, the economy and GDP. Senior Council officers meet weekly to monitor EU exit risks and actions.

**People and Transformation (12)** – there is an overarching corporate risk that transformation and change management activities which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership fail to deliver. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

**Community Capacity Building and Empowerment (12)** – the risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate. There is a range of actions within the Council Plan Delivery Plan which link to this risk and updates on the most significant of these are included within Appendix 1.

<u>Longer-term risks</u>

2.8  The Strategic Risk Register identifies the most significant risks which the Council faces at the present time.

2.9  Climate Change was previously on the risk register but, when reviewed for 2019/20, fell below the scoring threshold due to current actions which are being implemented, particularly in relation to flood prevention. This risk is much longer-term in nature and will be kept under review, in line with the Council's recent declaration of a Climate Change Emergency.

## 3.  Proposals

3.1  It is proposed that the Committee notes the mid-year update on the 2019/20 Strategic Risk Register.

## 4.  Implications/Socio-economic Duty

**Financial**

4.1  None.

**Human Resources**

4.2  None.

**Legal**

4.3  None.

**Equality/Socio-economic**

4.4    None.

**Environmental and Sustainability**

4.5    None.

**Key Priorities**

4.6    A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2019-2024.

**Community Wealth Building**

4.7    None.


**5.    Consultation**

5.1    Consultation has taken place with the Executive Leadership Team in the preparation of this report.
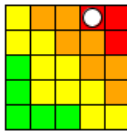

**Laura Friel**
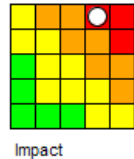**Executive Director (Finance and Corporate Support)**

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

**Background Papers**
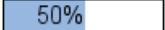None.

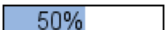## Strategic Risk Report 2019/20 With Detailed actions

| Risk Code & Title | 2019/20 SRR01 Financial Environment | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| Description | The risk is that the level of funding for local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources.<br><br>Government funding has been reducing since 2010/11. This, together with the demographic pressures, in particular an ageing population and increasing numbers of vulnerable children, and cost pressures including pay and pensions impacts on the ability of the Council to deliver current services within future anticipated resources.<br><br>The 2019/20 local government settlement represents a further reduction in core grant funding of 1.4%. Planning for future years reflects further anticipated reductions in funding in 2020/21 and 2021/22. The single year settlement and publication and approval dates of the Scottish Budget makes effective short and medium term financial planning challenging.<br><br>Further pressures on budgets stem from spending commitments at a national and local level at a time of reducing resources. A major external influence is the UK's progress in negotiating exit from the European Union. Uncertainty remains over future economic prospects. Given the scale of this risk, a specific strategic risk profile has been developed. | | | | | |

| Risk Status | Alert | Risk Traffic Light | 🛑 | Current Risk Score | 20 | Assigned To |
|---|---|---|---|---|---|---|
| Potential Effect | Funding not keeping pace with demand and cost means that there will be a reduction in some service areas potentially resulting in higher risks for service users. | | | | | Mark Boyd |
| Internal Controls | The Council continues to be proactive in responding to the financial challenge and seeks to ensure that budget decisions are taken in line with key priorities.<br><br>Robust monitoring of the Council's revenue and capital budgets is in place as well as regular reporting of financial performance within the HSCP to Cabinet and Audit and Scrutiny.<br><br>The Council has a long-term capital investment programme to 2027/28. The Long Term Financial Outlook to 2026/27 was approved at Council on 4 October 2017 - this is the cornerstone of the Council's financial planning.<br><br>The Council is currently preparing to deliver a balanced budget for 2019/20 with work underway to identify the remaining savings for 2020/21 and 2021/22. Opportunities for future savings will continue to be explored through the recently established Transformation Think Tank. A zero based approach to budget setting will be undertaken for 2020/21. | | | | Risk Next Review Date | 31/03/20 |

### Linked Actions

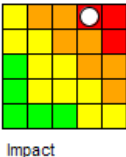| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|---|---|---|
| CP_37a We will identify opportunities for more integrated service delivery through implementation of the Council's Medium-Term Financial Planning Framework | Slightly Adrift of Target | 10% | **2019/20 - Quarter Two Update**:<br>The Medium-Term Financial Plan process has commenced and high-level Transformation workstreams have been agreed. Currently progressing each identified workstream including Children and Young People, Transport, Land and Property, Procurement, Municipalisation and Single point of customer contact. Services across the Council have been working together to identify opportunities which will be presented to members and communities as part of the upcoming programme of budget engagement. |

| Risk Code & Title | 2019/20 SRR02 Inequalities | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| **Description** | The risk to the Council is that North Ayrshire residents, especially children, single parents, people with disabilities and people from ethnic minority backgrounds (groups identified in the inclusive growth diagnostic) will experience increasing levels of poverty and its effects. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur.<br><br>Levels of child poverty are now the second highest in Scotland. In 2016 the Child Poverty Action Group (CPAG) reported that 7,051 (30.4%) children in North Ayrshire live in poverty.<br><br>The key driver of poverty and inequality is income, whether from unemployment or benefits. North Ayrshire has one job for every two people who are seeking work.<br><br>The population of North Ayrshire is expected to fall over the next 10 years but there will also be a larger proportion of the population considered dependent (not economically active) compared to a shrinking working population (those who are economically active).<br><br>Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure.<br><br>North Ayrshire residents have persistently poorer health compared to Scotland as a whole and the gap is increasing. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.<br><br>Children and young people may be excluded from a nurturing and positive early years and school experience as a result of their life circumstances and / or their additional support needs. They may be unsupported to access appropriate educational provision. | | | | |  |
| **Risk Status** | Alert | **Risk Traffic Light** | 🛑 | **Current Risk Score** | 20 | **Assigned To** |
| **Potential Effect** | Failure to address the current challenges will result in increased levels of deprivation, reduced health and wellbeing of our communities and higher demand for Council Services. As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions. | | | | | Stephen Brown; Karen Yeomans |
| **Internal Controls** | Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP) and the Council. A new Fair For All strategy is in place and this will inform the work of the partners to reduce inequality.<br><br>The Council launched a new Economic Strategy in April 2017 and this includes a focus on inclusive growth. The Council will lead partners in building community resilience, providing support to remove barriers to opportunity for unemployed people (e.g. childcare, transport and health), upskilling of people in disadvantaged communities including providing MA opportunities within the Council and providing employability services through our network of hubs. The Council is also part of a national inclusive growth pilot and has developed a strategy to enhance the employment of people with disabilities through its inclusive employment approach.<br><br>The announcement of more than £200m of funding within the Ayrshire Growth Deal will create local employment and increase prosperity.<br><br>The Better Off North Ayrshire European funded programme has now returned more that £1m to people in North Ayrshire as part of their work. | | | | **Risk Next Review Date** | 31/03/20 |

Community wealth building approaches are being developed to focus and enhance spend in the local areas, maximising the Council's role as the biggest employer in the area and its spend through procurement.

North Ayrshire Council is now a Child Centred Council with a focus on reducing inequalities for children and young people.

The focus on reducing inequalities is enhanced by the ongoing "Challenge Poverty" approach within the Council and with partners, identifying Council and Locality options for addressing the causes and symptoms of poverty.

The Council and its partners have developed a food strategy, which includes addressing household food insecurity and the actions within the strategy are supporting local people to create local solutions.

North Ayrshire Council is now preparing a Child Poverty Action Plan and report as part of its statutory responsibility to Scottish Government, although the key cause of poverty (income) is largely outwith the control of the Council making it difficult to significantly change the overall trends.

The HSCP continues to deliver activity to tackle inequalities in areas of economy, health and community. Through delivery of the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across all five of its strategic priorities.

The Money Matters service continues to provide much need welfare and money advice to individuals and families in, and at risk of, poverty. While Money Matters predominately supports local people known to the HSCP, referral pathways have been developed with Better off North Ayrshire (BONA) to ensure all people in North Ayrshire are able to access the right level of advice and support.

The HSCP's Community Link workers are now operating from all general practices in North Ayrshire, providing local people advice and guidance. Conditions that people present at GP practices are often symptomatic of wider issues.

The HSCP continues to support vulnerable young people and young carers access a range of opportunities to enhance their skills and experience.

The Council's Attainment Challenge sets out to reduce the impact of deprivation on the educational outcomes of our children and young people. A multifaceted approach has been developed to address inequality in terms of health and well-being and progress in learning.
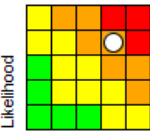
## Linked Actions
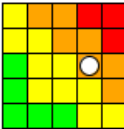
| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|---|---|---|
| CP_01b We will continue to lead and extend the locality planning approach within the CPP, focusing on inequalities. | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: NAC Cabinet agreed that an integrated CPP Locality Partnership and HSCP Locality Planning Forum be established on Arran. The first joint meeting took place in September 2019, and is the first such arrangement in Scotland. The arrangement has been devised taking into account the legislative requirements upon the CPP and HSCP, practicalities concerning meeting arrangements and issues specific to Arran. The impact of this change will be monitored and any learning will be shared with other Locality Partnership areas.<br><br>Community Investment Fund (CIF) proposals have continued to be developed and agreed. Recent analysis of the use of the Community Investment Fund (CIF) against key themes, including Locality Partnership priorities, Fair for All themes, Local Outcome Improvement Plan priorities, Council Plan priorities and the pillars of Community Wealth Building shows that a wide range of initiatives have been approved to address key local |

| | | | |
|---|---|---|---|
| | | | issues. There has also been consideration of impacts to date. Notable highlights include: <br><br>• £932,404 external funding has been secured by CIF projects <br>• Employment of a Digital Learning Officer for Irvine and an Environmental Worker for The Three Towns; <br>• Community Enablers in Vineburgh and Fullarton Communities; <br>• Community Development Trust established for The Three Towns; <br>• Positive feedback from the Clearer Minds Programme to support mental health in Largs; <br>• Support for a community regeneration project at Millport Town Hall; and <br>• Community volunteering, skills and social inclusion in The Garnock Valley through Geilsland and the Men's Shed <br><br>The membership of Locality Partnerships continues to develop with opportunities for the wider community to get more involved. |
| CP_06a We will continue to design and implement programmes to achieve excellence and equity for our learners, with a clear focus on reducing the poverty-related attainment gap. | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: <br>During this reporting period, the Council has continued to implement programmes and initiatives to reduce the poverty related attainment gap. The poverty related attainment gap, is the difference in attainment & achievement levels between pupils living in North Ayrshire's most deprived areas and more affluent areas. The Council measure attainment gaps in literacy, numeracy, health & wellbeing, school attendance and exclusion rates. <br><br>The Scottish Attainment Challenge is a key driver for the local authority in achieving excellent and equity. The Council has six identified areas of focus, which contribute to reducing identified attainment gaps. These workstreams are: Professional Learning Academy, Nurture, Leadership, Data Analysis, Family Learning and Mental Health. <br><br>To align with the current school year, the Council commenced delivery of its revised Scottish Attainment Challenge programmes in August 2019. These programmes were reviewed during the Summer to ensure they are enhancing education establishments (primary schools, secondary schools & early years centres) capacity to support learners and their families to achieve to their full potential. <br><br>The Council submitted its end of year report for the 2018/19 school year to Scottish Government in September 2019 and continue to demonstrate a positive impact on reducing the poverty related attainment gap in North Ayrshire. Further information on progress made in reducing identified attainment gaps is published annually on Scottish Government's Parent Zone platform and will be reported in the Council Plan Delivery Plan Quarter 4 Report. |
| CP_09d We will continue to deliver support through our Employability Hubs | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: <br>In Q2 we re-launched the Kilwinning Hub at Kilwinning Library with a jobs fayre that attracted 150 unemployed residents. <br><br>269 new registrations at Hubs to date this year with 84 job outcomes. |
| CP_09e Working in partnership, we will design Ayrshire Growth Deal regional skills and inclusion programmes | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: <br>Work continues to agree a final set of proposals with Scottish Government. Reported progress to Ayrshire Regional Partnership Board in Q2 and should finalise proposals in Q3. |
| CP_11a We will continue to deliver the innovative Team North Ayrshire Approach to business support | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: <br>TNA Partners met to discuss the future scope of the offer. This development will encompass a shift towards Community Wealth Building and potential regional working. |
| CP_13a We will work with the Centre for Local Economic Strategy (CLES), we will undertake a local wealth building diagnostic for North Ayrshire on the five pillars of CWB: | On Target / Complete | 100% | **2019/20 - Quarter Two Update**: <br>The Council have received and published the local wealth building diagnostic produced by the Centre for Local Economic Strategies (CLES). The report assesses more what the Council could do to become a Community Wealth Building Council. The report was presented to the first meeting of the Community Wealth Building Commission, chaired by the Council Leader and will be used to inform the development of a Community Wealth Building Strategy. |

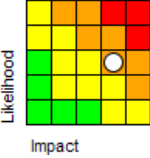| Risk Code & Title | 2019/20 SRR03 Financial Sustainability of the Health and Social Care Partnership | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| **Description** | Increased financial risk to the Council as a result of the delegation of resources and the responsibility for planning the delivery of social care services to the Integration Joint Board at a time of reducing resources and growing demand.<br><br>The Integration Joint Board has the responsibility for the distribution of resources to partner bodies to deliver its strategic plan. The historic position has been that resources for social care services have not been sufficient to meet the levels of demand and therefore the partnership has overspent. There is a debt held on the Council's balance sheet to be repaid by the partnership, there is a risk that not only the partnership continue to overspend but also that the debt is not recovered.<br><br>The current financial position of Ayrshire and Arran Health Board, with significant overspends over the last few years, could have a considerable impact on the funding passed to the Integration Joint Board. | | | | |  |
| **Risk Status** | Alert | **Risk Traffic Light** |  | **Current Risk Score** | 20 | **Assigned To** |
| **Potential Effect** | To address increasing demands for Health and Social Care services, the Partnership needs to transform services at scale and pace to deliver services in a more sustainable way and secure a shift in the balance of care from institutional to community based services.<br><br>There is a risk that if the Partnership overspends that the Council may be required to provide additional funding support which could significantly impact on other services provided by the Council. | | | | | Mark Boyd; Caroline Whyte |
| **Internal Controls** | The IJB actively monitors progress against the Strategic Plan and the Partnership financial position. Finance reports include projected outturns and are reviewed by Partnership Management Team and the IJB. These monitoring reports are also shared with the Directors of Finance of the Council and Health Board to ensure partners are aware of the financial position and any risks. Regular updates are also provided to the Council's Cabinet and Audit and Scrutiny Committee. The partnership require to implement a Financial Recovery Plan where there is a projected overspend, a plan has been implemented in the current financial year and has resulted in a demonstrable improvement to the position.<br><br>A Chief Finance and Transformation Officer is now in place within the HSCP to support delivery of transformation at scale and pace and develop a financial framework to ensure service delivery within available resources. In addition the social care finance team has been transferred to the partnership to support this work.<br><br>A Medium Term Financial Plan has been developed and is being refreshed. This plan outlines pressures for services linked to demographic and cost increases, assumptions about future funding and the transformation programme in place to assist with service redesign. The partnership has established a Transformation Board to oversee the programme of service re-design, this additional governance control has enabled greater control of the position and a focus on the key areas of service change with the greatest impact on the financial position.<br><br>The partnership has identified resource available from 2018-19 onwards to enable the repayment of the historic debt to the Council, the current plan would result in the debt being repaid within four years.<br><br>Challenge Fund resources are available to the Partnership to support its transformation journey and the HSCP have aligned these resources to support the shift in the balance of care and to mitigate demand. | | | | **Risk Next Review Date** | 31/03/20 |

| Risk Code & Title | 2019/20 SRR04 Cyber Security | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| **Description** | Cyber-security risk is the potential compromise of business operations or a data breach orchestrated via either digital channels or the IT infrastructure. This can include targeting of the user base. Risk derives from both Council operations and those of its supply chain.<br><br>The Council recognises the increasing importance of delivering services through digital channels and maximising efficiency through effective and secure use of technology. This includes a growing adoption of cloud-based computing resources which extend processing capabilities, and associated risks, beyond the Council's network. | | | | |  |
| **Risk Status** | High Risk | **Risk Traffic Light** |  | **Current Risk Score** | 16 | **Assigned To** |
| **Potential Effect** | Failure by Services to adopt and comply with strategies, policies and procedures may result in a failure to adequately ensure the desired levels of cyber-security required to maintain and protect council systems and data.<br><br>There may be a significant impact on the authority through the release of personal and/or sensitive information resulting in a loss of public confidence and significant financial loss incurred through fines and service disruption.<br><br>A successful cyber-attack (virus, penetration or malicious external or internal action) on the Council's IT environments could also result in significant service disruption, loss of income streams and possible data loss. Impacts of a cyber-attack could include economic (i.e. inability to collect online payments), societal disruption (i.e. loss of diaries and client appointments), and reputational damage (i.e. loss of public confidence in digital services). Such attacks could be directed at the Council or elements of its supply chain. | | | | | Fiona Walker |
| **Internal Controls** | It is recognised that it is not possible for any organisation to expect to be completely protected against what are agile and continually evolving cyber threats. A threat actor with enough time, motivation, resource and capability will be able to compromise the most secure system.<br><br>In response, the Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls.<br><br>IT Services continue to review the Council's protection strategy and technology in line with industry, academic, and UK and Scottish Government recommendations, including the obligation to meet the key actions and timescales defined in the Cyber Resilience Public Sector Action Plan. Technical controls are implemented across domains such as network defences, secure configuration of systems, user authentication, malware protection, and vulnerability management. The controls are independently tested on an annual basis to confirm their effectiveness in accordance with the Council's obligations to mandated compliance schemes.<br><br>The Council maintains a comprehensive set of policies, standards, guidelines, metrics and reporting mechanisms as part of its information security governance structure. These provide the foundation to ensuring the importance and value of good cyber and information security standards are understood and implemented at an organisational level.<br><br>The importance of a cyber-aware workforce and culture is reflected in the comprehensive training and awareness programme that is operated by the Council. Every member of staff is required to complete a classroom-based, full day training course in cyber and information security best practice. They also undertake mandatory annual e-learning training in data protection, cyber security and other relevant topics. While additional methods are used to ensure awareness information of emerging threats or best practice advice is delivered to staff in a timely manner. | | | | **Risk Next Review Date** | 31/03/20 |

| Risk Code & Title | 2019/20 SRR05 Brexit | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| Description | The risk associated with Brexit (the United Kingdom's exit from the European Union) presents a complex series of challenges for the Council. How these crystallise is dependent on what form the exit takes.<br><br>In broad terms there are two scenarios:<br>- A deal which retains free trade between the UK and the EU. As free trade is based on principles which involve open procurement, free movement of labour etc. many existing EU rules, such as those on procurement, state aid, employment protection and data protection will continue to apply.<br>- A 'no deal' whereby the UK would move to World Trade Organisation (WTO) rules and try to negotiate bespoke trading deals with other countries such as the United States. | | | | |  |
| Risk Status | High Risk | Risk Traffic Light | 🔺 | Current Risk Score | 16 | Assigned To |
| Potential Effect | The most serious risks are associated with a 'no deal' and include:-<br>- Economic impact and lack of investment which results in increased demand for local authority services and increased costs. In particular there is likely to be an impact on North Ayrshire businesses which will require more business support.<br>- Price increases and reduced economic growth will result in higher costs and reducing Government grant, as well as greater deprivation and further demand for services.<br>- Requirement for Environmental Health to certify exports.<br>- Ports estimated to operate at 15% capacity which will lead to delays in obtaining certain goods, including food and HGV spares. The complexity of supply chains is a concern.<br>- Waste exported to EU for recycling may be impacted.<br>- EU workers go back to EU, leading to labour shortages in certain areas, and in the long term, reducing Scottish population- while there are 38 Council workers from the EU, there are greater numbers in the NHS, and NHS issues may impact on HSCP.<br>- Lack of clarity around the UK Prosperity Fund which is intended to replace European grants.<br>- Elections or referenda | | | | | Elaine Nixon; Fiona Walker |
| Internal Controls | A Brexit working group lead by the Head of Democratic Services is engaging with Services as appropriate.<br><br>At a regional and national resilience planning level, advisory groups that include representatives from Police, Fire, NHS and Councils have been actively considering this issue. At a local level, the Council and its partners have a range of well-developed and regularly tested contingency plans for incidents that address the 'consequences not causes' of disruptive events.<br><br>Given the uncertain nature of the arrangements, the UK Government has published a range of contingency planning advice notes. The technical notes published are intended to support businesses and organisations to prepare for the potential outcome of a "no deal" Brexit, whereby a withdrawal agreement is not reached prior to the UK leaving the EU.<br><br>A full assessment of impacts on Non UK EU workforce has been undertaken.<br><br>The Council continues to be involved in planning for Brexit through joint working with the Scottish Government, COSLA, and the West of Scotland Regional Resilience Partnership.<br><br>Detailed risk reports via Audit and Scrutiny Committee. ELT receiving updates on an ongoing basis. This includes a cross Service risk and action log with assigned action owners. | | | | Risk Next Review Date | 31/03/20 |

| Risk Code & Title | 2019/20 SRR06 People and Transformation | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| Description | There is an overarching corporate risk that transformation and change management activities which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership, fail to deliver and potentially disengage employees.<br><br>The workforce context of significant organisational change and budget efficiencies may impact on employee engagement and the stability of employee relations which further impacts on the Council's capacity to meet service requirements and deliver key objectives. | | | | |  |
| Risk Status | High Risk | Risk Traffic Light | 🔶 | Current Risk Score | 12 | Assigned To |
| Potential Effect | Any gaps in workforce planning and failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand.<br><br>Failure to deliver transformational change will impact on the Council's financial sustainability and its effectiveness of service delivery.<br><br>Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire & Arran (NHSAA) services may lead to the identified outcomes not being delivered; resulting in financial instability, reduced performance, deteriorating patient outcomes, and reputational damage within North Ayrshire Health and Social Care Partnership (NAHCSP). | | | | | Laura Friel; Fiona Walker |
| Internal Controls | The Transformation Think Tank has been set up to encourage cross Service collaboration and to ensure shared and joint responsibility for development and delivery of the Council's transformation programme. The Think Tank will report to the Chief Officer Leadership Team (COLT) on a regular basis.<br><br>A transformation programme has been established to align with the new Council Plan. The aim of the review will be to focus resources on a smaller number of key transformational initiatives which will deliver the biggest impact.<br><br>Cultural transformation activities continue to be evolved and embedded to support the Council's transformation, improve effectiveness and capability as well as develop an organisational culture which fosters involvement, engagement and high performance.<br><br>Employee Engagement Surveys monitor employee engagement levels and identify any areas for improvement. Surveys are conducted every two years, with the 2017 survey results currently being analysed. This and future surveys will continue to monitor engagement levels and areas for improvement. Straw polls have been introduced to measure the impact of improvement activities arising from the 2017 survey.<br><br>LiveWell, and the four themes within this – Be Well, Play Well, Eat Well and Work Well – continue to be promoted and a range of programmes, events and activities are available for all staff. Participation in wellbeing activities can have positive impacts on personal resilience, stress reduction and absenteeism.<br><br>Mechanisms for consultation and engagement with Trades Unions enable open dialogue with unions and Elected Members on key strategic workforce issues.<br><br>Our Workforce Planning approach provides a toolkit of interventions such as span of control, which includes career development and succession planning, vacancy management, redeployment and early release schemes, all of which support the re-shaping of our workforce for the future. | | | | Risk Next Review Date | 31/03/20 |

| | NAHSCP Transformation Board reports to the NAHSCP Integration Joint Board, NHSAA Performance Governance Committee which has oversight on behalf of the NHS Board and NAC Executive Leadership Team. The Transformation board track performance, manage risk, aligns resource and puts in place mitigation responses as required to ensure progress is delivered. | | | |
|---|---|---|---|---|

## Linked Actions

| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|---|---|---|
| CP_37a We will identify opportunities for more integrated service delivery through implementation of the Council's Medium-Term Financial Planning Framework | Slightly Adrift of Target | 10% | **2019/20 - Quarter Two Update**: The Medium-Term Financial Plan process has commenced and high-level Transformation workstreams have been agreed. Currently progressing each identified workstream including Children and Young People, Transport, Land and Property, Procurement, Municipalisation and Single point of customer contact. Services across the Council have been working together to identify opportunities which will be presented to members and communities as part of the upcoming programme of budget engagement. |
| CP_38d We will support service redesign through digital and technology workstreams such as Mobilisation | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: Rollout of devices for North Coast Grounds Maintenance is well underway and on target, with all chargehands in North Coast expected to have devices in use by end of October 2019. Following North Coast, devices will be rolled out to Three Towns and Kilwinning areas (December 2019) and then Irvine operatives in January.

The devices are replacing the manual, paper-based process with an automated system that schedules all of the jobs to the ground maintenance chargehands. This means that the team on the ground receive their jobs for the day directly to their device, where they can update progress and manage the workloads more effectively. Over the next few months, the data form these devices will be analysed in more detail to understand trends and patterns that can ultimately allow the Service to improve delivery. A business case for streamlining and mobilising Roads Service is currently being developed with Commercial Services and Transformation. |
| CP_38e We will update the Council's technology infrastructure | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: Procurement for Telephony,Wide Area Network (WAN) and Local Area Network (LAN) solution is now underway, beginning with Telephony which is currently out to tender. Wide Area Network (WAN) and Local Area Network (LAN are scheduled go out to tender in November. |
| CP_38g We will mobilise our frontline services through the use of new digital technology in Roads, Streetscene and Waste | On Target / Complete | 50% | **2019/20 - Quarter Two Update**: **Streetscene** 30 digi gurus on-line playpark inspections on-line memorial inspections on-line bereavement workflow Piloting resource modelling using tablets Street cleaning route optimisation A Show and Tell for elected members to showcase this great work in planned for October 2019.

**Waste** The service continues to operate new mobile technology within our commercial waste vehicles, providing electronic exceptions and referrals to the Commercial Waste Team, improving processes and the efficiency of service communications. Mobile devices will be extended to the waste collection vehicles that collect household waste following the implementation of the Salesforce platform to replace the current Lagan CRM system. The extension of the mobile devices to household collection vehicles relies on the integration of the waste Powersuite software with the new Salesforce platform. A pilot of the use of communal bin sensor technology was completed and the service is currently evaluating opportunities to expand the pilot to help contribute to improvements in service delivery.

**Roads** A business case seeking approval to procure an integrated asset management system for Roads services is currently being prepared. |
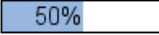
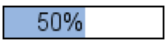| | | | |
|---|---|---|---|
| | | | Analysis of the Salesforce platform raised concerns as to its suitability in providing the level of analysis required, particularly for deterioration modelling and management of the road network. Mobilisation of the operational workforce will commence as part of system implementation.<br><br>The Traffic Regulation Order review is ongoing utilising mobile devices for inventory collection and inspection recording through the GIS mobile platform. |
| CP_40a Implement the current transformation programme and work with the Think Tank to develop a pipeline of initiative | On Target / Complete | 50% | **2019/20 - Quarter Two Update**:<br>Transformation plan developed which directly links to the New Council Plan Priorities. Transformation Think Tank established which meets quarterly to consider ideas for the transformation pipeline. Chief Officer workshops took place over the summer and a number of workstreams are being development to assist with the budget programme. |
| CP_41b We will involve our workforce in transforming how we work | On Target / Complete | 50% | **2019/20 - Quarter Two Update**:<br>The upcoming Employee Survey has provided opportunity for employees to be involved in its development via cross service working groups and Trade Unions discussions. Moving forward, employee inputs to this survey will also help to inform future survey developments.<br><br>Our People Connect has recently been refreshed and will be launched later in 2019 to support the delivery of the Council Priorities in particular within the priority A Council for the Future. The 4 key priorities contained within this are:<br><br>- Strengthening Leadership across the Council<br>- Transforming how we work<br>- Creating a great place to work<br>- Supporting our People to develop, perform and thrive |
| CP_41c We will support our people to develop, perform and thrive | On Target / Complete | 50% | **2019/20 - Quarter Two Update:**<br>Workwell Events to date have included :<br>April - "On Your Feet Britain" in April as well as "Walk to Work" to encourage employees to move more.<br>May - Mental Health Awareness week with the launch of our new employee resource "Remploy" which allows staff to self refer for guidance and support. There was also a Cycle to Work day.<br>June - shared knowledge on the importance of Cervical Screening. Also information and communication around Blood Giving day.<br>Learning Event - June - "Trauma Informed Council" which was hosted by a representative from NHS Education Scotland.<br>Aug - Occupational Health - the contract for this service was recently re-tendered. The new contract came into effect. We will be working with the provider (Optima) to look at improved ways of working to support employees.<br>Going forward there will be a Wellbeing event for employees in early October.<br>Menopause guide developed in conjunction with TU's and endorsed at 1st Tier JCC. Plan to launch at Wellbeing event. |

| Risk Code & Title | 2019/20 SRR07 Community Capacity Building and Empowerment | | | | | Current Risk Matrix |
|---|---|---|---|---|---|---|
| **Description** | The risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate.<br><br>The additional demands placed on the public sector by the Community Empowerment Act (Scotland) 2015 is an emerging risk, with timescales for implementation of and reaction to certain strands of legislation, e.g. community asset transfer and participation requests, now being set by the Scottish Government.<br><br>The development of community capacity and appropriate support mechanisms to allow local communities to determine their own objectives and have their voices heard in the planning and delivery of services is a key priority of North Ayrshire Council. The ability of communities and organisations to do this varies and the Council is committed to providing the appropriate support, according to local need, to ensure that communities are able to achieve their potential in this challenging economic climate. Involvement in this ranges from volunteering in local and civic events through to delivering services for communities.<br><br>The HSCP also requires to deliver both community participation and engagement and Locality Planning arrangements within a clear set of national guidance.<br><br>Recent further reductions in staff supporting community activity further heightens the risk attached to this issue. | | | | |  |
| **Risk Status** | High Risk | **Risk Traffic Light** | ⚠ | **Current Risk Score** | 12 | **Assigned To** |
| **Potential Effect** | Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.<br><br>There remains a potential disconnect between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low. This widens the inequality gap between communities with the ability to influence the planning and delivery of more responsive services and those communities who do not.<br><br>A disconnect also exists between what the Council wishes to see in terms of communities embracing the opportunities for increasing ownership of assets and what communities themselves feel able and prepared to commit to. In terms of the asset transfer agenda the potential remains for community assets to revert back to Council ownership due to ineffective community engagement/participation and a lack of effective business planning for sustainable use of community assets.<br><br>The speeding up of this approach has been caused by the increasing savings required from the Council. The likelihood is that services and facilities will be lost for good as communities fail to keep up with the speed of change.<br><br>There is a risk of duplication and engagement fatigue as the HSCP is required to deliver both community participation and engagement and Locality Planning arrangements within a different set of national guidance. The HSCP Locality arrangements are coterminous with the Community Planning Partner and council arrangements. | | | | | Audrey Sutton; Karen Yeomans |
| **Internal Controls** | North Ayrshire Council is making increasingly public commitments to relationships with communities and to its community capacity building and empowerment, across the Council. North Ayrshire Council has also identified that the value of continuing to support the community and voluntary sector to develop capacity is central to the well-being of the community and wishes to continue to contribute to this. | | | **Risk Next Review Date** | | 31/03/20 |

A strategic corporate Community Empowerment Action Plan has been developed within the Council and with all CPP partners, to identify how the Council can shift from delivery to enabling mode with many of our community partners to build their capacity and identify opportunities for growth and sustainability.

The introduction of Locality Planning is enhancing local resilience and place-making initiatives to strengthen how communities work together to lessen the impact of external changes. Six locality partnerships have now been established to ensure the involvement of the community in local decision making and to monitor the support we are providing to communities.

The Council has refined and enhanced its asset transfer, allotment and Community Council guidance and support, and in addition, the Council has also introduced support for individuals and communities in relation to developing excellence in arts and culture and sports, and has reviewed the way in which it awards Community Development Grants to ensure that capacity building is a central feature of support to communities and voluntary organisations. Groups are also supported to make a greater number of successful funding bids to external bodies. Additional resources will be available through ongoing projects with Creative Scotland and Sport Scotland with good practice being shared and promoted. The Community Development Fund is underpinning the ability of community organisations to undertake sustainable projects.

The Council and its partners have held a number of participatory budgeting events, which allow local people to have a say on how small amounts of Council money are spent in their localities.

The Council is also committed to mainstreaming participatory approaches within its services and to date Streetscene, Youth Services and Libraries have allocated substantial proportions of their resources in this way.

## Linked Actions

| Linked Actions Code & Title | Expected Outcome | Linked Actions Progress | Linked Actions Latest Note |
|---|---|---|---|
| CP_01a We will establish an Engagement and Consultation Centre of Excellence for North Ayrshire to develop ways to explicitly involve communities in our work. | On Target / Complete | 50% | **2019/20 - Quarter Two Update**<br><br>There are three main current workstreams related to the community engagement centre of excellence:<br><br>1. Development of the **Online Engagement Hub** as central point of information on current and closed consultations as well as resources to support best practice<br><br>2. Engagement Champion programme including use of the Community Engagement Network (CEN) as the key group for information sharing, networking and training and use of Microsoft Teams site to share info and dialogue.<br><br>3. There is ongoing development of an Engagement and Consultation Toolkit for use by community members and partners. Draft materials have been shared for feedback. The CEN are giving positive examples on consultation and engagement for inclusion as case studies in the toolkit<br><br>A workshop around requirements and support for Engagement Champions will take place at the next CEN meeting in December |
| CP_01d We will implement the Tenant Participation Strategy 2017-2022, building on our approach to involving under-represented groups and | On Target / Complete | 50% | **2019/20 - Quarter Two Update**:<br><br>**Priority 1 – Engage**<br><br>• There are currently 1169 tenants are on the Interested Tenants Register due to ongoing promotion. |

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|---|---|---|---|
| ensuring our tenants' views are used to shape future service delivery. | | | • We have attended ten Tenant & Resident Association meetings, nine drop-in Sessions, six sheltered housing meetings and four estate walkabouts in Q2. All were locally based and offered the opportunity to chat to customers, promote the work we do and encourage them to get involved.<br><br>• A successful Fun and Information Day was held on 31 August 2019 with 1,035 people attending. This is an increase of 285 people (27%) attending from last year's event.<br><br>• There are now 4248 likes on Facebook, an increase of 195 people since Q1. We have 243 followers on Twitter, an increase of 30 people since Q1.<br><br>• Seven live Welfare Reform messenger sessions were held in Q2. This e-participation opportunity is held twice monthly, allowing customers to private message via Facebook and speak directly with a Welfare Rights Officer. One live housing options messenger session also held as part of Scottish Housing Day, to showcase housing options and provide 1-1 advice.<br><br>**Priority 2 – Empower**<br><br>• Six training sessions held for tenant representatives during Q2. Topics included confidence building, computer skills, public speaking and presentation skills.<br><br>• Individual partnership meetings held with Scottish Fire and Rescue, Police Scotland and Lennox Partnership to develop working relationships involving tenants.<br><br>**Priority 3 – Evolve**<br><br>• The TP Team has been working to build stronger relationships within the Service to ensure all staff consider tenant involvement during their day to day work.<br><br>• Four tenants attended the Cunninghame Housing Association conference in July 2019, to offer networking opportunities with a local housing association and enhance tenant led partnership working with local Registered Social Landlords (RSL's). |
| CP_03a We will extend and mainstream our participatory approach to offer communities, including young people, more opportunities to lead in local decision-making. | On Target / Complete | 50% | **2019/20 - Quarter Two Update**:<br><br>'Youth Participatory Budgeting 2019' is now live for applications until 13th October. Voting will take place across all Localities, from 8th -22nd November. – In the last round of Youth PB, in November 2018, 6468 young people, aged 8-25, voted across all six Localities and 76 groups secured funding for a diverse range of projects. For example the Clearer Minds Project in Largs Academy, supporting young people to address mental health issues and the Redburn Youth Council delivering a highly successful Saturday morning breakfast club, which is open to all members of the community, many of whom are experiencing Food Poverty. During the next round of Youth PB in November 2019 we hope to maintain the momentum and interest of our young people in engaging in Participatory Democracy and Citizenship.<br><br>Mainstreaming PB – following our successful Ground Maintenance mainstream PB initiative the top ideas voted for in each Locality are being |

| | | | |
|---|---|---|---|
| | | | implemented – these include - supported litter picks in towns and woodlands, planting wild and native flowers, improving path access and planting fruit trees.

Planning is in place to deliver a Participatory Budgeting (PB) process around prevention and community engagement to address Drug Deaths in North Ayrshire. The Alcohol and Drug Dependency (ADP) PB initiative will be planned and developed via a steering group comprising ADP reps, Third Sector Interface, Community Development rep, service users, carers and people in recovery. They will be involved in all stages of the design and delivery of the PB process. The funding will be distributed by 31st March 2020. We are currently researching methods and approaches and are connecting with other Local Authorities to learn from their experiences in this area. |
| CP_36a We will involve communities in the co-production of local services which suit their needs, including through debates on Consul to co-design partnerships. | On Target / Complete | 50% | **2019/20 - Quarter Two Update**:

NAC launched its Community Wealth Building Commission on 17th September with the publication of the Centre for Local Economic Strategies (CLES) study of the NAC economy. The development of local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise is central to this. The extensive community engagement reviewing the Council's Halls, Centres and Libraries offers communities potential to communities to play a greater role in the running of local services and facilities. The interest in Community Asset Transfer has increased as a result and discussions are progressing with communities. The transfer of Millport Town Hall has been agreed in principle and the development includes a community heritage centre and Men's Shed. The Community Investment Fund encourages co-production with funding agreed for 13 initiatives, linked to delivery of bespoke, local services.

A review and branding of Consul under the banner Shaping North Ayrshire is also taking place, to ensure that the digital platform supports developments. |

## NORTH AYRSHIRE COUNCIL

**12 November 2019**

**Audit and Scrutiny Committee**

| **Title:** | **Internal Audit Reports issued** |
|---|---|
| **Purpose:** | To inform the Committee of the findings of Internal Audit work completed during August and September 2019. |
| **Recommendation:** | That the Committee considers the outcomes from the Internal Audit work completed. |

## 1. Executive Summary

1.1 The Council's local Code of Corporate Governance requires effective arrangements to be put in place for the objective review of risk management and internal control. Internal Audit is an important element in this framework as it reviews internal controls and offers Elected Members and officers an objective and independent appraisal of how effectively resources are being managed.

1.2 The remit of the Audit and Scrutiny Committee includes the monitoring of Internal Audit activity. The submission and consideration of regular reports assists the Committee in fulfilling this remit.

## 2. Background

2.1 This report provides information on Internal Audit work completed during August and September 2019. Internal control reviews have been completed in respect of the areas detailed in Appendix 1 to this report. The aim of these reviews is to provide assurance that the internal control framework within the areas examined is appropriate and operating effectively.

2.2 The findings from each audit assignment have been notified in writing to the Chief Executive, the Executive Director (Finance and Corporate Support) and the relevant Executive Director and service managers on the completion of each assignment. Where appropriate, this has included an action plan detailing recommendations for improving internal control. Appendix 1 includes the report and action plan from each audit.

2.3 The findings from 3 separate audit assignments are detailed at Appendix 1 to this report and the levels of assurance for each are noted in the table below:

| Audit Title | Assurance Level |
|---|---|
| Music Tuition | Reasonable |
| Transport Hub | Substantial |
| Better Off North Ayrshire | Substantial |

2.4 There are no significant findings to report.


**3.    Proposals**

3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed during August and September 2019.


**4.      Implications/Socio-economic Duty**

**Financial**

4.1 None.

**Human Resources**

4.2 None.

**Legal**

4.3 None.

**Equality/Socio-economic**

4.4 None.

**Environmental and Sustainability**

4.5 None.

**Key Priorities**

4.6 The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

**Community Wealth Building**

4.7 None.

**5.    Consultation**

5.1    The relevant Services are consulted on Internal Audit findings during each audit assignment.

<div align="right">

**Laura Friel**
**Executive Director (Finance and Corporate Support)**

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

**Background Papers**
None.

# MUSIC TUITION

## 1     Background

**1.1**     The Music Tuition Service provides instrumental lessons in all schools within North Ayrshire. By the end of Primary 6 every pupil in North Ayrshire will have been offered the opportunity to learn a musical instrument at least once. The Service also organises a number of highly successful bands and orchestras, including school bands, orchestras and ensembles, which pupils have the opportunity to participate in.

**1.2**     The Service is organised by a Manager and an Administration Officer and lessons are provided by a team of peripatetic instrument tutors who are attached to specific school clusters.

**1.3**     Since 2010, fees have been charged for music lessons, which currently stand at £198 for a year's tuition, consisting of a minimum of 30 lessons. There are exemptions for pupils receiving free school meals and working towards SQA qualifications. There is also a 50% discount for children who have a sibling already learning an instrument. Parents and carers have the option to pay a full year's fee at once or in 3 instalments, with other payment arrangements being made on a case-by-case basis.

## 2     Objectives and Scope

**2.1**     The main objectives of the audit were to ensure that:
- policy and procedure documents relating to music tuition are up-to-date and fit for purpose
- requests for service are processed in accordance with the relevant policies and procedures
- the Council is recovering all income due and policies are applied consistently
- there are adequate controls over instruments owned by the Council.

## 3     Findings

### Policies and Procedures

**3.1**     Parents or carers sign an agreement for each instrument that a pupil learns. This has attached to it terms and conditions that the pupil and parent, as well as the Council, are required to adhere to. This document was seen to be suitable for the purpose of outlining the relationship between the Council and an individual parent or carer.

**3.2**     A guidance document describing the service provided and information on the Council's website were reviewed and found to be current and fit for purpose.

**3.3**     The Service also provided a copy of a process document they use within their team. This document is clear insofar as it goes, although it only focusses on the charging process and it is not sufficiently detailed that someone unfamiliar with the process could follow it. Therefore, for business continuity purposes, it would benefit from being expanded. **(Action a)**

**Requests for Service**

**3.4** The team have well-established processes for signing up new pupils and renewing contracts each year.

**3.5** Records are stored on a Microsoft Access database which fits in well with the team's current working practices e.g. producing bespoke management reports and mail merged letters to parents. Discussions were held with officers in IT and Transformation about the use of Microsoft Access. IT are encouraging Services to move away from using Microsoft Access and they only support it on a break-fix basis. They advise that the Service should look to replace it through either a commercially available product or if the Transformation team are able to develop a replacement, for example using the Salesforce platform. There is a music tuition module in the SEEMIS system used for Education records, but this is being withdrawn in August 2020. IT and Transformation are working on projects which will supersede some Access databases, but they are focussing on larger databases. Therefore, the Service is advised to keep under review the possibility of replacing the database by keeping in contact with the Transformation team and also through professional networks, especially as other Councils who use the SEEMIS module will be looking for a replacement.

**3.6** A sample of 20 pupils was checked to ensure that the contracts were signed and matched the tutors' records of lessons. Some minor errors were identified but none of concern to audit. They were also checked to ensure that serial numbers of instruments had been recorded. This had been done, although it was noted that violins and other string instruments do not have a serial number. This is because it is difficult to attach a serial number to the curved wooden instruments, and a violin is only worth around £40. However, violas and cellos are generally more expensive than violins. **(Action b)**

**3.7** It was noted that one of the tutors supplied information on a pupil, in response to an audit query, via a personal Hotmail e-mail account. The Music Service Manager confirmed that all tutors have a Glow e-mail account provided and have been instructed to use these for all work e-mails. A check was also undertaken on the training records of all the tutors in the sample, and they had all attended GDPR training.

**Recovery of Income**

**3.8** Records were checked for the sample of 20 pupils to ensure that fees had been recovered and that discounts and exemptions were applied correctly. No significant issues were identified.

**3.9** Parents and carers of current pupils receive a letter in May asking them to sign a new contract if their child wishes to continue lessons in the new academic year. This letter includes information about any increase in charge and this year noted a small increase from £198 to £200. However, Council fees and charges are set as part of the budget-setting process and approved by full Council, and the approved fee was to remain at £198 for 2019-20. Officers do not have the authority to vary from this fee. Future increases should be included in the Council's revenue budget papers. **(Action c)**

**Stock of Instruments**

**3.10**   Instruments are purchased through a Scotland Excel framework.  It was identified that £6,700 of expenditure had been placed with a contractor not on the framework over a 2-year period.  The Corporate Procurement Unit confirmed that most of these items, while specialised, could be purchased from one of the suppliers on the framework. The Service were advised to order from the framework supplier in future and to approach the Procurement Officer if they wish to purchase items not included in the framework supplier's catalogue.

**3.11**   Tutors are required to keep track of instruments issued to their pupils.  Instruments not issued to tutors are stored in a locked cupboard at St. Matthew's Academy in Saltcoats (with the exception of a number of double basses which are too bulky to store there).  A stock check had been undertaken of the instruments in the store. However, the inventories produced are not comprehensive as they only list the items in the store on the day of the stock check, and do not include all the details required for an insurance claim in the event of a fire, flood or break-in at the school. **(Action d)**

**3.12**   The keys to the store at St. Matthew's are held by the Music Service Manager, the Administration Officer, and the school's Janitor.  Music tutors who attend the school borrow the key from the Janitor.  The Education Business Officer for the school stated that there is no key register for the store and therefore tutors are not required to sign it out. **(Action e)**

## 4   Internal Audit Opinion

**4.1**   Overall, reasonable assurance was obtained with regard to the Music Tuition Service. The core function of arranging music lessons for school pupils across North Ayrshire is operating well.  The processes for charging pupils and applying exemptions and discounts were also found to be working well.  However, a number of other issues and risks were identified during the audit which require action from the Service.

# KEY FINDINGS AND ACTION PLAN
## MUSIC TUITION

| Action | a |
|---|---|
| **Finding** | The Service have a process document, but it only focusses on the charging process and it is not sufficiently detailed that someone unfamiliar with the process could follow it. |
| **Action Description** | The process document should be expanded to cover all the Service's key processes and to ensure that someone unfamiliar with the Service could follow it. |
| **Risk** | Business continuity - if the Administration Officer were unavailable for any reason, it would be difficult for someone else to cover her work. |
| **Priority (1, 2, 3)** | 2 |
| **Paragraph Reference** | 3.3 |
| **Managed by** | Head of Education |
| **Assigned to** | Music Service Manager |
| **Due Date** | 01/11/19 |
| **Management Comment** | The Service has a well organised system for the recording of pupils' attendance at lessons and their progress. This system is used by all instructors and returns are sent to the manager on a monthly basis. A process document within the GLOW site does include the detailed process that the individual instructors have to follow. Adding this and more detail to the process document in question would make it easier for someone who was not familiar with the system to be able to follow the processes. We will complete this action by 1 November 2019. |

| Action | b |
|---|---|
| **Finding** | Violins and other string instruments do not have a serial number |
| **Action Description** | The Service should explore e.g. by contacting colleagues in other Councils, whether there is a way to attach or mark a serial number on the string instruments. |
| **Risk** | Instruments are not identifiable in the inventory. It is not possible to trace which instruments have been issued to pupils. Instruments are not covered by insurance in the event of destruction or theft. |
| **Priority (1, 2, 3)** | 3 |
| **Paragraph Reference** | 3.6 |
| **Managed by** | Head of Education |
| **Assigned to** | Music Service Manager |
| **Due Date** | 01/10/19 |
| **Management Comment** | In the past the Service invested in a system to add serial numbers to violins. Unfortunately, the system did not work. Not only did the branding of instruments and cases devalue the instruments greatly, young people were also embarrassed to attend national events with the instruments and cases branded. The Music Service manager will discuss with colleagues at the Heads of Instrumental Scotland to agree on any other LA that have a successful system. We will complete this action by 1 October 2019. |

| Action | c |
|---|---|
| **Finding** | The fee has been increased without appropriate authority. |
| **Action Description** | A letter should be sent out to parents revising the fee to the £198 approved by Council in February. |
| **Risk** | The Service is acting outwith its authority. |
| **Priority (1, 2, 3)** | 2 |
| **Paragraph Reference** | 3.9 |
| **Managed by** | Head of Education |
| **Assigned to** | Music Service Manager |
| **Due Date** | Complete |
| **Management Comment** | The fee increase has not been put into place. The Service has sent letters to parents. Copy of letter provided to Internal Audit. |

| Action | d |
|---|---|
| **Finding** | Inventories of the stock of instruments are insufficient for insurance purposes and do not comply with the Council's Codes of Financial Practice. |
| **Action Description** | Comprehensive inventories of the stock of instruments should be prepared and maintained.  These should comply with the Council's Inventory Procedures and, as far as possible, include information required by Insurance i.e. the make and model, the date purchased, the cost and where the items are stored.  It is suggested that the same document is used to record issues to tutors to ensure that there is a central record of all instruments. |
| **Risk** | Breach of the Council's Codes of Financial Practice.  Instruments are not insured in the event of destruction or theft, particularly if this occurs at the store and several instruments are affected. Difficulty keeping track of which instruments are issued to which tutors and pupils. |
| **Priority (1, 2, 3)** | 1 |
| **Paragraph Reference** | 3.11 |
| **Managed by** | Head of Education |
| **Assigned to** | Music Service Manager |
| **Due Date** | 20/12/19 |
| **Management Comment** | Currently inventories are kept in two ways. Staff have the inventory of issued instruments with their pupil records and instruments that are kept in the store are on a shared inventory that staff update when taking or returning instruments. The store inventory is checked each term. The Service will move all of its inventories onto the standard Council documents. This will be complete by 20 December 2019. |

| Action | e |
|---|---|
| **Finding** | There is no key register for the store at St. Matthew's Academy and tutors who borrow the key are not required to sign it out. |
| **Action Description** | A key register should be established for the store, including a system for anyone who borrows the key to sign it out and back in. |
| **Risk** | In the event that an instrument goes missing, it is not possible to show who had access to the store, thereby potentially invalidating any insurance claim. |
| **Priority (1, 2, 3)** | 2 |
| **Paragraph Reference** | 3.12 |
| **Managed by** | Head of Education |
| **Assigned to** | Music Service Manager |
| **Due Date** | Complete |
| **Management Comment** | The key for the store will now be held in the office at St Matthew's Academy. When staff sign into the school, they will state on the signing in book that they have the key for the store and on their departure, they will return the key to the office and record on the signing in book that the key has been returned. This has been completed. |

**Priority Key used in Action Plan**

| 1 (High) | Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention. |
|---|---|
| 2 (Medium) | Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives. |
| 3 (Low) | Minor weakness or points for improvement. |

## 1      Background

**1.1**      A centralised and consistent approach to managing the Council's fleet through the Transport Hub results in efficiencies - both in terms of improved service provision and budgetary savings.

**1.2**      The Hub has a wide remit which is split between an Operations Team and a Journeys and Hire Team.

**1.3**      The Operations Team is responsible for tasks including:-
- Repairing and maintaining the Council's transport and plant
- Procuring and disposing of transport and plant
- Ensuring all MOTs and servicing are carried out in accordance with the requirements of the Road Transport legislation and the Council's Operators' Licence.
- Testing of taxis, and monitoring of minibuses and PSV vehicles in line with the Council's contracts

The Journeys and Hire Team is responsible for tasks including:-
- Liaising with SPT to provide free school transport
- Procuring and monitoring contracts for transport for vulnerable service users
- Managing the Council's bus fleet and drivers

**1.4**      Transport use a fleet management system called Fleetwave to help them achieve the above tasks, monitor deadlines, monitor costs etc.

## 2      Objectives and Scope

**2.1**      An audit covering the services provided by the Journeys and Hire Team was undertaken in 2018/19, therefore this audit has focussed on the tasks performed by the Operations Team.

**2.2**      The main objectives of this audit were to ensure that:
- The information held within Fleetwave is accurate
- Processes are in place to ensure the Council meets its legal obligations with regards the fleet.
- The procedures surrounding fleet disposals are robust
- Consideration has been given to integrating Fleetwave with other Council systems to realise any efficiencies

## 3      Findings

### Accuracy of data in Fleetwave

**3.1**      Every vehicle, plant and item of greenspace equipment that Transport are responsible for is recorded on Fleetwave. Servicing, MOT and road tax schedules are set up against every item, so that the system can be used to monitor when these become due.

**Fulfilment of legal obligations**

**3.2**   Road Transport legislation and the Council's Operators' Licence set out specific timeframes for completing checks such as MOTs and servicing on fleet vehicles. These are mandatory and must be achieved.

**3.3**   One of the management tools within Fleetwave is the ability to tailor KPIs to report on any data held within the system. As key dates for each vehicle are noted on the system, Transport have been able to create KPIs that monitor the number of days until each vehicle reaches these specific dates.

**3.4**   A sample of 6 KPIs was selected for testing during the audit, with a focus being on those that were overdue. Discussions with staff confirmed that these issues were in hand, and no audit concern was raised.

**Disposals**

**3.5**   Transport have a detailed procedure in place to ensure all necessary steps are taken during the disposal process, including:-
- Evidence to confirm that disposal is the best option for the vehicle/plant
- Ensuring a SORN is completed for the vehicle (to ensure Council has any remaining road tax refunded),
- Ensuring a V5 transferring ownership has been completed,
- Marking the vehicle as disposed on Fleetwave.
- Ensuring approval for the disposal has been obtained

**3.5**   A sample of 5 disposals made during 2018/19 was selected for audit testing. No issues were noted during testing.

**Fleetwave efficiencies**

**3.6**   At present Fleetwave is not linked to Integra. As a result, invoices must be manually approved and then keyed twice – once into Fleetwave and then into Integra. This is time consuming and increases the risk of human error. **(action point a)**

## 4   Internal Audit Opinion

**4.1**   Overall, substantial assurance was obtained with regard to the areas reviewed at the Transport Hub.

**4.2**   Fleetwave, the fleet management system plays a key part in helping Transport fulfil their role. Transport recognise the capabilities of Fleetwave and are proactive in continuing to develop the system to attain further benefits going forward.

| Action | a |
|---|---|
| Finding | Double keying of invoices due to Fleetwave and Integra not being linked. |
| Action Description | The creation of a feeder between Fleetwave and Integra should be investigated to allow invoice information from Fleetwave to be automatically transferred into Integra. |
| Risk | Double keying increases the risk of human error; inefficient use of officer time. |
| Priority (1, 2, 3) | 3 |
| Managed by | Head of Service (Financial and Customer Services) |
| Assigned to | Senior Manager (Procurement) and Corporate Transport Manager |
| Due Date | 30 November 2019 |
| Management Comment | The business case for an interface between Fleetwave and Integra will be considered. |

**Priority Key used in Action Plan**

| 1 (High) | Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention. |
|---|---|
| 2 (Medium) | Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives. |
| 3 (Low) | Minor weakness or points for improvement. |

# BETTER OFF NORTH AYRSHIRE

## 1    Background

**1.1**    Better Off North Ayrshire (BONA) is a European Social Fund Poverty and Social Inclusion programme, funded via the National Lottery Communities Fund (NLCF) i.e. the EU grant is claimed by the NLCF as the Lead Partner and North Ayrshire, together with 4 other consortia in Scotland, claims funding from the NLCF.  Better Off helps North Ayrshire residents who are lone parents or living in low income or non-working households to improve their financial circumstances through a package of financial services.

**1.2**    Better Off North Ayrshire set out to deliver a different type of financial inclusion service – a more holistic approach which aims to get to the heart of the challenges people face, overcome barriers and provide support to improve financial capability and reduce risk of financial crisis situations arising in the future.  The programme has saved residents over £2million so far, through newly identified benefit entitlements and assistance with applications, write-off of debts, assistance applying for energy efficiency grants and other improvements in management of their personal finances.

**1.3**    A Programme Manager within the Employability and Skills team at North Ayrshire Council is responsible for overseeing the programme on a day-to-day basis.  Work is undertaken by partner organisations such as the Community Housing Advocacy Project (CHAP), ANCHO Housing Association and 1st Alliance Credit Union to assist clients in preparing an action plan to improve their financial situation.  The funding is claimed for each action plan prepared on a unit basis and can be claimed as a Stage 1 or Stage 2 claim, depending on the level of intervention completed, where Stage 2 will attract a higher level of funding.    The Council pays the partners for their participation in the programme based on actual costs incurred, rather than a unit cost model.

**1.4**    There has been a significant time lag in the NLCF paying the grant to all the consortia, not just North Ayrshire.  The funding model for the programme was revised in late 2018 and a new contract agreed with the NLCF, which included lower KPIs, new unit costs and new payment mechanisms.  The NLCF audit 100% of claims and have rejected or asked for additional information on many of the individual claims. Guidance around compliance and paperwork has changed throughout the programme, meaning significant numbers of cases have had to be discounted from future claims.  The time lag has led to an accrual of £813,920 being made in the Council's accounts for the grant applied for but not received.

## 2    Objectives and Scope

**2.1**    The objectives of the audit were to ensure that:
- the Council and its partners are taking all reasonable steps to comply with funder requirements
- proper programme management measures are in place
- the Council has suitable arrangements in place to control risks associated with partnership working
- anticipated income in the Council's accounts is realistic

## 3    Findings

**Compliance and Funder Requirements**

**3.1**    Feedback received from NLCF and changes to guidance are relayed to partner organisations through regular contact, including development days and steering group meetings. The Programme Manager has issued materials including PowerPoint presentations and checklists to the delivery partners to assist them in meeting the funder requirements.

**3.2**    A sample of 11 claim files was reviewed, together with feedback received from NLCF – 10 from Claim 3 (prepared by ANCHO and CHAP) and 1 from Claim 4 (prepared by 1st Alliance Credit Union). Claim 4 is still subject to a final decision by NLCF. In general, it was noted that the decision-making, particularly regarding whether the level of intervention is suitable for a Stage 1 or 2 payment, was very subjective. Therefore, it was seen that, although the reasons to decline or reduce payments given by NLCF were often accurate, it was nonetheless reasonable for BONA to have submitted those cases at Stage 1 or 2 (as outlined at 1.3 above).

**3.3**    It was also noted that file notes are being requested by NLCF for all errors identified in the files, for example a small and clear typographical error in the address of a claimant. This activity is time consuming and for internal Council processes would be viewed as poor use of officer time. There is a risk that, in future claims, Better Off North Ayrshire are unable to complete all required corrections due to lack of resources.

**3.4**    The Council has another programme funded from the ESF Poverty and Social Inclusion fund. In this case, the Council is the Lead Partner and claims grant directly from the Scottish Government's European Structural Funds Division (the Managing Authority or MA). Information from the MA's most recent audit of a claim was reviewed. The MA checked claim files on a sample basis. They gave the programme 2 opportunities to correct issues identified and were willing to accept minor discrepancies which did not have a material effect on the evidence supporting the claim.

**Programme Management**

**3.5**    Reporting arrangements, both from delivery partners to the Council and within the Council, were reviewed and found to be adequate. The risk register for the programme was reviewed. It included mitigating actions with named responsible officers and was regularly updated with progress on actions and emerging risks. It is clear that Employability and Skills have monitored the programme closely and been proactive in trying to mitigate the issues that have occurred.

**Partnership Arrangements**

**3.6**    Contracts were signed with all delivery partners, which covered areas such as:
- Agreed roles of each partner
- Expected outcomes and monitoring arrangements
- Compliance with ESF requirements such as record-keeping
- Compliance with legislation such as equality and data protection
- Payment arrangements
- Arrangements for dispute resolution
- Early termination of the agreement

**3.7**   2 of the initial partners withdrew from the programme because of other issues within those organisations. Due to the issues with funding, the contracts with delivery partners have been kept under review and some of the partnership arrangements have been terminated by mutual agreement, in accordance with the signed agreements, to minimise expenditure where the performance in recruiting clients requiring the intended level or type of support was not sufficient.

**Financial Accounting for Income**

**3.8**   An accrual for £813,920 of anticipated grant income relating to activities during 2018/19 but not yet received at 31/3/19 was made in the Council's accounts. Discussions were held with the Senior Manager (Employability & Skills) and the Accountant responsible for that service, about how the accrual amount was calculated, and calculation spreadsheets were examined.  It was concluded that the methodology used to calculate the accrual was reasonable given the information available at the time.  The accrual was based on a lower success rate in having claims approved than had been experienced in the most recent claim at the time.   At the time of writing, feedback received on Claim 4 indicates that this lower success rate may not be achieved.  However, this could not have been known at the time that the accrual was calculated.

## 4        Internal Audit Opinion

**4.1**   Overall, substantial assurance was obtained with regard to the Better Off North Ayrshire programme.  This programme has faced significant problems in satisfying the requirements of the funder, in order to receive the anticipated grant income. Conversely, it has been very successful in helping many of the most disadvantaged people in North Ayrshire and saved these residents over £2million through newly identified benefit entitlements and assistance with applications, write-off of debts and other improvements in management of their personal finances.

**4.2**   The audit focussed on whether all reasonable measures had been taken within the Council to manage the programme and the risks associated with it and it was concluded that, indeed, good practice in project management and risk management had been demonstrated.  A reasonable methodology, based on the data available at the time, was used to calculate the accrual included in the Council's accounts at the end of the 2018/19 financial year. No audit actions have been identified.