

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;

- 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 be 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.