

Scrutiny Committee
7 November 2011

IRVINE, 7 November 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

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

In Attendance

I. MacKay, Solicitor to the Council (Corporate Services); Y. Baulk, Head of Finance, C. Hatton, Head of Environment and P. Doak, Senior Manager (Internal Audit and Risk Management) (Finance and Infrastructure); J. M. Macfarlane, Head of Human Resources, S. Bale and M. Adams, Policy and Performance Officers, K. Dyson, Communications Officer and A. Little, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Hunter in the Chair.

Apologies for Absence

Anthony Gurney

1. Declarations of Interest

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

2. Minutes

The Minutes of the previous meeting of the Committee held on 10 October 2011 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Audit Scotland Report: Scotland's Public Finances - Addressing the Challenges

Submitted report by the Corporate Director (Finance and Infrastructure) on the content of the recently published Audit Scotland report.

The Audit Scotland national study 'Scotland's Public Finances - Addressing the Challenges', published on 25 August 2011, provides an overview of the financial environment and the cost pressures currently facing the public sector in Scotland.

The Audit Scotland report was attached as an appendix and outlined what action the public sector is taking in response to current and future budget reductions and a number of key issues that the public sector needs to manage in responding to the challenges.

In relation to the current financial climate, the Audit Scotland report highlighted that funding to local government has reduced in real terms by 5% in 2011/12. All Councils received a reduction in revenue funding of between 2% and 6%. Reductions in capital budgets were more severe, ranging between 11% and 25%. The report categorised the cost pressures currently facing the Scottish public sector into six key areas - demand; financial; workforce; investment; maintenance of asset; and environmental.

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

- the benefit of reports at an early date;
- the publication timescale prior to the release of settlement information in September; and
- the provision of information to Members on the consideration of Audit Scotland reports by other Councils.

The Committee (a) recorded its dissatisfaction with the publication date of Audit Scotland's Report Scotland's Public Finances - Addressing the Challenges; and (b) requested the Corporate Director (Finance and Infrastructure) make representations to Audit Scotland on this matter.

4. Internal Audit Interim Quarterly Report

Submitted report by the Corporate Director (Finance and Infrastructure) on the internal audit reports published since 1 August 2011.

The Council's local Code of Corporate Governance requires effective arrangements to be in place for the objective review of risk management and internal control. The Internal Audit Section reviews internal controls and provides an objective and independent appraisal of how effectively resources are being managed.

Since August 2011, eight internal control reviews have been completed. The results of each Internal Audit assignment have been notified in writing to the relevant Corporate Directors and service managers and, where appropriate, action plans detailing recommendations for improving internal control have been produced. Executive Summaries and Action Plans for each of the areas reviewed were appended to the report.

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

Overtime Claims (Building Services)

- the examination of overtime claims over a specific 4 week period in respect of 19 employees;
- the use of the Tracker system to corroborate overtime claims;
- the value of the overtime claims examined;
- disciplinary action in respect of 8 employees;
- the provision of training for supervisors;
- future sample checking of timesheets;
- the use of IT systems to speed up the issue of job tickets; and
- 19 recommendations to strengthen the systems in place for scheduling and recording work, the supervision of operatives and the authorisation of overtime.

Review of Ordering, Receipt and Payment of Goods (Financial Services)

- circulation of a reminder to staff that invoices are passed for payment promptly, coded to the appropriate finance codes and that the 'Completed By' section of the batch header should be completed; and
- the increased usage of PECOS by services.

Creditors Masterfile Changes (Financial Services)

- the provision of Masterpiece updates as part of the maintenance agreement; and
- the introduction of manual processes to ensure the system is robust.

Procurement Savings (Financial Services)

- work to improve the process for reporting of savings.

Treasury Management Access Controls (Financial Services)

- a system update for the Council's internet banking system that requires Council employees to change their passwords regularly.

Statutory Performance Indicators (SPIs) 2010/11 (Chief Executive's Service)

- the random selection of SPIs by Internal Audit; and
- the requirement for more detailed written procedures by some services.

The Committee agreed (a) to note the information presented; and (b) that the audit report in respect of the purchase of an absence management reporting tool be continued to a future meeting.

5. BV2 Improvement Plan, Council Plan and SOA Action Plan: Progress Update

Submitted report by the Chief Executive on progress in implementing the BV2 Improvement Plan 2011/12, the Council Plan Action Plan 2011/12 and the SOA Action Plan 2011/12 as at 30 September 2011.

The 6-monthly update of progress on the BV2 Improvement Plan shows overall progress as being 68%. Progress on each of the 100 actions was detailed in Appendix 1 to the report, including information on the action being taken to address any delays. The expected outcomes shown for the 100 actions in the improvement plan indicate:-

- 93 are complete or on target (i.e. expected to be completed in line with the original plan);
- 4 are slightly adrift of target; and
- 3 are significantly adrift

Further information was provided at sections 2.4 and 2.5 of the report on the actions and sub actions which are, respectively, slightly adrift and significantly adrift of target.

Appendix 2 to the report summarised progress in relation to each of the 44 actions in the Council Plan Action Plan 2011/12. Overall progress on the Plan is 68% and, in terms of individual actions:-

- 43 are complete or on target (i.e. expected to be completed in line with the original plan);
- 1 is slightly adrift of target; and
- none are significantly adrift of target

Section 2.9 of the report provided further information on the single action in respect of exploring the use of the voluntary sector in raising attainment, which is slightly adrift of target.

Appendix 3 to the report provided an update of progress in relation to the 29 actions and 57 sub actions of the SOA Action Plan. Overall progress is 62% and, in terms of individual actions:-

- 78 (91%) are complete or on target (i.e. expected to be completed in line with the original plan);
- 8 (9%) are slightly adrift of target; and
- none are significantly adrift of target

Section 2.13 of the report provided further information on actions and sub actions which are slightly adrift of target.

Members asked questions and received further information in respect of progress with regard to the appointment of a change manager for children with complex needs and the confirmation of this to Members.

Noted.

6. Annual Equality Report

Submitted report by the Chief Executive on the Annual Equality Report.

The Scrutiny Committee on 28 February 2011 approved the Council's Annual Equality Report for 2009/10 and noted that the minutes of the Corporate Equality Group would be submitted for information to the Executive in future.

The Annual Equality Report 2010/11 provided information on the Council's performance in promoting equality and implementing the public sector equality duties over the period April 2010 to March 2011. The report highlighted some key achievements during the year and analyses the quality monitoring information gathered. The annual report was attached at Appendix 1.

The Scottish Government is currently carrying out a further consultation on the duties to be included in the Public Sector Equality Duty Regulations. The key elements of the new duties for the Council are:

- publishing equality outcomes, based on evidence and involvement of equality groups and communities;
- reporting on mainstreaming;
- considering the impact on equality of policies and practices; and
- gathering and publishing employment data.

The new duties propose that the Council publishes its equality outcomes by December 2012. The Corporate Equality Group will be responsible for developing this work.

Noted.

7. Workforce Strategy

Submitted report by the Chief Executive providing an update on the Corporate Workforce Strategy.

During 2011 the Strategy was revisited to support the Council's transformational change programme. The report provided an update on how the various strands of the Workforce Strategy have progressed during 2011 and information on additional projects that have commenced during the year.

A brief synopsis of each of the main strands of the Corporate Workforce Strategy was provided:-

- Personal Development Review (PDR)
- Performance & Personal Development (PPD)
- Competency Based Recruitment & Selection
- Middle Management Development Programme;
- Strategic Leadership Programme;
- Workforce Rightsizing;
- Maximising Attendance;
- Employee Recognition; and
- Council Wide Workforce Survey.

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

- the effect of workforce rightsizing on staff absence rates;
- strengthening of the recruitment process by the introduction of Competency Based Recruitment that ensures candidates have the relevant experience, and can demonstrate the behaviours which are expected of North Ayrshire Council employees;
- a Council wide workforce survey to ascertain the views of the workforce on the Council as an employer;
- the introduction of an Employee Recognition Scheme with five recognition categories;
- the incorporation of the Awards Ceremony for employees who had gained a qualification supported by the Council and Excellence Awards for teams who had achieved external awards into the Employee Recognition Scheme; and
- budgetary provision for the Middle Management Development Programme, the Strategic Leadership Programme and the Workforce Survey.

Noted.

8. Climate Change Declaration: Annual Progress Report

Submitted report by the Chief Executive on the Climate Change Declaration: Annual Progress Report.

On 13 September 2011, the Executive considered a progress report against the commitment made in the Climate Change Declaration and agreed (a) to note the progress against the commitments in Scotland's Climate Change Declaration; (b) remit this report to the Scrutiny Committee for its information; and (c) that future reports include some measurement of the financial implications of the actions being taken in relation to the Climate Change Declaration.

All 32 local authorities in Scotland have signed up to "Scotland's Climate Change Declaration". The Declaration acknowledges that local authorities accept that climate change is occurring and commits local authorities to take action to both mitigate and adapt to climate change. The Scottish Government also introduced the Climate Change Act 2009, which includes a statutory target to reduce Scotland's greenhouse gas emissions by at least 80% from the 1990 baseline by 2050 and an interim target of 42% emissions reduction by 2020.

When the last annual report was submitted to the Executive on 31 August 2010, the Executive agreed that a Climate Change Action Plan be drawn up for 2010/11 so that the next annual report can better measure progress on whether targets and outcomes have been achieved. The Council has made progress in meeting its commitments in the Climate Change Declaration in year 2010/11, as shown in the attached Action Plan at Appendix 1. Continuing or new actions for 2011/12 were set out at Appendix 2.

The main action to meet the Council's commitments in terms of climate change, is the Carbon Management Strategy and Implementation Plan which is reviewed annually. The aim of the Plan is to reduce the Council's overall carbon emissions. For 2010/11, the overall carbon emissions amounted to an estimated 61,565 tonnes exceeding the target of 62,844 tonnes, which equates to exceeding the target by 3.1%.

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

- the provision of information to Members on improvements to existing heating controls to reduce consumption in respect of Cunninghame House;
- the identification of an area in North Ayrshire for the creation of wet woodlands as a flood prevention measure; and
- the ongoing "virtualisation" project to reduce the number of servers within the data centre.

Noted.

9. Ayrshire Valuation Joint Board Minutes

Submitted report by the Chief Executive on the Ayrshire Valuation Joint Board Minutes.

The Committee agreed to (a) note the Minutes; and (b) invite the Assessor to a future meeting of the Committee to provide information on the work of the Ayrshire Valuation Joint Board.

The meeting ended at 3.10 p.m.