

Audit and Scrutiny Committee 26 March 2019

IRVINE, 26 March 2019 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present

Marie Burns, Margaret George, Joy Brahim, Alan Hill, Tom Marshall, Donald Reid and John Sweeney.

In Attendance

L. Friel, Executive Director, P. Doak, Senior Manager (Internal Audit, Risk and Fraud) and B. Quigley, Team Manager (Systems) (Finance and Corporate Support); S. Brown, Director (Health and Social Care Partnership); C. McAuley, Head of Service (Economic Growth) and J. Miller, Senior Manager Planning (Economy and Communities); and A. Fraser, Head of Democratic Services and A. Little, Committee Services Officer (Chief Executive's Service).

Also in Attendance

Martin Clark (Deloitte LLP) and Daniel McGreish (Petition – Seafield House, Ardrossan)

Chair

Councillor Burns in the Chair.

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. Minutes

The Minutes of the meeting of the Audit and Scrutiny Committee held on 29 January 2019 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Petition – Seafield House, Ardrossan

Submitted report by the Chief Executive on a petition of 200 signatures that had been received requesting the Council to take a number of actions in respect of Seafield House, Ardrossan. The report outlined the terms of the petition and areas of the petition that were out with the powers of the Council. The areas of the petition before the Committee for consideration were detailed as shown below:-

- To take action to ensure the fire damage to Seafield House (School) building is repaired soon by the owners where insured, following the recent fire; and
- It be determined whether there is a reliable commitment by owners to save, restore and convert the building for a future use including possible, sub division as flats, or otherwise.

A briefing note by the Head of Economic Growth was attached to the report as an appendix.

Mr McGreish, a local resident supporting the petition, outlined his concerns regarding the building and site. He stated that the owners appear to be unable to carry out due diligence and duty of care for the building, which in his view was an iconic example of Scottish baronial architecture in the local area. The fabric of the building is declining due to a fire that damaged the roof and lack of maintenance. The building now attracts anti-social behaviour which overflows into the local area. Whilst workmen have attended to board up openings in the building, the Council's suggestion of metal boarding to prevent break-ins has not been undertaken. There has been no development of the site and it was his view that the building will deteriorate to such an extent that it will require to be demolished.

The Senior Manager Planning Services referred to the briefing paper that outlined the current condition of the site and the work done by the Council to date. He provided information on:-

- the history of the site;
- the involvement of Planning Services in making the owners aware of concerns about the condition of the building and how to make the site secure;
- the powers available to a Planning Authority, in respect of Listed Buildings;
- complaints regarding the condition of the building and actions taken by the owners to secure the building and site; and
- discussions with the owners on the plans for development of the site, although to date no application for planning permission has been received.

Photographs of the building, taken in March 2019, were displayed to allow the Committee to see the current condition of Seafeld House.

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

- the common building practice of retaining demolition materials and rubble on-site to allow for reuse;
- the requirement to serve a Repair Notice on owners to give them an opportunity to carry out specified works or repairs, prior to the compulsory purchase of a Listed Building in need of repair.
- the effect of market forces on the commercial viability of development of the site;
- previous discussions with the owners of the building and a further meeting to be arranged to discuss their proposals for Seafeld House;
- Section 179 of the Town and Country Planning (Scotland) Act which allows a Planning Authority to take action against a site which is of a condition held to cause harm to amenity;
- regular visits by officers to the site to assess the condition of the building;
- requests to the owner for repairs that have been undertaken;

- a Compulsory Purchase Order which would apply only to the building and not the whole site, negating the value of the building and affecting development opportunities.
- the fact that demolition of Listed Buildings is not supported in principle by the Planning Authority or the Scottish Government, unless it can be demonstrated that the building is incapable of further use; and
- increased fencing and/or security that could help prevent anti-social behaviour and that could be explored with the owners.

The Committee agreed (a) to note Planning Services' actions to date in respect of the property; (b) that Planning Services again contact the owner to (i) seek assurances regarding the long term condition of the building and any proposals to develop the property; and (ii) recommend increased fencing and/or security to further secure the site; (c) that Planning Services continue to inspect the property as necessary to ensure that the minimum steps have been taken to prevent further deterioration of the building; (d) that Planning Services seek authority from the Planning Committee for the issue of notices available under the powers available to the Planning Authority, as considered necessary and including a Section 179 of the Town and Country Planning (Scotland) Act; (e) that Planning Services explore the option of a Compulsory Purchase Order and subsequent sale to a third party (a back-to-back arrangement); and (f) that a update be provided to the Committee at the September meeting.

4. Planning Performance Framework

Submitted report by the Executive Director (Economy and Communities) on the positive feedback received from the Scottish Government on the Council's Planning Performance Framework 7 submission. Appendix 1 to the report detailed the feedback on the Performance Markers, with all applicable Markers rated as green.

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

- the benefits to the local economy as a result of the quick turnaround of planning applications within North Ayrshire;
- proactive work with landowners and stakeholders and the addition in the Local Development Plan 2 of some additional sites to make them more attractive and viable for development; and
- the success of the Planning Service in being shortlisted for UK Planning Team of the Year.

The Committee congratulated Planning Services on the excellent feedback received from the Scottish Government and their achievement in receiving the best Planning Performance Framework report in Scotland

Noted.

5. Brexit Quarterly Update

Submitted report by the Head of Democratic Services on the work the Council is doing in preparation for Brexit and the risks to North Ayrshire associated with a Negotiated Deal and a No Deal Brexit.

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

- regular meetings of the Election Team and the fact that an Election Plan is in place;
- funding for elections that is generally externally funded;
- no further details regarding the UK Shared Prosperity Fund and no additional costs for the Council to date;
- resilience planning arrangements that are being activated to identify the local context, risk and mitigation of Brexit; and
- the Council's insurance that will cover schools on overseas trips within the Europe.

Noted.

6. HSCP Operational Budget Management

Submitted report by Caroline Whyte, Chief Finance and Transformation Officer on the projected financial outturn for the financial year as at December 2018. Appendix A to the report provided the financial overview of the partnership position. Detailed analysis was provided in Appendix B, with full details of savings provided at Appendix C. The progress of the Recovery Plan was outlined at Appendix D and Appendix E highlighted the movement in the overall budget.

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

- Vacancy Scrutiny Panels that manage vacancies by determining which posts require to be filled to prevent an impact on front line services;
- Council or NHS Ayrshire and Arran employment contracts for new staff as the IJB is not an employing body;
- the setting of the NHS budget and the provision of more detail in NHS financial reports;
- additional payments within Primary Medical Services to GP practices currently experiencing difficulty; and
- a backlog in assessments for Free Personal Care.

The Committee commended the Health and Social Care Partnership on the progress being made in delivering financial balance.

The Committee agreed to (a) continue to receive regular financial reports from the HSCP; and (b) to otherwise note the report.

7. External Audit Plan

Submitted report by the Executive Director (Finance and Corporate Support) on the External Audit plan for 2017/18, attached at Appendix 1, which summarised Deloitte LLP's assessment of the key risks and challenges facing the Council and the audit work proposed in the 2018/19 financial year.

Members asked questions and were provided with further information in relation to specific testing that will be undertaken in relation to the key risks of recognition of grant income and management override of controls.

The Committee agreed (a) to receive an Interim Report to the Committee in June 2019 and the Annual Audit Report in September 2019; and (b) to otherwise note the report.

8. Internal Audit Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed during January and February 2019. Appendix 1 to the report provided details of six audit assignments, together with their respective executive summary and action plans.

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

- the introduction of an automated process to control and remove access to IT systems for employees moving roles within the Council and leaving the Council;
- spot checks of the access rights of employees who have moved roles and those who have left the Council that will be undertaken by Internal Audit;
- the establishment of a Project Team, involving HR, IT and Payroll and representatives from key Council systems to ensure appropriate processes are in place;
- the discontinuation of GCSX email and the instruction that users should advise their contacts to stop using this address; and
- additional resources that will be brought in to assist the work of the HSCP Finance Team to ensure invoices are raised for chargeable services.

Noted.

9. Internal Audit and Corporate Fraud Action Plans: Quarter 3 Follow Up

Submitted report by the Executive Director (Finance and Corporate Support) on the progress made by Council services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 31 December 2018. Full details of the three actions that were not completed within the required timescales were provided at Appendix 1 to the report.

Noted.

10. Internal Audit Plan 2019/2024

Submitted report by the Executive Director (Finance and Corporate Support) on the proposed Internal Audit Plan for 2019 – 2020. Appendix 1 to the report provided a full list of auditable areas and an indicative programme of work for Internal Audit for the 5-year period from April 2019 to March 2024. The detailed audit plan for 2019-20 was outlined at Appendix 2 to the report.

The Committee agreed to (a) approve the Internal Audit Plan for 2019 – 2020; and (b) note (i) the indicative programme for 2020 – 2024 and (ii) the indicators and targets as detailed at 2.8 of the report.

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

11.1 Corporate Fraud Reports

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

Noted.

The meeting ended at 12 noon.