

Audit and Scrutiny Committee
15 November 2022

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means and physical attendance within the Council Chambers, Irvine.

Present (Physical Participation)

John Bell, Donald Reid, Eleanor Collier, Matthew McLean, Davina McTiernan and John Sweeney.

Present (Remote Participation)

Tom Marshall.

In Attendance (Physical Participation)

R. McCutcheon, Executive Director, Y. Baulk, D. Hammond, T. Reaney and C. McAuley, Heads of Service, C. Dempster, Senior Manager and M. McNeil, Manager (Place); Caroline Cameron, Director, and K. Logan, Senior Manager (HSCP); A. McClelland and R. Arthur, Heads of Service (Communities); M. Boyd, F. Walker, and A. Craig, Heads of Service, D. Forbes, L. Miller, and J. Hamilton, Senior Managers, D. McCaw and H. Clancy, Committee Services Officers (Chief Executive's Service).

Also in Attendance (Physical Participation)

T. Biondi and G. Milliken (Petitioners, Kilwinning) and W Frew (Petitioner, Irvine).

Also in Attendance (Remote Participation)

P. Kenny (Deloitte) and G. Houston (Petitioner, Saltcoats).

Chair

Councillor Bell in the Chair.

Apologies

Cameron Inglis and Ian Murdoch.

1. Chair's Remarks

The Chair agreed, in terms of Standing Order 10.8, that two further petitions, on Proposed Car Parking Charges: East Road, Kirkgate and West Road, Irvine and Proposed Car Parking Charges: Saltcoats Town Centre and Surrounding Areas be considered as urgent items and, in terms of Standing Order 10.5, further agreed to vary the order of business to allow the urgent items to be considered at Agenda Item 4 (Petition: Proposed Car Parking Charges: Owenward East and Almswall Road Car Parks, Kilwinning) as the terms of both Petitions were the same in essence as the Kilwinning Petition.

2. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 11 and Section 5 of the Code of Conduct for Councillors.

3. Minutes

The Minutes of the Meeting of the Audit and Scrutiny Committee held on 27 September 2022 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4. Annual Report on the 2021/22 Audit

Submitted report by the Head of Finance on the Annual Audit report for 2021/22 and receive verbal report by the external auditor. Appendix 1 to the report detailed letters of representation to be signed by the Head of Finance as the responsible officer for North Ayrshire Council. The External Auditor's report, which summarised the findings of their audit, was attached as Appendix 2 to the report.

Pat Kenny of Deloitte provided a verbal report on the appendices to the report, including highlighting quality indicators in terms of the impact on the execution of their audit and also the two significant risk areas namely (1) Recognition of Covid-19 Related Income, and (2) Management Override of Controls which were both "green" and satisfactory.

The Committee agreed to (a) note the findings of the 2021/22 audit of the financial statements as contained in the External Auditor's annual report at Appendix 2; (b) note the agreed Action Plan as outlined on Page 30 of the Final Report; and (c) approve the audited Annual Accounts for signature.

5. Accounts Commission's Report: Scotland's Financial Response to Covid-19

Submitted a report by the Head of Service (Finance) on the findings of the recently published Accounts Commission report. A link to the full report was provided within the Executive Summary which reflected on the impact of the Covid-19 pandemic on the Scottish Government, Councils and other public sector bodies including fiscal context in which these bodies operated and the ongoing development and implementation of plans for financial recovery.

Members asked a question and were provided with further information in relation to processing and conditions concerning the allocation of business grants.

The Committee agreed to note (i) the findings of the Accounts Commission report; (ii) the recommendations contained in the report; and (iii) North Ayrshire's approach in relation to the recommendations.

6. Year End Performance Reporting: Council Plan Year End Progress Report 2021-22, Annual Performance Report 2021-22 and Local Government Benchmarking Framework (LGBF) Report 2020-21

Submitted report and received a presentation by the Head of Service (Democratic) on progress with the Council Plan priorities. The Council Plan Year End Progress Report and supporting performance measures were set out in Appendices 1, 2 and 3 to the report. Appendix 4 to the report detailed the Council Plan Annual

Performance Report while Appendix 5 detailed the status of the Council's performance indicators within the 2020-21 LGBF.

The Committee agreed to note (i) the Council Plan year End Progress Report and supporting performance measures as set out at Appendices 1,2 and 3 to the report; (ii) the Council Plan Annual Performance Report as set out at Appendix 4 to the report; and (iii) the status of the Council's performance indicators within the 2020-21 LGBF report as set out at Appendix 5 to the report.

7. Petitions: Proposed Car Parking Charges

Submitted three reports by the Head of Service (Democratic) on the terms of petitions received in respect of car parking charges at (i) Oxenward East and Almswall Road Car Parks, Kilwinning and requesting that the Council maintain free parking in Kilwinning; (ii) East Road, Kirkgate and West Road, Irvine and requesting that the Council maintain free parking in Irvine; and (iii) Saltcoats Town Centre and surrounding areas and requesting that the Council maintain free parking in Saltcoats. The reports outlined full details of each petition.

The Head of Service (Democratic) outlined the process for consideration of the petitions, whereby each petition would be taken in turn, with petitioners allocated ten minutes each to address the Committee and answer any questions. The Head of Service (Commercial) would then address the Committee in response to the three petitions.

(i) Owenward East and Almswall Road Car Parks, Kilwinning

The principal spokespersons, Tom Biondi and Graham Milliken, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the total number of signatures having risen to more than 2,900 written and 1,933 online;
- North Ayrshire's Fair for All vision in terms of working together, engaging and supporting local communities;
- the Town Centre Parking Strategy 2014-2020, which stated that parking would be free;
- the lack of consultation on the introduction of parking charges;
- the creation of inequality, with parking charges not applicable for all towns in North Ayrshire;
- the impact on local business income in Kilwinning;
- that Kilwinning and its surrounding areas were identified as a significant area of deprivation within the Scottish Index of Multiple Deprivation;
- the ongoing struggle of local businesses and residents in terms of the cost-of-living crisis and recovery from the Covid-19 pandemic; and
- existing customers having stated they would shop elsewhere if charges were to be introduced.

The spokespersons gave examples of how local residents would be affected by the introduction of parking charges.

The Committee then proceeded to hear the terms of the second petition.

(ii) East Road, Kirkgate and West Road, Irvine

The principal spokesperson, William Frew, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the ongoing struggle for small local businesses in the area;
- the disruption and lost business arising from the recent regeneration of the high street area;
- the slow recovery for businesses following the Covid-19 pandemic;
- hardship in relation to the cost-of-living crisis;
- the increase in overheads for businesses;
- the unfair advantage to larger shops with free parking areas if charges were introduced elsewhere in the town;
- the demise of the Kilmarnock and Ayr Town Centres following the introduction of pay-and-display parking charges; and
- the lack of consultation with regard to the introduction of the parking charges.

The Committee then proceeded to hear the terms of the third petition.

(iii) Saltcoats Town Centre and Surrounding Areas

The principal spokesperson, Gerard Houston, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the total number of written signatures having risen to more than 4000;
- the effect of the Covid-19 pandemic and the cost-of-living crisis on local businesses;
- that access to short stay parking/pick ups would be essential to keep small businesses running;
- that independent family-run businesses would be affected by the parking charges and not larger businesses;
- the reliance on the car parks for staff parking, when staff were also struggling with cost-of-living rises;
- the potential for encouraging parking in residential areas, which would cause additional difficulties in the town;
- existing restrictions in Dockhead Street, Saltcoats and the extension of the restricted vehicular access between 10am and 4pm, which already affected footfall for local businesses; and
- the lack of consultation with local traders and the general public.

The spokesperson provided details regarding a meeting to be held in the Argyle Centre, Saltcoats for the general public and traders, with invitations being extended to all local Councillors and MPs.

Members asked questions of all spokespersons and received responses in relation to:-

- the initial proposal approved in 2019 which was delayed due to the Covid-19 pandemic;
- the number of car parks in the local areas which were already short-stay and time-limited; and
- whether petitioners considered that penalties should be imposed on those who parked all day in short stay car parks or whether there should be no limitation on any car park.

Spokesperson responses additionally mentioned Kirkgate, Irvine parking being utilised for school pickups, the use of the East Road car park, Irvine, for the Portal and the view that the College in Kilwinning should have more adequate parking provision for their specific use on campus.

A briefing note by the Head of Service (Commercial) was detailed at Appendix 1 to the report. This provided background information on Decriminalised Parking Enforcement (DPE) and the proposed introduction of car parking charges, a key outcome of which would be improved regulation of traffic in town centres by directing long-stay patrons to free parking slightly further out while providing chargeable and short-stay parking close to retail and other town centre services. The proposals would also encourage alternative more active and sustainable modes of transport and aimed to reduce the volume of traffic travelling through town centres by facilitating the use of public transport. Information was also provided in relation to movement within car parks, where parking charges would help with vehicle turnover, use of disabled parking bays, and the ban on pavement parking to be introduced in late 2023.

The Council meeting, at its meeting on 21 September 2022, agreed that, in the light of the deepening financial crisis, a proposal be brought back to Cabinet to reconsider the level of charges proposed in the 2022/23 budget. This report would be submitted to Cabinet in January 2023, following Elected Member Engagement Sessions in December 2022.

Members asked questions of the Head of Service (Commercial) in relation to:-

- previous methods of consultation with Elected Members on charges to be applied;
- the location of the one-hour free parking in Kilwinning where a response would be provided to Members;
- monitoring of car park usage where charges were to be applied;
- Elected Member engagement sessions which would include information on resident parking permit requirements;
- the feasibility study model and assumptions around fines and collection rates;
- the estimated costs in connection with Wardens (in the region of £120,000);
- a post pandemic review of town centre footfall which indicated more normal parking behaviours;
- reports on all the car parks in terms of usage and capacity; and

- the current position regarding on street parking charges.

Councillor Sweeney, seconded by Councillor McLean, moved that the Committee accept the three petitions and ask Cabinet to note their content when considering the report on the level of car parking charges at their meeting on 24 January 2023. As there was no amendment, the motion was declared carried.

The Head of Service (Democratic) further clarified to the petitioners that, while additional petition signatures could continue to be collected, the petition had been accepted by the Audit and Scrutiny Committee and there would be no further consideration of the petitions regardless of any increase in signatories.

In terms of Standing Order 6.8, the Chair agreed that the meeting be adjourned at 11.30 a.m. for a short comfort break. The meeting reconvened at 11.40 a.m. with the same Members and officers present and in attendance (as previously by remote electronic means or in person).

8. 2021-2022 Complaints Report

Submitted report by the Head of Service (Democratic) on the Council's complaint performance and the volumes and trends of complaints received in Financial Year 2021-22. 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. The Corporate Complaints Annual Report 2021/22 was attached as an Appendix to the report.

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

- timescales on when a service request became a complaint and how these were dealt with by the relevant Service;
- potential underestimation of complaints which could be attributed to the closure of Council buildings throughout the pandemic;
- the prospect of a wider report on the operation of complaints input on the Lagan system;
- the process in terms of a non-resolved stage 2 complaint proceeding to the Ombudsman; and
- a manufacturing fault with the purple wheelie bin lids, which had now been resolved.

The Head of Service (Democratic) undertook to prepare a report for submission to the Audit and Scrutiny Committee on the operation of the Lagan system.

The Committee agreed to note the information contained within the report.

9. Workforce Absence 2019-2022

Submitted report by the Head of Service (People & ICT) providing a year-end summary of sickness absence for the period 2019/20 to 2021/22. The report provided a summary of the sickness absence levels and associated productivity for the three-year period from 2019-2022 to 2021-2022 and highlighted the policies, procedures and proactive interventions to support the Council's workforce.

The Head of Service (People & ICT) undertook to provide a response to the Committee in terms Councillor Marshall's questions on (i) the Office of National Statistics' absence rate figure when compared to the Council figure; and (ii) the difference between the absence rate figure and the loss of productivity figure.

The Committee agreed to note the absence levels over the last three years and the support provided to the workforce.

10. Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update

Submitted report by the Head of Service (Finance) on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2022. Appendix 1 to the report provided full details of one Internal Audit action which was not completed within the agreed timescale.

Members asked a question and were advised that work was ongoing with IT to complete the Data Protection Impact Assessment in order to progress with the upgrade and that this would be completed by the end of December 2022.

The Committee agreed to note (i) the current position with the implementation of the Internal Audit and Corporate Fraud actions; and (ii) challenges which were faced by those services which had not implemented actions within the previously agreed timescales.

11. Corporate Fraud Team Update Report

Submitted report by Head of Service (Finance) on the work of the Corporate Fraud Team between April and September 2022.

The Senior Manager (Audit, Fraud, Safety and Insurance) highlighted investigations which had 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. The Committee was advised that joint working with the Department for Work and Pensions (DWP) had paused during the Covid-19 pandemic but had since recommenced. This formal joint working arrangement was in place for cases where suspected frauds relate to both Housing Benefit and Council Tax Reduction.

The Senior Manager further advised that the International Fraud Awareness Week would run from 13-19 November 2022, with events being held across North Ayrshire to raise knowledge and awareness of the Corporate Fraud Team.

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

the following:-

- the value assigned to a blue badge by the Cabinet Officer; and
- the 26 tenancies recovered by Housing and the Corporate Fraud Team.

The Committee agreed to note the work carried out by the Corporate Fraud Team between April and September 2022.

12. Internal Audit Reports Issued

Submitted report by the Head of Service (Finance) on the findings of Internal Audit work completed between September and October 2022. The findings from three audit assignments were detailed at Appendix 1 to the report, together with the respective executive summaries and action plans.

The Committee agreed to note the outcomes from the Internal Audit work completed as set out in the report.

13. National Fraud Initiative (NFI) in Scotland 2022

Submitted report by the Head of Service (Finance) providing an overview of the NFI 2020/21 exercise outcomes. The Council's financial recoveries from the 2020/21 exercise amounted to £0.091m. External audit also assessed the Council's planning and progress in terms of the NFI with recommendations as appropriate. The National Fraud Initiative (NFI) Report was detailed at Appendix 1 to the report.

The Committee agreed to note the outcomes of the exercise.

14. Urgent Items

There were no further urgent items for consideration.

15. Exclusion of the Public – Para 1

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.

16. Investigation Reports Issued

Submitted report by the Head of Service (Finance) on investigation reports finalised since the last meeting.

Noted.

The meeting ended at 12.30 p.m.