



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Audit and Scrutiny Committee

A meeting of the **Audit and Scrutiny Committee** of North Ayrshire Council will be held remotely on **Tuesday, 17 November 2020** at **10:00** to consider the undernoted business.

Arrangements in Terms of COVID-19

In light of the current COVID-19 pandemic, this meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>. In the event that live-streaming is not possible, a recording of the meeting will instead be available to view at this location.

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 Meeting of the Audit and Scrutiny Committee held on 29 September 2020 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 UK Withdrawal from the European Union (Brexit) Update Report

Submit report by the Head of Democratic Services on the current position regarding the UK's withdrawal from the European Union on 31 December 2020 (copy enclosed).

- 4 Equal Pay Claims**
Submit report by the Head of People & ICT on the findings of the Audit Report on Equal Pay in Scottish Councils and providing an update on North Ayrshire Council's position on historic and current equal pay claims (copy enclosed).
- 5 Implications of Audit Scotland Report: Scotland's City Region and Growth Deals**
Submit report by the Director (Growth & Investment) on the findings of Audit Scotland's report on city and growth deals and on North Ayrshire Council's progress in responding to issues arising (copy enclosed).
- 6 Annual Report - School and Early Learning and Childcare Inspections 2019-20**
Submitted report by Interim Executive Director of Communities on the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2019-20 (copy enclosed).
- 7 Update Report for Loudoun Montgomery Primary School and Early Years Classes**
Submitted report by Interim Executive Director of Communities on the outcome of the follow through inspection by Education Scotland for Loudoun Montgomery Primary School and Early Years Class (copy enclosed).
- 8 Health and Social Care Partnership: Budget Monitoring Report**
Submit report by the Chief Finance and Transformation Officer on the financial position of the North Ayrshire IJB as at August 2020 (copy enclosed).
- 9 Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update**
Submit report by the Head of Finance on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2020 (copy enclosed).
- 10 Internal Audit Plan 2020/21: Mid-Year Update**
Submit report by the Head of Finance providing an update as at 30 September 2020 on progress made in delivering the 2020/21 Internal Audit Plan (copy enclosed).
- 11 Internal Audit Reports Issued**
Submit report by the Head of Finance on the findings of Internal Audit work completed during September and October 2020 (copy enclosed).

12 Corporate Fraud Team Update

Submit report by the Head of Finance on the work of the Corporate Fraud Team during 2019/20 and between April and September 2020 (copy enclosed).

13 Urgent Items

Any other items which the Chair considers to be urgent.

14 Exclusion of the Public - Para 1

Resolve 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.

Non Disclosure of Information

In terms of Standing Order 19 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

15 Corporate Fraud Reports Issued

Submit report by the Head of Finance on the finding of the corporate fraud investigation reports finalised during September and October 2020 (copy enclosed).

Webcasting - Virtual Meeting

Please note: this meeting may be recorded/live-streamed to the Council's internet site, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being recorded/live-streamed.

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

If you are participating in this meeting by invitation, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in the them live-streaming/recording or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the 'virtual meeting'. This will constitute your revocation of consent.

If you have any queries regarding this, please contact dataprotectionofficer@north-ayrshire.gov.uk.

Audit and Scrutiny Committee Sederunt

Marie Burns (Chair)
Margaret George (Vice Chair)
Joy Brahim
Alan Hill
Tom Marshall
Donald Reid
John Sweeney

Chair:

Apologies:

Attending:

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means.

Present

Marie Burns, Joy Brahim, Alan Hill, Tom Marshall and John Sweeney.

In Attendance

Audrey Sutton, Interim Executive Director (Communities), M. Boyd, Head of Finance, D. Forbes, Senior Manager (Financial Services) and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); Y. Baulk, Head of Service (Physical Environment) and J. Cameron, Senior Manager (Housing Strategy and Development) (Place); C. Cameron, Chief Finance and Transformation Officer (Health and Social Care Partnership); A. Fraser, Head of Democratic Services, F. Walker, Head of Service (People and ICT); B. Quigley, Senior Manager (ICT); and A. Little and D. McCaw and Committee Services Officers (Chief Executive's Service).

Also in Attendance

Karlyn Watt (Deloitte).

Chair

Councillor Burns in the Chair.

Apologies

Margaret George 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. Minutes

The Minutes of the Special Meeting of the Audit and Scrutiny Committee held on 24 August 2020 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Annual Report on the 2019/20 Audit

Submitted report by the Head of Finance on the annual audit report for 2019/20 and received a verbal update by the External Auditor. The External Auditor's report on Audit Dimensions and Best Value, covering wider scope issues, was attached as Appendix 1 to the report. Appendix 2 detailed letters of representation to be signed by the Head of Finance as the responsible officer for North Ayrshire Council. The External Auditor's Annual Report was detailed at Appendix 3 and included the findings of the 2019/20 audit and agreed action plan.

Karlyn Watt of Deloitte provided a verbal report on the appendices to the report, including additional information on the impact of Covid-19 on the financial statements and audit process and highlighting the uncertainties and changes in ways of working during recent months and noting that consideration of these impacts has been included as part of the report where appropriate. The testing in relation to the Council's charitable trusts has also now been concluded.

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

- the significance of the transformation work and the priority which this now has;
- any anticipated impact and uncertainty on Council budget setting for next year given that there will be no UK Parliament Autumn budget;
- that the Scottish Government may require to consider setting a provisional budget;
- that the Council still faces a significant shortfall, with detailed plans not yet in place regarding transformation;
- 2021/2022 budget processes have commenced and will be presented to Members in the coming weeks and months with provisional budget setting in December;
- transformation and development plans will be shared with Members in alignment with the budget process; and
- new requirements in relation to the Islands Act.

The Committee agreed (a) to note (i) the audit findings contained in the External Auditor's report on Audit Dimensions and Best Value at Appendix 1; (ii) the findings of the 2019/20 audit of the financial statements as contained in the External Auditor's final report at Appendix 3; and (iii) the agreed Action Plan as outlined on page 25 of the final report; and (b) to approve the audited Annual Accounts for signature.

4. Health and Social Care Partnership: Budget Monitoring Report

Submitted report by the Director, Health and Social Care Partnership on the financial position for the partnership and outlining the projected year-end outturn position. The budget monitoring report and Appendices, which were presented to the IJB on 24 September 2020, were attached as an Appendix to the report and provided information on the financial overview of the partnership position, details of the savings plan, the movement in the overall budget position for the partnership and the mobilisation plan submission.

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

- any savings to general running costs as a result of the Covid-19 pandemic;
- that care home placements and occupancy levels for older people have generated significant underspends;
- the potential to revisit the need for a recovery plan depending on how the financial year progresses;

- the expectation of an announcement from the Scottish Government on Covid related funding for both NHS and HSCP; and
- that financial updates will continue to be submitted to Audit and Scrutiny Committee meetings.

The Committee agreed to note (i) the financial position with regard to the Health and Social Care Partnership; (ii) the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding to date; and (iii) the financial risks for 2020-21, including the impact of Covid-19 and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.

5. UK Withdrawal from the European Union (Brexit) Update Report

Submitted report by the Head of Democratic Services on the current position regarding the UK's withdrawal from the European Union on 31 December 2020, including the current state of negotiations and how Council planning is progressing.

Alan Hill joined the meeting at this point.

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

- current information with regard to EU citizens applying for settled status;
- figures for the number of people who have applied for settled status in Ayrshire to be forwarded to Members for information when available; and
- the status of the EU Preparedness Group as an officer only group.

The Committee agreed to note (i) the current position in respect of the UK's withdrawal from the European Union; and (ii) proposals to step-up the Council's EU Preparedness Group.

6. Council Plan Progress Update – Year End 2019-20

Submitted report by the Head of Democratic Services on the progress of performance against the Council Plan 2019-24 as at Year End 2019-20. The year end progress update, providing details of progress for each of the priorities, was set out at Appendix 1 to the report. Appendices 2 and 3 detailed the performance indicators from the Council Plan Performance Framework and the full set of actions aligned to the Council Plan 2019-24.

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

- experiences and learning from the Council's response to the Covid-19 pandemic being incorporated into our transformation programme and fed into recovery and renewal planning, including new ways of working going forward;
- further development of existing transformation themes with a view to a fresh look at developing projects and delivering services;
- work in terms of preparedness around schools over the next few months;
- local phasing delivery plans for continuation of education throughout the pandemic focussing on health and well-being and safety;

- Insight data reflecting the Scottish Qualifications results not being published in September this year;
- how educational progress and attainment will be reported to Members; and
- clear direction and guidance being provided to schools around ongoing assessment of pupils and a consistent approach adopted.

The Committee agreed to note the performance of the Council Plan as at 31 March 2020.

7. 2019/20 Complaint Report

Submitted report by the Head of Democratic Services on the Council's complaint performance and the volumes and trends of complaints received in financial year 2019/20. 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 Complaint Report 2019/20 was attached as an Appendix to the report.

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

8. Annual Assurance Statement to the Scottish Housing Regulator 2019/20

Submitted report by the Executive Director (Place) on the Council's Annual Return on the Charter 2019-20 submission and endorsement of the Annual Assurance Statement for submission to the Scottish Housing Regulator. The Annual Assurance Statement was detailed at Appendix 1 to the report.

The Committee agreed (a) that the Committee Chair sign the Annual Assurance Statement detailed at Appendix 1 to the report; and (b) to note (i) the Annual Return on the Charter submission 2019-20; and (ii) the supporting evidence provided to demonstrate compliance with the regulatory framework and relevant legislation.

9. Audit Scotland Report on Affordable Housing

Submitted report by the Executive Director (Place) on the key findings of, and recommendations from, Audit Scotland's review of Scottish Government's affordable housing supply target published in April 2020. The report also noted North Ayrshire's position in relation to each of the areas under consideration and contribution to achieving the national housing supply target to date.

Members asked a question and were provided with further information in relation to any slippage in the Council programme and ensuring this would not affect the amount of grant subsidy able to be claimed.

The Committee agreed to note (i) the key findings and recommendations from Audit Scotland's review of Affordable Housing; and (ii) North Ayrshire's position in relation to these areas and contribution to achieving the supply target to date.

10. Internal Audit Charter 2020-2022

Submitted report by the Head of Finance seeking approval of the updated Internal Audit Charter which has been revised to ensure it continues to reflect the organisational structure of the Council and the requirements of the Public Sector Internal Audit Standards (PSIAS). The revised Charter was detailed in full at Appendix 1 to the report.

The Committee agreed to approve the Internal Audit Charter detailed at Appendix 1 to the report.

11. Internal Audit and Corporate Fraud Action Plans: Q1 Update

Submitted report by the Head of Finance on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 June 2020. Appendix 1 to the report provided full details of 16 Internal Audit actions which were not completed within the agreed timescales, together with 2 actions which were considerably overdue.

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

- data protection awareness training for existing and new school staff;
- how staff working from home are informed of Government guidance and changes to working practices through the workforce FAQs; and
- complaints not being an area audited in past, although this could be included in the audit planning process for next year.

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 have not implemented actions within the previously agreed timescales.

12. Internal Audit Reports Issued

Submitted report by the Head of Finance on the findings of Internal Audit work completed since the last meeting in January 2020. The findings from 5 separate audit assignments were detailed at Appendix 1 to the report, together with their respective executive summary and action plans.

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

13. 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.

14. Corporate Fraud Reports Issued

Submitted report by the Head of Finance on the findings of the corporate fraud investigation reports finalised since the last meeting in January 2020 and the latest update on previously agreed actions which remain outstanding

Noted.

The meeting ended at 11.55 a.m.

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title: **UK withdrawal from the European Union (Brexit)
Update report**

Purpose: To provide an update on the current position regarding the UK's withdrawal from the European Union on 31 December 2020

Recommendation: It is recommended that the Committee note the current position in respect of the UK's withdrawal from the European Union and consider whether it wishes a further report to be submitted to the next meeting.

1. Executive Summary

- 1.1 This report provides an update on the UK's withdrawal from the European Union. The position is still very unclear, which means that it is difficult to plan for risks. However, a significant danger is that EU-exit compounds and deepens the economic impacts of COVID

2. Background

- 2.1 This provides an update to the report which was submitted to the previous Committee meeting. At that stage the deadline for conclusion of negotiations between the UK and EU was 15 October, although the final European Parliament meeting is 14 December. This deadline was extended to 15 November, although at the date of writing, there are reported to be significant areas of disagreement and it looks increasingly likely that negotiations will go the wire.

- 2.2 The deadline of 15 October was set because any deal which extends beyond fisheries, trade and competition policy, (areas where the EU has exclusive competence in Europe) will require approval not only by the EU, but by national and sub-national parliaments across the EU. Even if a comprehensive agreement is reached, it is highly unlikely this could be put into legal form and be approved by all EU states prior to the date of the UK's

departure. Thereafter, full implementation could take months or years. From that perspective, it is likely that a departure on 1 January will result in problems, regardless of whether a full deal is agreed.

2.3 In trying to identify and quantify risks, the following are the key parts of the jigsaw: -

- The Withdrawal Agreement ratified by the UK Government in October 2019;
- The Internal Market Bill currently before the UK Parliament;
- The UK Withdrawal from the European Union (Continuity) Bill 2020 currently at stage 2 before the Scottish Parliament; and
- the terms of any agreement which may or may not be struck between the UK and EU.

The Withdrawal Agreement

2.4 It is important to note that the signing of the Withdrawal Agreement last year has lessened some of the impacts of a no-deal EU-exit. Article 4 says that both the agreement and any EU law applying to the UK under the agreement should have the same effect as it has in EU member states. In other words, existing EU law remains in place until changed. This includes “direct effect”, which allows private parties to invoke their rights under the withdrawal agreement before both UK courts, as well as EU member states. It gives EU law supremacy over domestic law – the courts could disapply any domestic legislation which is incompatible with EU law. It also protects the rights of UK citizens living in the EU and EU citizens living in the UK, as well as their family members, to continue to live and work there. This applies to citizens who move to the UK or the EU during the transition period. These citizens will be able to apply for permanent residence (called ‘settled status’ in the UK) if they have been living in that country for five years continuously.

The Internal Market Bill

2.5 The aim of the Internal Market Bill is to standardise open market trading arrangements across the whole of the UK, by proposing to enshrine in law two principles to protect the flow of goods and services in the UK’s Internal Market: the principle of mutual recognition, and the principle of non-discrimination. The UK Government’s view is that this is required to support our international competitiveness and maintain our attractiveness for international investment.

2.6 The broad issues relating to the Internal Market Bill were detailed in the previous report to Committee. Two further updates can be provided. Firstly, the Bill proposes to standardise trading arrangements across the whole of the UK, including Northern Ireland. The implication is the Irish border becomes the customs and trade border between the UK and EU. This is contrary to both the Withdrawal Agreement and the Good Friday Agreement, both of

which are international treaties. As a result, the UK is facing EU legal action after failing to explain why it is planning to break international law over Northern Ireland. The Commission alleged that the UK had breached its obligation to act in good faith, as set out in Article 5 of the Withdrawal Agreement. The Bill is currently before the House of Lords who are expected to amend these provisions, albeit the UK Government may choose to put them back in. Not surprisingly, the Scottish Government have also refused its consent to the Bill.

2.7 Secondly, commentators have speculated that the current delay in negotiations may be partly influenced by a desire by the UK Government to know the result of the US Presidential election. While the UK Government has denied this, it is likely to be a consideration for a number of reasons. Firstly, President-Elect Biden said on 16 September that any trade deal with the UK is contingent on respect for the Good Friday Agreement and preventing the return of a hard border. Moreover, when previously serving as Vice President in the Obama administration, that administration's view was that a trade deal with the UK would not be a priority.

2.8 The background to the Internal Market Bill is also worth consideration in the context of the US election. Right-wing commentators in the UK have long complained that the sovereignty of the UK parliament was constrained by membership of the EU. In other words, the ability of a UK Parliament to legislate was constrained by social policy made in Europe on matters such as human rights, workers' right, the environment, etc. Left-wing commentators fear that the Internal Market Bill is designed to do the opposite, to enforce free-market trading policies across the UK. In turn this would pave the way for a trade agreement with the USA, binding the UK in perpetuity into US-style free market rules. In short, the EU social policy constraints previously imposed on the UK would be replaced by free-market US-style constraints. If this analysis is correct, the result of the US Presidential Election and whether there is now a real possibility of concluding a trade agreement during the lifetime of this UK Parliament is likely to be a very significant consideration.

European Union Continuity Bill

2.9 The UK Withdrawal from the European Union (Continuity) Bill 2020 is currently being considered by the Scottish Parliament at stage 2 of the parliamentary process. The background to the Bill is that all the law in force that is derived from the UK's EU obligations continues in force from the end of 2020 unless and until modified by subsequent domestic legislation. This body of law is described as 'retained EU law'. However, EU law will not stand still. It is continually being added to and revised. It is the Scottish Government's view that the extent to which devolved law aligns itself with the law of the EU should be a decision for the Scottish Parliament to take, and not the UK Government. If enacted, the Bill will give Scottish Ministers the power to make secondary legislation for the purposes of maintaining alignment with EU law in devolved areas.

Negotiations

- 2.10 As regards the current state of negotiations between the UK and the EU, discussions still continue. As at the date this report is written it is understood that there may be some understanding between the two sides on trade, energy, transport, and social security. The 'level playing field', competition/state aid rules, fisheries and how a deal would be enforced remain unresolved issues.
- 2.11 If a deal is not done the UK will trade with the EU according to the default rules set by the World Trade Organisation. The Prime Minister has pointed out that this is how Australia currently trades with the EU. However, unlike Australia, because of geography and recent history, the UK and EU economies are more closely linked, and 'just in time' supply chains rely heavily on free movement of goods from the EU to the UK. For example, the outgoing Director General of the CBI said in September 2020 that tariff free trade was the difference between the automotive industry staying or leaving the UK, noting that this sector was 40 times larger than the fishing sector. She also pointed out that key sectors such as financial services had been almost absent from negotiations
- 2.12 The National Audit Office have warned of "significant disruption" when the Brexit transition period ends. It advised that it was very unlikely that traders would be ready for checks the EU is due to impose at its borders. It also warned that very limited time remained for UK ports to test IT systems. Even with a deal, traders will face new hurdles, including the need to fill in customs declarations on goods being traded. HMRC estimates it may need to process 270million customs declarations, compared to 55million currently. The issue of where border checks will take place in Northern Ireland is even less clear as a result of the Internal Market Bill.

Risks

- 2.13 As previously, the closer a deal is to a 'no deal', the worse the expected impacts on the UK. A full list of risks is being developed and will be published on the Council's website. As this is currently changing daily, it has not been appended to this report. The impact of the UK leaving the European Union also features in the Council's Corporate Risk Register and is subject to regular review
- 2.14 The potential economic impact remains the key risk. It looks increasingly likely that the free movement of goods between the EU and UK will face new hurdles. Some of these may be short term while new customs procedures, and business processes take time to bed in. The Government's worst-case-scenario is that 40% to 70% of lorries crossing the English Channel will not be ready. This could result in delays in getting goods into the UK, and delays in exports, some of which will result in goods perishing. Efficient supply-chains are based on 'just-in-time', rather than stockpiling and delays are likely to have

a significant impact across all sectors. Other economic impacts will be longer term, particularly if tariffs are imposed. Potential impacts include shortages and increased prices, business failure and unemployment. As usual, this would have the greatest impact on the poorest and most vulnerable in society. Scotland Excel estimate there will be a 10% increase in food costs to local authorities. They have done extensive work with suppliers to protect food deliveries to local authorities

2.15 Both COVID and EU-exit are expected to have negative economic impacts in terms of unemployment and increased levels of deprivation. Some of these are linked, such as the fact that stacking of lorries at ports will now need to consider COVID restrictions. Both will increase the demand on public services. Similarly, the increasing financial cost to Government of dealing with COVID is likely to restrict their ability to intervene to minimise the economic impacts of EU-Exit. Attempts to reduce public sector expenditure are also likely to further extend austerity at a time of greater demand. However, the Community Hubs which have been so effective in providing support during COVID provide an obvious model to continue to provide support if necessary. This is particularly so in circumstances where the impacts are likely to result from a blend of COVID and EU-exit risks.

2.16 The long-term impact of the Internal Market Bill should not be underestimated, particularly if embedded through a trade deal with the USA. Such free market provisions are likely to limit the extent to which any devolved administration can make social policy which effects economy or trade, whether the Scottish Government or the Council. Community Wealth Building is an obvious case.

2.17 In relation to immigration, regulations were recently laid before Parliament. The 'Skilled Worker' route will allow foreign nationals to work in the UK on the basis that they have been offered a skilled job, provided they meet specific requirements. The minimum skills threshold will be lowered from RQF level 6 to RQF 3 (Scottish Highers). In order to make an application, the applicant must be paid at least £26,500 or the "going rate" for the role – whichever is higher. The annual cap across the UK on restricted certificates of sponsorship which currently sits at 20,700 will be suspended. However, there are still likely to be shortages in lower paid roles. In relation to concerns about the Social Care workforce post-EU exit, COSLA has been advised by the Parliamentary Under-Secretary for State that the Migration Advisory Committee was now recommending adding residential day and domiciliary care managers and proprietors, nursing auxiliaries and assistants, and senior care workers to the UK shortage occupation list. COSLA will assess how far this might assist in resolving some of the issues identified by councils.

2.18 A previous high risk related to the fact that Environmental Health officers would be required to issue export certificates for food exports. Scottish

Government Ministers have requested an alternative approach, which involves FSS being responsible for providing the necessary staffing resource at hubs to sign Export Health Certificates (EHCs). Certification would be on the basis of attestation information from the local authority in which the exporting business is located. This approach would ensure that a sizeable proportion of seafood exports can be exported with the necessary signed certificates, thereby relieving the pressure on LAs - who would remain responsible for signing EHCs for exports to non-EU destinations and for local exporters who are unable to or choose not to use one of the hubs. However, primary products would no longer go direct to the EU, they would have to go through the approved premises. There appear to be only 3 or 4 such producers in North Ayrshire and it is hoped there be little impact on NAC.

- 2.19 The Scottish Government have confirmed that the Multi-Agency Control Centre (MACC) for EU-exit will be re-established at Bilston Glen from 7 December. The Ayrshire Local Resilience Partnership (ALRP) have now established a multi-agency EU-Exit Sub-Group chaired by Police Scotland, and have submitted a multi-agency Risk and Mitigation Plan to the MACC.

3. Proposals

- 3.1 The Committee is asked to note the current position and consider whether it wishes a further report to be submitted to the next meeting.

4. Implications/Socio-economic Duty

Financial

- 4.1 Officers continue to monitor the impact of the EU Withdrawal process on the Council's budget position. The increasing financial cost to Government of dealing with COVID is likely to restrict their ability to intervene to minimise the economic impacts of EU-Exit. Attempts to reduce public sector expenditure are also likely to further extend austerity at a time of greater demand.

Human Resources

- 4.2 There are no human resource implications arising from this report, other than the issues of organisational capacity referred to in the report.

Legal

- 4.3 Under the Withdrawal Act UK Courts will not be bound by new decisions of the Court of Justice of the EU (CJEU) made after the transition period ends but will still be bound to interpret retained EU law in line with existing decisions of the CJEU (retained EU case law). The Withdrawal Act, however, confers the

power on the UK Supreme Court and the High Court of Justiciary in Scotland to depart from retained EU case law if they consider it “right to do so.” Following consultation, the Government has now confirmed that, among others, that power will be extended to the Court of Appeal and Inner House of Court of Session, but not to the High Court or the Employment Appeal Tribunal (EAT).

Equality/Socio-economic

4.4 There are no impacts of this report. However, both the terms of a deal and the Internal Market Bill have huge potential impacts. In particular, the UK Government has indicated its intention to ‘modernise’ and depart from the terms of the European Convention of Human Rights.

Environmental and Sustainability

4.5 Again, there are huge potential impacts depending on the final terms of any deal, the Internal Market Bill and the trade deals which the UK enters thereafter. For example, the US tends to put greater weight on competition and free access to markets, rather than the precautionary principle.

Key Priorities

4.6 These terms of the deal and the Internal Market Bill impact on nearly every area of the Council and on all of the priorities.

Community Wealth Building

4.7 The internal market proposals have the potential to significantly restrict the Council’s ability to make social policy tailored to the needs of its communities. This includes community wealth building.

5. Consultation

5.1 Officers from all services were previously consulted in assessing the risks from Eu-exit. This will continue to be the case through an EU Exit Preparedness Group

Andrew Fraser
Head of Democratic Services

For further information please contact Andrew Fraser, Head of Democratic Services, on 01294 324125.

Background Papers

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title:	Equal Pay Claims
Purpose:	To inform the Committee of the findings of the Audit Report on Equal Pay in Scottish Councils and provide an update on North Ayrshire Council's position on historic and current equal pay claims.
Recommendation:	That the Committee notes the content of the Accounts Commission report on Equal Pay in Scottish Councils and the Council's position in relation to equal pay claims.

1. Executive Summary

- 1.1 The Accounts Commission published a report at the end of June 2020 titled "Equal Pay in Councils – Impact Report". This report followed up on the Accounts Commission's previous performance report "Equal Pay in Councils" published September 2017.
- 1.2 This report provides the Committee with more detailed information on the historic and current position in relation to equal pay claims against North Ayrshire Council, and our approach to ensuring equal pay is maintained.
- 1.3 The key points to note are
 - Historic equal pay claims almost resolved (96%)
 - New equal pay claims submitted April 2019 are being defended by the Council, however these are still at a very early stage in relation to litigation.
- 1.4 The Council and its legal representatives continue work to settle historic claims and to resolve recent claims.

2. Background

- 2.1 The background to Equal Pay claims is substantial, however can mainly be considered in three "waves".
- 2.2 The first wave claims covered the period up to the 27th July 2007, before the new pay and grading structure was implemented. The majority of first wave claims were settled during 2007/08 and all first wave claims were concluded by 2013.

- 2.3 The second 'wave' claims related to pay preservation. On implementing the revised pay and grading structure employees who were downgraded in pay were 'red-circled' and their pay was preserved for a period of three years. This was believed to be a legitimate action with the aim of lessening the impact of the pay reduction. The Council received 517 valid claims in relation to this, on the basis that the pay preservation only served to perpetuate the unequal pay for a longer period. The Council worked with the Trade Unions to agree a settlement package which was detailed in a 'Memorandum of Understanding' signed off by the Council, the Trade Unions and their Solicitors on the 25 January 2018. As noted in Exhibit 2 of the Accounts Commission report, the Council has spent £1.5m on the equal pay since September 2016.
- 2.4 Of this second wave, there are 10 outstanding claims. All 10 claimants are now unrepresented, as Thompsons (the Trade Union solicitors) are no longer acting on their behalf. These claims will be progressed to Employment Tribunal and will either be struck out if not actively pursued, or progress to a preliminary hearing. The outstanding claims are valued at £20,000.
- 2.5 Exhibit 1 in the Account Commission report highlights that we have had a 37% reduction in equal pay claims since the 2017 report. We have concluded 96% of these second wave claims. Unfortunately, we now have a new further set of claims or a 'third' wave, and these claims are included in our current number of cases, demonstrating only a 37% overall reduction. A total of 381 third wave claims have been submitted from a variety of employee groups.
- 2.6 These third wave claims seek to challenge the SJC Job Evaluation Scheme as not being fit for purpose. These claims were submitted during April 2019. The Council has taken advice from an external Solicitors with significant experience in this field.
- 2.7 At this stage it is not possible to estimate the value or cost of these third wave claims as we do not have comparator posts. Once the claimants' solicitors provide this information, we will seek further legal advice and gain an understanding of the views of the Employment Tribunal before we can prepare any calculations.
- 2.8 Equality and Equal Pay are important to the Council continuing to be "Fair for All", to this end we:
- Publish our Equal Pay Statement on our website
 - Publish our Gender Pay Gap figures annually. Our gender pay gap for 2019/20 was 1.75%. The most recent (2019) national survey (ONS) of UK employers showed an average gender pay gap of 8.9%, and the average for Scottish Councils was 4%, so we are significantly below these benchmarks.
 - Have been part of a shadow group for 'Close the Gap' in relation to ensuring our policies and procedures work to address women's inequality.
 - Have implemented and use the most recent version of the SJC Job Evaluation Scheme (Version 3)
 - Have Equality Impact Assessed our Pay and grading structure to account for the implementation of the Living Wage hourly rate.

3. Proposals

- 3.1 That the Committee notes the content of the Accounts Commission report on Equal Pay in Scottish Councils and the Council's position on current equal pay claims.

4. Implications/Socio-economic Duty

Financial

- 4.1 The Council has made provision for completion of the second wave claims, and legal costs associated with the new claims. There is currently £147K provision available for equal pay remaining payments and legal fees. No other provision has been made for any future liabilities in relation to the third wave claims at this time. There is a risk that further provision maybe required for the new claims should they result in a settlement. Currently there is no basis on which to make any further financial provision due to the lack of information currently. The situation will continue to be monitored.

Human Resources

- 4.2 Settlement of outstanding equal pay claims will resolve historic issues in respect of pay differentials. The new claims highlight the importance of ensuring a robust job evaluation process is in place in order to evidence equal pay is maintained.

Legal

- 4.3 The remaining second wave cases have been referred to the Employment Tribunal to ensure a resolution is reached. The third wave claims are currently in the early stages of the Employment Tribunal process. The cases have been submitted following the Glasgow City Council case, however, are not truly comparable as Glasgow City Council did not implement the SJC Job Evaluation Scheme.

Equality/Socio-economic

- 4.4 Ensuring equal pay for work of equal value is key for gender equality.

Environmental and Sustainability

- 4.5 None

Key Priorities

- 4.6 This report supports the Council Plan Priorities 2019-2024 by ensuring good procedures and governance arrangements are in place.

Community Wealth Building

- 4.7 None

5. Consultation

- 5.1 Consultation in relation to the settlement of equal pay claims has taken place with the Trade Unions.

Fiona Walker
Head of People & ICT

For further information please contact **Fiona Carlyle, Snr Adviser (HR)**, on **01294 324616**.

Background Papers

Appendix 1 - Accounts Commission Report – “Equal Pay in Scottish Councils”, June 2020

Equal pay in councils

Impact report

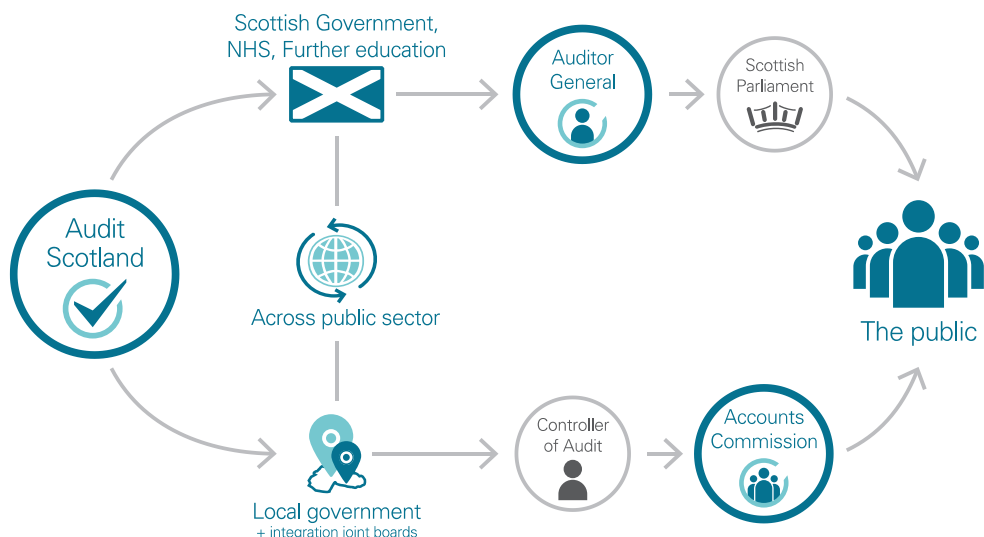
ACCOUNTS COMMISSION 

Prepared for the Accounts Commission
June 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
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- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Introduction

1. This report summarises the impact made by the Accounts Commission's performance audit '*Equal pay in councils*' published on 7 September 2017.
2. This audit examined equal pay in local government, focusing on five themes:
 - how councils implemented the Single Status Agreement (SSA)
 - how much councils had spent settling equal pay claims
 - how councils demonstrated that they were dealing effectively with equal pay claims and minimising future risks
 - how effective the governance and oversight arrangements of the SSA were
 - what lessons could be learned for the future.
3. The audit did not investigate councils' job evaluation systems or consider individual employee terms and conditions at councils. It also did not look at individual claims or make audit judgements on past litigation.
4. The audit found that implementing the SSA was a complex process that required all councils to undertake a large-scale job evaluation exercise. Councils underestimated the challenges involved and all but one missed the agreed implementation date of 2004. It was not until 2010 that all councils in Scotland had single status in place. This was 11 years after the agreement was signed, with implementation taking twice as long as initially planned.
5. There had been a lack of collective national leadership to overcome the challenges and address equal pay issues in a timely way. Councils initially worked on the basis that they could offset the costs of implementing single status with savings from changes to employee conditions and by improving employee productivity. Councils received no additional funding to implement their new pay and grading structures. In reality, single status brought significant costs and some councils and trade unions found themselves balancing the risk of industrial unrest with affordability. This meant that some of the approaches taken by councils, done in agreement with local trades unions, when implementing single status did not always prioritise pay equality and were later found to be discriminatory.
6. Councils sought to compensate workers who had historically been unfairly paid by offering payments if they signed compromise agreements. Councils paid around £232 million to approximately 50,000 workers in this way. Some people refused the payments, as the payments they were offered were often of a relatively low value compared with the difference in pay over time. Even while councils were implementing single status, they continued to receive thousands of equal pay claims for historical pay discrimination.
7. All councils received equal pay claims after implementing single status. There were many reasons for these claims, for example claims against pay and bonus protection given to predominately male workers and discrimination in job evaluation systems.
8. The audit found that between 2004 and 2016, around 70,000 equal pay claims had been lodged against councils. The cost of compensation agreements and settling claims, along with legal fees, amounted to around £750 million. The number of claims made against councils varied widely. Some of this variation could be explained by how actively 'no-win no-fee' lawyers had encouraged claims in different council areas.
9. At the time of completing the audit, there were almost 27,000 live equal pay claims, with the potential for individuals to still make new claims against councils. The audit stressed that councils needed to be confident that they have fair and

transparent pay arrangements and take necessary action, such as regular equal pay audits, to deliver pay equality in line with their public sector equality duty. The audit also stressed that elected members need to continue to oversee, scrutinise and challenge councils' approaches to delivering equal pay and reducing the gender pay gap.

Raising awareness and communication of key messages

Media coverage

10. At publication, the report achieved extensive media coverage across a mix of national and local print, television and radio. There were extensive articles in the *Herald*, *Express*, *Times* and *The National*, and features in the *Metro*, *i* and the *Record*. It was a lead story on BBC Online's Scotland page and the STV website and featured on news bulletins for both channels. Two local radio stations carried bulletins on the performances of councils in the North-East and Fife.

Downloads

11. The report has been downloaded around 4,359 times. The podcast has been downloaded 289 times.

Parliamentary consideration

12. Although the audit report was not formally presented to any of the Scottish Parliament's committees its content generated significant parliamentary interest.

13. In October 2018, we received correspondence from Linda Fabiani MSP (via the Public Audit and Post Legislative Scrutiny Committee) making reference to a *Sunday Herald* article on the 30 September 2018 that reported that many Scottish councils were settling equal pay cases by making compensation payments, which are not pensionable, rather than paying back pay. Linda Fabiani's concern was that this approach minimised the pension entitlement of claimants. On 5 December 2018, Graham Sharp, Chair of the Accounts Commission responded to Linda Fabiani giving a commitment that we would consider the extent to which future equal pay settlements are being made on a compensation or back pay basis in this impact report.

14. On 12 December 2018, the subject of equal pay was discussed at length with the Local Government and Communities Committee during the joint Accounts Commission and Audit Scotland briefing on the *Local government in Scotland: Financial overview 2017/18* report. The Committee's official report is available [here](#).

Significant developments since September 2017

15. At the time of our last report Glasgow City Council had received 22,730 equal pay claims, with 11,065 of those still live as at 30 September 2016 (40 per cent of the total number of live equal pay cases in Scotland at that time). By March 2019 the number of live claims lodged against the council had increased to 16,270.

16. The determination of court cases against Glasgow City Council and the council's subsequent response in settling equal pay claims has been the most significant development around equal pay since publication of our 2017 audit report.

17. The background to these developments is that in 2006, when implementing the SSA, rather than adopting the 'red book' job evaluation system followed by most local authorities, Glasgow City Council opted for a more bespoke solution called the Workforce Pay and Benefits Review (WPBR) system.

18. The WPBR included a three-year payment protection arrangement for men who lost out on its introduction. While the provision was consistent with the SSA, when comparing jobs it applied more to predominately male-dominated jobs than to predominately female-dominated jobs.

19. Campaigners also claimed that workers in traditionally female-dominated roles, such as catering or home care, were paid up to £3 an hour less by the council than those in male-dominated jobs such as refuse workers or grave diggers.

20. In 2017, two judgements at the Court of Session found that the council's payment protection discriminated against women workers and that the council has failed to provide sufficient evidence to indicate that its WPBR Scheme was equal pay compliant.

21. On 6 February 2020, the Controller of Audit published an [update report](#) on the council's progress in managing and funding equal pay settlements.

22. The Controller of Audit reported that by the end of August 2019, over 98 per cent of the equal pay claims made against the council had been settled and payment made. The final settlement cost to Glasgow City Council was £505 million. At the end of November 2019, there were approximately 630 equal pay settlements still outstanding: 480 of these were with claimants whose representatives are not those with whom the council has reached a settlement agreement. An additional 150 claims have been difficult to finalise, for example, where claimants have not returned signed agreement forms or where the claimant is now deceased and the council is working with their estate/executor to finalise the settlement.

23. Glasgow City Council's equal pay settlement during 2019 does not fully extinguish its equal pay liability. There remains a potential ongoing risk of an equal pay claim from any employee during the period from 1 April 2018 up to the point at which the council implements a new pay and grading structure. It is working to implement its new pay and grading structure by April 2021.

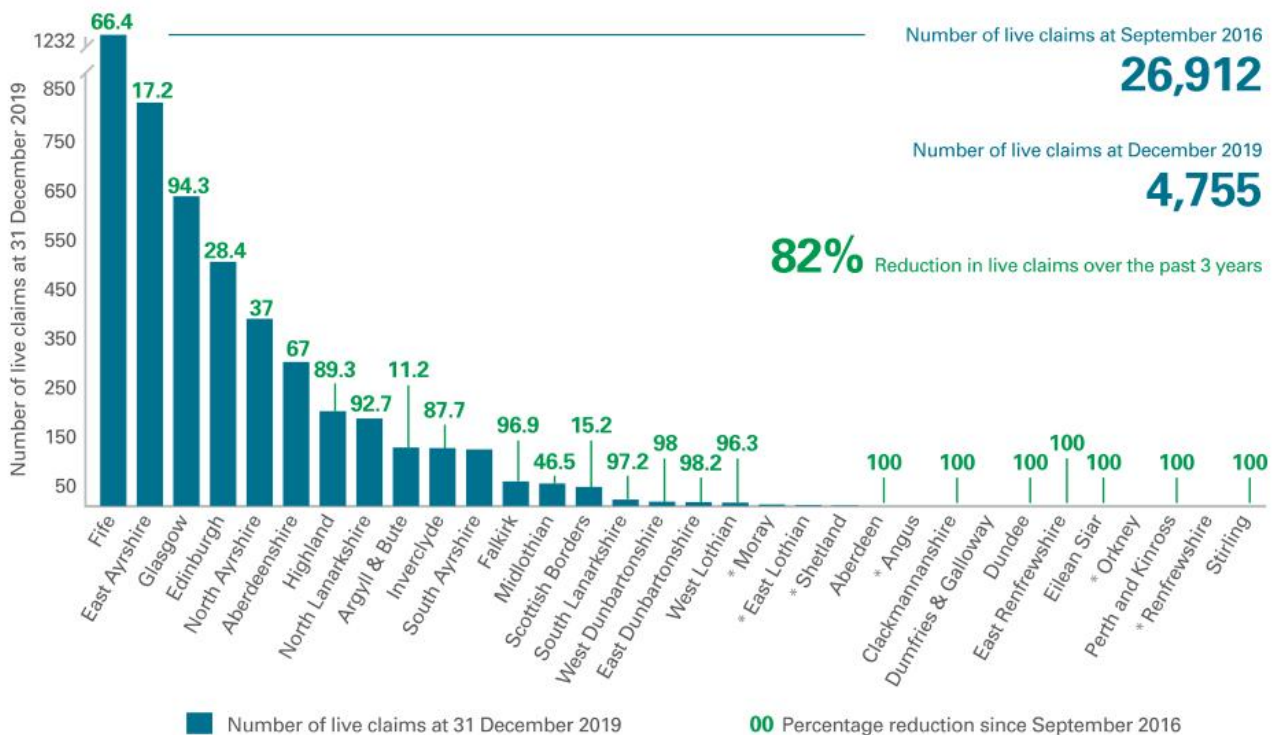
Number of live claims

24. The September 2017 *Equal pay in councils* audit reported on councils' performance as at September 2016. At that time around 70,000 equal pay claims had been lodged against Scottish councils, 26,912 of which were still live (around 40 per cent of all claims made to September 2016).

25. Between September 2016 and December 2019, the number of live equal pay claims in Scottish Councils had reduced by 82.5 per cent, from 26,912 to 4,755 ([Exhibit 1](#)). Thirteen councils have no live claims, and six have fewer than ten claims. Only ten councils now have more than 100 live claims, compared to 16 at the time of our last report.

Exhibit 1

Live equal pay claims by council at 31 December 2019 and changes since 30 September 2016



Note: *There were previously no live claims at September 2016 and therefore it was not possible to make a reduction

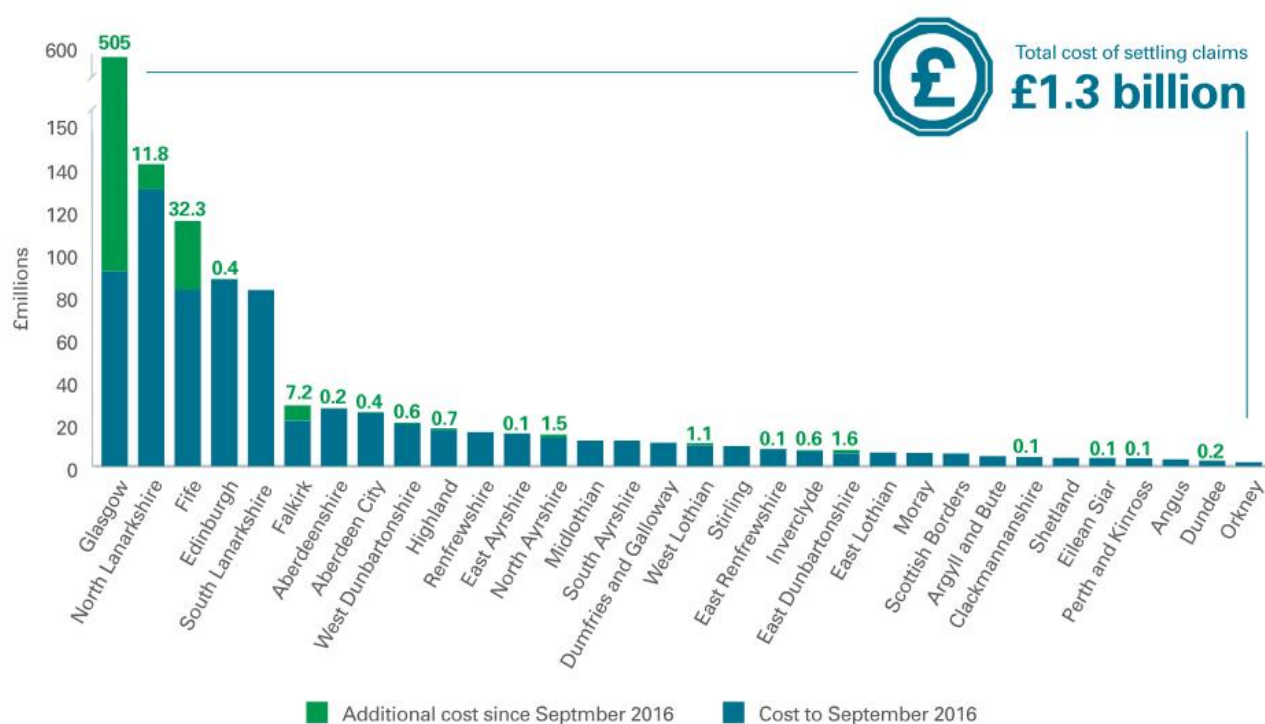
Source: Audit Scotland information request to Scottish councils, 2019

Cost of settling equal pay claims

26. In 2017 we reported that councils had spent £750 million settling equal pay claims. By the end of 2018/19 that figure had increased to £1.314 billion ([Exhibit 2](#)). Ninety per cent of the additional increase since September 2016 has been as a result of the claims settled by Glasgow City Council.

Exhibit 2

Councils have spent £1.3 billion settling equal pay claims (between 2004/05 and 2018/19)



Source: Audit Scotland information request to Scottish councils, 2019

Compensation and back pay

27. The [Local Government Pension Scheme \(Scotland\) Regulations 2014](#), which came in to force on 1 April 2015, sets out the meaning of pensionable pay. Section 20 (2) (h) of the regulations stipulates that an employee's pensionable pay does not include any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees. In March 2016, the Scottish Public Pensions Agency (SPPA) ordered North Lanarkshire Council to treat back pay settlements to employees as pensionable. The SPPA did this after it was asked to review an appeal on behalf of members of the Local Government Pension Scheme (LGPS) who claimed correctly that the arrears of pay awarded to them by an employment tribunal should have been pensionable.

28. The SPPA's ruling led it to issue [Circular No.6/2016](#) (October 2016) to clarify the policy intention of Section 20 of the Regulations. The SPPA followed up that circular with a letter in May 2017, further clarifying the situation for councils and other affected bodies. This makes clear that where councils agree to settle equal pay claims on the basis of back pay, then claimants are entitled to have the pensionable element of this pay taken into account.

29. At the time of our original audit, several legal test cases in this area were passing through the courts. Because of this ongoing uncertainty, our 2017 report did not make reference to how councils should implement Section 20 of the pension regulations.

30. Each equal pay case that councils deal with needs to be considered on its own merits, with its specific circumstances taken into account when determining whether and how to settle (ie whether to settle on the basis of compensation (which is not pensionable) or back pay (which must have the pensionable element of this pay taken into account). Before signing agreements, individuals must have sought and received independent legal advice on the amount offered and the basis on which the offer is being made (ie back pay or compensation).

31. Data returns from appointed auditors in 2019 show that councils have settled around 16,960 claims with an element of pensionable back pay since 2015/16. This equates to around 54 per cent of all cases settled. Almost all of these relate to the recent settlements made by Glasgow City Council (around 15,640). Three other councils (East Dunbartonshire, Highland and West Dunbartonshire) **have settled around 1,320 equal pay claims with an element of pensionable back pay.** The remaining 14,440 cases settled by Scotland's other 28 councils since 2015/16 were settled on a compensation basis.

Gender pay gap

32. In our *Equal pay in councils* report we also **looked at the gender pay gap.** The gender pay gap is not the same as unequal pay. Unequal pay is giving women less than men for equal work. The gender pay gap is the difference between men's and women's average hourly pay. Unequal pay can be one of the range of factors underlying the gender pay gap, but it is not the only one. Other factors that can contribute to the gender pay gap can be occupational segregation, full-time workers sometimes qualifying for extra payments, women being underrepresented in senior management and leadership roles, women taking on the majority of care duties and inflexible working practices. Ensuring women and men receive equal pay for equal work should contribute to closing the gender pay gap.

33. Local government has taken a number of steps to combat the effects of occupational segregation. This includes combining multiples roles into one contract to provide individuals with easier access to enhanced overtime; providing flexibility in care and work responsibilities and extensive leave provisions for carers, parents etc; actively promoting women in leadership roles; and promoting flexible working options for any role in local government.

34. The gender pay gap figure is expressed as a percentage and where this is positive, it indicates that women are paid less than men. Different measures can be used to report the gender pay gap and it can be helpful to look at a suite of measures to better understand the complexities. In Scotland, the median or mid-point pay gap between all male and female employees (full-time and part-time workers in all sectors of the economy) fell from 16.1 per cent in 2017¹ to 14.3 per cent in 2019. This is below the UK-wide estimated gap of 17.3 per cent in 2019.²

35. Since 2013, Scottish public bodies have been required to publish information on their gender pay gap every two years as part of their Public Sector Equality Duty (PSED) under the Equality Act 2010.

36. For the past four years, alongside their individual statutory reporting, councils have also reported their performance on the gender pay gap through the Local Government Benchmarking Framework (LGBF). The LGBF reports on the average or mean difference (rather than the median) between men's and women's earnings within councils (for both full-time and part-time employees). Because the gender pay gap in the LGBF relates only to councils and uses an average difference, it is

Gender pay gap

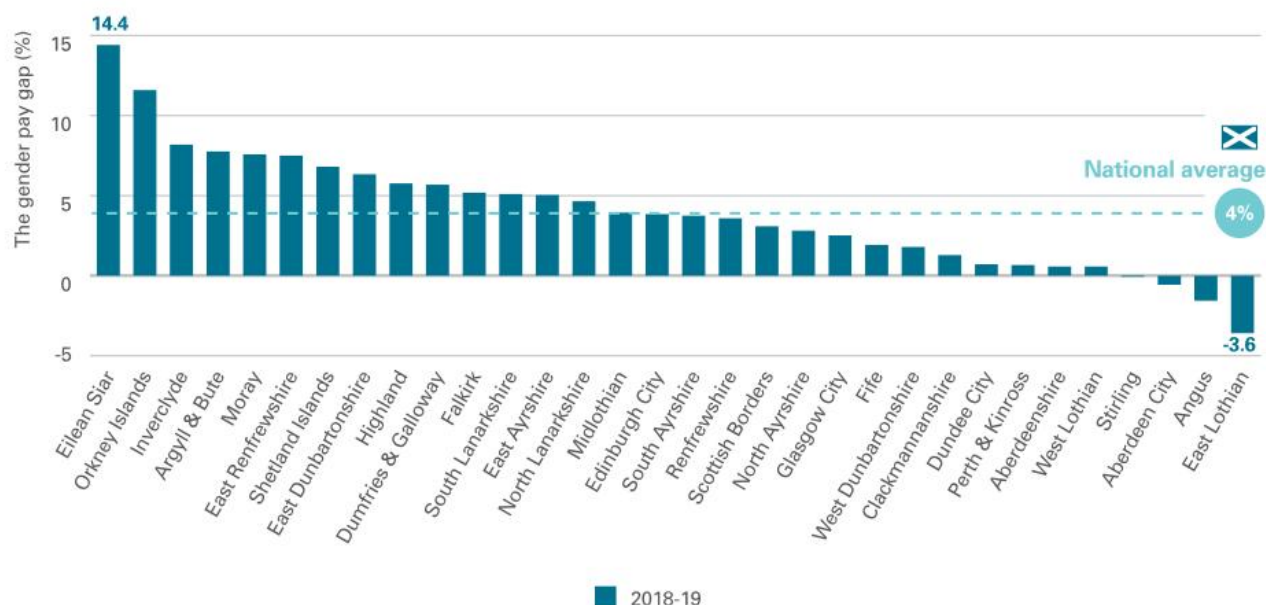
The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.

¹ [Annual Survey of Hours and Earnings](#), Office for National Statistics (ONS)

² The Gender Pay Gap Briefing Paper, House of Commons Library, March 2020

not directly comparable to the national gender pay gap measure. The LGBF measure shows that in 2018/19 the gender pay gap was 4.0 per cent – a reduction of a 0.5 percentage point from 2015/16. Looking across councils, the gap ranges from -3.6 to 14.4 per cent³ (Exhibit 3).

Exhibit 3 Gender pay gap in Scottish councils



Source: Local Government Benchmarking Framework report 2018/19

37. Exhibit 3 shows that rural councils tend to report wider gender pay gaps through the LGBF. [Gender pay gap research](#) by Scotland's Rural College (SRUC), that was commissioned by the Scottish Government in 2017, found that the gender pay gap in rural, island and remote areas has decreased over the last decade. It indicates that in 2017 women in remote parts of the country had the lowest annual income on average, however women in accessible rural areas had the highest income of all female employees in Scotland. A number of factors appear to be behind this, such as employment in low-paid sectors, higher levels of part-time working, reduced mobility and the dominance of micro businesses in rural, remote and island areas.

38. The Scottish Government published *A Fairer Scotland for Women: Gender Pay Gap Action Plan* in March 2019. The action plan encourages employers to carry out equal pay audits to be confident that their pay system delivers equal pay and protects them against the risk of an equal pay claim. It also sets out a list of actions for the public, private and third sector to address the various drivers of the gender pay gap. This includes tackling labour market inequalities faced by women particularly among disabled women, minority ethnic women, women from poorer socio-economic backgrounds and women with caring responsibilities. It is important that councils continue to take action to reduce their gender pay gap.

³ Negative values indicate that women are paid more than men

Governance and oversight to deliver equal pay

39. Councils should continue to ensure that their pay system delivers equal pay, particularly as they go through periods of organisational change.

40. Elected members have a corporate responsibility to ensure that the council is taking all the necessary steps to comply with equalities legislation. As part of that responsibility, elected members should ensure that the council has appropriate arrangements in place to manage outstanding equal pay claims. Elected members also have a broader duty to promote equality. As part of discharging their equality obligations, elected members should regularly receive monitoring information on the progress their councils and, where appropriate, integration authorities and arm's-length external organisations (ALEOs) that deliver services on their behalf, are making in reducing the gender pay gap. They should use this information to challenge officers on this progress. In *Equal pay in councils* we highlighted: actions for councils to ensure they are fulfilling their PSED in relation to equal pay; and questions for elected members in overseeing, challenging and scrutinising equal pay. We have included these again in Appendix 1 as they remain as relevant now as when we published our original audit report in 2017.

Appendix

Actions for councils and elected members

Councils must ensure they are fulfilling their public sector equality duties in relation to equal pay



This includes:

- publishing an equal pay statement and equal pay policy
- assessing the impact of any changes that may affect equal pay
- publishing gender pay gap information.

In complying with good practice, councils should:

- use EHRC guidance for example when undertaking equal pay audits and developing equal pay policies
- use Close the Gap's guidance on meeting the public sector equality duty
- ensure their risk registers are up to date.

For those councils using the SJC job evaluation scheme, they should ensure they implement the most recent edition.

Questions for elected members in overseeing, challenging and scrutinising equal pay



- Have I been updated on the number of ongoing equal pay claims at my council? Am I satisfied they are being dealt with effectively?
- Have I been updated on the potential cost of equal pay claims?
- Have I been updated on the steps my council is taking to mitigate against the risks of equal pay claims? For example:
 - Have I seen my council's equal pay audit? Did it meet EHRC good practice guidance? Are there any pay gaps? Can we sufficiently justify any differences in pay gaps?
 - Have I seen action plans and progress reports against my council's equal pay policy?
 - Have I been updated on changes in case law that might affect my council?
 - Have I seen equality impact assessments on any changes to my council's pay and grading system?
 - Has my council fully implemented the SJC third edition guidance and recommendations?
- Have I been informed about whether my council has allocated adequate resources to proactively carry out equality work around equal pay/gender pay gap beyond responding to equal pay claims?

Equal pay in councils

Impact report

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NORTH AYRSHIRE COUNCIL

17th November 2020

Audit & Scrutiny Committee

Title:	Implications of Audit Scotland Report: Scotland's City Region and Growth Deals
Purpose:	To update members on the findings of Audit Scotland's report on city and growth deals, and North Ayrshire Council's progress in responding to issues arising.
Recommendation:	It is recommended that members note: - <ol style="list-style-type: none"> I. The findings of the Audit Scotland report on growth deals, including implications for local authorities II. Progress made to develop robust governance and resourcing arrangements

1. Executive Summary

- 1.1 In January 2020, Audit Scotland published a [report assessing city and regional deals across Scotland](#). The report provides context to the Scottish Government's strategy for agreeing and implementing deals across Scotland; how deals are made and give an early assessment of the management, governance and accountability structures at national and local level; and, progress to date, risks and plans to measure the impact of deals. The report sets out a series of recommendations to Scottish Government and councils, to ensure efficiency, effective delivery, accountability and robust risk management.
- 1.2 This report provides details on the findings of the Audit Scotland report – Scotland's City and Regional Deals, alongside information on how North Ayrshire Council's governance arrangements are being developed to meet the recommendations.

2. Background

- 2.1 Audit Scotland published its review of the city and region deals in Scotland in January 2020. The review considered the impact, success, and arrangements for managing and evaluating deals. In summary, the key messages from the report are: -
 - £5.2 billion has been committed so far to supporting economic development in all parts of Scotland through City Region and Growth Deals through UK and Scottish governments, councils and their partner organisations. Four deals have been signed to date and eight are in development.
 - Deals bring additional long-term funding for regional economic development and enable economic development projects that may otherwise not have gone ahead.

Deals have also been a catalyst for increased collaboration between councils and their partners.

- Deals have been developed against an evolving policy backdrop. All individual deals include output measures, such as new jobs created. However, there is no current national standard measure of the long-term success of deals, assessment of value for money, or how deals will contribute to the outcomes in the National Performance Framework. Although opportunities for existing deals to take account of the national outcomes may have already been missed, there is still scope to make sure existing and future deals (i.e. including Ayrshire Growth Deal) contribute to national outcomes.
- Each deal is made up of a number of projects, largely comprising infrastructure improvements. In some instances, Audit Scotland found it is not clear why some projects are selected and approved for funding and others are not; while local communities often have little involvement in the deal process. These factors limit transparency and the ability to hold public bodies to account for their deal spending.
- There is a risk around the capacity of councils and their partners to deliver deal projects against a challenging backdrop for the public sector.

2.2 A number of recommendations are included in the review. The recommendations broadly relate to the requirement to have in place robust governance mechanisms, responding to the following themes: -

- Governance, finance management, risk management (including funding risks), accountability, and review and monitoring arrangements, including partner relationships and securing wide stakeholder engagement in deal development and implementation
- Alignment with economic strategy
- Communication strategy, including with elected members, other stakeholders and communications plans.
- Measuring outcomes to ensure success
- Ensuring sufficient resources are dedicated to project delivery, which build capacity and expertise.

2.3 Of those recommendations, some are either for government, councils, or councils and government jointly to consider. The table in appendix 1 highlights those actions for consideration by North Ayrshire Council and a position statement on the Council's progress in developing and implementing the Ayrshire Growth Deal in relation to those recommended actions.

2.4 As highlighted in the Appendix 1, regional governance arrangements are agreed and operational. The Council's internal governance arrangements are undergoing strategic re-design to address the issues raised in the Audit Scotland report, following in-depth analysis of existing arrangements and stakeholder participation in development of robust governance mechanisms. North Ayrshire Council's governance arrangements are therefore being implemented to meet best practice standard, which should provide assurance that the impact of the Ayrshire Growth Deal investment is being maximised to achieve best value and that risks are being appropriately managed within this context. It is critical to note that the scale and nature of projects, which often have a range of interlinkages with other capital investment projects, particularly geographically, has required systemic change to the Council's strategic and operational arrangements for managing capital investment; and that, in line with recommended practice in the Audit Scotland report, governance arrangements are kept under review to ensure they continually remain fit for purpose. It is intended to report progress on implementation of

the Ayrshire Growth Deal to Audit and Scrutiny Committee annually, with an update to be given in March 2021, alongside a finalised Governance Framework.

- 2.5 It should be noted that Appendix 1 responds to the issues raised from a Council perspective. Some of the recommendations will fall either partly or jointly to the regional Project Management Office (PMO) for Ayrshire Growth Deal to respond to, recognising its role in representing the Ayrshire councils. The PMO is also expected to consider and act on the recommendations in the Audit Scotland report.
- 2.6 The Audit Scotland report identifies that partnership engagement varies across Scottish deals. With reference to engagement with communities, it is anticipated that there will be an extensive programme of community engagement throughout the implementation of the Ayrshire Growth Deal projects – particularly given that they typically form part of a wider programme of capital projects that have significant implications for placemaking aspirations. Community engagement programmes are, and will be, implemented to best practice standard, seeking to maximise opportunities to co-develop and influence the output from initial investment; and this is reflected in governance arrangements, which will roll out engagement programmes in a way that reflects wider programme activity to maximise the effectiveness of engagement process, and reduce duplication and consultation fatigue.

3. Proposals

3.1 It is recommended that members note: -

- I. The findings of the Audit Scotland report on growth deals, including implications for local authorities
- II. Progress made to develop robust governance and resourcing arrangements

4. Implications/Socio-economic Duty

Financial

4.1 No direct implications.

Human Resources

4.2 No direct implication. Staffing resources related to the required to develop projects have been considered within development of governance arrangements.

Legal

4.3 No direct legal implications, however, the proposed governance arrangements, including risk and financial controls, will protect the Council.

Equality/Socio-economic

4.4 No issues arising.

Environmental and Sustainability

- 4.5 As part of the proposals to develop projects to full business case, all consenting requirements will be met, including those related environmental assessment requirements.

Key Priorities

4.6 The proposals meet a number of the Council Plan priority outcomes, including:

- North Ayrshire has an inclusive, growing and enterprising economy
- North Ayrshire has active and strong communities
- North Ayrshire is well-connected with effective infrastructure
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment

Community Wealth Building

4.7 In June 2020, the Ayrshire Regional Economy Partnership agreed that the Ayrshire Growth Deal will be delivered through a community wealth building lens. In fulfilment of this expectations, governance arrangements have been developed to embed considered of community wealth building and to drive out opportunities to deliver against the 5 pillars of community wealth building. Community wealth building and regional skills programmes within the Growth Deal are also being advanced, which will assist the implementation, and impact of projects to be targeted to maximise opportunities to create local community wealth and inclusive growth.

5. Consultation

5.1 No consultation has been undertaken in preparing this report.

KAREN YEOMANS
Director (Growth & Investment)

For further information please contact **Neale McIlvanney, Programme Manager**, on **01294 324686**.

Appendix 1 - Audit Scotland: Scotland's City and Region Deals Report Recommendations (*Council and Council/Scottish Government Actions Only*) and Current Status of North Ayrshire Council Governance Arrangements

Appendix 1: Audit Scotland: Scotland's City and Region Deals Report Recommendations (<i>Council and Council/Scottish Government Actions Only</i>) and Current Status of North Ayrshire Council Governance Arrangements		
	Recommended Action	North Ayrshire Council Progress
1	"work with partners to agree clear and commonly understood lines of accountability, and how information on the progress of deals is reported to elected members and council partners"	<ul style="list-style-type: none"> Regional governance and programme management arrangements in place. (see additional information below) Organisational structure designed to provide dedicated resource and governance. All internal governance structures are active, and under iterative review to ensure that during go live phase, they undergo fine tuning, as required, to ensure they operate optimally. The governance design is intended to give sufficient chief officer oversight of key programme information and involvement in project development phases; to provide consistency in reporting on project overview, risks, finance management and milestones. Internal governance framework at draft stage, having been shaped by ELT and Senior Manage for Risk and Internal Audit. The document is being kept at draft stage, although in operation, to reflect the iterative review of initial governance arrangements. Once governance arrangements are set, governance will be finalised. The document gives oversight of key responsibilities, resources, and all governance arrangements, having been produced in conjunction with relevant services. Additional Information: <ul style="list-style-type: none"> https://www.east-ayrshire.gov.uk/MVC/Committees/Services/Index/411/8 https://www.east-ayrshire.gov.uk/MVC/Committees/Services/Index/412/8
2	"ensure deals are aligned with an agreed regional economic strategy, with input from a wide range of partners, and can demonstrate how they will help deliver national and local priorities for economic development"	<ul style="list-style-type: none"> Regional programme governance and partnership arrangement in place, with key work strand of development of a regional economic strategy for Ayrshire region. The Regional Economic Strategy has been recognised by regional economic partnership as a basis for recovery workstreams. Those themes were also agreed and provide a strategic context to the Ayrshire Growth Deal Programme.
3	"regularly review their governance, monitoring and risk management arrangements to ensure they are clear and operating effectively, and consider the ways that internal audit can provide assurance on this"	<ul style="list-style-type: none"> As above – see 1 – local governance arrangements in process of being established. To be kept under review in perpetuity. Internal audit of final governance arrangements has been undertaken to identify risks and opportunities for enhancement of governance. An annual report to the Audit and Scrutiny Panel will provide updates on substantive project development and governance arrangements.
4	"regularly monitor the risk of partner funding not materialising as agreed and be aware of their own financial implications if that risk is realised"	<ul style="list-style-type: none"> As above – see 1 – local governance arrangements in process of being established. To be kept under review in perpetuity. Roll-out of standard finance and risk management approach, to provide comprehensive approach to management of risk and finance matters.

		<ul style="list-style-type: none"> • Risk and Finance Steering Group meeting established involving projects leads and chief officers to identify and treat risk and explore opportunities to maximise funding sources.
5	“ensure a wide range of partners and stakeholders, including local businesses, voluntary organisations, communities and community planning partners, are involved in the deal development and agreement process and as the deal progresses”	<ul style="list-style-type: none"> • The Council has worked to a methodical approach to engagement with partners, as follows:- <ul style="list-style-type: none"> • Strategic case for project (SBC) is borne out of analysis of policy drivers, strategies and physical assets. Typically, priorities are identified through engagement in the development of underpinning documents • Working towards outline business case stage, close engagement and co-production of detailed proposals with partners (including delivery partners, Project Management Office, finance and legal, Executive Leadership Team, and govt policy leads). • At point of agreement, members, will approve extensive consultation arrangements, and subsequent detailed development of proposals.
6	“consider how they will measure the full long-term impact of the deal and whether it has achieved value for money. This should include consideration of arrangements for collecting and analysing data on different groups in their communities to allow the impact of deals on minority and disadvantaged groups to be evaluated”	<ul style="list-style-type: none"> • The Council is working under the guidance of the Ayrshire Growth Deal Project Management Office to provide consistent economic analysis of projects including detailed project benefit mapping for each of the projects in development. • The Council has worked with the Office of the Chief Economic Advisor to the Scottish Government to ensure economic analysis for all projects is appropriate.
7	“look at how deals affect their longer-term financial plans, capital programmes and borrowing strategies”	<ul style="list-style-type: none"> • The Council has a dedicated finance officer in post to support the Ayrshire Growth Deal Programme, and who sits on all governance boards, and informs business case development. Finance profiles have been informed by this process and factored into the Council’s capital programme refresh (as will occur annually). • Finance leads meet regularly at programme level to understand and respond to profiles issues. • Risk and Finance Steering Group meeting established involving projects leads and chief officers to identify and treat risk and explore opportunities to maximise funding sources
8	“ensure that enough staff, money, expertise and skills are available to develop and deliver deals including sufficient project management capacity and expertise.”	<ul style="list-style-type: none"> • As above – see 1 – local governance arrangements in process of being established. To be kept under review in perpetuity. • An extensive process of understanding staff and support requirements has been undertaken to inform the proposed Governance Framework.
9	“consider how best to make more information publicly available as to the reasons behind key decisions on funding and project selection for signed	<ul style="list-style-type: none"> • All regional governance arrangements are on the host partner’s website and linked via the Council website. Governance documents within North Ayrshire reflect regional arrangements. Following conclusion of deal documents to commit funding, the Project Management Office will review communication strategy, including online presence.

	deals and those still in development, to promote understanding and support effective scrutiny”	<ul style="list-style-type: none"> The Council has run editorial pieces on key development issues that are of public interest and promoted on social media. This will continue, as information hosting and communications plans mature.
10	“improve arrangements for sharing knowledge and learning across deals in the interest of improving the deal process”	<ul style="list-style-type: none"> The Ayrshire Growth Deal Project Management Office has a dedicated web portal to disseminate information to project and policy leads.
11	“regularly review the governance and accountability arrangements for deals to ensure they are clear and operate effectively.”	<ul style="list-style-type: none"> As above – see 1 – local governance arrangements in process of being established. To be kept under review in perpetuity. An annual report to the Audit and Scrutiny Panel will provide updates on substantive project development and governance arrangements.

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title:	Annual Report – School and Early Learning and Childcare Inspections 2019-20
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Purpose:	To inform the Audit and Scrutiny Committee of the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2019-20
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Recommendation:	It is recommended the Audit and Scrutiny Committee: (a) notes the contents of this report (b) commends the performance of schools in inspections led by Education Scotland and the Care Inspectorate
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1. Executive Summary

- 1.1 Education Scotland published inspection reports on three educational establishments in North Ayrshire in session 2019-20. The performance of our schools and centres was positive.
- 1.2 The Care Inspectorate published inspection reports on five local authority early learning and childcare establishments in North Ayrshire in session 2019-20. The performance of these establishments was very positive.
- 1.3 Action has been taken by individual schools and early years establishments, supported by the education service, to celebrate strengths and to address areas for improvement identified in the inspection reports. It is acknowledged of course that many improvement actions had to be paused during the school closure period.
- 1.4 In the 2019-20 academic year, Education Scotland also completed an external review of Skills Development Scotland services in North Ayrshire. Education Scotland published a report in June 2020 which concluded that North Ayrshire Council is making good progress across identified themes.

2. Background

- 2.1 Schools are subject to periodic external evaluation by the national inspection agency, Education Scotland. Early Learning and Childcare settings are inspected by both Education Scotland and the Care Inspectorate.

- 2.2 Education Scotland reports on the quality of school and early years provision under the following quality indicators, taken from the self-evaluation framework *How Good is our School?* (4th edition):
- Leadership of change
 - Learning, teaching and assessment
 - Raising attainment and achievement (primary, secondary, ASN schools)
 - Securing children's progress (Early learning & childcare)
 - Ensuring wellbeing, equality and inclusion
- 2.3 The Care Inspectorate reports on the quality of early learning and childcare provision under the following quality indicators:
- Quality of care and support
 - Quality of environment
 - Quality of staffing
 - Quality of management and leadership
- 2.4 All inspections focus on at least two quality indicators. In session 2019-20, Education Scotland carried out only three inspections in North Ayrshire prior to the closure of schools on the 23rd of March 2020. An inspection which was scheduled to take place in Auchenhavie Academy was cancelled in March 2020, shortly before the country entered lockdown. In order for the Committee to consider North Ayrshire's performance on the basis of a larger sample size, inspection data is provided for 2018-20 due to the small number of inspections carried out in 2019-20. Education Scotland carried out over 450 school inspections and over 275 early learning and childcare inspections across Scotland between 2018-20. This led to 74 further inspections in schools and early years settings with significant areas for improvement. The number of Education Scotland inspections in North Ayrshire over the same period was 10 (of which 3 were in 2019-20 and 7 were in 2018-19). There was also one further inspection at Loudoun-Montgomery Primary School and Early Years Class. A separate report will be presented to the Committee on the Loudoun-Montgomery further inspection outcome.
- 2.5 Education Scotland uses a six-point scale to report on the performance of the educational establishment in each of the assessed quality indicators. The categories of the six-point scale are: excellent, very good, good, satisfactory, weak and unsatisfactory. Further detail on the meaning of the six-point scale is included at Appendix 4.
- 2.6 Across 2018-20 academic years the performance of North Ayrshire schools in Education Scotland inspections was very positive overall. By way of comparison in the table below, each grade has been assigned a numerical value to show our average performance against the national performance. The higher the value, the better the performance.

Average grade assigned through Education Scotland inspection 2018-20:

Quality Indicator	National 2018-20*	Regional 2018-20 (SWEIC)*	NAC 2018-20*
Leadership of change	3.56	3.81	3.86
Learning, teaching and assessment	3.60	3.81	4.21
Raising attainment and achievement	3.62	3.84	4.00
Ensuring wellbeing, equality and inclusion	3.80	4.05	3.86

* Excellent = 6; Very Good = 5; Good = 4; Satisfactory = 3; Weak = 2; Unsatisfactory = 1

- 2.7 A further indicator of quality of educational provision overall is the percentage of school/early learning and childcare inspections by Education Scotland which resulted in an evaluation of “good” or better. Again, to provide a richer dataset, the figures in the table below represent the 2018-20 picture. Again, this demonstrates a strong performance in North Ayrshire:

Percentage of inspections resulting in evaluation of “good” or better 2018-20:

Quality Indicator	National 2018-20*	Regional 2018-20 (SWEIC)*	NAC 2018-20*
Leadership of change	54%	64%	71%
Learning, teaching and assessment	56%	68%	86%
Raising attainment and achievement	58%	71%	71%
Ensuring wellbeing, equality and inclusion	67%	71%	71%

- 2.8 The Education Scotland inspection reports (at Appendix 2) highlight a number of key strengths common to several of the establishments they visited in North Ayrshire in 2019-20. Notable strengths have been identified in the following areas:

- Positive relationships
- Nurturing and inclusive learning environments
- Strong ethos of continuous improvement across staff teams at all levels
- Good evidence of staff teamwork having a positive impact on children’s learning
- Improvements to the quality of learning and teaching

- 2.9 Areas for improvement in North Ayrshire were identified through the inspection reports. The improvement actions frequently include the wording “continue”, demonstrating that establishments are already beginning to take steps to address these points. Common themes in 2019-20 are:

- Continue to take steps to raise attainment
- Build on approaches to tracking and monitoring to enhance assessment and moderation
- Continue to focus on improving the quality of learning, teaching and assessment.

- 2.10 In session 2019-20 the performance of North Ayrshire Early Learning and Childcare centres and classes in Care Inspectorate inspections was very positive. A total of five Local Authority Early Years centres and classes were inspected and the average performances of these establishments is listed below. Comparator data with the national picture is not available. In addition to this, there were five Care Inspectorate inspections among our funded providers. The inspection outcomes for all establishments are summarised at Appendix 1.

Average grade assigned through Care Inspectorate inspection in NAC:

Quality Indicator	North Ayrshire Average Performance 2019-20* (n=5)	North Ayrshire Average Performance 2018-20* (n=25)
Quality of care and support	4.80	4.96
Quality of environment	4.40	4.78
Quality of staffing	Not assessed	4.29
Quality of management and leadership	Not assessed	4.67

* Excellent = 6; Very Good = 5; Good = 4; Adequate = 3; Weak = 2; Unsatisfactory = 1

2.11 Common strengths from the Care Inspectorate reports (at Appendix 3) on early learning and childcare settings in North Ayrshire in 2019-20 are:

- Children are happy, settled, confident and having fun
- Outdoor play features strongly as a strength
- Warming and welcoming environments are provided where children are supported with their learning

2.12 Care Inspectorate reports included no improvement requirements and only one recommendation in total for early learning and childcare establishments in North Ayrshire in 2019-20. Plans are in place to address this recommendation.

2.13 Education Scotland carried out an external inspection of Skills Development Scotland (SDS) delivery in North Ayrshire and the report from this review was published in June 2020. Whilst this was an inspection of SDS, North Ayrshire Council is a key partner and stakeholder. The full report can be found at Appendix 4 and indicates that good progress is being made overall across inspected areas. Partnership work is underway to address identified areas for development. As is normal practice with this type of inspection, a follow-up visit will be arranged within approximately 18 months to review progress.

2.14 As part of the service's commitment to continuous improvement, inspection outcomes have been used alongside feedback and engagement sessions with head teachers and other senior officers, to feed into an evaluation of the service's Quality Improvement Framework, which has been refreshed for session 2020-21. The updated framework was implemented from September 2020 and is cognisant of the impact of COVID-19. This has resulted in a greater degree of flexibility in Quality Improvement visits in 2020-21 in identified areas that have been mutually agreed by senior management and school leadership teams. This is also supported by a programme of professional learning opportunities for schools. The Quality Improvement Framework is designed to give schools, the service and elected members assurance that self-evaluation is a key aspect of the work of our schools and that this leads consistently to planned improvements, based on local contexts.

3. Proposals

3.1 It is recommended the Audit and Scrutiny Committee:

- (a) Notes the contents of this report
- (b) Commends the performance of schools in inspections led by Education Scotland and the Care Inspectorate

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 Council priorities:

- Children and young people experience the best start in life.
- Active and strong communities.

Community Wealth Building

4.7 Better educational outcomes for children young people and adults, as well as increased capacity building and resilience in communities are required to underpin a strong local economy.

5. Consultation

5.1 There has been no specific consultation on the contents of this report, beyond what has been described above at paragraph 2.14.

Audrey Sutton
Interim Executive Director

For further information please contact **Andrew McClelland, Head of Service (Education)**, on **01294 324413**.

Background Papers

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Appendix 1 – External Evaluations

External Evaluations

Education Scotland reported on 3 inspections in our schools in the period between 1 August 2019 and 31 July 2020. An inspection which was scheduled to take place in Auchenharvie Academy was cancelled in March 2020, shortly before all schools closed. All Education Scotland inspection activity remains suspended until further notice.

The Care Inspectorate carried out five inspections in our Early Years during the same period. The evaluations were as follows:

Education Scotland Inspections (HMle) – Primary/Secondary Schools:

Establishment	Publication Date	Leadership of Change	Learning, Teaching and Assessment	Raising attainment and achievement	Ensuring wellbeing, equality and inclusion
Arran HS	16/06/2020	Not assessed	Good	Good	Not assessed
St John Ogilvie PS	24/09/2019	Not assessed	Good	Satisfactory	Not assessed
Dreghorn PS	27/08/2019	Good	Good	Satisfactory	Good

Education Scotland Inspections (HMle) – Early Learning & Childcare Settings:

Establishment	Publication Date	Leadership of Change	Learning, Teaching and Assessment	Securing children's progress	Ensuring wellbeing, equality and inclusion
St John Ogilvie PS Early Years	24/09/2019	Not assessed	Very Good	Very Good	Not assessed
Dreghorn PS Early Years	27/08/2019	Good	Good	Good	Good

Care Inspectorate – Early Learning & Childcare Settings

Establishment	Date of Inspection	Quality of Care and Support	Quality of Environment	Quality of Staffing	Quality of Management and Leadership
Springside PS Early Years	January 2020	Very Good	Good	Not Assessed	Not Assessed
Winton PS Early Years	November 2019	Very Good	Good	Not Assessed	Not Assessed
Glencairn PS Early Years	November 2019	Very Good	Very Good	Not Assessed	Not Assessed
Lawthorn PS Early Years	November 2019	Very Good	Very Good	Not Assessed	Not Assessed
Stanley PS Early Years	September 2019	Good	Good	Not Assessed	Not Assessed

Care Inspectorate – Early Learning & Childcare Settings (Funded Providers)

Establishment	Date of Inspection	Quality of Care and Support	Quality of Environment	Quality of staffing	Quality of MGMT and leadership
<i>First Steps</i>	March 2020	Good	Good	Not Assessed	Not Assessed
<i>Little Deers Nursery</i>	December 2019	Adequate	Adequate	Adequate	Weak
<i>Bradshaw Nursery</i>	October 2019	Very Good	Not Assessed	Very Good	Not Assessed
<i>Busy Bees Nursery</i>	October 2019	Excellent	Not Assessed	Not Assessed	Very Good
<i>Rainbow Childcare</i>	September 2019	Very Good	Good	Good	Good

27 August 2019

Dear Parent/Carer

In April 2019, a team of inspectors from Education Scotland and the Care Inspectorate visited Dreghorn Primary School and Nursery Class. During our visit, we talked to parents/carers and children and worked closely with the headteacher and staff.

The inspection team found the following strengths in the school's work.

- The headteacher and staff who have created a positive collegiate and supportive ethos across the school. They have rightly prioritised the importance of developing and building relationships in taking the school forward on its journey of improvement.
- Teachers who support and care well for children and who create nurturing classrooms. The children are welcoming and friendly.
- Staff who work in the Education Support Resource provide a well-planned and highly caring experience for their children.
- The strong teamwork in the nursery. Practitioners are highly motivated to take forward improvements and to ensure a nurturing and respectful setting to secure positive outcomes for children and families.

The following areas for improvement were identified and discussed with the headteacher and a representative from North Ayrshire Council.

- The headteacher and her staff need to raise attainment for all children. Staff should work together to create a shared understanding of high quality learning and teaching to ensure positive outcomes for all children.
- Teachers should work closely together to increase the pace of learning in lessons. There needs to be a review of teaching time to make sure time for learning is maximised.
- Planning for children with additional support needs (ASN) should be reviewed and improved across the school and nursery. Targets and support should be more clearly documented. Targets for children with ASN need to be tracked more carefully to make sure all children progress and achieve their full potential.
- In the nursery class, practitioners need to focus more on ensuring depth and challenge supported by high quality interactions. In doing so, children should be supported to have a greater role in leading their learning.

We gathered evidence to enable us to evaluate the school's work using four quality indicators from [How good is our school? \(4th edition\)](#) and [How good is our early learning and childcare?](#). Quality indicators help schools, local authorities and inspectors to judge what is working well and what needs to be improved. Following the inspection of each school, the Scottish Government gathers details of our evaluations to keep track of how well Scottish schools are doing.

Here are Education Scotland's evaluations for Dreghorn Primary School and Nursery Class

Quality indicators for the primary stages	Evaluation
Leadership of change	good
Learning, teaching and assessment	good
Raising attainment and achievement	satisfactory
Ensuring wellbeing, equality and inclusion	good
Descriptions of the evaluations are available from: How good is our school? (4th edition), Appendix 3: The six-point scale	

Quality indicators for the nursery class	Evaluation
Leadership of change	good
Learning, teaching and assessment	good
Securing children's progress	good
Ensuring wellbeing, equality and inclusion	good
Descriptions of the evaluations are available from: How good is our early learning and childcare? Appendix 1: The six-point scale	

Here are the Care Inspectorate's gradings for the nursery class

Care Inspectorate standards	Grade
Quality of care and support	good
Quality of management and leadership	good

Requirements/recommendations made by Care Inspectorate for the nursery class

During the previous Care Inspectorate inspection, the setting had no requirements and no recommendations. As a result of this inspection, there are no requirements or recommendations.

A more detailed document called Summarised Inspection Findings (SIF) will be available on the Education Scotland website at:

<https://education.gov.scot/inspection-reports/north-ayrshire/8211124>

What happens next?

We are confident that the school has the capacity to continue to improve and so we will make no more visits in connection with this inspection. North Ayrshire Council will inform parents/carers about the school's progress as part of its arrangements for reporting on the quality of its schools.

Ann Floyd
HM Inspector

Katrina Magill
Care Inspector

24 September 2019

Dear Parent/Carer

In June 2019, a team of inspectors from Education Scotland and the Care Inspectorate visited St John Ogilvie Primary School and Nursery Class. During our visit, we talked to parents/carers and children and worked closely with the headteacher and staff.

The inspection team found the following strengths in the school's work.

- All staff, across the early years setting and school, have a good understanding of the needs of children and their families. They are proactive in identifying any potential difficulties which they may experience. There is a supportive and inclusive environment in which children are happy and developing confidence well.
- The enthusiastic practitioner team within the early years setting, who work together well to plan high quality learning experiences. The stimulating and nurturing environment, which includes very effective use of the outdoors for learning, is having a positive impact on children's development.
- Teachers are eager to build on existing good practice in the classroom and willingly seek additional advice and undertake training. Supported by the senior leadership team they have worked hard to improve the learning experiences throughout the school.
- The transition arrangements from home to nursery, and from nursery on into P1, are very effective. Close attention is given to involving parents in these important points in their child's learning journey.

The following areas for improvement were identified and discussed with the headteacher and a representative from North Ayrshire Council.

- Continue to develop high quality learning experiences across the early years setting and school in order to raise attainment for all children across all areas of the curriculum.
- Continue to develop teachers' confidence in their professional judgement of achievement of a Curriculum for Excellence level.
- Recognise, monitor and track children's achievements within and outwith the school more effectively. This should include the development of children's skills for learning, life and work, and strengthening their voice in leading change within the school.

We gathered evidence to enable us to evaluate the school's work using quality indicators from [How good is our school? \(4th edition\)](#) and [How good is our early learning and childcare?](#) Quality indicators help schools, local authorities and inspectors to judge what is working well and what needs to be improved. Following the inspection of each school, the Scottish Government gathers details of our evaluations to keep track of how well Scottish schools are doing.

Here are Education Scotland's evaluations for St John Ogilvie Primary School and Nursery Class

Quality indicators for the primary school	Evaluation
Learning, teaching and assessment	good
Raising attainment and achievement	satisfactory
Descriptions of the evaluations are available from: How good is our school? (4th edition), Appendix 3: The six-point scale	

Quality indicators for the nursery class	Evaluation
Learning, teaching and assessment	very good
Securing children's progress	very good
Descriptions of the evaluations are available from: How good is our early learning and childcare? Appendix 1: The six-point scale	

Here are the Care Inspectorate's gradings for the nursery class

Care Inspectorate standards	Grade
Quality of care and support	very good
Quality of environment	very good

Requirements/recommendations made by Care Inspectorate for the nursery class

During the previous Care Inspectorate inspection, the setting had no requirements or recommendations. As a result of this inspection, there no requirements or recommendations.

This letter and a more detailed document called Summarised Inspection Findings (SIF) will be available on the Education Scotland website at:

<https://education.gov.scot/inspection-reports/north-ayrshire/8218528>

What happens next?

We are confident that the school has the capacity to continue to improve and so we will make no more visits in connection with this inspection. North Ayrshire Council will inform parents/carers about the school's progress as part of its arrangements for reporting on the quality of its schools.

Frances E Graham
HM Inspector

Annemarie McGinn
Care Inspector

16 June 2020

Dear Parent/Carer

In February 2020, a team of inspectors from Education Scotland visited Arran High School. During our visit, we talked to parents/carers and young people and worked closely with the headteacher and staff.

The inspection team found the following strengths in the school's work.

- Positive, caring and respectful relationships provide a calm and orderly environment. As a result, young people engage well in their learning, supporting each other.
- Guided by the senior and extended leadership teams, staff are working well together and using current research to improve learning and teaching.
- A consistently high proportion of young people move on to a positive destination after leaving Arran High School.

The following areas for improvement were identified and discussed with the headteacher and a representative from North Ayrshire Council.

- Continue to develop and embed refocused approaches to improve learning and teaching across the whole school.
- Continue to raise the attainment and achievement of young people at all stages.

We gathered evidence to enable us to evaluate the school's work using quality indicators from [How good is our school? \(4th edition\)](#). Quality indicators help schools, local authorities and inspectors to judge what is working well and what needs to be improved. Following the inspection of each school, the Scottish Government gathers details of our evaluations to keep track of how well Scottish schools are doing.

Here are Education Scotland's evaluations for Arran High School

Quality indicators	Evaluation
Learning, teaching and assessment	good
Raising attainment and achievement	good
Descriptions of the evaluations are available from: How good is our school? (4th edition), Appendix 3: The six-point scale .	

A more detailed document called Summarised Inspection Findings (SIF) will be available on the Education Scotland website at:

<https://education.gov.scot/education-scotland/inspection-reports/reports-page/?id=1459>

What happens next?

We are confident that the school has the capacity to continue to improve and so we will make no more visits in connection with this inspection. North Ayrshire Council will inform parents/carers about the school's progress as part of its arrangements for reporting on the quality of its schools.

Jacqueline Nimmo
HM Inspector

Springside Early Years Class Day Care of Children

Station Road
Springside
Irvine
KA11 3AZ

Telephone: 01294 211651

Type of inspection:
Unannounced

Completed on:
23 January 2020

Service provided by:
North Ayrshire Council

Service provider number:
SP2003003327

Service no:
CS2003016027

About the service

The Care Inspectorate is committed to improving the health and wellbeing of all children receiving a care service. We want to ensure they have the best start in life, are ready to succeed and live longer, healthier lives.

We check services are meeting the principles of Getting it Right For Every Child (also known as GIRFEC). Set up by Scottish Government, GIRFEC is a national approach to working in a consistent way with all children and young people. It is underpinned by the principles of prevention and early intervention. The approach helps services focus on what makes a positive difference for children and young people - and what they can do to improve. Getting it Right for Every Child is being woven into all policy, practice, strategy and legislation that affect children, young people and their families.

There are eight wellbeing indicators at the heart of Getting it Right for Every Child. They are: safe; healthy; achieving; nurtured; active; respected; responsible; and included. They are often referred to as the SHANARRI indicators. We use these indicators at inspection, to assess how services are making a positive difference for children.

This daycare of children service is provided by the local authority and operates out of Springside Primary School within the village of Springside in North Ayrshire. A maximum of 16 children aged three years to those not yet attending primary school can be cared for at any one time during term time only.

The service principally aims to:

- Provide a happy, secure, safe and stimulating environment for children aged between 3 - 5 years, while encouraging them to develop socially, emotionally, physically and intellectually.

At this time 27 children were registered to attend the service over two daily sessions.

What people told us

Thirteen children attended the morning session and seven attended the afternoon session during our visit.

We spoke with some of the children who were comfortable to do so. They were happy, settled and enjoying their time spent in the early years class.

We spoke with four parents who were all very happy with the service provided and told us that their "children are learning" and "love it". They praised staff, telling us that they were approachable and they could speak to them at any time. They felt their children benefitted from attending and there was always plenty of activities for them to take part in. They also commented positively on how they were included and activities they had taken part in such as craft sessions and cooking classes.

Three parents also completed our Care Standards questionnaires giving us their views of the service. They all strongly agreed that they were happy with the quality of care their children received. Comments made included:

"She (child) always has fun at nursery and always looks forward to going"

"Springside Early Years do a great job. The staff keep me included in my child's learning".

Self assessment

The service had not been asked to complete a self assessment in advance of the inspection. We looked at their own improvement plan which demonstrated their priorities for improvement.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of environment	4 - Good
Quality of staffing	not assessed
Quality of management and leadership	not assessed

What the service does well

The children were happy, busy and settled. They were having fun and most were engaged in their play and learning, dependent on their age and stage of development. Staff knew the children well and interacted purposefully with them providing lots of praise and encouragement. They were sensitive to their individual needs and catered for these appropriately.

Staff made best use of the space available ensuring there was a safe and secure environment. The layout provided space for the children to move safely and explore and was warm and inviting. Furnishings and resources were clean and in a good state of repair. Children were aware of the resources available and were confident in making their own choices. They could choose to play with friends, in small groups or by themselves if they wished. Imaginative play and problem solving activities were popular, developing the children's confidence and understanding.

The children were active and enthusiastically enjoyed their time outdoors and in the school gym hall. The garden area had been further developed providing the children with different experiences, including the use of loose parts, which helped stretch their imagination and extend their play and learning. They were included in assessing risky play and supported by staff to problem solve and manage risk.

Responsibility was promoted and the children were keen to find out who would be chosen to be the daily helper and carry out specific tasks. All children were given this opportunity ensuring they were all included and respected. The children confidently approached staff with any requests or looking for reassurance. This told us that caring, trusting relationships had been built up.

Independence was encouraged in many ways including hand washing, at snack times, putting on outdoor clothing and choosing and pouring paints. Snack was varied and healthy and the children were aware of routines. They enjoyed unhurried, sociable snack times whilst learning valuable self-help skills.

What the service could do better

We discussed some areas for development with the manager.

- To use the information gathered and staff knowledge to further develop the children's personal plans to meet the requirements of Regulation
- To ensure water is always freely available for the children to access during the day

- To review medication forms to include signs and symptoms when medication has to be administered "as required"
- To further develop loose parts and access to natural materials in the playroom.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com.

What the service has done to meet any requirements we made at or since the last inspection

Previous requirements

There are no outstanding requirements.

What the service has done to meet any recommendations we made at or since the last inspection

Previous recommendations

There are no outstanding recommendations.

Inspection and grading history

Date	Type	Gradings	
29 Sep 2016	Unannounced	Care and support	5 - Very good
		Environment	Not assessed
		Staffing	5 - Very good
		Management and leadership	Not assessed
25 Sep 2013	Unannounced	Care and support	5 - Very good
		Environment	4 - Good
		Staffing	5 - Very good
		Management and leadership	5 - Very good
17 Jun 2008	Unannounced	Care and support	5 - Very good
		Environment	4 - Good
		Staffing	4 - Good
		Management and leadership	4 - Good

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Winton Primary School Early Years Class Day Care of Children

Winton Primary School
Anderson Terrace
Ardrossan
KA22 8JP

Telephone: 01294 464443

Type of inspection:
Unannounced

Completed on:
22 November 2019

Service provided by:
North Ayrshire Council

Service provider number:
SP2003003327

Service no:
CS2014329538

About the service

The Care Inspectorate regulates care services in Scotland. Information about all care services is available on our website at www.careinspectorate.com.

This service registered with the Care Inspectorate on 1 April 2011.

Winton Primary School Early Years Class is registered to provide a daycare service to a maximum of 20 children aged two years to those not yet attending primary school.

The early years class is located within Winton Primary School campus in the town of Ardrossan, North Ayrshire. The early years class has its own entrance and is delivered in a well laid out playroom. The early years class have access to their own toilets with nappy changing area. There is direct access to a large enclosed outdoor play area.

North Ayrshire Council is the provider of the service. The primary school head teacher has overall responsibility for the early years centre. The deputy head teacher works closely with the staff team to plan and provide the day-to-day management and care for the children.

The Care Inspectorate is committed to improving the health and wellbeing of all children receiving a care service. We want to ensure they have the best start in life, are ready to succeed and live longer, healthier lives. We check services are meeting the principles of Getting It Right For Every Child (also known as GIRFEC). Set up by Scottish Government, GIRFEC is a national approach to working in a consistent way with all children and young people. It is underpinned by the principles of prevention and early intervention. The approach helps services focus on what makes a positive difference for children and young people - and what they can do to improve. Getting it right for every child is being woven into all policy, practice, strategy and legislation that affect children, young people and their families.

There are eight wellbeing indicators at the heart of 'Getting It Right For Every Child'. They are: Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible, and Included. They are often referred to as the SHANARRI indicators. We use these indicators at inspection, to assess how services are making a positive difference for children.

A full statement of service's aims and objectives is available from the service.

What people told us

Prior to this inspection we sent eight care standard questionnaires to the service and asked them to distribute them to parents/carers of children who used the service, six were returned before the inspection. The parents/carers who returned their questionnaires all agreed they were happy with the care and support their child received. Comments made included;

"My daughter is happy and thriving and loves attending Winton nursery"

"Amazing nursery, my daughter has developed so much since starting. All teachers are great with her. Teachers are all lovely and have always made myself very comfortable and included me in any activities kids are doing which I love"

"We think X progress has come great since starting Winton nursery. He settled in and was comfy with the teachers straight away"

"The staff are fantastic and very approachable if you need to chat with them about your child"

"The nursery is a great place with so much for the children to do and constantly encourages the kids to learn new skills whether its indoors or outdoors".

During our inspection visit we observed and spoke to some of the children who were present. The children told us they enjoyed attending the nursery, they liked their teachers and they enjoyed playing outdoors. We observed the children enjoying taking part in a range of good quality activities.

Self assessment

The service had not been asked to complete a self-assessment in advance of this inspection. We discussed the improvement plan for the service which demonstrated clear priorities for improving outcomes for children.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of environment	4 - Good
Quality of staffing	not assessed
Quality of management and leadership	not assessed

What the service does well

Together staff and management had created a welcoming environment for children and families. Relationships between staff, parents and children were positive, with staff providing regular support, encouragement and praise to children. Family involvement sessions were in place including stay and play, bookbug, funky Friday and munch crunch sessions. Parents we spoke with placed value on these sessions telling us that they enjoyed sharing the experiences with their children.

Throughout our inspection we saw that children were very happy and engaged. They interacted and responded well to the staff caring for them. We found staff to be warm, welcoming and nurturing which contributed to children feeling safe and secure. Staff took time to talk to children about their likes, dislikes and wider community interests during the unhurried snack and lunch routines. We found the children played confidently choosing from a good range of toys and materials which supported them to develop their skills in understanding, thinking, investigation and problem solving, including imaginative play and storytelling.

We found children had opportunity to be involved in their own learning. Floorbooks and learning journals recorded children's experiences. We saw that staff challenged children and provided opportunities for children to become more independent and involved them in planning activities and learning. Children responded well to this.

The service made good use of the outdoor play space to create a motivating environment for children to investigate, explore, and play together. Children, staff and parents had worked together to develop the outdoor play space. Staff took children outside in groups, staff told us that they ensured the children had daily access to

outdoor play experiences. We observed the outdoor area to be well used and the children enjoyed playing outdoors.

Records of accident and incidents had been appropriately recorded, shared with parents and audited regularly by management. We found that children were receiving appropriate care and treatment. Staff had a good knowledge of child protection procedures and steps to be taken to safeguard children

What the service could do better

Personal plans were in place for all children we sampled during this inspection. Staff demonstrated how they used personal plans to identify and track children's progress and learning. We discussed the Scottish Statutory Instrument SSI 2011/210 section 5 personal plans with the management team and discussed that personal plans should identify how health, welfare and safety needs will be met. We made some suggestions on how the personal plans could be further developed. The management team told us they would do this.

During the inspection we sampled children's administration of medication records and found that records needed to be updated to include a section for staff to record their reason for judgement taken to administer a medication. We provided the service with an email copy of the Management of Medication in Daycare and Childminding Services to support this.

During the inspection we looked at how well the service kept children safe through effective infection control measures. We highlighted storage of aprons and cleaning paper roll in the nappy change area and hand washing and nose wiping as areas that should be improved.

During our inspection we found that the nappy changing facilities were not appropriate for the ages of children attending the service and did not provide for privacy and dignity. This had been discussed at a previous inspection in 2015 where the management had previously advised Care Inspectorate that solutions to address these issues were ongoing. At the point of this inspection no progress had been made. We asked that the nappy changing area is improved to ensure children's privacy and dignity is protected. We directed the management team to Scottish Statutory Instrument SSI 2011/210 section 4 Welfare of users; which states that: 4.(1) A provider must? (a) make proper provision for the health, welfare and safety of service users; (b) provide services in a manner which respects the privacy and dignity of service users. We also highlighted Health and Social Care Standard (HSCS) Principal Dignity and Respect and standard 1.4 (HSCS). Contact was made with the local authority who indicated a prompt solution would be found. Recommendation 1.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 1

1. Winton Primary School Early Years should ensure that nappy changing facilities allows children to be changed in a manner which respects their privacy and dignity.

This is to ensure that care and support is consistent with the Health and Social Care Standards which state; If I require personal care, this is carried out in a dignified way, with my privacy and personal preferences protected. (HSCS 1.4)

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com.

What the service has done to meet any requirements we made at or since the last inspection

Previous requirements

There are no outstanding requirements.

What the service has done to meet any recommendations we made at or since the last inspection

Previous recommendations

There are no outstanding recommendations.

Inspection and grading history

Date	Type	Gradings
24 Nov 2017	Unannounced	<div>Care and support</div> <div>5 - Very good</div> <div>Environment</div> <div>Not assessed</div> <div>Staffing</div> <div>5 - Very good</div> <div>Management and leadership</div> <div>Not assessed</div>
25 Nov 2015	Unannounced	<div>Care and support</div> <div>4 - Good</div>

Date	Type	Gradings	
		Environment	4 - Good
		Staffing	4 - Good
		Management and leadership	4 - Good

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Lawthorn Primary School Nursery Class Day Care of Children

Lochlibo Road
Lawthorn
Irvine
KA11 2AY

Telephone: 01294 224548

Type of inspection:
Unannounced

Completed on:
21 November 2019

Service provided by:
North Ayrshire Council

Service provider number:
SP2003003327

Service no:
CS2003017307

About the service

The Care Inspectorate regulates care services in Scotland. Information about all care services is available on our website at www.careinspectorate.com

This service was previously registered with the Care Commission and transferred its registration to the Care Inspectorate on 1 April 2011.

The Care Inspectorate is committed to improving the health and wellbeing of all children receiving a care service. We want to ensure they have the best start in life, are ready to succeed and live longer, healthier lives.

We check services are meeting the principles of Getting it Right For Every Child (also known as GIRFEC). Set up by Scottish Government, GIRFEC is a national approach to working in a consistent way with all children and young people. It is underpinned by the principles of prevention and early intervention. The approach helps services focus on what makes a positive difference for children and young people - and what they can do to improve. Getting it Right for Every Child is being woven into all policy, practice, strategy and legislation that affect children, young people and their families.

There are eight wellbeing indicators at the heart of Getting it Right for Every Child. They are: safe; healthy; achieving; nurtured; active; respected; responsible; and included. They are often referred to as the SHANARRI indicators. We use these indicators at inspection, to assess how services are making a positive difference for children.

This early years service is provided by the local authority and operates out of Lawthorn Primary School within the Lawthorn area of the town of Irvine in North Ayrshire. A maximum of 34 children aged 3 years and over can be cared for at any one time during term time only.

The service aims to:

- Provide a secure, stimulating and happy environment where children feel confident and eager to learn
- Work in partnership with parents, recognising them as prime educators
- Liaise with outer agencies and work in partnership with the wider community.

What people told us

We chatted with some of the children who were happy to interact with us. They told us they liked coming to the early years service and shared with us some of the activities they enjoyed taking part in. A group showed us how to make play dough and had fun playing with it afterwards.

We spoke with two parents and received completed Care Standards questionnaires from ten more giving us their views of the service. All indicated they were happy with the care their children received. They commented positively on different aspects including staff, communication, children's progress and activities the children took part in both indoors and outside. Comments made included:

"Brilliant service and staff"

"We feel listened to if we ever have a concern or query. Staff are always available if you have anything to discuss"

"My girls have thrived while at Lawthorn Early Years & the teachers are first class!"

"The dedication of the staff and the care they show towards the children is outstanding"

Comments made regarding giving more notice for planned events/activities was discussed. We found that communication methods included verbal, newsletters, notices and the school app and that parents we spoke with were well aware of these and felt they were kept up to date.

Self assessment

The service had not been asked to complete a self assessment in advance of the inspection. We looked at their own improvement plan and quality assurance paperwork. These demonstrated their priorities for development and how they were monitoring the quality of the provision within the service.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of environment	5 - Very Good
Quality of staffing	not assessed
Quality of management and leadership	not assessed

What the service does well

The children were happy, confident and having fun whilst engaging in their play and learning. Staff ensured children's interests and specific needs were taken into account when planning activities. Staff knew the children well and interacted purposefully with them providing lots of praise and encouragement.

The layout of the environment provided space for the children to move safely and explore and was warm, safe and inviting. Storage facilities provided opportunities for them to be independent and make their own choices. There was a wide range of good quality resources throughout the service, including real life items such as fresh vegetables in the home area. The children could choose to play with friends, in small groups or by themselves if they wished. Staff reinforced simple rules to help keep the children safe.

The children were active and enthusiastically enjoyed their time outdoors. The garden area had been further developed and provided the children with a range of experiences, including the use of loose parts, which helped stretch their imagination and extend their play and learning. They were included in assessing risky play and supported by staff to problem solve and manage risk both indoors and outside. Access to a local wooded area provided additional natural space and items brought back were used to build on their creativity, for example, making 'stick people'.

Care and support was appropriate for individual children with input from other professionals working with staff to provide continuity. Support plans were in place where required. Staff were very good at tracking children's progress and identifying actions required to support and challenge individual children. Staff used their learning from training to develop their practice and enhance experiences and outcomes for the children.

The children confidently approached staff with any requests or looking for reassurance. This told us that caring, trusting relationships had been built up. Independence was promoted in many ways including hand washing, at snack times and putting on outdoor clothing. Children's achievements were celebrated and attractively displayed to share with others.

What the service could do better

We discussed some areas for improvement with the manager and the senior practitioner:

- further developing children's personal plans to meet the requirements of regulation
- ensuring signs and symptoms of illness are detailed in medication forms
- dating photographs in the children's learning journals
- continue to manage and adapt to changes being made to the environment
- to find solutions to enable the children to freely access the garden area when they choose to play outdoors.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com.

What the service has done to meet any requirements we made at or since the last inspection

Previous requirements

There are no outstanding requirements.

What the service has done to meet any recommendations we made at or since the last inspection

Previous recommendations

There are no outstanding recommendations.

Inspection and grading history

Date	Type	Gradings
1 Sep 2016	Unannounced	Care and support 5- Very good Environment Not assessed Staffing 5- Very good Management and leadership Not assessed
5 Jun 2013	Unannounced	Care and support 5- Very good Environment 5- Very good Staffing 5- Very good Management and leadership 5- Very good
22 Jun 2010	Unannounced	Care and support 5- Very good Environment Not assessed Staffing Not assessed Management and leadership 5- Very good
5 Jun 2008	Unannounced	Care and support 4- Good Environment 4- Good Staffing 4- Good Management and leadership 4- Good

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Stanley Primary School Nursery Class Day Care of Children

Stanley Road
Ardrossan
KA22 7DH

Telephone: 01294 462531

Type of inspection:
Unannounced

Completed on:
12 September 2018

Service provided by:
North Ayrshire Council

Service provider number:
SP2003003327

Service no:
CS2003016038

About the service

The Care Inspectorate is committed to improving the health and wellbeing of all children receiving a care service. We want to ensure they have the best start in life, are ready to succeed and live longer, healthier lives.

We check services are meeting the principles of Getting it Right For Every Child (also known as GIRFEC). Set up by Scottish Government, GIRFEC is a national approach to working in a consistent way with all children and young people. It is underpinned by the principles of prevention and early intervention. The approach helps services focus on what makes a positive difference for children and young people - and what they can do to improve. GIRFEC is being woven into all policy, practice, strategy and legislation that affect children, young people and their families.

There are eight wellbeing indicators at the heart of GIRFEC. They are: safe; healthy; achieving; nurtured; active; respected; responsible; and included. They are often referred to as the SHANARRI indicators. We use these indicators at inspection, to assess how services are making a positive difference for children.

Stanley Primary School Nursery Class was previously registered with the Care Commission and transferred its registration to the Care Inspectorate on 1 April 2011.

Stanley Primary School Nursery Class is registered to provide a care service to a maximum of fifty-seven children per session; with a composition made of not more than 12 children aged from two years to under three years and 45 children aged from three years to those not yet attending primary school.

The 3-5 yrs service operates from a purpose built nursery suite, situated to the side of the primary school. The nursery is close to shops, local amenities and bus routes. The accommodation is on one level. There is an entrance cloakroom with a secure entry system. There is direct access from the playroom to the outdoor play area, and the nursery also has access to parts of the wider school play area. The service operates during term time only.

The 2-3 yrs part of the service operates from Whitlees Community Centre, which is located adjacent to the side of the primary school. A gate was created between the school playground and the community centre. This part of the service commenced operation in August 2016.

The stated aims of the service include 'to encourage commitment to partnership with parents, agencies and communities.'

- To provide all young people with opportunities to take responsibilities and exercise choice;
- To motivate young people to be active and responsible members of their communities
- To show respect for young people's ideas and views about their learning and their experiences with and out with school and to build on these.'

The headteacher had identified updating the nursery aims and ethos as a priority in the improvement plan for 2018/19.

What people told us

We issued thirty questionnaires for parents to complete and thirteen parents returned a completed questionnaire. All indicated satisfaction with the service.

Comments included:

'When my child joined Stanley Early Years in August 2017, she was very shy and nervous. The staff were fantastic and helped build her confidence. They encouraged her to participate in a range of activities and to play with the other children. Now my child loves going to nursery. She has lots of friends and she is confident to take part in activities.'

'My child thoroughly enjoys coming to nursery each day and the staff have been amazing with him.'

'I couldn't have received a better service for my child. They are now set up and more than ready for primary one with the help of some amazing nursery staff.'

'This service is outstanding with my child already in a short space of time. My child has a lot of health issues and the service has taken the time to put a plan in place and also spent time with me to reassure me that my child is in safe hands. My child looks forward to nursery everyday and is learning new things on a daily basis. I can't thank the staff enough for everything they have done already. I am looking forward to seeing my daughter progress through her nursery years.'

'All the staff at Stanley Primary School Nursery Class are excellent, and helpful too.'

'My child has become more confident since starting Stanley Nursery Class and enjoys their time with the children and staff. The staff are amazing. I have enjoyed stay and play days and have been made very welcome during this time by the staff. Looking forward to many more during my child's preschool year.'

'My child has come on leaps and bounds since attending nursery and cannot wait to go every morning.'

'My child loves going to nursery every day and is thriving. I am very happy with her progress and the nursery staffs involvement in this'.

Self assessment

The service had not been asked to complete a self-assessment in advance of the inspection. We looked at their improvement plan and quality assurance paperwork. These clearly demonstrated their priorities for development in the nursery and how they were monitoring the quality of the provision within the service.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of environment	not assessed
Quality of staffing	not assessed
Quality of management and leadership	5 - Very Good

What the service does well

During this inspection we considered how well children and their families benefitted from a culture of continuous improvement whilst looking for assurance that their human rights were being respected. We also considered

whether children and their families had access to the right support at the right time and were cared for in an environment that afforded freely available play and opportunities for children to explore their nursery. In addition we looked at personal plans, as well as assuring that children and their families were listened to, were safe and protected from harm. We found that the service was very good in these areas (Health and Social Care Standards 1.2, 1.13, 1.31, 1.32, 2.3, 2.17, 2.27, 3.1, 3.20 and 4.19)

Staff had established a caring, nurturing and inclusive learning environment. We observed children, and their parents being welcomed and included into the nursery. Management and staff recognised the key importance of working in partnership with parents. We saw some very good examples of staff supporting children who were less confident in expressing their views and preferences, this was particularly evident in the under 3 room. Children's human rights were being actively promoted and considered across both nursery areas.

Communication was highly effective between staff and management, parents and children. Staff and management knew the children and their families very well and had their interests at the heart of the service they provided. Staff engaged with parents, children and other agencies to build a clear picture of the child.

There was very good evidence to show that the nursery involved parents and partner agencies to ensure all children benefited from the right support at the right time. Children and their families had access to a nurturing approach, from staff who understood nurturing principles and were delivering these. In the under 3s room we observed nurturing, professional, confident and caring staff offering an effective service to support experiences and outcomes for young children.

Management and staff worked together as a team. Formal and informal consultation with parents, children and staff helped to identify what was working well and where improvements could be made. Progress had been made in the service improvement plan targets; we saw the plan being used effectively as a working tool to support improved outcomes for children in a number of key areas.

Staff had a very good understanding of child protection procedures, and the steps to be taken. Health and safety procedure were effective, rigorous and robust. Risk assessment documents were in place in which staff were using the matrix approach for all assessments ensuring risks were appropriately measured.

Outcomes for children were being positively affected by training that staff had attended. A range of training had kept staff knowledge up to date. Staff showed awareness of the impact the training they had attended was having on the outcome for the children in the nursery.

Staff supported families very well. Groups we heard about included PEEP, book bug, and stay and play sessions, all of which staff, parents and partner agencies told us had been well attended and that outcomes for children and their families were being enhanced by staff skills in this area. These sessions benefited from robust evaluations and parent feedback which had helped to inform and plan future sessions.

Policies and procedures were in place; these had been developed and updated to reflect the good working practices that the nursery operated and local and national best practice guidelines. The Social Media Policy should be updated to reflect the practice in the service, and risk assessments undertaken to ensure the children are safe and protected. Staff should continue to be included in this process and the policies reviewed regularly.

Regular staff meetings and annual review meetings supported staff to share information and contribute to development. Management were available for staff, parents and children, we heard that they regularly visited the playrooms carrying out formal and informal monitoring providing feedback and positive role modelling.

Parents told us they had confidence in the quality of the service provided for their children by the staff team. Parents felt their children were safe and happy and that they benefited from the wide range of play and learning experiences provided. Parents particularly commented positively on the outdoor play experiences.

We heard that the management team had an ambitious and challenging vision for the future development of the service. Staff told us that they felt included in the life of the nursery and a big part of the local community.

What the service could do better

The nursery did not consistently have personal plans in place. We require that the current information relating to health, safety and welfare that the staff gather verbally is written to create Personal Plans. These should also include, where possible, children and their parent's aspirations with regards to health, welfare and safety. The personal plans should be linked to the planning, evaluation and observation cycles. We also suggested that the personal plans reflect the progression children have made in these areas. Management should continue to ensure plans are consistently in place within 28 days of the child starting in the service, reflect individual children's health welfare and safety needs and be reviewed when required, or at least once in every six month period.

Staff must risk assess the environment, particularly in relation to infection control, nappy changing, effective hand washing and the cooker and cooking area.

The Headteacher must continue to consistently support both areas of the nursery to provide high quality experiences and outcomes for all children and their families.

Experiences for children should continue to be extended to show breadth and progression of learning in both areas of the nursery.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com.

Inspection and grading history

Date	Type	Gradings	
1 Jun 2016	Unannounced	Care and support	4- Good
		Environment	4- Good
		Staffing	4- Good
		Management and leadership	4- Good
14 May 2013	Unannounced	Care and support	5- Very good
		Environment	5- Very good
		Staffing	5- Very good
		Management and leadership	6- Excellent
4 May 2010	Unannounced	Care and support	5- Very good
		Environment	Not assessed
		Staffing	Not assessed
		Management and leadership	5- Very good
25 Sep 2008	Unannounced	Care and support	4- Good
		Environment	4- Good
		Staffing	4- Good
		Management and leadership	4- Good

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Glencairn Primary School Nursery Class Day Care of Children

New Street
Stevenston
KA20 3HQ

Telephone: 01294 464376

Type of inspection:
Unannounced

Completed on:
6 November 2019

Service provided by:
North Ayrshire Council

Service provider number:
SP2003003327

Service no:
CS2003017305

About the service

The Care Inspectorate regulates care services in Scotland. Information about all care services is available on our website at www.careinspectorate.com

This service was previously registered with the Care Commission and transferred its registration to the Care Inspectorate on 1 April 2011.

The Care Inspectorate is committed to improving the health and wellbeing of all children receiving a care service. We want to ensure they have the best start in life, are ready to succeed and live longer, healthier lives.

We check services are meeting the principles of Getting it Right For Every Child (also known as GIRFEC). Set up by Scottish Government, GIRFEC is a national approach to working in a consistent way with all children and young people. It is underpinned by the principles of prevention and early intervention. The approach helps services focus on what makes a positive difference for children and young people - and what they can do to improve. Getting it Right for Every Child is being woven into all policy, practice, strategy and legislation that affect children, young people and their families.

There are eight wellbeing indicators at the heart of Getting it Right for Every Child. They are: safe; healthy; achieving; nurtured; active; respected; responsible; and included. They are often referred to as the SHANARRI indicators. We use these indicators at inspection, to assess how services are making a positive difference for children.

Glencairn Primary School Nursery Class operates from purpose built accommodation within the primary school in the town of Stevenston, North Ayrshire. The service is provided by the local authority during term time only. Fifty eight children aged two years to those not yet attending primary school, of whom no more than fifteen aged two years and under three years, can be cared for at any one time. A limited number of children have the opportunity of condensing their allocated weekly hours into two and a half full day sessions.

The nursery may also have access to other areas within Glencairn Primary School subject to completed risk assessments prior to use.

The whole school ethos is to work to:

- Create a bright, stimulating learning environment in which all pupils and staff feel safe, secure and welcomed
- Promote partnership and encourage the active involvement of all in the life of the school and the community
- Emphasise the importance of high self-esteem and confidence through mutual trust and respect shown to all in a 'caring school'
- Encourage all to have a voice and develop skills to be successful learners, effective contributors, confident individuals and responsible citizens

What people told us

Children of all ages were settled and familiar in their surroundings. They were active and engaged in their play and learning and enjoyed positive relationships with staff. Some of the children were happy to show us what they were taking part in and told us about what they had learned. They were keen to tell us about the activities they took part in outdoors.

We spoke to two parents and received fifteen completed Care Standards questionnaires giving us their views of the service.

All were happy with the quality of care their children received. Comments made included:

"I am very satisfied with the staff and provision of care at Glencairn Nursery. Staff are always happy to discuss my child's care and it is obvious they have his best interests to heart"

"Exceptional pre-schooling, great standards"

"My daughter is very confident with all staff members"

"I would strongly recommend Glencairn Early Years to any family in the area. First Class!"

"I often see the children out within the local community visiting GP surgery, chemist, library, post office and park"

"My child loves coming to the 2-3 room. Everyone is always really happy and take time to talk to me in the morning"

Comments made with regards to the introduction of the extended hours were discussed with management which they were fully aware of and had worked hard to make improvements.

Self assessment

The service had not been asked to complete a self assessment in advance of the inspection. We looked at their own improvement plan and quality assurance paperwork. These demonstrated their priorities for development and how they were monitoring the quality of the provision within the service.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of environment	5 - Very Good
Quality of staffing	not assessed
Quality of management and leadership	not assessed

What the service does well

Children were happy and engaged in their play/learning and were cared for by professional, caring and nurturing staff. They were confident in approaching staff whether it be for comfort and reassurance or requesting additional materials to extend their play. Staff readily met their needs and wishes and it was evident trusting relationships had been formed.

Staff knew the children well and ensured a very child centred approach. Care and support provided was individual to each child's needs with staff and other professionals working together to provide consistency and continuity.

Children of all ages had fun leading their own learning. They were developing their skills through a range of imaginative play opportunities, building on their confidence and creativity. The playrooms were well laid out allowing for safe exploration and freedom of movement and the children had access to high quality furnishings and play equipment. Staff made use of floor books which were very informative, showing progress made in different areas and the children's involvement in planning experiences.

Children were active and enjoyed outdoor play opportunities. The garden areas had been further developed to create more natural environments and the use of loose parts, which the children used very well, stretched their imagination and extended their play. The children were learning to assess and manage risk resulting in less restricted experiences and encouraging their natural curiosity.

Meal times were well organised with children of all ages coming together to enjoy this experience. Independence was fully promoted and these were unhurried, sociable events. The children served their own food and drinks and were learning to use real cutlery. Their dietary needs and personal preferences were taken into account and respected.

Small group activities took place in a quieter area within the school and we joined the children in these sessions. They clearly enjoyed this time away from the busy playroom and interacted well with the staff member and each other. The younger children's playroom was calm, warm and inviting with comfortable areas for them to rest and relax and room for them to explore.

What the service could do better

We discussed some areas for improvement with management and the senior practitioner:

- further developing children's personal plans to meet the requirements of regulation
- ensuring signs and symptoms of illness are detailed in medication forms
- the use of the Health and Social Care Standards when evaluating service performance and children's experiences
- developing children's access to free flow from the playrooms to the garden areas to further enhance choice and provide positive outcomes for all.

Management and staff are well placed to take these points forward.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com.

What the service has done to meet any requirements we made at or since the last inspection

Previous requirements

There are no outstanding requirements.

What the service has done to meet any recommendations we made at or since the last inspection

Previous recommendations

There are no outstanding recommendations.

Inspection and grading history

Date	Type	Gradings
30 Aug 2017	Unannounced	<div>Care and support</div> <div>6 - Excellent</div> <div>Environment</div> <div>Not assessed</div> <div>Staffing</div> <div>6 - Excellent</div> <div>Management and leadership</div> <div>Not assessed</div>
26 Aug 2015	Unannounced	<div>Care and support</div> <div>5 - Very good</div> <div>Environment</div> <div>5 - Very good</div> <div>Staffing</div> <div>5 - Very good</div> <div>Management and leadership</div> <div>5 - Very good</div>
25 Jan 2013	Unannounced	<div>Care and support</div> <div>5 - Very good</div>

Date	Type	Gradings	
		Environment Staffing Management and leadership	5-Very good 5-Very good 5-Very good
2 Dec 2010	Unannounced	Care and support Environment Staffing Management and leadership	5-Very good Not assessed Not assessed Not assessed
19 Mar 2009	Unannounced	Care and support Environment Staffing Management and leadership	5-Very good 5-Very good 5-Very good 5-Very good

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Career Information, Advice and Guidance services delivered by Skills Development Scotland in North Ayrshire

A report by HM Inspectors

12 June 2020

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1. Introduction

The external review

The external review by Education Scotland took place between **24-28 February 2020**. The review focused on Career Information, Advice and Guidance (CIAG) services delivered by Skills Development Scotland (SDS) in **North Ayrshire**.

We examined activities that impact on the quality of customer experience. We evaluated these against the three key principles of **outcomes and impact**, **service delivery** and **leadership and quality culture**, using the 13 reference quality indicators outlined in [External quality arrangements for the review of Career Information Advice and Guidance services delivered by Skills Development Scotland](#), published in July 2018. Further details can be found at: <https://education.gov.scot/what-we-do/inspection-and-review/about-inspections-and-reviews/Careers%20service%20reviews>.

The external review team talked with customers, staff at all levels in the organisation, external agencies and other users of the service.

2. The service area and its context

In carrying out the external review of services delivered in North Ayrshire, Education Scotland took the following area context fully into account.

North Ayrshire covers an area of over 885 square kilometres and is the 17th largest local authority in the Scotland. The area is a mix of urban and rural, the largest towns are Irvine, Kilwinning, Saltcoats and Largs, and there are a number of smaller towns and the Isle of Arran and the Cumbrae isles. The Isle of Arran accounts for almost half of North Ayrshire's landmass, and 4% of the population.

North Ayrshire has a population of around 135,000, which has declined by 1.6% over the previous ten years. It is one of the most deprived local authority areas in Scotland. Fifty-one of the 15% most deprived postcodes in Scotland are within its boundaries, 12 of which are within the 5% most deprived.

Total employment within North Ayrshire has increased by 1% since 2009. However, the rate of unemployment is currently above the Scottish average, having fluctuated over the past seven years.

The top three employment sectors in North Ayrshire are wholesale and retail, human, health and social work, and manufacturing. Employment growth is forecast in administration and support services, professional, scientific and technical, arts, entertainment and recreational occupations.

There are nine secondary schools in North Ayrshire. The area team works closely with Ayrshire College to support learners on further education programmes.

3. Outcomes of external review

Section A: Grades

The review team awarded grades for each of the six key themes based on the following criteria:

excellent:	outstanding and sector leading
very good:	major strengths
good:	important strengths with some areas for improvement
satisfactory:	strengths just outweigh weaknesses
weak:	important weaknesses
unsatisfactory:	major weaknesses

Key theme	Grade
Customer progression and achievement of relevant high quality outcomes	satisfactory
Meeting the needs of stakeholders	very good
Delivery of key services	very good
Management of service delivery	good
Strategic leadership	good

There is one example of excellent practice which is described later in this report.

Section B: Customer progression and achievement

Areas of positive practice

- Across North Ayrshire, the proportion of young people entering a positive destination on leaving school is just above the national average.
- Almost all school performance measures have been achieved and are better than, or equal to, expected national levels.
- Most schools are in line with, or above, expected levels for initial school leaver destinations for 2017-18.
- All key perception measures from the Your Views survey show year-on-year improvement and increased participation, and are above the SDS performance levels.
- The number of My World of Work (MyWoW) Ambassadors in North Ayrshire has increased significantly in the last three years.
- Overall, MyWoW registrations have increased in the last year, and are currently 3% above the national level.
- All headteachers in North Ayrshire are satisfied with services provided by SDS staff in their schools.
- There has been an improvement in the delivery of all three Next Steps outcome measures over the previous two years.

Areas for development

- In four of the secondary schools, the number of young people entering a positive destination on leaving school is below the local authority average, and in three schools is below the national figure.
- The Participation Measure in North Ayrshire has been variable over a three year period, and is consistently below the national average.
- The data sharing measures for young people with an anticipated school leaving date, young people with a preferred destination, and young people with a preferred occupation, are slightly below the national expectations and delivery measure in the last year.
- The percentage of S4-S6 targeted young people receiving coaching guidance (medium) dropped by 5% in 2018/19, and is 2% below the national expected target.
- Two of the key measures for post-school customers (Next Steps) are below the national expected level and below the actual national delivery level.
- One of the key perception measures for Next Steps customers is 3% below the national level.
- The number of young people with a MyWoW registration varies across the secondary schools.
- Two of the nine schools in the area do not have MyWoW Ambassadors in place.

Section C: Meeting the needs of stakeholders

Areas of positive practice

- SDS staff work well with a range of external agencies to meet the needs of the local community and to plan and deliver services for customers. Overall, these relationships work well and are enhanced further by the co-location of partner organisations within employability hub premises.
- Careers staff support care-experienced customers well to achieve and sustain positive destinations. Staff engage with a range of partners to identify and promote opportunities and help care-experienced customers develop their career management skills (CMS).
- Feedback from teaching staff in the local authority regarding career-long professional learning (CLPL) sessions delivered by SDS staff, is very positive and staff found the sessions useful.

- Employability partners are very satisfied with the services provided by careers staff. SDS staff are working with partners to involve them more fully in the evaluation of services.
- SDS staff work closely with third sector agencies to support young people who are at risk of not entering a positive destination to develop CMS and plan next steps.
- SDS staff and staff in the local college work well together to support young people with additional support needs to access career-related opportunities. For example through the Creating Connections event.
- All customers are very satisfied with the services they receive from careers staff. They describe how staff meet their needs through flexible and adaptable delivery approaches, which take account of their individual circumstances.
- Partners are praiseworthy of the support that SDS staff offer to schools and training providers throughout North Ayrshire.
- Staff in secondary schools are very appreciative of the contribution made by SDS to support young people to enter and sustain a positive destination. Careers advisers work well with staff in schools to plan and deliver School Partnership Agreement (SPA) targets, through flexible and responsive team-working.
- Adult customers who are at risk of redundancy benefit from well-planned services from the pan-Ayrshire Partnership Action for Continuing Employment (PACE) delivery partnership.

Areas for development

- None identified.

Section D: Delivery of key services

Areas of positive practice

- The range of services delivered to customers by SDS staff in North Ayrshire takes good account of the social and economic challenges of the area.
- The effectiveness of services for post-school customers is supported by good communication with, and between, partners to address specific, individual needs. SDS staff are continuing to work with partners to further formalise these arrangements.
- PACE activities are planned well by SDS staff and take good account of the individual needs and aspirations of customers facing redundancy.
- SDS careers advisers establish positive relationships with young people with additional support needs. They tailor resources well to meet the needs of learners and take opportunities to provide them with out-of-school activities to introduce them to a range of appropriate post-school options.
- SDS staff work well with school colleagues to ensure young people at risk of not entering a positive destination receive appropriate support to help them make choices about their future.
- In most schools, SDS staff are involved in planning the delivery of group work within the personal and social education (PSE) programme. In some schools, these activities are linked well to previous engagements with young people.
- Almost all group work sessions are interesting and successfully maintain the engagement of young people. In most group work sessions, staff make good use of digital resources to enhance learning.
- Young people in schools value the support they receive from their careers adviser and are able to speak about how they are applying CMS to make informed choices about their future learning and career pathways.
- In all schools, careers advisers are an integral part of the school guidance team and have established strong relationships with schools' staff.
- Careers staff develop resources and approaches to meet the needs of customers and stakeholders. They gather and take good account of feedback from customers and staff, to revise and co-design services.

- SDS staff support their partners well to access and make increasing use of Datahub information to help plan service delivery.
- SDS staff make effective use of employability hubs and partners' premises to ease access to CIAG services for customers in local communities.
- Careers staff and school leaders use SPA negotiations productively to establish key priorities and devise joint approaches to service delivery and the embedding of CMS. SPAs are reviewed regularly and are linked well to School Improvement Plans (SIP).
- In one-to-one sessions, careers staff explain CMS comprehensively and clearly to customers, which encourages customer engagement and raises the understanding of skills in relation to planning for next steps. The coaching approach is used well by careers advisers to develop CMS.
- One-to-one sessions are valued by customers and provide useful and clear information, through which an action plan is formulated and agreed. Customers gain confidence through these interactions.
- SDS staff are making good use of social media to communicate and connect with all customer groups.
- Trainee and newly qualified careers advisers are benefitting from working with a number of experienced staff in various locations. This is supporting them well to widen their knowledge and skills of working in a range of environments and engaging with different customer groups.
- Careers staff regularly co-deliver activities with school staff. This approach helps to ensure young people remain focused on activities during group work.
- SDS staff in schools collect feedback from young people and use this to adapt and improve resources and delivery approaches. They use simple and effective methods to gain feedback from group-work attendees on what worked well and what could work better. They draw on this to inform and influence future engagements.
- Professional practice coaches support trainees well to develop confidence and skills for working in different settings.
- The area team meets regularly and staff use meetings well to reflect on their practice, discuss delivery priorities and plan actions to improve services.
- Most careers staff use the observation framework well to reflect on their individual practice and share good practice across the team.

Areas for development

- For a few senior phase learners, the delivery of group work is not sufficiently engaging and does not provide sufficient information to help them develop their knowledge of emerging skills areas and employment opportunities.
- On occasion, SDS staff are not involved sufficiently in the systematic planning of career guidance within PSE programmes.
- Overall, the use of the MyWoW resource by subject teachers in secondary schools is at an early stage, and the embedding of CMS and the Career Education Standard (CES) within the curriculum, is still developing.
- On occasion, staff in schools do not identify young people who are in need of targeted one-to-one support timeously enough to careers staff. This constrains the ability of young people to access careers services quickly to find out about, and fully consider the options available to them in order to make informed choices.

Section E: Management of service delivery

Areas of positive practice

- SDS managers have developed and recently strengthened, links with a range of partners across North Ayrshire. They work well with key agencies including North Ayrshire Council, Ayrshire College, employability providers and third sector agencies, to jointly plan and deliver services to maximise the use of resources and meet local needs.
- Strategic partners are more aware of the revised arrangements for engaging with SDS staff and are valuing opportunities for working more collaboratively across the range of services and organisations operating in North Ayrshire. However, this is at an early stage.
- Strong and productive relationships between staff in the local college and SDS staff are supporting customers to access college programmes.
- The SDS area manager is working closely with an increasing number of partner agencies to achieve the aims of Developing the Young Workforce (DYW) and increase youth employment across the area.
- Partners value highly the contribution made by SDS staff to the joint planning and targeting of services.
- SDS staff have begun to work more effectively with the local authority and other partners, to support young people at risk of not achieving a positive destination, to plan for their next steps beyond school.
- Careers staff work effectively with North Ayrshire Council employability and skills team and school guidance staff, to engage with young people who are not attending school. They work collaboratively with partners to ensure these young people are supported to develop their CMS and enter a positive destination.
- SDS staff work closely with a range of partners across North Ayrshire to identify and target opportunities for young people who did not enter an initial positive destination on leaving school.
- SDS managers and staff are working proactively to involve key partners more fully in the planning and evaluation of service delivery. Regular dialogue with all partners is leading to better use of available resources and planning for quality support for customers across the area.
- SDS and partners ensure that all available pathways are promoted to young people. For example, through effective partnership working and continued promotion, the uptake of Foundation Apprenticeships across North Ayrshire is increasing annually.
- In secondary schools, SDS staff use available Datahub information well to help identify young people who need support, and to implement appropriate measures.

Areas for development

- Planning and collaboration between SDS staff and employability partners in North Ayrshire does not yet fully support joint planning of support for post-school customers.
- Overall, the quality and timing of data entry to the Datahub is too variable and some partners do not yet input information accurately or timeously. This is inhibiting accurate tracking of individuals and limiting the ability of SDS and partners to make effective use of data to plan approaches and interventions.
- The status of too many young people in North Ayrshire is unconfirmed.

Section F: Strategic leadership

Areas of positive practice

- The SDS Head of Region and Area Manager have worked hard to strengthen links with strategic partners in North Ayrshire and build relationships with a range of agencies to support the delivery of CIAG services across the area. The Head of Region has recently taken over SDS representation on the Community Planning Partnership for the area.

- The area management team works very well collaboratively. Managers use everyday leadership to good effect and have created a culture of inclusion and involvement which staff are responding well to.
- Team-working in North Ayrshire has strengthened over the previous two years. Staff support each other well to deliver services and contribute towards the achievement of area targets. They now feel more empowered and trusted to develop resources and delivery approaches to best meet the needs of customers.
- The area team is committed to continuous improvement. Managers encourage staff to reflect on performance and actions for improvement and progress towards achievement of targets is reviewed regularly.
- SDS staff welcome and have responded well to the new leadership approach. Almost all staff are enthusiastic and committed to developing creative approaches to the delivery of the service offer.
- The area management team has built and maintained strong relationships with head teachers across North Ayrshire. Regular dialogue regarding school priorities through the SPA process is supporting school leaders to implement DYW priorities.
- SDS managers provide staff with clear direction regarding roles and responsibilities and how these contribute to the overall performance of the area team.
- Over the last two years, SDS managers have taken care to implement change management processes appropriately and sensitively. They have taken good account of the needs of staff throughout this approach and this has helped to refocus the team to meet targets for service delivery. This is leading to improvements in professional practice and performance.
- Almost all staff use everyday leadership appropriately to continuously review and reflect on the delivery of services and plan for improvement.
- The leadership team supports all staff to make use of My Contribution. Regular, structured conversations provide team members with opportunities to discuss their performance with managers, and agree areas for their development.
- The area team makes good use of monthly Team Time sessions, weekly online meetings, and Professional Practice Groups to discuss good practice and share ideas.
- More systematic use of the observation framework by both managers and staff is supporting the team well to reflect on their practice and identify improvements to service delivery.
- SDS managers and staff have recognised and responded to the need to improve performance in relation to key operational targets for service delivery. These priorities for improvement are understood by staff.

Areas for development

- SDS managers and their strategic partners do not yet have sufficient opportunity to work collectively and collaboratively to improve outcomes for customers across the service area.
- Although the area team has made good progress towards improving performance, a significant number of targets have not been met.

Section G: Capacity for improvement

- Across North Ayrshire, the proportion of young people entering a positive destination on leaving school is just above the national average. In four secondary schools, the number of young people entering a positive destination on leaving school is below the local authority average, and in three schools is below the national figure. The data sharing measures for young people with an anticipated school leaving date, young people with a preferred destination, and young people with a preferred occupation are slightly below the national expectations and delivery measure in the last year. However, there has been an improvement in the delivery of all three Next Steps outcome measures over the past two years.
- SDS staff work well with a range of external agencies to meet the needs of the local community and to plan and deliver services for customers. Overall, these relationships work well and are further enhanced by co-location of partner organisations within employability hub premises. SDS staff also work closely with third sector agencies who provide opportunities for young people who are at risk of not entering a positive destination to develop their CMS and plan for their next steps. PACE activities are planned well by SDS staff and take good account of the individual needs and aspirations of customers facing redundancy. SDS careers advisers also establish positive relationships with young people with additional support needs. They tailor resources well to meet the needs of learners and take opportunities to provide them with out-of-school activities and introduce them to the range of post-school options. On occasion, staff in schools do not identify young people who are in need of targeted one-to-one support timeously enough to careers staff. This constrains the ability of young people to access careers services quickly to find out about, and fully consider the options available to them in order to make informed choices.
- Almost all group work sessions are interesting and successfully maintain the engagement of young people. In most group work sessions, staff make good use of digital resources to enhance learning. Careers staff develop resources and approaches to meet the needs of customers and stakeholders. One-to-one sessions are valued by customers and provide useful and clear information through which an action plan is formulated and agreed.
- The area team meets regularly. Staff use meetings well to reflect on their practice, discuss delivery priorities and plan actions to improve services. SDS managers have developed and recently strengthened, links with a range of partners across North Ayrshire. They work well with key agencies such as North Ayrshire Council, Ayrshire College, and employability providers and third sector agencies to jointly plan and deliver services. However, planning and collaboration between SDS staff and employability partners in North Ayrshire does not yet fully support joint planning of support for post-school customers.
- Overall, the quality and timing of data entry to the Datahub is too variable and some partners do not yet input information accurately or timeously. This is inhibiting accurate tracking of individuals and limiting the ability of SDS and partners to make effective use of data to plan approaches and interventions. The status of too many young people in North Ayrshire is unconfirmed.
- Team-working in North Ayrshire has strengthened over the previous two years. Staff support each other well to deliver services and contribute towards the achievement of area targets. SDS managers have also taken care to implement change management processes appropriately and sensitively. This is leading to improvements in professional practice and performance and managers are clear about what needs to be done to enable further improvements in performance. These priorities for improvement are understood by staff. However, SDS managers and their strategic partners do not yet have sufficient opportunity

to work collectively and collaboratively to improve outcomes for customers across the service area. Although the area team has made good progress towards improving performance, a number of significant targets have not been met.

Section H: Main points for action

- The SDS area team should ensure that all targets for service delivery are achieved.
- The local authority and SDS should continue to work with partners collectively and collaboratively to improve outcomes for customers in North Ayrshire.
- SDS should work with the local authority to ensure the accuracy and improved use of data to support effective planning.

4. Examples of excellence

Creating Connections – supporting good transitions

SDS and Ayrshire College have been working together to develop improved opportunities for young people with additional support needs to access information and engage with local organisations when making the transition from school to college.

The annual Creating Connections event engages schools and partners across Ayrshire. During the event young people engage with SDS careers staff who help them to record information about their self and strengths on the CMS jigsaw, before making connections to opportunities and organisations who could help them to progress to a positive destination.

The event continues to grow annually and in 2020, saw an increase of 40% in the numbers of exhibitors attending, including the National Autistic Society, Jobcentre Plus, Royal National Institute for the Blind, Street League, Enable, Ayrshire Independent Living Network and the Scottish Council for Voluntary Organisations (SCVO). A careers adviser was also available to discuss apprenticeship opportunities in the Ayrshire area.

The Creating Connections approach has encouraged partners and schools across Ayrshire to examine the principles of good transition from secondary education into employment, education or training. SDS staff and Ayrshire College link with the Scottish Transition Forum to consider the use of support mechanisms and potential development opportunities. Principles of Good Transitions partnership events engage teachers and school leaders to raise awareness of the seven principles of good transition. Partners are given the opportunity to share practice and feedback and the work of the partnership has begun to positively impact practice across Ayrshire.

5. What happens next?

Following publication of this report, SDS and partners are expected to produce an action plan to address the main points for action and/or areas for development in the report and other quality assurance and enhancement activities.

A follow-up visit will be carried out involving SDS and partners 18 months after the initial review to determine if satisfactory progress has been made towards the main points for action.

Gill Ritchie
HM Inspector

6. Further information

The review and judgements relate to the service area as a whole. For further information about Education Scotland, the external review methodologies, or other information about reviews, see <https://education.gov.scot/>.

For further information about Skills Development Scotland, see <http://www.skillsdevelopmentscotland.co.uk/>.

Appendix 1: glossary of terms

ASN	additional support needs
CDP	career development plan
CES	Career Education Standard
CIAG	Careers Information, Advice and Guidance
CMS	career management skills
DWP	Department for Work and Pensions
DYW	Developing the Young Workforce
LAAC	looked after and accommodated children
LMI	labour market information
MyWoW	My World of Work
SDS	Skills Development Scotland
SIP	school improvement plans
SPA	School Partnership Agreement
YISS	Youth Intensive Support Service

Appendix 2: external review process

HM Inspectors undertake an independent review of the quality of provision of CIAG delivered by SDS on behalf of the Scottish Government under a service level agreement between the Scottish Government and Education Scotland. External review teams include HM Inspectors and associate assessors.

During external reviews, members of the review teams observe group activities, one to one coaching sessions and hold discussions with customers, staff and stakeholders. They consider information on the quality of career information, advice and guidance. They meet with recipients of the service and obtain feedback from groups, partners and staff who work for SDS.

The purpose of this report is to convey the main outcomes arising from the external review, to acknowledge service's strengths and to provide a clear agenda for future action to improve and enhance quality.

This external review results in judgements of **grades** that express the external review team's overall evaluation of **outcome and impact**, **service delivery** and **leadership and quality culture** and a judgement on capacity to improve based on the evidence from all key areas, in particular **outcomes**, **impact** and **leadership**.

The report also uses the following terms to describe numbers and proportions:	
all	100%
almost all	over 91%-99%
most	75-90%
majority	50-74%
minority/less than half	15-49%
few	up to 15%

Appendix 3: policy context

SDS all-age career information, advice and guidance services aim to support young people and adults to make a positive transition into continued education, training or the world of work. SDS achieves this by supporting customers in their development of CMS which lay the foundations for success in their future careers.

The services provided by SDS in schools are driven by the ambitions of Curriculum for Excellence. Accordingly there are significant interdependencies between the roles and responsibilities of schools and wider partners, the design and delivery of school curriculum and the services provided by SDS. Planning for successful service delivery through SPAs requires effective collaboration between SDS and its partners.

In March 2011, the Scottish Government published a [framework](#) for the redesign and improvement of CIAG services. As the largest provider of CIAG services in Scotland, SDS has a lead role in implementing this change. This change has been implemented through an integrated service involving face to face meetings, communication through contact centre and an online CMS environment, MyWoW.

In December 2014, the Scottish Government published [Developing the Young Workforce – Scotland's Youth Employment Strategy](#). The recommendations of this strategy set out further changes to CIAG services, specifically in relation to the collaborative design and implementation of the Career Education Standard (3-18) with SDS, Scottish Government and Education Scotland. These changes have resulted in earlier intervention with school young people through SDS CIAG services and focused support around key transition points for young people. The CES builds on advice and guidance in Curriculum for Excellence and in particular, [Building the Curriculum 4: skills for learning, skills for life and skills for work](#).

Underpinning service delivery is the commitment of SDS to work with partners in schools, local authorities and Education Scotland to build capacity to deliver the ambitions of Curriculum for Excellence - Building the Curriculum 4, in particular development of CMS. This partnership approach supports schools to deliver this component of Curriculum for Excellence, whilst creating a learning context for young people that is compatible with and builds upon the service delivery commitments of SDS. As a result, much of the work of SDS requires effective collaboration with a range of partners at national and local levels.

Currently, this service is delivered on-site in Scotland's 359 local authority secondary schools and one grant-aided secondary school. Services include a blend of one-to-one careers coaching support, facilitated group sessions, drop in sessions, and supported access to MyWoW. The level of intensity of support is determined by an assessment of pupil needs made in discussion with schools. The greatest proportion of careers coach support is provided to those young people who have been identified as requiring an enhanced level of support to promote progress towards securing and sustaining a place in education, training or work. This means those individuals would receive a 'medium' or 'maximum' service offer.

SDS has a key role to play in the delivery of the Scottish Government's [Opportunities for All](#) initiative, under which all 16-19 year olds will receive an offer of a place in learning or training. SDS work in this area has been reinforced with the passage of legislation allowing SDS and key partners, including Local Authorities, schools and Further Education Institutions to share data on all the young people they work with. The [Post 16 Education \(Scotland\) Act 2013](#) and the statutory guidance mandate SDS and key partners to share data in order to support young people in their post school transitions.

Appendix 4: background information

Terminologies used in this report

The term 'service area' is used to describe the geographical area referred to in this report. SDS uses a variety of approaches to deliver CIAG services. This is often referred to as a blended service. SDS promotes a Universal Offer to support all secondary school young people. In addition, a Targeted Service Offer is aimed at young people who have the greatest need and who require enhanced support to progress them towards entering or sustaining a positive destination. SDS offers access to a range of services for post-school customers. The different offers are shown below:

SDS School Universal Service Offer consists of:

- access to MyWoW web service
- group-work sessions on:
 - Transition support at P7/S1 transition
 - Subject choices and Career Management Skills in S2/S3
 - Senior phase group sessions
- drop-in clinics for career management and employability
- opportunity for any pupil to request a face to face session

SDS School Targeted Service Offer consists of:

- Targeted one-to-one support in S3 for those with the greatest need (and optional group activity where appropriate)
- Structured programme of one-to-one career guidance throughout the senior phase
- Senior Phase supported transition to a dedicated post-school team member for those who require on-going support towards positive participation

SDS Post-school Targeted Service Offer (Next Steps) consists of:

- Open access to public centres (47 locations throughout Scotland)
- Access to MyWoW web service 24 hours a day, seven days a week
- Structured programme of one-to-one careers guidance
- Employability support and group activity
- Partnership approach including structured referral arrangements with DPW/JCP
- Telephone access to SDS contact centre

SDS All age Service Offer (universal) consists of:

- Access to MyWoW web service 24 hours a day, seven days a week
- Access to one-to-one career guidance
- Telephone access to SDS contact centre
- PACE
- IES joint work activities with JCP
- Open access to public centres (47 locations throughout Scotland)

Further information on Skills Development Scotland's services to individuals and employers can be found at www.skillsdevelopmentscotland.co.uk. MyWoW web service can be accessed at www.myworldofwork.co.uk.

Staff roles

SDS uses a number of titles to describe the roles of the staff. These include Careers Adviser, Work Coach, Trainee Careers Adviser and Personal Adviser. Throughout this report, the term careers staff is used to refer to all staff involved in delivering CIAG services.

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NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title:	Update Report for Loudoun Montgomery Primary School & Early Years Classes
Purpose:	To update the Committee on the outcome of the follow through inspection by Education Scotland for Loudoun Montgomery Primary School & Early Years Class.
Recommendation:	To recognise the significant improvements and progress made since the previous Education Scotland inspection published in March 2019.

1. Executive Summary

- 1.1 This report highlights the progress made at Loudoun Montgomery Primary School and Nursery Class since the Education Scotland inspection published in March 2019.
- 1.2 Education Scotland published a letter on Loudoun-Montgomery Primary School and Nursery Class following a follow through visit. This provides specific detail on identified progress and recommended next steps (Appendix 1).

2. Background

- 2.1 Education Scotland HM Inspectors visited Loudoun Montgomery Primary School and Early Years Class in November 2018. As outlined in the September 2019 report to this Committee entitled, "Annual Report – School and Early Learning & Childcare Inspections 2018-19", significant areas for improvement were identified for the school and early years class, and a further inspection visit was scheduled after around 12 months.
- 2.2 Four thematic areas were set out by Education Scotland and agreed by North Ayrshire Council as the principal areas of focus for improvement prior to the follow-up inspection. These were:
 1. Improve learning, teaching and assessment;
 2. Ensure appropriate processes and support are in place to improve outcomes for all children, in particular those with barriers to learning;
 3. Develop robust approaches to self-evaluation to identify areas for improvement. Develop strategic leadership and leadership at all levels to drive forward improvements at an increased pace of change.
 4. Raise attainment, focussing on developing planning, progressive pathways and an understanding of national standards through effective moderation.

- 2.3 Following the retirement of the previous Head Teacher in March 2019, an experienced interim headteacher was appointed and a thorough action plan with specific, clear and measurable outcomes was produced.
- 2.4 A 3-day interim review was conducted by a team of 6 senior leaders from the local authority, led by the Head of Education, in September 2019. The purpose of this was to evaluate the level of progress made against the recommendations by Education Scotland, to identify any further support or direction required and to consider and refresh the next steps in the improvement action plan. The interim review found that systems and processes had been significantly improved, there was a clear strategic and operation plan for securing improvement and that a brisk pace of change was leading to improvement across the Primary School and Nursery Class. Learners were making positive progress in their learning and were better able to articulate what they were learning and what their next steps were. The improvements across the school and early years class impacted positively on staff morale.
- 2.5 A new, permanent Head Teacher was appointed and took up post in November 2019. The new Head Teacher and the Interim Head Teacher worked collaboratively on a transition to ensure progress would be sustained and enhanced.
- 2.6 Education Scotland inspectors returned to the school in March 2020 to evaluate the progress made in the improvement priorities set out at paragraph 2.2. Specific detail on each of the areas for improvement is included in the outcome letter, which is attached at Appendix 1. Inspectors evaluated the progress at Loudoun-Montgomery Primary and Early Years Class as follows:

Area of Improvement	Progress made since further inspection visit
Improve learning, teaching and assessment	Good progress made
Ensure appropriate processes and support are in place to improve outcomes for all children, in particular those with barriers to learning	Good progress made
Develop robust approaches to self-evaluation to identify areas for improvement. Develop strategic leadership and leadership at all levels to drive forward improvements at an increased pace of change.	Good progress made
Raise attainment, focussing on developing planning, progressive pathways and an understanding of national standards through effective moderation	Good progress made

- 2.7 The letter to parents and carers from HM Inspectors identified that the school had made good progress since the original inspection. HM Inspectors advised that they were confident that the school has the capacity to continue to improve and advised that no further visits would take place in connection with this inspection.

3. Proposals

- 3.1 It is proposed that the Committee:
- recognises the significant improvements and progress made since the previous Education Scotland inspection published in March 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 Aspiring Communities priority: “Children and young people experience the best start in life”.

Community Wealth Building

4.7 None

5. Consultation

5.1 There has been no specific consultation on the contents of this report.

Audrey Sutton
Executive Director Communities (Interim)

For further information please contact **Andrew McClelland, Head of Service (Education)**, on **01294 324413**.

Background Papers

None.

23 June 2020

Dear Parent/Carer

In March 2019, HM Inspectors published a letter on Loudoun-Montgomery Primary School and Nursery Class. The letter set out a number of areas for improvement which we agreed with the school and North Ayrshire Council. Recently, as you may know, we visited the school again. During our visit, we talked to children and worked closely with the headteacher and staff. We heard from both the interim headteacher and current headteacher together with other staff about the steps the school has taken to improve. We looked at particular areas that had been identified in the original inspection. As a result, we were able to find out about the progress the school has made and how well this is supporting children's learning and achievements. This letter sets out what we found. The Care Inspectorate inspected the nursery class at the same time and that report will be available at www.careinspectorate.com.

Improve learning, teaching and assessment.

The school has made good progress in improving learning, teaching and assessment.

Relationships across the school and nursery class are nurturing and caring. Most children engage well in their learning. Teachers and practitioners know children very well as individuals. The quality of learning and teaching across the school and nursery class is improving. Teachers and practitioners engage well in a range of learning opportunities, which support these improvements.

In the nursery class, children are supported effectively by practitioners, whose positive interactions extend and deepen their learning. Overall, most practitioners use open-ended questions well to encourage children to think and discover solutions for themselves. Practitioners have worked together well to develop further children's learning journals. Overall, these are capturing the significant learning for each child. Practitioners are developing their confidence in using new planning approaches based on local guidance. They observe children and take account of their interests and needs when planning learning experiences. Senior leaders use professional dialogue with practitioners to discuss children's progress and intervene with appropriate supports when required. Practitioners should continue to develop processes for observing and planning children's learning.

Across the school, teachers share effectively what children are learning and their steps to success. Teachers review this regularly to help children to see the progress they are making. Across the school, all children set individual targets linked to health and wellbeing and listening and talking. This helps children to identify their next steps in learning. Senior leaders have identified the need to engage parents more in this process to ensure they are fully engaged in their children's learning. Children are becoming more consistently engaged in their learning. They show increased confidence in describing what they are learning. In most lessons, learning experiences better reflects the needs of children. As a result, children engage well in appropriate tasks matched to their needs. Teachers make better use of the outdoor spaces to enhance children's learning experiences. Senior leaders have developed clear approaches to ensure assessment informs teachers' planning of learning and teaching. Teachers discuss regularly children's progress with senior leaders. This supports teachers

planning of learning experiences and helps identify appropriate interventions to ensure children make continued progress.

Ensure appropriate processes and support are in place to improve outcomes for all children, in particular those with barriers to learning.

The school has made good progress in establishing appropriate processes and supports to improve outcomes for all children.

In the nursery class, practitioners and children increasingly use the language of the wellbeing indicators in their daily practice. Senior managers have put in place procedures to make sure that significant events and information relating to children's wellbeing are appropriately recorded and monitored. Practitioners have reviewed children's plans and all children who face barriers to their learning have individual plans in place. These are created in consultation with families and other partners, where appropriate. Practitioners should continue to ensure all relevant information relating to children's wellbeing is easily understood by staff and accessible when required.

Across the school, teachers continue to develop children's understanding of wellbeing and the impact this has on their lives. In most classes, teachers provide better differentiated learning approaches, including the use of appropriate tasks and activities suited to the needs of all children. The management of record keeping for children with additional support needs has improved significantly. Senior leaders now have a helpful overview of supports in place for all children. Processes are in place to consider the needs of children and to identify appropriate interventions. Teachers and senior leaders use plans appropriately to support barriers to children's learning. They review and update these plans regularly in consultation with families. Staff should continue to develop children's targets to ensure they are specific and measurable. This should ensure these have maximum impact on children's progress.

Develop robust approaches to self-evaluation to identify areas for improvement. Develop strategic leadership and leadership at all levels to drive forward improvements at an increased pace of change.

The school has made good progress in developing robust approaches to self-evaluation and establishing strategic leadership at all levels.

The local authority appointed an experienced interim headteacher who initiated changes across the nursery class and school. She established a detailed action plan with specific, clear and measurable outcomes. This has led to a brisk pace of change across the school and nursery class which is well supported and embraced by all staff and the wider school community. This is impacting positively on both children and their families. She led effectively the review and refresh of the vision, values and aims across the nursery and school. The values are understood fully by the whole school community.

In the nursery, the newly appointed team, alongside existing practitioners has formed a welcoming and inclusive environment. They are supportive and respect each other's skills and knowledge. All practitioners have leadership roles and are increasingly involved in reviewing the work of the nursery. They welcome feedback to support children's experiences.

Practitioners should continue to develop their roles and responsibilities in improving the work of the nursery.

Across the school, all staff now lead on aspects of the school's development work. Senior leaders now provide robust, high quality feedback to teachers, which is improving the quality of learning and teaching. Staff engage in a range of useful professional learning opportunities. This is leading to better learning and teaching in literacy and numeracy. Teachers provide children with opportunities to develop their leadership skills through various committees. They should continue to involve children more in identifying ways to improve their school.

Raise attainment, focussing on developing planning, progressive pathways and an understanding of national standards through effective moderation.

The school has made good progress in these areas of work.

In the nursery, practitioners support children to make continued progress in literacy by introducing a wider range of books. Practitioners have attended training on numeracy development and feel more confident in this area. In health and wellbeing, practitioners support children to talk about their emotions using the wellbeing indicators. Children who experience barriers to learning are well supported by practitioners. They use a range of information to demonstrate the progress children are making in their learning and to plan future supports. Practitioners should continue to explore a range of approaches, which support all children to make progress in their learning.

Across the school, teachers have developed appropriate expectations across a few curricular areas. They should continue to develop these across all curriculum areas. Senior leaders have developed systems to check on children's progress and to monitor the impact of any identified interventions. An appropriate plan is in place to support the spending of Pupil Equity Funding (PEF). This has been agreed with the school community. Teachers have increased ownership of all assessment information relating to children progress and attainment. They use this information more effectively to inform learning and teaching approaches. As a result, attainment levels at P4 and P7 are beginning to improve in literacy and numeracy. Senior leaders continue to develop opportunities for teachers to develop their understanding of national standards. This supports them to make more robust and reliable judgements about children's progress.

What happens next?

The school has made good progress since the original inspection. We are confident that the school has the capacity to continue to improve and so we will make no more visits in connection with this inspection. North Ayrshire Council will inform parents about the school's progress as part of its arrangements for reporting on the quality of its schools.

Scott Lavery
HM Inspector

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit & Scrutiny Committee

Title: **HSCP – Budget Monitoring Report**

Purpose: To provide an update on the projected financial outturn for the financial year as at August 2020.

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 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. The report also outlines the estimated financial impact of the Covid-19 response, the associated funding and financial risks.

2. Background

- 2.1 The Audit and Scrutiny Committee agreed to receive regular reports on the financial performance of the Health and Social Care Partnership. The Budget Monitoring report presented to the IJB on 22 October 2020 outlined the projected financial outturn for the financial year as at August 2020 and is attached as an appendix.

3. Proposals

- 3.1 It is proposed that the Committee note the report.

4. Implications

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.
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.

For further information please contact **Caroline Cameron** on **07801 439900**.

Background Papers

None

Integration Joint Board
22 October 2020

Subject: **2020-21 – Month 5 Financial Performance**

Purpose: To provide an overview of the IJB's financial performance as at Period 5 including an update on the estimated financial impact of the Covid-19 response.

Recommendation: It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end overspend of £0.009m at period 5;
- (b) notes the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding received to date;
- (c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB;
- (d) approve the budget changes outlined at section 2.8.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
RAG	Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee

1.	EXECUTIVE SUMMARY
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 August 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 practicably be reported.
1.2	The projected outturn, before the impact of Covid-19, is a year-end overspend of £0.009m for 2020-21 which is a favourable movement of £0.057m. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in

	<p>relation to funding and the achievement of savings. The position has been adjusted to reflect the potential impact of Lead Partnership services. In the absence of any alternative risk sharing agreement for lead partnership services an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years.</p>
1.3	<p>From the core projections, overall the main areas of pressure are learning disability care packages, looked after children and adult in-patients within the lead partnership. However, there has been significant progress to reduce the pressures in these areas. The financial projection of effectively a break-even position demonstrates the progress made towards financial balance as part of the 2019-20 recovery plan and other service transformation plans contributing to reduced costs. The position also demonstrates that the work started before the pandemic to ensure the IJB moved into the new financial year in a financially sustainable position has not been delayed or impacted by the Covid-19 response. If this position can be sustained as we move through the year, and assuming all Covid-19 costs are fully funded, the IJB will secure financial balance and repay £1.5m of the debt to North Ayrshire Council as planned.</p>
1.4	<p>The most up to date position in terms of the mobilisation plan for Covid-19 based on the return to the Scottish Government on 14 August projects £7.2m of a financial impact, which is split between additional costs of £6.1m and anticipated savings delays of £1.1m. The impact of savings delays has been built into the core financial projection above on the basis that there is less confidence that funding will be provided to compensate for this. There are financial risks associated with Covid-19 as the IJB has yet to receive confirmation of the full funding allocation, our previous allocation was a share of £83m nationally (£3.5m for North Ayrshire) to assist with pressures for social care services, we have subsequently received a further allocation for health and social care costs to March 2021 taking our total funding allocation to £ 5.183m. This allocation is based on full reimbursement of costs for Q1 and between a 50% (social care) to 70% (health) allocation for estimated costs for Q2 – Q4. The Scottish Government anticipate re-visiting funding allocations for social care in November and for health in January 2021 when a further funding allocation is expected.</p>
1.5	<p>Until the full funding for Covid-19 is confirmed there is a risk that there may be a shortfall in funding to fully compensate the North Ayrshire IJB for the additional costs. However, there is no recommendation at this time to implement a Financial Recovery Plan on the basis that:</p> <ul style="list-style-type: none"> • There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations; • Offsetting reductions of £0.530m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall; • The current estimated scale of the shortfall, potentially less than £1m, is at a level that can potentially be recovered through management actions later in the financial year; • The most significant area of additional Covid cost is the purchase of PPE for social care, the extension of the current MOU for the PPE Hubs includes an assurance that PPE costs will be reimbursed in full, this is also in line with the recent allocation for PPE being on an actuals basis; • The period 5 position projects a balanced financial position (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery.

	<p>The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future.</p>
2.	CURRENT POSITION
2.1	<p>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 plans to work towards financial balance.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	FINANCIAL PERFORMANCE – AT PERIOD 5
2.2	<p>The projected outturn position at period 5 reflects the cost of core service delivery and does not include the costs of the Covid 19 response as these costs are considered separately alongside the funding implications.</p> <p>Against the full-year budget of £254.415m there is a projected year-end overspend of £0.009m (0%). 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. Following this approach, 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 £0.755m in social care services offset by a projected underspend of £0.746m in health services.</p> <p>As highlighted at the end of last year the payroll turnover target was to be centralised for future years as the approach in previous years left some service areas with unachievable targets whilst other areas were able to overachieve, it was agreed that a more transparent approach would be to manage the payroll turnover and vacancy savings centrally. This approach has been adopted for 2020-21, this has helped to de-clutter the financial report and to make it more transparent re the overall turnover target and the progress towards achieving this across the partnership. Section 2.6 highlights progress with the partnership vacancy target.</p> <p>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.</p>
2.3	Health and Community Care Services
	<p>Against the full-year budget of £69.438m there is an underspend of £1.097m (1.6%) which is an adverse movement of £0.087m. The main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions) – underspent by £0.887m (adverse movement of £0.137m). The care home budget moved into a sustainable position towards the end of 2019-20 and the</p>

	<p>opening position for the budget for 2020-21 was expected to be an underspend position as at that time we set the budget at a level to fund 810 places and we were funding 782. The occupancy in care homes has fallen further in the first quarter of 2020-21 and there are significant vacancies in care homes, the projected underspend includes a steady net increase of 10 placements per month until the year-end. The main reason for the adverse movement is a reduction in the respite underspend and an increase in permanent placements following a catch up on the funding approval for placements.</p> <p>b) Independent Living Services are overspent by £0.231m (favourable movement £0.090m) which is due to an overspend on physical disability care packages within the community and direct payments. There is an expectation that there will be some recovery of funds from Direct Payments where services have ceased, this may improve the projected position. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered. The roll out of the CM2000 system for Adult services was postponed towards the year-end due to the Covid response and will be implemented later in the year.</p> <p>c) Care at home is projected to overspend by £0.097m (adverse movement £0.047m). The financial projections reflect recent recruitment and assumes maintaining the service at the current level until the end of 2020-21. The projection now includes the financial impact of transferring work from two of the commissioned framework providers to the in-house service at a part year cost of £0.198m and the additional costs of work being transferred in house outwith TUPE £0.204m. The costs are partially offset by a reduction in the assumption for hours delivered via the commissioned framework providers until the year end.</p> <p>d) Aids and adaptations projected underspend of £0.300m (no movement). There have been significant delays with carrying out assessments and providing equipment and adaptations during lock down. The year to date spend at period 5 is less than £0.100m, but there are some larger orders recently placed. It is expected that during the year there will be considerable delays with this spend, the level projected currently is in line with the underspend in 2019-20 and it is likely this underspend will be greater, however this cannot be determined at this stage in the year.</p> <p>e) Carers Act Funding is projected to underspend by £0.443m (no movement) based on the currently committed spend and delays with taking forward developments to support carers. The total uncommitted budget is £0.560m so this projected position assumes there will be carers' support plans undertaken and a level of demand/services identified from these plans to be delivered later in the year.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £77.062m there is a projected overspend of £0.513m (0.7%) which is an adverse movement of £0.311m. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £2.192m (adverse movement £0.365m), included within this is £1.586m (£0.083m adverse movement) in relation to community care packages and £0.573m (£0.206m adverse movement) for residential placements. The adverse movement in residential placements relates to one package transferring from children's services partially offset by reductions to</p>

three other packages. The 2020-21 budget for all adult care packages (LD, PD and MH) were realigned with any projected underspends in other areas being used to reduce the LD projected overspend. 2020-21 savings relating to the implementation of the Adult Community Support Contract are delayed as the full implementation of the CM2000 system has been postponed as the focus for providers has been on the response to COVID-19. This will commence with a phased roll out from October 2020, the financial benefits of the system are included in the projection later in the year but at a reduced level (causing an adverse movement of £0.147m) due to the delay. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The current projection assumes the current level of commissioned support will continue for the year, there are opportunities to reduce this commitment as a significant number of these care packages were reduced or suspended during lock down, these will be reviewed when services are re-started to ensure support is re-started at the appropriate level, this may potentially reduce the year-end projected position and the opening projections for 2021-22.

- b) Community Mental Health services are projected to underspend by £0.234m (£0.020m adverse movement) mainly due to a reduction in care packages. There has been a reduction in the number of care packages since the start of the year and there have been some temporary reductions to care packages during lock-down, currently these are assumed to be temporary reductions, these will also be reviewed when brought back online.
- c) The Lead Partnership for Mental Health has an overall projected underspend of £1.445m (favourable movement of £0.084m) which consists of:
- A projected overspend in Adult Inpatients of £0.540m (favourable movement of £0.060m due to staff moving out of redeployment). The overspend is mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ward closed during August 2020 but there remain staff to be re-deployed, the overspend may reduce if alternatives can be identified for displaced staff sooner.
 - UNPACS is projected to underspend by £0.153m (£0.034m adverse movement) based on current placements. The adverse movement is due to continued enhanced observation costs.
 - A projected underspend of £0.300m (£0.050m adverse movement) in Elderly Inpatients due to the completion of the work to reconfigure the Elderly Mental wards, this represents the part-year saving with the full financial benefit being available in 2021-22 (est £0.934m). Staff re-deployment costs have been included in the projection and the underspend may increase if alternatives can be identified for displaced staff sooner.
 - A projected underspend in MH Pharmacy of £0.190m (no movement) due to continued lower substitute prescribing costs.
 - The target for turnover or vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.255m in 2020-21, further information on this is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2021	£1.655m
Over/(Under) Achievement	£1.255m

There were significant vacancy savings delivered during 2019-20 from lead partnership services and these were brought into the financial position during the year as it became clear that services were not going to be able to recruit to all vacancies. The current

	<p>projection to the year-end is informed by the recruitment plans and the confidence in recruitment success and realistic timescales for filling individual vacancies.</p> <p>The main areas contributing to this position are noted below:</p> <ul style="list-style-type: none"> • Adult Community Health services £0.133m • Learning Disability £0.068m • Addictions £0.036m • CAMHS £0.230m • Mental Health Admin £0.280m • Psychiatry £0.488m • Psychology £0.387m • Associate Nurse Director £0.033m
2.5	<p>Children Services & Criminal Justice</p>
	<p>Against the full-year budget of £35.998m there is a projected overspend of £0.042m (0.1%) which is a favourable movement of £0.294m. The main variances are:</p> <p>a) Looked After and Accommodated Children are projected to overspend by £0.443m (adverse movement of £0.045m). The main areas within this are noted below:</p> <ul style="list-style-type: none"> • Children's residential placements are projected to overspend by £0.543m (no movement), as at period 5 there are 17 placements with plans to reduce this by 4 by the end of October and an assumption that there will be no further placements during the year, therefore ending the year with 13 placements. Budget plans for 2020-21 were based on starting the year with 18, reducing to 14 by the end of Q1 and to 10 places by the end of Q2 and for the remainder of the year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the availability of tenancies. However, despite these delays it is positive that there were no children placed into external residential placement during lock down and the numbers did not increase. Children's services are working towards further improving the position as we move through the year as starting the 2021-22 financial year with 13 placements will impact on the savings planned for next year. • Fostering placements are projected to overspend by £0.127m (£0.034m adverse movement) based on the budget for 129 places and 132 actual placements since the start of the year. The fostering service is an area we are trying to grow, and a recruitment campaign was undertaken early in the new year to attract more in-house foster carers to limit the ongoing requirement for external foster placements. There are a number of additional fostering placements attributed to Covid-19 which are out with these numbers as the costs have been included on the Covid-19 mobilisation plan. Respite foster placements is projected to underspend by £0.073m as placements have not taken place due to Covid-19 restrictions. • Kinship placements are projected to underspend by £0.137m (adverse movement of £0.036m) based on the budget for 370 places and 345 actual placements since the start of the year. The adverse movement is due to a delay in kinship assessments which have now taken place.

	<p>b) Children with disabilities – residential placements are projected to underspend by £0.196m (favourable movement of £0.272m). This favourable movement relates to one placement which has transferred to adult learning disability residential placements.</p>												
2.6	<p>Turnover/Vacancy Savings</p> <p>The payroll turnover target has been centralised for 2020-21 as it was noted last year that some service areas have historic targets which cannot be achieved whilst others overachieve, the financial monitoring report was cluttered with over and underspends as a result and a more transparent way to report on progress with the overall achievement of payroll turnover is to manage it centrally. The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.</p> <p>The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:</p> <table><tr><td></td><td>Social Care</td><td>Health Services</td></tr><tr><td>Vacancy Savings Target</td><td>*(£1.957m)</td><td>(0.645m)</td></tr><tr><td>Projected to March 2021</td><td>£1.957m</td><td>0.914m</td></tr><tr><td>Over/(Under) Achievement</td><td>0</td><td>0.269m</td></tr></table> <p>(*the target for social care services has been increased on a non-recurring basis for 2020-21 only by £0.110m to offset the saving for the roll out of Multi-Disciplinary Teams, as no permanent reductions to the structure can be identified at this time but will be by the service from 2021-22 onwards)</p> <p>The position in the table above reflects the assumption in the current financial projections. For social care there have been significant vacancy savings to period 5 due to delays with recruitment and a total of £1.067m has been achieved to date. It is not anticipated that the level of vacancies will continue at this rate to the financial year-end, the full annual target is expected to be achieved on the basis that there will vacancies sustained at around 61% of that level. We may potentially exceed the target, as was the case in previous years, but the likelihood of this will not be known with confidence until services and recruitment re-starts fully over the coming months.</p> <p>The Health vacancy projection to the year-end is informed by the recruitment plans and confidence in recruitment to posts for the remainder of the year.</p> <p>The main areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas, the most notable in terms of value being social worker posts (across all services), the Community Mental Health Teams and Allied Health Professionals.</p>		Social Care	Health Services	Vacancy Savings Target	*(£1.957m)	(0.645m)	Projected to March 2021	£1.957m	0.914m	Over/(Under) Achievement	0	0.269m
	Social Care	Health Services											
Vacancy Savings Target	*(£1.957m)	(0.645m)											
Projected to March 2021	£1.957m	0.914m											
Over/(Under) Achievement	0	0.269m											
2.7	<p>Savings Progress</p> <p>a) The approved 2020-21 budget included £3.861m of savings.</p> <table><tr><td>RAG Status</td><td>Position at Budget Approval £m</td><td>Position at Period 5 £m</td></tr><tr><td></td><td></td><td></td></tr></table>	RAG Status	Position at Budget Approval £m	Position at Period 5 £m									
RAG Status	Position at Budget Approval £m	Position at Period 5 £m											

Red	-	0.274
Amber	2.801	1.837
Green	1.060	1.750
TOTAL	3.861	3.861

b) The main areas to note are:

- i) Red savings of £0.274m relating to reducing LD sleepovers and the review of Adoption Allowances, both of which have been impacted by Covid-19, the delays in these savings have been included in the overall projected outturn position;
- ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the implementation of the Adult Community Support Framework as the introduction of the CM2000 system is on hold as providers are focussing on COVID related service and staffing issues;
- iii) The confidence with some savings has increased since the budget was set due to the progress made towards the end of 2019-20, for example with freeing up additional capacity for Care at Home services by reducing care home placements.

Appendix C provides an overview of the savings plan, this highlights that during 2020-21 it is anticipated that a total of £2.729m of savings will be delivered in-year, with £1.132m of savings potentially delayed or reduced. The delays are due to Covid-19 and have been included in the mobilisation plan return to the Scottish Government, but at this stage they have also been reflected in the overall projected outturn position as there is less confidence that the impact of savings delays will be compensated with additional funding.

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. Whilst some of our plans were put on hold due to Covid, the transformation plans will be re-mobilised at pace to ensure we taken any opportunities to join up the re-design services as they come back online. The Transformation Board re-started in July and there will be a concerted effort to ensure the maximum savings delivery can be achieved in-year, to assist with the current year position and to ensure there is no recurring impact moving into 2021-22.

2.8 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 D highlights the movement in the overall budget position for the partnership following the initial approved budget.

Reductions Requiring Approval:

The specific reductions the IJB are required to approve are:

- Resource transfer to East and South HSCP re the closure of the Lochranza ward - £0.231m
- Resource transfer to South HSCP re Arrol Park discharges – £0.107m

	<ul style="list-style-type: none"> • Resource transfer reduction re Trindlemoss - £0.248m <p>It is recommended that the IJB approve the budget reductions outlined above.</p> <p>Future Planned Changes:</p> <p>An area due to be transferred in the future are 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 and Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and plans are well progressed to reduce the projected overspend prior to any transfer.</p>
2.9	<p>NHS – Further Developments/Pan Ayrshire Services</p> <p><u>Lead Partnerships:</u></p> <p>The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2019-20 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position will be the default position at the start of 2020-21 as the further work taken forward to develop a framework to report the financial position and risk sharing across the 3 partnerships in relation to hosted or lead service arrangements has been delayed by the requirement to focus efforts on the Covid response.</p> <p>The underspend in relation to North Lead Partnership services is not fully attributed to the North IJB as a share has been allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 5 the impact on NAHSCP is a £0.028m overspend (£0.053m underspend for East and £0.081m overspend for South). There is no movement from month 4 as neither East nor South HSCP report at month 5. The information below relates to month 4.</p> <p>East HSCP – projected underspend of £0.146m (£0.053m NRAC share for NAHSCP). The main areas of variance are:</p> <ol style="list-style-type: none"> Primary Care and Out of Hours Services (Lead Partnership) - there is a projected underspend of £0.085m on the Primary Care Lead Partnership budget. This relates to savings in Primary Care Transformation / Integration offset by a small overspend on Ayrshire Urgent Care Services and Contracting and Support Services. In previous financial years, GP practices in difficulty have required additional funding to ensure sustainability and continuity of patient care. There are presently no practices in difficulty however this remains an extremely fluid area of the budget and continues to be closely monitored. Prison and Police Healthcare (Lead Partnership) - £0.054m projected underspend relates to anticipated part-year savings from vacant posts within the Service, partially offset by recharged costs in respect of temporary management arrangements.

	<p>South HSCP – projected overspend of £0.221m (£0.081m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the community store. South HSCP did not report at month 5 so there is no movement from month 4.</p> <p><u>Set Aside:</u></p> <p>The budget for set aside resources for 2020-21 is assumed to be in line with the amount for 2019-20 (£30.094m) inflated by the 3% baseline uplift, this value was used in the absence of any updated information on the share of resources and is £30.997m.</p> <p>At the time of setting the IJB budget it was noted that this may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It was anticipated that 2020-21 would be used as a shadow year for these arrangements, however this work has been delayed due to the Covid-19 response. A further update will be provided to IJBs as this work progresses.</p> <p>The acute directorate, which includes the areas covered by the set aside budget, is overspent by £3.1m after 5 months. This is attributable to Covid-19 and will be reimbursed by Scottish Government subject to due process.</p> <p>The IJBs and the Health Board have submitted a remobilisation plan outlining how activity will return to normal as far as is possible and are working together to ensure patients are looked after in the most suitable environment.</p>
	<p>COVID-19 – FINANCE MOBILISATION PLAN IMPACT</p>
2.10	<p>Summary of position</p>
	<p>From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns have been submitted to the Scottish Government on a regular basis, on the premise that any additional costs aligned to mobilisation plans would be fully funded. There is a risk that if the full cost of the Covid-19 response is not funded that the IJB may require to recover any overspend in-year.</p> <p>The IJB were updated in September outlining the up to date cost estimates, the financial year-end projections and any potential funding gap based on scenarios re Covid-19 funding. The IJB also need to consider any action required to recover the financial position in-year.</p>
2.11	<p>Mobilisation Plan Costs</p>
	<p>The most recent mobilisation plan cost submission submitted on 14 August 2020 estimates the costs to be £7.211m to March 2021. The next return is due to be submitted on 23 October. Thereafter the financial returns will move to a quarterly submission alongside the Health Board financial returns to the Scottish Government. The costs remain estimates as the situation continually evolves and there have been several iterations of the financial plan.</p> <p>The majority of the additional costs for the HSCP relate to the provision of social care services and the most significant areas are PPE, additional staff costs for staff absence and student nurses, loss of income due to closed services, additional care home</p>

placements, payments to commissioned care providers to ensure future sustainability and the impact on our approved savings programme.

The mobilisation plan submission is included as Appendix E. The main areas of cost together are summarised below:

Service Area	Latest (14 Aug 2020) £m
Payments to Providers	1.655
Personal Protective Equipment (PPE)	2.052
Savings Delays	1.115
Nursing – Students and Bank Staff	0.733
Care at Home Capacity	0.416
Loss of Income	0.442
Staff Cover	0.425
Care Home Beds – Delayed Discharges	0.396
Fostering Placements	0.196
Other costs	0.311
Offsetting cost reductions	(0.530)
TOTAL	7.211

Further information on the elements of the plan are included in previous IJB reports. The updated mobilisation plan financial return due to be submitted by 23rd October will be included in the report to the IJB in November.

2.12 Covid-19 Funding Position

At the outset of the pandemic there was an assurance that subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, reasonable funding requirements will be supported. This was on the basis that a process would be developed for these to be accurately and immediately recorded and shared with the Scottish Government. The basis of this reporting was drawn up and agreed with COSLA and Health and Social Care Partnerships.

On 12 May 2020 we received confirmation of initial funding of £50 million, particularly to support immediate challenges in the social care sector. This interim funding was released to support sustainability across the sector and the ongoing provision of social care, while further work is undertaken to provide the necessary assurance for further allocations of funding to support additional costs. The share of this allocation was £1.339m for North Ayrshire.

Following on from this on 3 August it was confirmed that in recognition of challenges for Local Authorities, IJBs and social care providers, and commensurate with data submitted through the local mobilisation plan financial returns, the Scottish Government would provide an additional tranche of funding up to £50 million to meet costs. The full funding will be provided on the basis of appropriate evidence and assurance in respect of actual expenditure and will continue to be considered within the context of the overall package of financial support. On 10 August it was advised

that £25m of this funding would be released immediately, the North Ayrshire share is £0.669m and has been allocated on an NRAC/GAE basis in line with the original £50m. Following submission of cash flow information £8m of the remaining up to £25million was allocated on 26th August of which £1.5m was allocated to North IJB. Therefore, as previously advised the previous funding allocated to North Ayrshire totals £3.509m, all of this funding being allocated specifically for social care pressures.

Since the last IJB the Scottish Government have announced a funding allocation for Health and Social Care totalling £1.089bn (including the £83m announced to date), the allocation is made in line with the following approach:

- allocation based on actual costs incurred in Quarter 1 and funding agreed for Q2-Q4 in line with agreed parameters (70% of funding for Q2-Q4, exception of 50% of funding for social care payments to providers, DD reduction);
- action is taken to mitigate additional financial pressure as far as possible and to make best use of resources across the system. HBs and IJBs are asked to reassess options for savings that can be delivered, therefore no provision at this time for savings delays, similarly the offsets identified by some areas have not been included at this stage;
- funding allocated in line with actual expenditure where spend disproportionately impacts on specific IJBs and where there is a significant uneven distribution, includes PPE and social care;
- funding allocated up to an NRAC share to cover spend that is incurred across all HB/IJBs where there is a higher level of consistency between Board areas, this includes staffing costs and overtime, equipment, investment in digital, additional beds, and community hubs;
- expectation in principle that funding is split between HBs and IJBs in line with SG funding letter/allocation, however HBs and IJBs may agree to allocate funding flexibly between categories to better recognise local pressures and priorities;
- further funding may be required to meet costs that have been in excess of formula shares, and SG will review reasonable requests for further financial support to meet pressures.

Given the level of uncertainty currently reflected in financial assumptions full funding is not being allocated at this stage, the Scottish Government will work with Health Boards and IJBs over the coming months to review and further revise financial assessments and intend to make a further substantive funding allocation in January. This will allow identification of the necessary additional support required, and realignment of funding in line with actual spend incurred. For social care further work is progressing with COSLA to identify financial implications, including sustainability payments to providers. Given uncertainty reflected in estimates across Scotland the funding allocation for social care is based on actuals for Q1 and 50% of forecast spend for Q2-Q4. The Scottish Government will revisit social care allocations in November.

NHS Ayrshire and Arran Funding Allocation:

	Health Board £m	HSCPs £m	Total £m
Q1 Allocation	6.896	7.429	14.325
Q2-Q4 Allocation	15.539	8.997	24.535
Total Allocation	22.435	16.425	38.860

Less Previous SC allocation	-	(7.808)	(7.808)
Total Allocation Q1-Q4	22.435	8.617	31.052

The total allocation of £8.617m for HSCPs is not split down to individual allocations for the 3 IJBs, there are only summary allocations for each of the cost headings and the whether the allocation basis is actuals or an NRAC basis.

The Health Board Director of Finance has confirmed that the £8.617m in full will be passed through to the Ayrshire IJBs. Agreement has been reached through Ayrshire Finance Leads that we should determine the most appropriate share of funding across 3 Ayrshires based on the mobilisation plan submissions, as we need to have a shared agreement around the impact on lead partnership services.

The below shows the share of the funding across the three HSCPs, as agreed by the Ayrshire Finance Leads:

	North	East	South	TOTAL
Q1 Allocation	3,010	2,400	2,018	7,429
Proposed Q2-Q4 Allocation	2,173	4,338	2,486	8,997
Funding Already Received (£83m)	- 3,509	- 2,464	- 1,835	- 7,808
NET NEW FUNDING ALLOCATION	1,673	4,274	2,669	8,617

This allocation reflects the costs for each of the 3 areas on the mobilisation plan returns with the overall 'shortfall' of £97k shared on an NRAC basis. This has been agreed as the fairest approach as it ensures each area has funding which follows the submissions to the Scottish Government and also ensures that the lead partnership services are funded appropriately.

The additional funding allocation does appear lower for North compared to the other two HSCPs, for North we already received an additional £1.5m in August for social care based on cash flow returns, also the East allocation appears higher as this includes the costs for primary care including the community hubs.

2.13 Covid – Financial Risk

Overall at this time the financial risk to the IJB has been reduced significantly by the recent funding announcement and subsequent allocation.

The table below summarises the overall estimated Covid-19 costs for the North HSCP alongside the funding received to highlight the potential gap:

	Latest (14 Aug 2020) £m
Mobilisation Plan Costs	7.211
FUNDING TOTAL	(5.183)
Shortfall	2.028
Shortfall (excluding savings)	0.913

The estimated additional costs to March 2021 compared to the funding received to date leaves an estimated balance of £0.913m for which funding has not yet been received

or allocated. A further mobilisation plan submission is due at the end of October with an update to cost estimates – the main areas likely to change are Social Care Sustainability Payments, PPE and capacity for winter to sustain reduced delays. There is a risk that the estimated costs may increase based on updated projections, this Q2 submission will be used to inform further funding allocations from the Scottish Government.

In terms of the current estimated shortfall:

- we have assumed through our core budget monitoring projections that the delays in savings will not be funded and these are included in financial projections, as noted in this report we are projecting almost break-even on that basis;
- the offsets of £0.530m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall;
- there will be a potential further funding allocation for Social Care (November) and Health (January) when the costs will be revisited, we would expect on that basis that a further funding allocation would be released to compensate for actual costs.

There are a number of financial risks related to the Covid-19 response for North Ayrshire IJB, risks include:

- Scottish Government funding is not sufficient to fully fund the response and there is a shortfall in funding when allocated;
- Risk that financial position cannot be recovered in-year and the IJB overspend and add to the debt owed to North Ayrshire Council;
- If insufficient funding is provided an exercise will be required at a later stage to re-allocate costs and funding to the 3 IJB areas for Lead Partnership services, this could lead to greater costs being aligned to the North IJB particularly for any shortfall in funding for Primary Care including Covid Assessment Hubs;
- Further uncertainty of funding for pressures which may continue beyond 2020-21, including for example PPE;
- Currently provider Sustainability Payment Principles have been agreed to remain in place for the year with tapering down of support for some elements over the next few months, there is an ongoing responsibility for HSCPs to ensure the sustainability of the social care sector and the sustainability principles will remain under review by the Scottish Government and COSLA;
- Financial position from 2021-22 onwards and the impact on public sector funding and the future funding of Health and Social Care services.

The below illustrates the ways in which this financial risk can be mitigated:



Given the scale of the financial risk at this stage in the year it is not recommended that the IJB consider a formal financial recovery plan at this time.

This recommendation is on the basis that:

- There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations;
- The current estimated scale of the shortfall, potentially less than £1m, is at a level that can potentially be recovered through management actions later in the financial year;
- The most significant area of additional Covid cost is the purchase of PPE for social care, the extension of the current MOU for the PPE Hubs includes an assurance that PPE costs will be reimbursed in full, this is also in line with the recent allocation for PPE being on an actuals basis;
- The period 5 position projects an almost online financial position (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery.

The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future.

2.14 **Provider Sustainability Payments and Care Home Occupancy Payments**

COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met.

We have been making payments to commissioned social care providers in line with the agreed National principles for sustainability and remobilisation payments to social care providers during COVID 19. The September IJB requested an update on support to providers during Covid-19.

Care Home Occupancy Payments - we have engaged with older people's care homes in relation to care home occupancy payments and make regular monthly payments to care home providers with emergency faster payments being made if required. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.

Sustainability payments - providers are responsible for submitting a claim for additional support to the Partnership for sustainability payments and this is assessed as to what support is required on a case by case basis based on the supporting evidence provided. Each case is assessed by the same group to ensure equity and consistency across providers.

In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.

The sustainability payments are estimated to be a significant cost in our mobilisation plan and the timely submission and assessment of claims is key to ensuring we can accurately estimate the financial cost and ensure the costs are reclaimed from the Scottish Government.

Where no deadline has been applied locally providers should ensure they;

- Submit all claims covering costs between April – June before the end of September 2020;
- Submit all claims covering costs between July to August before the end of October 2020;
- Thereafter claims should be made on a monthly basis.

Providers in North Ayrshire are not all strictly adhering to these timescales and we are still receiving claims dating back to the start of the pandemic, the commissioning team are working with providers to support them to submit claims.

The tables below show the support provided to date and the outstanding claims as at the end of September.

PROVIDER SUMMARY	NCHC Care Homes	Other	Total
Total Number of Providers	17	48	65
Number in contact for support	16	26	42
Providers Supported to date	16	12	28

SUPPORT PROVIDED	NCHC Care Homes £	Other Services £	TOTAL £
Occupancy Payments *	935,398	0	935,398
Staffing	16,848	32,635	49,483
PPE, Infection Control	25,504	12,962	38,466
Other	72,593	17,958	90,552
TOTAL	1,050,343	63,555	1,113,899

*includes payments to end of August

OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total
Total Number of Claims	7	6	13
Value of Claims	347,074	79,167	426,241

The sustainability payments for some elements of support are tapering down between September and November (occupancy payments) or are ceasing at the end of October (planned care), other elements will continue to be in place beyond September and this includes the Social Care Staff Support Fund and support with PPE, infection prevention control and some additional staffing costs.

COSLA and the Scottish Government continue to keep the sustainability principles under review in line with requirements to support the commissioned social care sector.

3. PROPOSALS

3.1 Anticipated Outcomes

Continuing to closely monitor the financial position will allow the IJB to take corrective action where required to ensure the partnership can deliver services in 2020-21 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.

The estimated costs and funding in relation to the Covid-19 response also require to be closely monitored to ensure that the IJB can plan for the impact of this and to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.

3.2 Measuring Impact

Ongoing updates to the financial position will be reported to the IJB throughout 2020-21.

4. IMPLICATIONS

Financial:	The financial implications are as outlined in the report.
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	<p>Against the full-year budget of £254.415m there is a projected overspend of £0.009m (0%). The report outlines the main variances for individual services.</p> <p>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.</p> <p>One of the main areas of risk is the additional costs related to the Covid-19 response and these are detailed in the report together with an updated position in relation to funding.</p>
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. The greatest financial risk for 2020-21 is the additional costs in relation to Covid-19.
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	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran and North Ayrshire Council Head of Finance after the report has been finalised for the IJB.</p>
5.	CONCLUSION
5.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end overspend of £0.009m at period 5;</p> <p>(b) notes the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding received to date;</p> <p>(c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB;</p> <p>(d) approve the budget changes outlined at section 2.8.</p>

For more information please contact:

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Partnership Budget - Objective Summary	2020/21 Budget									Over/ (Under) Spend Variance at Period 4 £'000
	Council			Health			TOTAL			
	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	
COMMUNITY CARE AND HEALTH	55,991	54,777	(1,214)	13,447	13,564	117	69,438	68,341	(1,097)	(1,184)
: Locality Services	23,301	22,744	(557)	4,725	4,775	50	28,026	27,519	(507)	(604)
: Community Care Service Delivery	28,583	28,630	47	0	0	0	28,583	28,630	47	(8)
: Rehabilitation and Reablement	1,977	1,684	(293)	1,679	1,667	(12)	3,656	3,351	(305)	(300)
: Long Term Conditions	1,771	1,349	(422)	4,949	5,028	79	6,720	6,377	(343)	(280)
: Integrated Island Services	359	370	11	2,094	2,094	0	2,453	2,464	11	8
MENTAL HEALTH SERVICES	24,805	26,812	2,007	52,257	50,763	(1,494)	77,062	77,575	513	202
: Learning Disabilities	18,628	20,820	2,192	448	448	0	19,076	21,268	2,192	1,827
: Community Mental Health	4,712	4,527	(185)	1,685	1,636	(49)	6,397	6,163	(234)	(254)
: Addictions	1,465	1,465	0	1,351	1,351	0	2,816	2,816	0	(10)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,773	47,328	(1,445)	48,773	47,328	(1,445)	(1,361)
CHILDREN & JUSTICE SERVICES	32,153	32,194	41	3,845	3,845	0	35,998	36,039	41	336
: Irvine, Kilwinning and Three Towns	3,192	3,105	(86)	0	0	0	3,192	3,105	(86)	(61)
: Garnock Valley, North Coast and Arran	1,269	1,168	(101)	0	0	0	1,269	1,168	(101)	(80)
: Intervention Services	2,092	2,080	(12)	315	315	0	2,407	2,395	(12)	(10)
: Looked After and Accommodated Children	17,713	18,155	442	0	0	0	17,713	18,155	442	398
: Quality Improvement	4,296	4,093	(203)	0	0	0	4,296	4,093	(203)	83
: Public Protection	628	629	1	0	0	0	628	629	1	5
: Justice Services	2,506	2,506	0	0	0	0	2,506	2,506	0	0
: Universal Early Years	457	458	0	3,120	3,120	0	3,577	3,578	0	1
: Lead Partnership NHS Children's Services	0	0	0	410	410	0	410	410	0	0
PRIMARY CARE	0	0	0	51,024	51,024	0	51,024	51,024	0	0
ALLIED HEALTH PROFESSIONALS				5,685	5,685	0	5,685	5,685	0	0
MANAGEMENT AND SUPPORT COSTS	8,137	8,058	(79)	6,059	5,749	(310)	14,196	13,807	(389)	(176)
CHANGE PROGRAMME	1	1	0	1,011	1,011	0	1,012	1,012	0	0
OUTTURN ON A MANAGED BASIS	121,087	121,842	755	133,328	131,641	(1,687)	254,415	253,483	(932)	(822)
Return Hosted Over/Underspends East	0	0	0	0	468	468	0	468	468	441
Return Hosted Over/Underspends South	0	0	0	0	445	445	0	445	445	419
Receive Hosted Over/Underspends South	0	0	0	0	81	81	0	81	81	81
Receive Hosted Over/Underspends East	0	0	0	0	(53)	(53)	0	(53)	(53)	(53)
OUTTURN ON AN IJB BASIS	121,087	121,842	755	133,328	132,582	(746)	254,415	254,424	9	66

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	69,438	68,341	(1,097)	
Locality Services	28,026	27,519	(507)	Older People care homes inc respite - underspend of £0.887m based on 721 placements and including Income from Charging Orders - under recovery of £0.133m Independent Living Services : * Direct Payment packages- overspend of £0.068m on 62 packages * Residential Packages - overspend of £0.016m based on 34 packages * Community Packages (physical disability) - overspend of £0.146m based on 49 packages .
Community Care Service Delivery	28,583	28,630	47	Outwith the threshold for reporting
Rehabilitation and Reablement	3,656	3,351	(305)	Aids and Adaptations - underspend of £0.300m related to the reduced number of OT assessments taking place during COVID 19.
Long Term Conditions	6,720	6,377	(343)	Carers Centre - projected underspend of £0.441m Anam Cara - projected overspend in Employee costs of £0.027m due to pilot of temporary post with a view to longer term savings in bank & casual hours
Integrated Island Services	2,453	2,464	11	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
MENTAL HEALTH SERVICES	77,062	77,575	513	
Learning Disabilities	19,076	21,268	2,192	Residential Packages- overspend of £0.573m based on 42 current packages, including C&F transition transfer £272k . Community Packages (inc direct payments) - overspend of £1.586m based on 338 current packages. Covid service reductions were approx. £191k for first qtr and a further £145k reduction for Day services not delivered
Community Mental Health	6,397	6,163	(234)	Community Packages (inc direct payments) and Residential Packages - underspend of £0.16m based on 93 community packages, 12 Direct Payments and 29 residential placements.
Addictions	2,816	2,816	0	Outwith the threshold for reporting
Lead Partnership (MHS)	48,773	47,328	(1,445)	Adult Community - underspend of £0.143m due to vacancies. Adult Inpatients- overspend of £0.540m due to a delay in closing the Lochranza wards and revised assumptions on redeployed staff. UNPACs - underspend of £0.153m based on current placements and assumed service level agreement costs. Elderly Inpatients - underspend of £0.300m which includes the £0.934m of unallocated funding following the elderly MH review. Learning Disability - underspend of £0.068m due to vacancies. CAMHS - underspend of £0.250m due to vacancies. MH Admin - underspend of £0.300m due to vacancies. Psychiatry - underspend of £0.508m due to vacancies. MH Pharmacy - underspend of £0.190m mainly within substitute prescribing. Psychology- underspend of £0.447m due to vacancies.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
CHILDREN'S AND JUSTICE SERVICES	35,998	36,039	41	
Irvine, Kilwinning and Three Towns	3,192	3,105	(86)	Transports costs - Projected underspend of £0.033m due a reduction in spend in Staff Mileage costs, assumes 50% spend on budget Cornerstone Respite - Projected underspend of £0.050m due to respite services not taking place due to COVID, assumes 50% spend on budget
Garnock Valley, North Coast and Arran	1,269	1,168	(101)	Employee Costs - Projecting £0.059m underspend due to a substantive post being vacant . This will be offsetting an overspend in employee Costs within Quality Improvement. Transports costs - Projected underspend of 0.016m due a reduction in spend in Staff Mileage costs, assumes a 50% spend of all mileage budgets across the service. Cornerstone Respite - Projected underspend of £0.025m due to respite services not taking place due to COVID.
Intervention Services	2,407	2,395	(12)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,713	18,155	442	Looked After Children placements - Projected underspend of £0.050m, adverse movement of £0.024m which is made up of the following:- Kinship - projected underspend of £0.137m. Budget for 370 placements, currently 345 placement but projecting 352 placements by the year end. Adoption - projected overspend of £0.033m. Budget for 69 placements, currently 71 placements. Fostering - projected overspend of £0.127m. Budget for 129 placements, currently 133 placements and projecting 136 placements by the year end. Fostering Xtra - projected overspend of £0.005m. Budget for 32 placements, currently 32 placements but projecting 32 placements by the year end. Fostering Respite - Projected underspend of £0.073m which is due to respite services not taking place due to COVID Private fostering - projected underspend of £0.018m. Budget for 10 placements, currently 10 placements. IMPACCT carers - projected online Budget for 2 placements, currently 2 placements. Residential School placements - Projected overspend £0.543m, current number of placements is 17, assumption that 3 will end in September and 1 ending in October and no further new admissions resulting in 13 placements at the year end. No secure placements.
Quality Improvement	4,296	4,093	(203)	Employee Costs - Projected Overspend £114k, Note £70k overspend relates to employee acting up to Senior Manager which will being offset with her vacant post within the Irvine Locality. Additional costs CSW payments, £30k also being paid to employee for ASN School, these additional costs are being offset with vacant posts in other teams. - No Movement Transports costs - Projected underspend of £0.007m due a reduction in spend in Staff Mileage costs, assumes a 50% spend of all mileage budgets across the service. Community Packages - Projected underspend of £0.074m, favourable movement £0.051m due to delay in packages starting due to COVID 110 Community Packages on establishment list. Direct Payments - Projected Underspend £0.049m, favourable movement of £0.009m which is due to increase % clawback from 8% to 10%. Current number of packages in place is 42 and projecting an increase of further 5 packages until end of FY, savings of around £0.054m made due to temporary decreases in packages due to PA being furloughed. Children's Residential Placements - Projected underspend of £0.0196m -favourable movement of £0.272m which is due to a placement being transferred to Adult Services, Currently 10 Residential Placements, projecting one of these placements to end in August
Public Protection	628	629	1	Outwith the threshold for reporting
Justice Services	2,506	2,506	0	Outwith the threshold for reporting
Universal Early Years	3,577	3,578	0	Outwith the threshold for reporting
: Lead Partnership NHS Children's Services	410	410	0	Outwith the threshold for reporting
PRIMARY CARE	51,024	51,024	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,685	5,685	0	Outwith the threshold for reporting
MANAGEMENT AND SUPPORT	14,196	13,807	(389)	Over recovery of payroll turnover on health services.
CHANGE PROGRAMME & CHALLENGE FUND	1,012	1,012	0	Outwith the threshold for reporting
TOTAL	254,415	253,483	(932)	

Threshold for reporting is + or - £50,000

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 5	Saving Delivered @ Month 5 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
Children, Families & Criminal Justice								
1	Children and Young People - External Residential Placements	Amber	0.583	Amber	-	0.410	0.173	Currently projecting an overspend. Some plans to move children have been impacted by COVID. Expect to have 13 places at the year-end when the original plan was to have 10 places, will impact on savings for 2021-22.
2	Adoption Allowances	Amber	0.074	Red	-	-	0.074	Current projected overspend but outcome of the adoption review still to be implemented
3	Children's Services - Early Intervention and Prevention	Amber	0.050	Green	0.050	-	-	Fully achieved, met through efficiencies across Children's services
4	Fostering - Reduce external placements	Green	0.036	Amber	-	-	0.036	Not been able to reduce placements, may progress later in the year.
5	Community Support - Children's Care Packages	Amber	0.008	Green	0.008	-	-	Tender delayed, saving can be met through budget underspend for 2020-21. Tender due to be implemented February 2022.
Mental Health and LD Services								
6	LD - Reduction to Sleepover Provision	Amber	0.200	Red	-	-	0.200	Cluster sleepover models centred around core supported accommodation are being considered but will be delayed. The supported accommodation build timescales have slipped due to COVID.
7	Learning Disability Day Services	Amber	0.279	Amber	-	0.050	0.229	The provision of day care is being reviewed to ensure it can be delivered safely. This will include a review of the staffing, a new staffing structure has been planned which will deliver the full year saving in future years but will be delayed until January 2021.
8	Trindlemoss	Green	0.150	Amber	0.150	-	-	Fully achieved but final tenancies to be decided.
9	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-	-	Fully achieved, slightly over-delivered (£10k)
Health and Community Care								
10	Roll out of multidisciplinary teams - Community Care and Health	Amber	0.110	Green	-	0.110	-	For 2020-21 only this saving has been added to the vacancy savings target to be met non-recurringly. There are a number of vacancies across Community Care and Health but at this stage the service can not identify posts to be removed on a permanent basis, will be formalised and removed from establishment from 2021-22.
11	Carers Act Funding - Respite in Care Homes	Green	0.273	Green	0.273	-	-	Fully achieved
12	Care at Home - Reablement Investment	Amber	0.300	Green	-	0.300	-	Expect to fully achieve, level of service activity within budget.
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	-	0.135	-	Expect to fully achieve, level of service activity within budget.
14	Day Centres - Older People	Amber	0.038	Amber	-	-	0.038	Day centres are currently closed and staff have been re-deployed, will look for opportunities to release savings when the services re-open.
15	Charging Policy - Montrose House	Amber	0.050	Green	0.025	0.025	-	New charging policy in place and additional income projected to be achieved.
Whole System								
16	Adults - New Supported Accommodation Models	Amber	0.063	Amber	-	0.025	0.038	Project has slipped. Expected completion date is early 2021. Saving was based on 5mths, Assume only 2mths are achieved
17	Adult Community Support - Commissioning of Services	Amber	0.638	Amber	-	0.319	0.319	Implementation of CM2000 was delayed due to Covid, expect to bring system on line for Adult providers from the start of January 2021
18	Charging Policy - Inflationary Increase	Green	0.050	Amber	-	0.025	0.025	Charging has been suspended during COVID 19, with the exception of care homes and community alarms, expect to bring back on line in September.
TOTAL SOCIAL CARE SAVINGS			3.045		0.514	1.399	1.132	

Health:

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 5	Saving Delivered @ Month 5 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
19	Trindlemoss	Green	0.120	Green	0.120	-	-	Fully achieved
20	Packages of care	Green	0.100	Green	0.100	-	-	Fully achieved
21	Elderly Mental Health inpatients (lead partnership)	Green	0.216	Green	0.216	-	-	Fully achieved
22	MH Payroll Turnover (lead partnership)	Green	0.100	Green	0.100	-	-	Fully achieved
23	North Payroll Turnover	Green	0.280	Green	0.280	-	-	Fully achieved
TOTAL HEALTH SAVINGS			0.816		0.816	0.000	0	
TOTAL NORTH HSCP SAVINGS			3.861		1.330	1.399	1.132	

2020-21 Budget Reconciliation

Appendix D

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			96,963
Rounding error			4
Error in budget			1,299
Resource Transfer			22,769
WAN Circuits Budget Transfer - Kyle Road - New data Connection (Store Costs)	1	P	(1)
British Sign Language funding transferred to Democratic Services	3	P	(5)
Child Abuse Enquiry costs - Budget from Corporate	5	T	58
Budget Reported at Month 4			121,087
HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget			149,830
Resource Transfer			(22,769)
Adjustment to base budget	1	P	(90)
2019/20 Month 10-12 budget adjustments	1	P	3,999
Non recurring Funding 19/20	3	T	(298)
Full Year effect of Part Year Reductions	3	P	(54)
Additional COVID funding	3	T	1,339
Additional living wage funding	3	P	186
V1P Funding 20/21	3	T	105
Primary Care Prescribing - Uplift	3	P	2,060
Primary Care Prescribing - CRES	3	P	(756)
Outcomes Framework - Breast Feeding	3	T	33
South HSCP V1P contribution	3	T	20
ANP Allocation - MIN	3	T	20
Training Grade Funding	3	P	49
Funding transfer to Acute (Medical Records)	3	T	(33)
Public Health Outcomes Bundle	3	T	235
Specialist Pharmacist in Substance Misuse	3	T	12
Prescribing Reduction - COVID	3	T	(540)
Lochranza Discharges to South HSCP	3	P	(170)
Prescribing Reduction	4	P	(1,497)
Training Grade Funding	4	T	36
TEC Contribution	4	T	(53)
Admin posts from South HSCP	4	P	54
Uplift Adjustment	4	P	21
Additional COVID funding	5	T	2,170
Training Grade Funding	5	P	6
Lochranza Discharges to South/East HSCP	5	P	(232)
Arrol Park Discharges to South HSCP	5	P	(107)
Trindlemoss resource transfer adjustment			(248)
Budget Reported at Month 5			133,328
COMBINED BUDGET			254,415

COVID-19 Local Mobilisation Plan- Financial Plan- H&SCP

Name of Body	North Ayrshire HSCP
Finance Contact:	Caroline Cameron, Chief
Date of last update	11/08/2020

Delayed Discharge Reduction- Assumptions	Supporting Narrative
	32 placements from March to date where funding accelerated or agreed to reduce DD in hospital and expediate discharge, further DD in hospital but not all will require care home placement
Delayed Discharge Reduction- Additional Care Home Beds	
Delayed Discharge Reduction- other measures	Anam Cara Respite in-house respite facility being used temporarily for step down

H&SCP Costs	Revenue												Revenue	Capital	Body incurring cost (NHS or LA)	Supporting Narrative
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	2020/21	2020/21		
Delayed Discharge Reduction- Additional Care Home Beds	82,102	78,564	78,564	78,564	78,564								396,358		LA	Only requested funding to August on the basis that interim funding is to facilitate discharge and HSCP would have to fund placements in the longer term. This is to fund 32 specific placements, not assuming there will be additional funding for any new discharges to maintain DD performance.
Delayed Discharge Reduction- other measures	5,453	4,362	4,362	4,362	4,362	4,362							27,263		LA	Anam Cara Respite facility being used temporarily for step down - cost is only in relation to lost income from respite charging, existing staff group delivering care
Delayed Discharge Reduction- other measures	60,151												60,151		LA	Adaptations and equipment purchased to get social care surge sites ready for use, would likely to be further costs if sites are required to be brought into use in the future.
Personal protection equipment	259,469	263,477	249,157	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	2,052,335		NHS/LA	Sourcing majority of PPE for social care locally. Currently sourcing about 85%-95% (range depending on items) of social care PPE supply by HSCP with the rest coming from NSS top up supply. Orders placed totalling £912k as at 18th June. Assumption that from October onwards (linked to MoU for PPE Hub) NSS supply will potentially increase to provide 50% of requirement, however there remains a risk that costs will continue to rise and this depends on arrangement for national distribution.
Deep cleans		224	971										1,195		NHS	
Estates & Facilities cost		4,790	3,549										8,339		NHS	
Additional staff Overtime and Enhancements	70,596	43,682	47,882	50,000	50,000	50,000	25,000	25,000	25,000	12,500	12,500	12,500	424,660		LA	Cost of additional staff hours to cover absence, mainly in Care at Home Services and residential Children's Houses
Additional temporary staff spend - Student Nurses & AHP		227,159	142,067	142,067	142,067	79,704							733,063		NHS	Actual spend to June for student nurses and other nursing and AHP additional hours, from July onwards based on student costs plus £50k estimate of ongoing additional bank hours.
Additional temporary staff spend - Health and Support Care Workers			40,958										40,958		NHS	
Additional costs for externally provided services	220,798	278,694	314,548	264,036	264,036	188,268	25,000	25,000	25,000	25,000	25,000	-	1,655,380			Provision per month for additional payments to providers primarily for PPE and sickness absence, position statement shared with providers in line with COSLA commissioning guidance. Additional provision for occupancy payments to care homes from April to September and assuming tapered reduction in Sept. Included provision for 5% increase in costs for community support services (care at home and adults) from April to September, not included at 25% as not seen requests at that level, this may increase as sickness policy is implemented. Included small provision for support after Sept with PPE and infection control costs.
Additional FHS Payments- GP Practices	13,527	6,203	7,000	7,000	7,000								40,730		NHS	Additional GP sessions for Arran for the hospital and to support local team in co-ordinating planning and response
Loss of income	88,500	88,500	88,500	88,500	88,500								442,500		LA	Ceased provision of day services and respite, also suspended charges for community supports on basis of rapid changes to care, capacity to ensure accurate financially assessed charges and also financial hardship.
Additional Travel Costs		1,304	4,553										5,857			
IT & Telephony Costs		937											937			
Equipment & Sundries		75,584											75,584		NHS/LA	Thermometers moved here from PPE
Children and Family Services	6,952	12,166	20,856	34,760	34,760	34,760	17,380	17,380	17,380				196,394			Additional Fostering Placements, 20 increased placements from April to now which are Covid related temporary placements, delay in children's hearings and housing has led to a delay in moving children on from foster care. Cost of 20 placements as they came on line from April, assume 10 will leave care by Sept and a further 10 between October and December.
Other- Security Costs PPE Store	8,000	8,000	8,000	8,000	8,000	8,000							48,000		LA	
Other- Additional Care at Home Capacity	38,845	38,845	38,845	38,845	38,845	31,649	31,649	31,649	31,649	31,649	31,649	31,649	415,768		LA	Additional costs for in-house service to ensure service can facilitate hospital discharge and put in place care packages despite operating at high absence levels. Demands for this service have increased with more individuals and families choosing to be cared for at home.
Offsetting cost reductions - HSCP	(108,007)	(108,007)	(108,007)	(68,583)	(68,583)	(68,583)							(529,770)		NHS/LA	
Total	746,386	1,024,484	941,805	789,799	789,799	470,408	241,277	241,277	241,277	211,397	211,397	186,397	6,095,703	-		
														6,095,703		
Expected underachievement of savings (HSCP)	139,375	139,375	139,375	139,375	139,375	139,375	46,458	46,458	46,458	46,458	46,458	46,458	1,115,000		NHS/LA	
Total	885,761	1,163,859	1,081,180	929,174	929,174	609,783	287,735	287,735	287,735	257,855	257,855	232,855	7,210,703	-		
														7,210,703		

Cash Flow Analysis	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Local Authority- Actual Spend	535,748	831,861	1,050,255	858,028	358,372							
Local Authority- Accrual	904,830	970,158	928,998	787,599	787,599	537,571	287,735	287,735	287,735	257,855	257,855	232,855

NORTH AYRSHIRE COUNCIL

17 November 2020

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 2020.
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 2020.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 29 September 2020 highlighted that there were 28 actions outstanding at the end of June 2020: 20 that had not been started or were only partially implemented and 8 where the due date had not yet passed.
- 2.2 In addition to these 28 'carried forward' actions, there have been 16 new actions agreed, giving a total of 44 action points for review.

- 2.3 Services have completed 11 actions since the last report. All Council 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 33 actions, 6 were either not started or only partially complete at 30 September and the remaining 27 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 6 actions that were not complete within the agreed timescales.

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.

Mark Boyd
Head of Service (Finance)

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

Background Papers

None.

Actions due by 30th September but not started or partially complete

Code	CFT1734d	Description	Senior management should ensure that ADP budget holders attend the Council's financial management and procurement training courses and obtain ongoing support from Finance.		
Priority	1	Latest Note	<p>The budget holder had a one to one with the Senior Accountant to look at the system and understand its use. However, it appears there is no requirement at the moment for the budget holder to use the system as the only sign off would be for the PEAR service which is signed off annually by Thelma Bowers due to the financial level. All other invoices are signed off manually and processed.</p> <p>The training has been delayed due to COVID but the budget-holder is registered to be on the training. Expected completion date 31/12/2020.</p>		
Progress Bar	<div><div>80%</div></div>	Original Due Date	30-Jun-2019	Due Date	30-Sep-2020
Parent Code & Title	CFT1734 Financial Governance - Alcohol And Drugs Partnership			Managed By	Thelma Bowers
				Assigned To	Thelma Bowers

Code	CFT2349a	Description	The Service must ensure that the recording of completed works and corresponding valuations does not allow duplicate entries; there should be adequate checks to ensure that the same piece of work cannot be recorded and paid more than once. This should be applied across any similar contracts/contractors.		
Priority	1	Latest Note	<p>Various improvements have been made to the payment management process and a more robust system is now in place. Complete implementation of improvement actions is not yet complete, partially hindered by COVID priorities. A corporate review of "no PO no payment" policy is to be carried out, which may influence further changes to the process. Expected completion date 31/12/20.</p>		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-Jan-2020	Due Date	30-Sep-2020
Parent Code & Title	CFT2349 Duplicate Contractor Valuation Payments			Managed By	Yvonne Baulk
				Assigned To	Laurence Cree; Leigh-Ann Mitchell

Code	IA2019PA009I	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	There was a delay in getting access to the test system until 1st week in September so packages are just starting to be put on and we will be running reports to see if all looks OK over the next couple of weeks. The bulk of packages are SDS Option 2 which will not be straightforward, so additional testing time will be required. The revised deadline to getting packages on the Live system is by the end of January 2021.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Aug-2019	Due Date	30-Sep-2020
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Whyte
				Assigned To	Eleanor Currie

Code	IA2019PA009o	Description	In the longer term, community packages should be recorded on CareFirst and electronically approved or at the very least, the approval paperwork should be scanned and attached on CareFirst.		
Priority	2	Latest Note	There was a delay in getting access to the test system until 1st week in September so packages are just starting to be put on and we will be running reports to see if all looks OK over the next couple of weeks. Most packages are SDS Option 2, so additional testing time than originally planned will be required. The deadline for getting all packages on the Live system is by end of January 2021.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	30-Apr-2020	Due Date	30-Sep-2020
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Whyte
				Assigned To	Eleanor Currie

Code	IA2020PA011c	Description	<p>Audit Action: A review of the role of system administrator should be undertaken. Where the individual is not a system administrator but is allocated administration rights these should be removed. If necessary, a new role should be identified on the system reducing the access that Service support staff have.</p> <p>Audit Finding: System administration rights are available to too many people leading to a reduction in operational controls.</p> <p>Risk: Administrator rights are a key system control which should be restricted to as few people as possible, reducing opportunity for fraudulent activities on the Kelio system.</p>		
Priority	1	Latest Note	<p>The system upgrade was completed on 15th September. Training has been requested from the software provider on enhanced functionality available in relation to administrator access permissions. Once training has been delivered, administrator access will be streamlined accordingly. It is anticipated this exercise will be fully concluded by 31 December 2020.</p>		
Progress Bar	<div><div>90%</div></div>	Original Due Date	31-Jul-2020	Due Date	31-Jul-2020
Parent Code & Title	IA2020PA011 Kelio			Managed By	Fiona Walker
				Assigned To	Jackie Hamilton

Code	IA2020PA014d	Description	<p>Audit Action: A method should be developed for recording outcomes as a result of self-directed support to assess and build on positive outcomes, as identified in the Care Inspectorate thematic review of Self-Directed Support in Scotland.</p> <p>Audit Finding: North Ayrshire Health and Social Care Partnership are currently undertaking a self-assessment of self-directed support.</p> <p>Risk: There is a risk that the Council is unable to evidence the positive outcomes for clients and use this information to encourage others to be more involved in directing how their care and support is delivered to best meet their needs. Failure to learn lessons from previous experience.</p>		
Priority	1	Latest Note	<p>North Ayrshire Health and Social Care Partnership began work on a self-assessment of the approach to self-directed support with two development sessions held in December 2019 and January 2020, confirming the need to revisit the SSAQ (Adult Assessment), Support Plan and Support Plan Review. Assessment examples were being benchmarked but COVID-19 service user and unpaid carer priority guidance and support put a pause on this work. This was picked back up again in May 2020. Work began with a draft Eligibility Criteria review as a key part of the assessment process for identifying need, levels of risk and support to enable resource release and ultimately meet personal outcomes. This was tabled at the Transformation Board in September but was asked to be put on hold due to new national information from the review of Adult Social Care and Scottish Government's work on a set of new SDS Standards. A reasonable timeframe would need to be discussed with Heads of Services – Adult & Community Care. Revised date for completion: 31/03/21</p>		
Progress Bar	<input type="text" value="0%"/>	Original Due Date	30-Sep-2020	Due Date	30-Sep-2020
Parent Code & Title	IA2020PA014 Self-Directed Support			Managed By	Isabel Marr
				Assigned To	Kimberley Mroz

17 November 2020**Audit and Scrutiny Committee**

Title:	Internal Audit Plan 2020/21: Mid-year update
Purpose:	To provide an update at as 30 September 2020 on progress made in delivering the 2020/21 Internal Audit Plan.
Recommendation:	That the Committee (a) notes the mid-year position and (b) approves the deferral of six audits to the 2021/22 plan.

1. Executive Summary

- 1.1 The current Internal Audit Plan, covering the period April 2020 to March 2021, was approved by the Chief Executive under delegated powers in March 2020, following the cancellation of the Audit and Scrutiny Committee. 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 2020. Due to the impact on service delivery of the Covid-19 pandemic, the plan will not be completed by the end of the financial year. This report also sets out the planned approach to rectify this.

2. Background

- 2.1 Appendix 1 to this report is the approved audit plan for 2020/2021. For each audit, additional information has been provided to show the actual activity to 30 September and for completed 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 10 reports have been published during the first half of 2019/2020; 6 of these were from the 2018/19 plan and the remaining 4 have been completed from the current plan. A further 5 reports were at draft stage at 30 September, the last 2 remaining from the 2018/19 plan and 3 from 2019/20.

2.4 In line with good practice, the plan has been reviewed at the mid-point and a number of changes are proposed for various reasons – changes in the way services are delivered due to the pandemic resulting in a different risk level or making the timing of the audit impractical or less relevant, and the impracticality of carrying out audits which require physical site visits at the present time.

2.5 With Committee approval, the following audits will be deferred to the 2021/22 plan:

- State Aid
- Transformation Programme
- CCTV in Council buildings and vehicles
- Employee Services – payment of allowances
- Performance Indicators
- Social Care establishments

2.6 The 2021/22 plan will be prepared earlier than normal and brought to the January committee for approval – this will cover the period from February 2021 to March 2022 and will provide greater flexibility in carrying out the audits which are deferred from this year as well as the audits identified for next year's plan.

3. Proposals

3.1 It is proposed that Committee (a) notes the mid-year position and (b) approves the deferral of six audits to the 2021/22 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.

Mark Boyd
Head of Finance

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

Background Papers

None.

**NORTH AYRSHIRE COUNCIL
INTERNAL AUDIT PLAN 2020-2021**

PROGRESS REPORT at Quarter 2

PRODUCTIVE TIME - AUDIT PLAN

Key Corporate Systems	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
Accounts Receivable	Examine controls in the Accounts Receivable system	15	7	8	Fieldwork ongoing		
Procurement and Accounts Payable	Review a range of controls relating to Procurement and Accounts Payable.	20	3	17	Fieldwork ongoing		
Employee Services - HR/Payroll system and processes	Examine aspects of the control framework around the HR/Payroll system and associated processes.	15	0	15	Planned Q3		
TOTAL AUDIT DAYS		50	10				

Other Systems	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
Museums and Heritage	Review the effectiveness of a range of controls within the Museums and Heritage service.	15	2	13	Planned Q4		
Supply teachers	Examine the controls around the Council's use of supply teachers.	15	1	14	Planned Q3		
State Aid	Review the Council's compliance with State Aid regulations.	15	0	15	Audit deferred to 21/22	n/a	n/a
Transformation	Review the progress made through the Council's Transformation Programme and the outcomes from it.	20	0	20	Audit deferred to 21/22	n/a	n/a
Foster care/adoption/kinship carers payments	Carry out a review of fostering, adoption and kinship carer payments made by the Health and Social Care Partnership.	15	14	1	Draft report with Service	21/10/2020	17/11/2020
Aids and Adaptations (including Improvement grants)	Review controls within the Health and Social Care Partnership in relation to Aids and Adaptations.	15	1	14	Planned Q3		
Community Alarms	Examine controls in relation to the Community Alarms service provided by the Health and Social Care Partnership.	15	1	14	Planned Q4		
Integration Joint Board audit days	Carry out audit work as agreed by the Performance and Audit Committee of the Integration Joint Board.	15	0	15	Planned Q4		
Roads - procurement	Examine controls around procurement within the Roads section.	15	22	-7	Draft report with Service	20/10/2020	17/11/2020
Transport - Fuel controls	Consider the adequacy of controls around the storage and issue of fuel.	15	17	-2	Final report issued	24/09/2020	17/11/2020
Building services - Systems	Examine controls within the systems used by Building Services.	15	11	4	Fieldwork ongoing		
Facilities Management - Parent Pay system	Review the collection of income through the Parent Pay system.	15	1	14	Planned Q3		
PMI - CCTV in Council Buildings and Vehicles	Review the controls around the use of CCTV in Council vehicles and buildings.	20	1	19	Audit deferred to 21/22		
PMI - HRA Planned maintenance and reactive repairs	Consider the controls around the programme of planned maintenance and reactive repairs in the Housing Revenue Account.	15	1	14	Planned Q4		
Sustainability	Review progress made through the Sustainability agenda in meeting Council and national outcomes.	15	0	15	Planned Q3		
TOTAL AUDIT DAYS		235	72				

ICT Auditing	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
ICT - Internet and e-mail Controls	Examine controls in relation to the new Microsoft Outlook e-mail system.	20	9	11	Fieldwork ongoing		
ICT - Cyber resilience	Review the Council's response to the threat of cyber attack, which has been identified as a key strategic risk to the organisation.	20	3	17	Planned Q4		
TOTAL AUDIT DAYS		40	12				

Governance	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
Information Governance and Data Protection	Review aspects of the Council's information governance and data protection arrangements.	20	11	9	Fieldwork ongoing		
Health and Safety	Review compliance with the Council's health and safety policies.	15	9	6	Fieldwork ongoing		
Employee Services - Payment of Allowances	Examine controls around the payment of allowances.	15	0	15	Audit deferred to 21/22	n/a	n/a
TOTAL AUDIT DAYS		50	20				

Performance Monitoring	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
Performance Indicators	Provide assurance on the robustness and accuracy of a sample of performance information.	20	1	19	Audit deferred to 21/22	n/a	n/a
TOTAL AUDIT DAYS		20	1				

Regularity Audits	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	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 anomalies which arise.	15	10	5	Final report issued	07/09/2020	17/11/2020
Payroll transaction testing	Use computer audit software to interrogate the HR/Payroll system and examine any anomalies which arise.	15	11	4	Draft report with Service	05/10/2020	17/11/2020
Social Care establishments	Review financial and other controls within a range of operational establishments managed by the Health and Social Care Partnership.	20	1	19	Audit deferred to 21/22	n/a	n/a
TOTAL AUDIT DAYS		50	22				

Following the Public Pound	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
Community Councils	Annual audit of Community Councils accounts' to ensure Council funding is used in accordance with the Council's Scheme of Administration.	10	2	8	As required	n/a	n/a
Community Funding	Examine the controls around funding support provided by the Council to a range of community groups.	15	14	1	Final report issued	08/09/2020	17/11/2020
Tenants and Residents Associations	Annual audit of the accounts of various Tenants and Residents Associations.	2	0	2	As required	n/a	n/a
TOTAL AUDIT DAYS		27	16				

Other Work	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20
Prior year audit work	Completing audits from the previous year's audit plan that were not fully complete by the end of March 2020 or starting audits early from the 2021/22 audit plan.	20	33	-13	2 still at draft stage - FIOs and Remote Access
Audit consultancy: ad-hoc advice	Providing advice to council services in response to ad-hoc queries	10	5	5	As required
Audit consultancy: project work	Participating in project work to support developments in other council services.	25	5	20	As required
Follow-up	Follow up of previous audit reports to ensure that appropriate action has been taken.	15	2	13	As required
Audit planning and monitoring	Preparing audit plans and monitoring progress and performance against plans.	20	15	5	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.	26	10	16	As required
Governance documents	Review of governance documents	2	2	0	As required
Development of the Audit service	Carry out developmental work to further enhance the efficiency of the audit section.	5	3	2	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	4	-2	As required
TOTAL AUDIT DAYS		129	79		

TOTAL	PRODUCTIVE TIME - AUDIT PLAN	601	232
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PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS

Special Investigations	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
Payroll overpayments	Small investigations relating to payroll overpayments reported to Internal Audit by Payroll		0		As required		
Community Association	Review the accounts of a Community Association		3		Fieldwork ongoing		
CIF application	Review the process around a CIF application		0		Fieldwork ongoing		

TOTAL	PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS	20	3
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PRODUCTIVE TIME - RESERVE AUDITS

Reserve Audits	Audit Objective	Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)	Current Progress @ 30/09/20	Final Report issued	Report to Audit and Scrutiny
School Funds	Review the management of school funds.	10	0	10			
Criminal Justice	Examine a range of controls within the Criminal Justice service.	15	0	15			
Planning and Building Control income	Carry out a review of planning and building control income.	10	11	-1	Final report issued	08/09/2020	17/11/2020
HR - Maximising Attendance	Review compliance with maximising attendance policies.	10	0	10			
Eglinton Country Park	Carry out a review of controls at Eglinton Country Park.	15	0	15			
Education Maintenance Allowances (EMAs)	Review the administration of Education Maintenance Allowances.	10	0	10			

TOTAL	PRODUCTIVE TIME - RESERVE AUDITS	0	11
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NON-PRODUCTIVE TIME

		Planned Audit Days	Actual Days @ 30/09/20	Variance Fav / (Adv)
Management		18	13	5
Administration		26	19	7
Meetings		32	12	20
Training		18	14	4

TOTAL	NON-PRODUCTIVE TIME	94	58
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TOTAL DAYS	715	304
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	ANNUAL BUDGET	ACTUAL to 30/09/20
PRODUCTIVE DAYS	621 87%	246 81%
NON-PRODUCTIVE DAYS	94 13%	58 19%
TOTAL DAYS	715 100.0%	304 100.0%

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title:	Internal Audit Reports issued
Purpose:	To inform the Committee of the findings of Internal Audit work completed during September and October 2020.
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 September and October 2020. 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 Section 95 Officer and the relevant Executive Director and Head of Service on the completion of each assignment. Where appropriate, this has included an action plan with recommendations for improving internal control. Appendix 1 includes the report and action plan from each audit.

- 2.3 The findings from 8 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
Fuel Controls	Reasonable (Streetscene) Substantial (Transport)
Accounts Payable Transaction testing	Reasonable
Community Investment Fund	Substantial
Financial Intervention Orders	Substantial
Roads Procurement	Substantial
Payroll Transaction testing	Substantial
Fostering, Adoption and Kinship Carer payments	Substantial
Planning Application and Building Warrant income	Substantial

- 2.4 Some improvements were identified to the controls around the issue of fuel within the Streetscene service but otherwise there are no significant findings to bring to the Committee's attention. This is a positive position and it should also be noted that substantial assurance was obtained from most of the audit work concluded during the period.

3. Proposals

- 3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed during September and October 2020.

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.

Mark Boyd
Head of Finance

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

Background Papers

None.

FUEL CONTROLS

1 Background

- 1.1 An audit of the fuel controls within Transport was last undertaken in 2017/18 – during which no significant issues were identified.
- 1.2 No sites were physically visited during this audit due to Covid 19 restrictions.

2 Objectives and Scope

- 2.1 The objectives of this audit were to ensure:-
 - Transport have sufficient procedures in place to prevent the theft of fuel
 - Streetscene are mitigating the risks arising from holding fuel in jerry cans

3 Findings

TRANSPORT

- 3.1 Council vehicles are refuelled via:-
 - Fuel bunkers (available at 5 depots), or
 - Fuel cards (which are used at petrol stations)

Fuel Bunkers

- 3.2 Fortress is the fuel management system used to record the drawing of fuel from all bunkers.
- 3.3 The pumps will only dispense fuel if a fuel key is used.
- 3.4 The need for a fuel key acts as a strong control over the theft of fuel. The issuing of fuel keys is controlled, each key is allocated specifically to a vehicle, and every time a driver refuels, they must enter details such as mileage, vehicle registration and their initials thereby creating a detailed record of every fuel issue.
- 3.5 A master key is available at each depot, which can be used when a driver doesn't have a fuel key for the vehicle they are driving (e.g. the vehicle is an external hire vehicle). In order to mitigate the risk of this key being misused, Transport have in place a process that makes the supervisor on duty responsible for the holding and issuing of the master key. The supervisor records every issue of the key on a 'manual fill sheet' on which they also notes details such as fleet number, vehicle registration, litres drawn, mileage, driver name and signature, department, date – again ensuring a detailed record of all such fuel issues is being kept.
- 3.6 In order to confirm that master key procedures are being followed, Audit selected a monthly Fortress report for one of the depots and compared the number of master key transactions per the report to the manual fill list. No issues were noted.
- 3.7 Monthly tank dips are taken and compared to the expected fuel level as per Fortress. This gives assurances that all fuel issues are being accurately recorded, and allows any issues with the software, pump or theft to be timeously identified.

- 3.8** All bunker fuel is recharged monthly. The process of having to allocate every fuel issue recorded on Fortress to a cost centre means a level of scrutiny over transactions is happening every month. Experienced staff are likely to identify any anomalies during this process. In addition, Services should be checking their recharges and identifying any unexpected charges which may have resulted from error or misuse.

Fuel Cards

- 3.9** Fuel cards are issued for vehicles that are located too far from a bunker, or for vehicles that use unleaded petrol (as the Council has no unleaded bunker fuel). In addition, bearer cards are issued to managers who need to draw unleaded fuel for equipment (such as lawnmowers etc).
- 3.10** Cards (other than bearer cards) are issued for a specific vehicle, so each time the card is used, it appears against the vehicle registration on the billing. As an additional check, cashiers at petrol stations input the vehicle registration of the vehicle refuelling into their payment system, which also appears on the billing information. This should give assurance that cards are only being used to refuel the vehicle that they were issued against.
- 3.11** Instances of cashiers not entering the correct vehicle registration or not entering any registration at all were noted during a review of the fuel card bills. Transport staff review all instances of the 2 vehicle registrations not matching as part of the process of calculating the recharge journal.

STREETSCENE

Risk

- 3.12** Streetscene have a detailed risk assessment in place which identifies, and sets out the steps taken to mitigate, the risks of storing and dispensing fuel from fuel containers.
- 3.13** Management were also able to provide a copy of the COSHH (The Control of Substances Hazardous to Health) assessment for the same process.

Issuing of fuel

- 3.14** Streetscene use fuel cards (issued by Transport) to buy fuel from petrol stations. However, this audit highlighted the fact that there is no record of the issuing of fuel from the Streetscene store to the team members. **(action point a)**
- 3.15** It was also noted that there is no formal record to show who holds keys to the fuel store. Streetscene have agreed to create a keyholder register immediately. **(action point b)**

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to the processes within Transport to prevent the theft of fuel.
- 4.2** Overall, reasonable assurance was obtained with regard to Streetscene's processes for storing fuel. Streetscene have considered the risk of holding fuel in containers and have given assurance that they have taken steps to mitigate risks as much as possible. The introduction of both a register to record the issuing of fuel from stores, and a keyholder register, will further improve their internal controls.

Definitions of Assurance Levels:

Substantial	The framework of governance, risk management and control is adequate and effective.
Reasonable	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
None	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN

FUEL CONTROLS

Action	a
Finding	The issuing of fuel from fuel stores is not recorded.
Action Description	A procedure to record the issuing of fuel from fuel stores should be put in place.
Risk	Theft or misuse of Council fuel goes unidentified due to inadequate record keeping
Priority (1, 2, 3)	2
Paragraph Reference	3.14
Managed by	David Hammond, Head of Service (Commercial)
Assigned to	Mark McNeil, Operations Manager (Streetscene)
Due Date	Completed
Management Comment	A register has been drafted and issued to appropriate members of staff to record fuel distributed.

Action	b
Finding	There is no formal record of who holds keys for the fuel stores.
Action Description	<p>A keyholder register should be created which lists all staff who hold keys for the fuel store.</p> <p>Each member of staff on the register should be asked to confirm where keys are kept during the working day and overnight (ie are they kept on their person during the working day, are they taken offsite when not at work etc).</p> <p>Keyholders should sign the register as confirmation that its details are accurate.</p>
Risk	The lack of a formal record showing who has authority to access fuel stores could cause an issue should a loss occur – both in terms of hampering the ensuing investigation and also invalidating insurance cover.
Priority (1, 2, 3)	2
Paragraph Reference	3.15
Managed by	David Hammond, Head of Service (Commercial)
Assigned to	Mark McNeil, Operations Manager (Streetscene)
Due Date	Completed
Management Comment	Area management will ensure all members of staff issued with a fuel storage key sign and date the master register.

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.

ACCOUNTS PAYABLE TRANSACTION TESTING Q2

1 Background

- 1.1 This audit used computer audit software called IDEA (Interactive Data Extraction and Analysis) to interrogate the Accounts Payable (AP) System and examined any anomalies which arose.
- 1.2 There were 4,935 active Trade Suppliers (for processing payments to standard suppliers, individuals and social services) and 550 Sundry Suppliers (for processing one-off sundry payments) on Integra as at 01/07/20. Accounts Payable advised that since the last audit they have introduced a new process to deactivate suppliers that have not been paid in the previous 18 months which is why the number of suppliers is smaller than previous audits. This exercise is carried out on a quarterly basis.
- 1.3 There were 43,175 invoices paid to trade and sundry suppliers during the period of the audit totalling just over £128.5 million.

2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure that:
 - duplicate suppliers are identified and de-activated to minimise the risk of duplicate invoices being paid.
 - duplicate invoices have not gone undetected.
 - advance payments have been reported to Financial Management for the list of pre-payments at financial year-end.
 - high value invoices have been properly authorised.
 - invoices paid to employees are bona fide.
- 2.2 The audit was carried out in quarter 2 and the audit period was 1st January 2020 to 30th June 2020. This audit will be carried out again in quarter 4.

3 Findings

Supplier Tests

- 3.1 Testing was carried out to identify duplicate trade suppliers on the system. Testing identified 40 duplicate suppliers either by supplier name or bank details. These were passed to the AP team to review and deactivate as appropriate. **(Action a)**
- 3.2 Testing also highlighted 279 active suppliers with no bank details recorded on Integra. These were passed to the AP team for information purposes.

Invoice Tests

- 3.3 The auditor tested for duplicate invoices for payments to suppliers and identified 183 possible duplicates that were investigated further. This confirmed that 57 were not duplicates and a further 106 were duplicates but had already been identified and action taken by the AP team. This testing therefore identified 20 potential duplicate invoices totalling £28,984.89, which have not already been identified by AP. The potential

duplicates have been passed to the AP team to check and arrange recovery. **(Action b)**

- 3.4** Testing identified a further payment error. There were 2 sundry payment requests for £2,500 each paid to the same organisation. The auditor noted that the payee details on the sundry payment request did not agree to the supplier paid via Integra and the bank details on the sundry payment request did not match the supporting evidence of bank details. The approver confirmed that the 2 payments of £2,500 were paid to the wrong organisation in error and they will work to rectify this immediately. The sundry payment requests were keyed by the Accounts Payable team and checks were not carried out to ensure the bank details agreed to the supporting evidence of bank details. The Senior Payments Officer has reminded the team to check evidence of bank details agrees to bank details on sundry payment requests before processing.
- 3.5** There were 219 records with a payment date more than 1 year after the invoice date. Testing was carried out on a sample of 10 and in 6 cases the correct invoice date was keyed (one of which was almost 6 years prior to payment). The other 4 had the dates wrongly keyed. From the received dates, it would appear that the delays are mostly in the suppliers issuing the invoices rather than the Council paying them. Financial Management confirmed that there are no VAT implications when paying invoices more than 1 year old.

Advance Payment Tests

- 3.6** The auditor tested for round sum amounts over £20,000 to help identify any advance payments. There were 22 invoices found meeting this criterion and 7 were passed to Financial Management to confirm the correct action had been taken. Financial Management confirmed that in most cases the invoices have been dealt with correctly in 19/20. They also advised there is no material impact therefore no further adjustment to the 2019/20 accounts is warranted.

High Value Payments

- 3.7** The auditor selected a sample of 25 invoices over £10,000 to check the invoices were approved by an authorised signatory, were approved within the approval limit and an independent check had been carried out. In 5/25 cases there was no 'payments over £10k' report attached so there is no evidence an independent check was carried out. In 4 of these cases the invoice was keyed by HSCP and in 1 case it was keyed by the Accounts Payable Team. The AP team then provided evidence the reports were produced.
- 3.8** All invoices were approved by an authorised signatory, however, in 2 cases the invoice values were above their approval limit. The approvers were contacted during the audit and advised they should only approve within their agreed limit and if the limit needs to be amended this needs to be agreed by their Head of Service.

Creditors to Payroll Data Match

- 3.9** Testing was carried out to match employee bank details to trade and sundry supplier bank details to identify creditor payments made to employees. There were no matches found in this test.

4 Internal Audit Opinion

- 4.1 Overall, reasonable assurance was obtained with regard to the controls around the processing of invoices, in particular to preventing duplicate invoices being processed.

Definitions of Assurance Levels:

Substantial	The framework of governance, risk management and control is adequate and effective.
Reasonable	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
None	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN
ACCOUNTS PAYABLE TRANSACTION TESTING Q2

Action	a
Finding	Testing identified 40 duplicate suppliers either by supplier name or bank details.
Action Description	Procurement should review the list of duplicate suppliers and de-activate suppliers as appropriate.
Risk	Duplicate invoices may be paid to the same supplier via different supplier numbers.
Priority (1, 2, 3)	1
Paragraph Reference	3.1
Managed by	Mark Boyd, Head of Service (Finance)
Assigned to	Anne Lyndon, Senior Manager (Procurement)
Due Date	Complete
Management Comment	The Accounts Payable team have reviewed the list of 40 possible duplicates and found 10 to be genuine duplicate records. These 10 supplier records have now been de-activated on Integra.

Action	b		
Finding	Testing identified 20 potential duplicate invoices totalling £28,984.89, which have not already been identified by AP.		
Action Description	AP should review the potential duplicate invoices and arrange for recovery of monies paid twice.		
Risk	The Council has paid the same invoice twice and the money has not been recovered.		
Priority (1, 2, 3)	1		
Paragraph Reference	3.3		
Managed by	Mark Boyd, Head of Service (Finance)		
Assigned to	Anne Lyndon, Senior Manager (Procurement)		
Due Date	31.12.20		
Management Comment	The Accounts Payable team will work with Service teams, as required, to identify genuine duplicate payments and recover money from suppliers. The team investigate from the highest to lowest duplicate invoice. Status update at 2 nd Sept 20:		
	Possible duplicate invoices	No. of transactions	Value
	Not Duplicated	1	£4,867.52
	Duplicated - money returned	2	£9,245.36
	Duplicated - credit on supplier account	9	£12,767.84
Still being investigated	8	£2,095.17	

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.

COMMUNITY INVESTMENT FUND

1 Background

- 1.1 In its budget of 1st March 2017, the Council created a Community Investment Fund (CIF) to support the development of the Locality Partnership model by providing localities with the opportunity to identify and invest in specific local priorities. The total fund amount was £3.162m, of which £2.6m was allocated across the Locality Partnerships on a population basis.
- 1.2 A Cabinet report on 29th August 2017 laid out the eligibility criteria for grants from the fund and the application process. Ideas and proposals for projects are initially discussed by members of the Locality Partnership. They are then reviewed by and recommendations provided by Community Empowerment staff, the CIF architect or project manager and Council and Community Planning Partnership (CPP) officers, in discussion with Elected Members, locality representatives and CPP partners. The projects are then formally considered by the Locality Partnership for recommendation to the Council's Cabinet. The Cabinet then consider each grant application for deployment of funds.

2 Objectives and Scope

- 2.1 The main objectives of the audit were to ensure that:
- all organisations which are awarded a grant from the fund are eligible according to the criteria of the fund and award processes are followed.
 - adequate monitoring of individual grants and the fund as a whole is taking place

3 Findings

Awarding of grants

- 3.1 The below table shows the funds allocated to projects and spent by each Locality Partnership as at 31st July 2020.

	Total budget	Total allocated to projects	% allocated	No of approved proposals	Paid
Irvine	754,000	204,604	27	4	159,422
Kilwinning	286,000	76,190	27	2	76,190
3 Towns	598,000	292,912	49	5	192,912
Garnock Valley	390,000	156,500	40	5	86,500
North Coast	468,000	303,840	65	5	60,446
Arran	104,000	0	0	0	0
Other expenditure	562,000	0	0	0	0
Total	3,162,000	1,034,046	33	21	575,470

- 3.2 Cabinet and Locality Partnership papers were reviewed to ensure that all the projects had been approved as per the procedure described at 1.2. All projects had been approved at Cabinet. 3 projects were identified where it wasn't clear from the Locality Partnership minutes that they had been approved. On discussion with the Service, this

was considered to be an issue with the minute-taking rather than any issue with the projects not being approved by the Locality Partnerships. **(Action a)**

- 3.3** Review of the applications found that all approved proposals did fulfil the stated aims of the fund. Evidence was not available that officers had checked the financial viability and insurance arrangements of all the projects. However, an assessment template for use by officers had been introduced in recent months which does include a check of financial viability, but not specifically the insurance requirements. **(Action b)**

Monitoring of grants

- 3.4** The grants are monitored by officers within Community Empowerment and by the Locality Partnerships. A periodic monitoring report was also presented to the Council's Cabinet on 29th October 2019. It was identified that there was one project, approved in May 2019, where no monitoring report had been submitted to the relevant Locality Partnership. The Senior Manager (Community Empowerment) was aware of this issue – a monitoring report had been due to be presented to the quarterly meeting in October 2019 but had not been submitted before the meetings paused due to the Covid-19 outbreak. She is expecting a monitoring report to be presented to the Locality Partnership at its first virtual meeting in September 2020. She is aware, through contact with the organisation in question, that the project is progressing.
- 3.5** The Community Empowerment team have a close working relationship with the Locality Partnerships and regular contact with the community and third sector organisations which put forward proposals for the funding. This means that they have a good awareness of how the projects are progressing and any barriers they may face to achieving their stated outcomes. Where appropriate, the team and the Locality Partnerships provide advice and support to help these organisations overcome such barriers and also ensure that the projects will meet the aims of the fund.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to awarding and monitoring of Community Investment Fund grants.

Definitions of Assurance Levels:

Substantial	The framework of governance, risk management and control is adequate and effective.
Reasonable	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
None	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN COMMUNITY INVESTMENT FUND

Action	a
Finding	Decisions made by Locality Partnerships to allocate funding to projects were not always clearly recorded in the minutes.
Action Description	Community Empowerment should remind minute-takers for Locality Partnerships to ensure that key decisions, such as allocation of CIF funding to projects, are clearly recorded in the minutes.
Risk	It is unclear that funding has been allocated and the project can proceed. There is no evidence of this decision and it is subject to dispute.
Priority (1, 2, 3)	2
Paragraph Reference	3.2
Managed by	Rhona Arthur, Interim Head of Service (Connected Communities)
Assigned to	Angela Morrell, Senior Manager (Community Empowerment)
Due Date	Completed
Management Comment	Discussions have taken place within Locality Partnership lead officers meeting. All minutes will be checked by Lead officers, senior officer and the chairs, to ensure minutes accurately reflect the decisions made. Decisions tracker will be added as a standing item on the agenda for the meetings of the Locality Partnerships, to ensure that all decisions are reflected in the minutes. Discussions have taken place with committee services and guidance has been issued on the role of the officers, including the minute taker, to support this action. This has been very useful in light of the introduction of the digital platforms for the meetings.

Action	b
Finding	There was no record of officers checking that organisations had sufficient public liability and employers' liability insurance, as required for the funding.
Action Description	Community Empowerment should amend the officers' checklist template to include a check of insurance arrangements.
Risk	Organisations which do not have sufficient insurance for the projects are granted funding, which would be a breach of the terms of the fund. In the event of any claims against the projects, disputes may arise, a claim is made against the Council as the funder of the activity or there is reputational damage to the Council as a result of such an event.
Priority (1, 2, 3)	2
Paragraph Reference	3.3
Managed by	Rhona Arthur, Interim Head of Service (Connected Communities)
Assigned to	Angela Morrell, Senior Manager (Community Empowerment)
Due Date	Completed
Management Comment	The Officers' checklist has been amended to include the check of public liability and employer's liability insurance.

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.

FINANCIAL INTERVENTION ORDERS

1 Background

- 1.1** The Adults with Incapacity (Scotland) Act 2000 introduced a system for safeguarding the welfare and managing the finances and property of adults (age 16 and over) who lack capacity to act or make some or all decisions for themselves because of mental disorder or inability to communicate due to a physical condition. It allows other people to make decisions on behalf of these adults, subject to safeguards. The main groups to benefit include people with dementia, people with a learning disability, people with an acquired brain injury or severe and chronic mental illness, and people with a severe sensory impairment.
- 1.2** Power of attorney is a means by which individuals, whilst they have capacity, can grant someone they trust powers to act as their continuing (financial) and/or welfare attorney. One or more persons can be appointed. A continuing (financial) power of attorney continues or commences (where specified) on the granter's loss of capacity. A welfare power of attorney only comes into effect in the event of the granter's loss of capacity. All powers of attorney under the Act must be registered with the Office of the Public Guardian.
- 1.3** Financial Intervention Orders allows the person appointed to do certain one-off things such as signing legal documents or to sell the adult's house or sign forms agreeing where someone can live.
- 1.4** Corporate Appointees are often local authorities and provide an Appointeeship service when a suitable family member or friend is unavailable or unable to take over the daily money management services of the person in need of an appointee. Corporate Appointees need to be approved by the Department for Work and Pensions (DWP) as the appointee is responsible for receiving benefit payments on behalf of the individual they are representing.
- 1.5** Access to Funds allows the Council to apply for authority to access and manage the funds belonging to an incapable adult.

2 Objectives and Scope

- 2.1** The main objectives of this audit were to: -
 - ensure that there is awareness of the legislative background and good governance arrangements are established for Financial Intervention Orders and Corporate Appointeeship
 - ensure procedures for Financial Intervention Orders (FIO's) have been rewritten and, in the case of Corporate Appointeeship (CA's), have been completed;
 - confirm that the procedures meet with current Scottish Government legislation.
 - ensure client information is recorded and filed securely and that relevant backup of information is available at all times.
 - ensure Financial Intervention Orders have been correctly obtained and granted and are operated within the conditions of the order
 - ensure that Corporate Appointeeship has been correctly obtained and granted and meet the conditions of the order

3 Findings

Legislation and Guidance

- 3.1** There have been no changes to the legislation relating to Financial Intervention Orders and Power of Attorney since this subject was last audited in 2017.
- 3.2** A practice guidance titled “Adults with Incapacity Act for Social Workers and Social Work Assistants” provides comprehensive guidance for practitioners. This was last updated in April 2019, with the planned review for April 2020 postponed.
- 3.3** The Office of the Public Guardian (Scotland) and Scottish Courts Service have issued comprehensive guidance on their dedicated web sites.
- 3.4** Once appointed by the court, an embossed Office of the Public Guardian signed certificate and a schedule of conditions are issued, along with the invoice raised by the Court. The issue of certificates has been surpassed by the Coronavirus (Scotland) Act 2020 which empowers the court to issue their instructions via email. There is evidence that there are some administration issues relating to these documents which would risk them becoming ‘incompetent’. **(See action a)**

Security of Information

- 3.5** There are three Financial Intervention Officers currently working with 96 clients.
- 3.6** The client register is recorded on the index log, which is maintained on Microsoft Excel, recording key client information, including type of order date and length, start and end date.
- 3.7** Each client is registered on CareFirst and has a unique identifier. Paper records containing the Court Mandate, client financial information, correspondence, Social Work report and Minutes are maintained in individual client folders. Verbal assurance was provided that only the three people working for the team had access to them.

Financial Intervention Orders

- 3.8** Interventions are required to fulfil three principles on behalf of the individual: benefit, least restrictive option and take account of the wishes of the person. These are assessed and presented to the Sherriff Court. The Council is legally represented, and orders are issued to a named person.
- 3.9** Sample testing confirmed that the log accurately reflected payments made to the court.
- 3.10** Review of the files confirmed that they are competent and that they are being operated within the conditions set by the court.

Corporate Appointeeship

- 3.11** All files reviewed had the appropriate DWP paperwork completed and evidenced review to maximise the benefit to the individual.

Access to Funds

- 3.12** A file review confirmed that the appropriate paperwork and financial records were in place to benefit the individual.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to the administration of Financial Intervention Orders and Corporate Appointeeships.
- 4.2** There is evidence in the files reviewed that the principles of the Act are being successfully addressed, especially for the benefit of the person being represented.

Definitions of Assurance Levels:

Substantial	The framework of governance, risk management and control is adequate and effective.
Reasonable	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
None	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN FINANCIAL INTERVENTION ORDERS

Action	a
Finding	With the change to Courts issuing documents via email there is a reported increase in errors being made.
Action Description	HSCP should record and inform Legal Services where these issues occur. In the event that this continues unrectified by the courts, contact should be made with the court to amend their records and if necessary, reissue documents.
Risk	That the Council acts without the authority of the Court.
Priority (1, 2, 3)	1
Paragraph Reference	3.4
Managed by	Caroline Cameron, Chief Finance and Transformation Officer
Assigned to	Eleanor Currie, Principal Manager (Finance)
Due Date	31 March 2021
Management Comment	The FIOs will monitor the errors and report these to Legal Services as and when they occur. Legal Services will be asked to contact the court to rectify this.

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.

ROADS PROCUREMENT

1 Background

- 1.1** In 2017/18, a previous audit of Roads Procurement gave substantial assurance and made no significant recommendations for improvement.
- 1.2** The period tested in this audit included both financial years 2018/19 and 2019/20, when invoices paid equalled £11.184m and £8.767m respectively. The period tested was prior to the COVID19 lockdown, therefore assurances provided are for these two years. The Service confirmed that the authorisation process is presently electronically completed.

2 Objectives and Scope

- 2.1** The key objectives of this audit were to:
- Extract and analyse details of Roads expenditure on contractors and other supplies
 - Ensure that procedures are in place so that contracts are awarded in accordance with the Council's Standing Orders relating to Contracts, represent best value for money and include sufficient separation of duties
 - Ensure that controls in respect of payment, performance monitoring and segregation of duties are being applied when using sub-contractors
 - Ensure that purchases other than sub-contractors are appropriate and the Council is only paying for goods and services that are ordered and received.

3 Findings

Roads Expenditure

- 3.1** In the period audited there 6,368 invoice transactions from 289 suppliers at a total value of £19,953,252.39. The sample selected included 6 suppliers who accounted for £12m of the total submitting 2,740 invoices.
- 3.2** Duplicate value testing identified 321 invoices as possible duplicates; however, sample testing confirmed that none of these were duplicate payments.

Procedures

- 3.3** There have been no major changes to the procurement procedures since 2018.
- 3.4** Most works are allocated through the Road Minor Works Framework using an online procurement system called Transparent Road Infrastructure Procurement Software (TRIPS). This system is shared by all three Ayrshire Councils, along with Falkirk and West Lothian.
- 3.5** The majority of staff have completed training on the Council's Financial Regulations and Codes of Financial Practice. When collating the information, the service identified new starts who have not yet completed this training and have placed them on the waiting list to attend.

- 3.6** Contracts are submitted via anonymous bids on TRIPS and the successful bidder is identified once the bid is progressed to award status. Site audits are completed for each works contract and recorded on the system, thereafter contractor performance results are available to all the Councils using the Framework.
- 3.7** In the event of an emergency a local supplier with experience of the required type of work will be contacted for immediate action.
- 3.8** For works under £1,000 not covered by the framework a quote is sought from a local company.

Expenditure on Sub Contractors

- 3.9** All invoices sampled had been properly processed and authorised although the administration process was incomplete in some instances. **(action a)**

Other Purchases

- 3.10** Over the two financial years, there were 150 transactions worth £10,077.25. All were properly authorised for payment.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to controls around roads procurement.

Definitions of Assurance Levels:

Substantial	The framework of governance, risk management and control is adequate and effective.
Reasonable	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
None	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

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KEY FINDINGS AND ACTION PLAN ROADS PROCUREMENT

Action	a
Finding	The administration process is incomplete on some of the invoices sampled and in one instance the over 10k report was not uploaded to Integra.
Action Description	Staff are reminded to complete all information within the grid stamp so that a robust evidence trail is maintained for payment of invoices.
Risk	Individual authorisation limits may be exceeded and in the provision of services for external funders due to an incomplete audit trail the Council will have to fund from its own budgets.
Priority (1, 2, 3)	1
Paragraph Reference	3.9
Managed by	David Hammond, Head of Service (Commercial)
Assigned to	Diane McDermott, Team Leader (Customer Services)
Due Date	Complete
Management Comment	The administration process is undertaken by Business Support on behalf of the Roads Service. Discussions have taken place with Business Support to ensure that administrative staff complete all fields on the invoice stamp correctly i.e. initials/name in box to say it has been checked for accuracy and agreed for payment. The missing 10K report has been uploaded to Integra.

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.

PAYROLL TRANSACTION TESTING Q1

1 Background

- 1.1 This audit used computer audit software called IDEA (Interactive Data Extraction and Analysis) to interrogate the HR/Payroll system and examined any anomalies which arose.
- 1.2 The Employee Account is used to access and complete internal online forms for contract amendments and terminations.
- 1.3 Mileage, travel and subsistence claims can either be submitted via the completion of a manual claim form, which is then physically authorised, or electronically via the system called HR21, which allows the claim form to be electronically completed and approved.
- 1.4 The Payroll system has a screen called Authorised Signatories which records what the employee is authorised to approve.

2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure that:
 - High overtime payments are valid and properly authorised.
 - Employees' last pay is correct, properly authorised and has not resulted in an overpayment.
 - Salary amendments are valid and authorised.
 - High mileage claims are in line with the Terms and Conditions of Employment, are valid and authorised.
 - Travel and subsistence expenses are in line with the Terms and Conditions of Employment, are valid and authorised.
 - Employee details are valid and complete.
 - Allowances and deductions are in line with the Terms and Conditions of Employment, are valid and properly authorised.
- 2.2 This testing covered the period 1st April 2019 to 29th February 2020.

3 Findings

High Overtime Payments

- 3.1 A sample of 10 high overtime payments was selected for audit testing. It was found that 3 janitors were incorrectly paid standby overtime and the errors have been rectified by Payroll.
- 3.2 One of the Building Services standby timesheets was not approved by a supervisor. Building Services has advised that the admin team will double check timesheets are approved before processing.

- 3.3** The auditor tested employees working an average of more than 48 hours per week over a 6-month period. This highlighted employees with extremely high weekly base hours which were queried with Payroll. Payroll explained there was a system glitch, so the base hours were incorrect, and this was rectified with a system upgrade.

Leavers Last Pay

- 3.4** A sample of 20 payments made to employees after they left was selected for audit testing. It was found that one of the termination forms was approved by someone who is not an authorised signatory. The employee was advised of this during the audit.
- 3.5** In 4 cases an overpayment had been made but this had been picked up and rectified by Payroll and there were 9 cases of late paperwork.
- 3.6** There was a casual employee who received 4 payments after they left, and this was queried with Education. The employee was on the supply list after a fixed term contract ended but the employee did not return the supply pack to be included on the supply list for school session 2019-20. In line with policy, HR terminated the employee from the supply list and this process removed details from the SEEMIS supply booking system. However, the Early Years Centre engaged this employee for supply work in the nursery even though the employee was no longer on the supply list and did not use the supply booking system for this purpose. **(action a)**
- 3.7** The auditor tested for employees who left and restarted to ensure there was no overlaps in payments. There were no findings to report from this testing.
- 3.8** The auditor tested employees who started and left within 21 days to ensure they were not overpaid. One employee had their salary recalled so a potential overpayment was prevented.

Salary Amendments

- 3.9** A sample of 10 salary amendments was selected for audit testing. There were 3 cases of late paperwork but no other findings to report.

High Mileage Claims

- 3.10** A sample of 10 high mileage claims was selected for further audit testing. 5 had been processed via HR 21 and 5 had been manually completed. Due to Payroll staff working from home, it was decided to restrict the sample to the 5 keyed via HR21. It was noted that 4/5 claims were not submitted within the 3-month period in line with the policy.
- 3.11** Testing identified a duplicate claim and a claim where the employee did not deduct the home to work mileage for a trip to Carlisle. The employee confirmed they overclaimed 237 miles so an overpayment of £106 is due to be repaid by the employee. This was passed to Payroll to recover.

Travel and Subsistence Expenses

- 3.12** A sample of 10 travel and subsistence expenses was selected for further audit testing. 5 had been processed via HR 21 and 5 had been manually completed. Due to Payroll staff working from home it was decided to restrict the sample to the 5 keyed via HR21. Also, the auditor did not request copy receipts due to most employees working from home. It was noted that 1/5 claims were not submitted within the 3-month period in line with the policy.

Employee Details

- 3.13** Various tests were carried out on employee details and there were no findings to report from this testing.

Allowances and Deductions

- 3.14** A sample of 10 deductions was selected for further audit testing. There were no findings to report from this testing.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to Payroll transactions testing.

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KEY FINDINGS AND ACTION PLAN PAYROLL TRANSACTION TESTING Q1

Action	a
Finding	An employee was removed from the supply list. However, an Early Years Centre engaged this employee for supply work in the nursery even though the employee was no longer on the supply list. The Centre did not use the supply booking system.
Action Description	Education should send a reminder to all Education establishments to ensure the correct policy and procedure is followed for utilising supply staff and only staff on the supply list should be engaged.
Risk	Work carried out by a non-Council employee. Employee has not completed the necessary pre-employment checks.
Priority (1, 2, 3)	1
Paragraph Reference	3.6
Managed by	Andrew McClelland, Head of Service (Education)
Assigned to	Carole Devoy, Education Resources Manager
Due Date	Complete
Management Comment	Communication sent to all Head Teachers and Heads of Centre on 31 August 2020 to confirm supply booking processes and to reiterate that temporary staff should not be engaged unless through the supply booking process.

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.

FOSTER, ADOPTION AND KINSHIP CARE PAYMENTS

1 Background

- 1.1 The Health and Social Care Partnership (HSCP) pay allowances to a number of carers of young people within North Ayrshire. This audit has focussed on payments to foster, kinship and adoptive carers.

2 Objectives and Scope

- 2.1 The objective of this audit was to ensure that: -
- payments to foster, kinship and adoptive carers are being accurately calculated
 - overpayments are being accurately calculated and monitored
 - access to sensitive data is being restricted to those who need it for work purposes

3 Findings

Payment Calculation

- 3.1 Audit testing was tailored to reflect the fact that the foster, kinship and adoption schemes have slightly different criteria and therefore present slightly different risks.
- 3.2 Foster placements tend to be shorter and can stop with little notice. Testing of foster payments concentrated on admission/discharge dates, ensuring that payments have been accurately calculated and adjusted timeously to prevent overpayments occurring.
- 3.3 Adoption placements tend to be permanent and therefore the miscalculation of allowances due to errors in admissions/discharge dates is not a significant risk. However, there are a number of different rates at which adoption allowance can be paid at. In addition, the rates are dependent upon the child's age. Audit testing therefore concentrated on ensuring the correct rate for the child's age had been used when calculating allowance rates.
- 3.4 Kinship payments are means tested and therefore audit testing concentrated on ensuring financial assessments were available to confirm payment rates.
- 3.5 There were no issues to note from Audit testing.

Overpayments

- 3.6 Foster, Kinship and Adoption allowances are paid in advance. Overpayments can therefore occur when a placement breaks down unexpectedly, or a carer's benefits change (applicable for kinship allowances) and they don't notify the Council timeously.
- 3.7 Overpayments are recouped either via invoice or by taking deductions from future allowance payments. Unpaid invoices are dealt with by Debt Recovery and Legal. Amendments to future allowances are applied and monitored by HSCP Finance.

- 3.8** Audit reviewed the spreadsheet used by the Service to record and monitor overpayments and ensured, for a sample of overpayments, that paperwork existed to confirm the overpayment amount and that the overpayment calculation was accurate.
- 3.9** Audit testing found the overpayment spreadsheet to be accurate for 20/21 overpayments, with the Service continuing to work on updating the information for debts prior to this financial year.
- 3.10** No issues to note were identified during audit testing of overpayment calculations.

Data Security

- 3.11** HSCP Finance have confirmed to Audit that access to the Child Care electronic folders is tightly restricted to those who need it for their day-to-day job.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regards the procedures to ensure the accuracy of carer allowance payments.

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PLANNING APPLICATION AND BUILDING WARRANT INCOME

1 Background

- 1.1 This is the first time this area has been reviewed by Internal Audit.

2 Objectives and Scope

- 2.1 To ensure that all planning application and building warrant income due to the Council is being collected, and the risk of bad debt is being minimised.

3 Findings

- 3.1 Both planning and building warrant fees must be paid at the time of submitting the application, and this is clearly stated on the Council's website.
- 3.2 This requirement for payment in advance is the safest possible approach for the Council in terms of minimising the risk of bad debt.
- 3.3 Uniform is used to record all planning and building warrant applications, with there being specific fields used to record payment details. Reports can be run from the system which clearly show whether fees have been received, whether refunds have been issued and whether advertising fees (relevant for planning applications only) have been paid.
- 3.4 The system flags when a fee is outstanding and both Planning and Building Control have confirmed that they check the application status on Uniform before issuing a decision – to ensure that all payments have been received.
- 3.5 The requirement for application fees to be paid in advance, plus the added security of Services having the ability to delay issuing a decision if fees have not been received (which is particularly useful for planning advertising fees, which aren't paid at the time of application, but are instead requested during the application assessment process), means that there should be no scope for bad debts to arise.

4 Internal Audit Opinion

- 4.1 Overall, substantial assurance was obtained with regard to the processes surrounding the collection of planning and building warrant application income.
- 4.2 Payment in advance and detailed fee recording ensures risk to the Council of lost income and bad debts are minimised.

NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

Title:	Corporate Fraud Team update report
Purpose:	To provide the Audit and Scrutiny Committee with an update report on the work of the Corporate Fraud Team during 2019/20 and between April and September 2020.
Recommendation:	That the Committee notes the work carried out by the Corporate Fraud Team.

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 normally receives bi-annual updates on the work of the team. No final report was provided for 2019/20 due to the cancellation of the May committee, so this report provides an overview of the activity of the team during 2019/20 and between April and September 2020.

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 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.

2019/20

- 2.4 The team received 351 referrals for investigation during 2019-20 and fraud and error amounting to £0.371m were identified. A number of onward referrals were also made by the team to SFIS and other Council Services. All referrals made to the team are investigated although many can subsequently prove unfounded.
- 2.5 A breakdown of the fraud and error by category is shown in the table below:

Category	Value (£000)
Overpayment to supplier	165
Housing Benefit	118
Council Tax Reduction and Single Person Discount	79
Other	9
TOTAL	371

- 2.6 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. 27 tenancies were recovered by Housing during 2019-20 with involvement from the Corporate Fraud Team and associated financial recoveries are included within the table at 2.5 above.
- 2.7 All Blue Badge referrals were investigated, and this resulted in the recovery of 1 badge, the refusal of 1 new application, 3 referrals to the Procurator Fiscal and the issue of 15 warning letters for misuse.

2020-21 (first half-year)

- 2.8 A further 122 referrals were received during the first 6 months of 2020-21. This represented a significant reduction as there were few referrals during the early weeks of lockdown. Fraud and error totalling £0.039m were identified and are shown in the table below:

Category	Value (£000)
Housing Benefit	5
Council Tax Reduction and Single Person Discount	27
Other	7
TOTAL	39

- 2.9 A further 8 tenancies were recovered by Housing with some involvement from the Corporate Fraud team. There is no activity to report in relation to Blue Badges. Both these areas were impacted by lockdown.

National Fraud Initiative (NFI)

- 2.10 Potential data matches from the biennial National Fraud Initiative (NFI) exercise were received from the Cabinet Office in February 2019. Investigation of these was concluded during March 2020. Outcomes for North Ayrshire Council were as follows:

Category	Value (£000)
Council Tax reduction (2 frauds)	9
Creditor Payments (2 errors)	15
Housing Benefit (38 errors)	35
Council Tax Single Person Discount (60 frauds and 7 errors)	66
TOTAL	125

- 2.11 The next NFI exercise commenced in October 2020 with the submission of the Council's data sets. Potential matches are expected in February 2021 and will be passed to the appropriate Council Service for investigation. Outcomes will be reported to a future meeting of the Audit and Scrutiny Committee.

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.

Mark Boyd
Head of Finance

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

Background Papers

None.

