

Audit and Scrutiny Committee
30 May 2017

Irvine, 30 May 2017 - At a Meeting of the Audit and Scrutiny of North Ayrshire Council at 10.00 a.m.

Present

Marie Burns, Joy Brahim, Margaret George, Alan Hill (Items 1 - 4), Tom Marshall, Donald Reid and John Sweeney

In Attendance

E. Murray, Chief Executive; L. Friel, Executive Director, P. Doak, Senior Manager (Internal Audit, Risk and Performance) D.Forbes, Senior Manager (Financial Management), S. Humphries, Chief Benefits and Revenues Officer (Finance and Corporate Support); A. McClelland, Interim Head of Service (Learning and Improvement)(Education and Youth Employment); Y. Baulk, Head of Service (Physical Environment) (Place); S. Brown, Interim Director (Children, Families and Criminal Justice); C. McAuley, Head of Service (Economic Growth); A. Fraser, Head of Democratic Services, H. Clancy, Committee Services Support Officer, E. Gray, Committee Services Support Officer and A. Little, Committee Services Officer (Chief Executive's).

Also In Attendance

P. Kenny (Deloitte), H. Paton (Principal Petitioner), B. Calderwood (Arran Community Council), J. Howe (Pierhead Tavern), K. Forsyth (Petitioner) and Councillor Billings.

Chair

Councillor Burns in the Chair.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

2. Order of Business

In terms of Standing Order 9.4, the Chair agreed to vary the order of business to allow consideration of Item 12 - Audit Scotland: A Review of Housing Benefit Fraud Investigation Liaison Arrangements in Scotland, following Item 4 on the agenda.

3. Petitions

3.1 Petition relating to the Closure of Arran Public Toilets

Submitted report by the Chief Executive on a petition of 10 signatures, supported by 2,000 online signatures, that had been received requesting that the Council reconsiders the closure of Arran Public Toilets. Appendix 1a to the report provided details of a letter from Pierhead Tavern, Lamlash, requesting that the decision be reconsidered. The letter was accompanied by a further 194 signatures.

Correspondence, posters and a further 100 signatures were attached at Appendix 1b to the report. Appendix 1c to the report outlined email correspondence from a constituent of Councillor Billings. The Executive Director (Place) provided a briefing note on the background to the closure of public toilets and this was appended at Appendix 2 to the report.

The principal spokesperson, Hilary Paton, asked the Committee to reverse the decision of the previous administration. She referred to her childhood holidays on the island and that she had worked and lived on Arran during school and university holidays. Mrs Paton, her husband who had been born and raised on Arran and their two young children are frequent visitors to Arran. The closure of the toilets will be an inconvenience to all visitors and residents on Arran, including families with young children, those who have medical conditions and elderly people. The decision to close the toilets will have a detrimental effect on the islands tourism and local businesses, the environment and public health

Ms Jane Howe, owner of Pierhead Tavern, Lamlash reported that since the toilets in Lamlash have closed, she has had up to 40 people a day using the facilities in her establishment. Other local establishments have now placed a restriction on the use of their facilities and whilst Ms Howe does not want to turn people away, her business is not a replacement for the public facilities that have been closed. She placed a petition within her establishment and received over 400 signatures in support of the toilets being reopened. She urged the Committee to rethink the decision that had been taken.

Bill Calderwood, Arran Community Council, referred to a number of meetings that had taken place that have resulted in the Asset Transfer of toilet facilities to the communities of Whiting Bay, Kilmory, Sandbraes and Glen Sannox. For a number of reasons, other Arran villages were not in a position to progress to an Asset Transfer and have requested further time to explore all available options. He referred to the dispersal of the £3.1m Community Investment Fund to the Locality Planning Partnerships that would allow officers to work with the community on alternative proposals and called for the Council to reverse its previous decision, as it had in respect of the toilets in Ardrossan and Saltcoats

Councillor Billings expressed the view that the toilets are a valued part of the infrastructure that are much appreciated by the large number of visitors to Arran. Lochranza is a main transport hub within the island and with no other toilet facilities for 11 miles, requires public toilets for departing and arriving ferry passengers. He referred to the Council Plan which states "We are hugely ambitious for North Ayrshire and its residents and are committed to making sure the areas reaches its fullest potential". He also referred to the Plan's priorities such as growing our economy, increasing employment and regenerating towns and to have sustainable island communities and asked that the Council work with the people and businesses of Arran to find an alternative to the closure of the toilet facilities.

The Head of Service (Physical Environment) referred to the written update that provided information on the closure of the public toilets in North Sannox, Blackwaterfoot, Lochranza, Lamblash and Brodick. The update also gave details of the progress of arrangements for the asset transfer of the public toilets at Cumbrae, Irvine Beachpark, West Kilbride, Whiting Bay, Kilmory, Sandbraes and Glen Sannox.

Members asked questions and received information from the Petitioners on the following areas:-

- that the volume of users, the existing condition and the costs to upgrade the toilets in Brodick had resulted in a lack of interest in this facility;
- that one size does not fit all and some local communities require more time to work with the Council to find alternatives to the closure of toilets;
- that communities had examined a range of options in order to take over these facilities, including income streams and running costs; and
- the location of the toilet provision at Blackwaterfoot that requires to be explored further.

Members asked questions and were received information from officers on the following areas:-

- the high cost of Pay as You Go facilities that had discounted this scheme as a replacement for existing facilities;
- that seasonal opening of facilities could be examined as an option for some areas; and
- the budget saving that comprised mainly staff costs, including water, rates, utility and cleaning costs, but excluded building maintenance costs.

Councillor Hill, seconded by Councillor Marshall, moved that the Committee refer the petition to Cabinet for its consideration. There being no amendment, the motion was carried.

Accordingly, the Committee agreed to refer the petition to Cabinet for its consideration.

4. Directorate Plans 2017/18 Update

Submitted report by the Chief Executive on the Council's 2017 update on the 2015/18 Directorate Plans. Appendices 1-5 set out the Directorate Plan for Democratic Services, Finance and Corporate Support, Education and Youth Employment, Economy and Communities, and Place, respectively. The 2015/18 Strategic Plan for the Health and Social Care Partnership, which was approved in August 201, was attached at Appendix 6.

Members asked questions, and received further information, on the following:-

Democratic Services

- the retirement of the Communications and Members Services Manager and the interim appointment of two members of staff to the post of Acting Senior Communications Manager;

Finance and Corporate Support

- the development of a robust marketing campaign to encourage the take up of ebilling for Council Tax;
- work that will be done to address the sickness absence rate;
- the percentage of Council Tax and business rates collected in the year that is on target;
- the development of digital access channels, including the 'Report It' smartphone app;
- the ICT Security Policy framework that addresses cyber risk; and
- assistance that is provided to those who are unable to access services digitally.

Education and Youth Employment

- reducing the attainment gap for children from disadvantaged groups and information that can be broken down by Scottish Index of Multiple Deprivation (SIMD) areas; and
- the Modern Apprenticeship Programme that will provide 250 places over a 3 year period.

Councillor Hill left the meeting at this point.

Economy and Communities

- work that will be done to assist business start ups who are interested in securing properties the Council have marketed for sale;
- the national method of calculating tourism numbers that can result in fluctuations in statistics; and
- details of the proposals for the strategic outcomes that will be presented to a future meeting of Cabinet.

Place

- temporary accommodation that can be provided on a short term tenancy to tenants;
- the identification of specific homes as suitable for use as temporary accommodation;
- monitoring of temporary accommodation properties and reclassification of these properties if required; and
- information that will be provided to Members on the number of people assisted within North Ayrshire as part of the five programmes of resettlement for Refugees, Asylum Seekers and Unaccompanied Asylum seeking Children that the Home Office and COSLA asked the Council to assist with;

- changes to the housing allocation policy that would be reported to Cabinet;
- Housing Induction for Councillors on 30 June 2017, that will include information on sheltered housing; and
- a review of street cleaning that will be undertaken.

North Ayrshire Health and Social Care Partnership

- 'What Matters to You' day on 6 June 2017 that will encourage and support more meaningful conversations between people who provide health and social care and the people, families and carers who receive these services

The Committee agreed to (a) note the 2017 updates of the 2015/18 Directorate Plans at Appendices 1-5 that will be reported to Cabinet for approval on 23 May 2017, (b) receive 6-monthly progress reports and, (c) note the Health and Social Care Partnership's Strategic Plan at Appendix 6; and (d) note that information on the number of people assisted within North Ayrshire as part of the Refugees, Asylum Seekers and Unaccompanied Asylum Seeking Children will be provided to Members directly.

5. Audit Scotland: A review of Housing Benefit Fraud investigation liaison arrangements in Scotland

Submitted report by the Executive Director (Finance and Corporate Support) on (a) the findings of Audit Scotland's review of housing benefit fraud liaison arrangements in Scotland, as set out in Appendix 1 to the report; and (b) examples of good practice and recommendations alongside the Council's position, as set out in Appendix 2 to the report.

Members asked questions and were provided with further information in relation to existing regulations that do not require an application for Housing Benefit to be dependent on Landlord Registration for that particular property

Noted.

6. Annual Governance Statement 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's Annual Governance Statement for 2016/17 which was attached at Appendix 1 to the report. The Annual Governance Statement will be included in the Annual Accounts and outlined the governance framework in place and changes made to strengthen the framework during 2016/17.

The Committee agreed to approve the Annual Governance Statement, as outlined in Appendix 1 to the report.

7. Accounting Policies 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the most significant changes to the Accounting Policies for 2016/17, outlined in Appendix 1 to the report, and the accounting policies which will be adopted in the preparation of the Council's annual accounts for the year to 31 March 2017, detailed in Appendix 2 to the report.

The Committee agreed to approve the accounting policies as detailed in Appendix 2 to the report.

8. Internal Audit Reports issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between 1 November 2016 and 30 April 2017. The findings from seven 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 outcome from the Internal Audit work carried out during the period.

9. Internal Audit Annual Report 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the Internal Audit Annual Report 2016/17 (Appendix 1) that outlined the performance and main findings of Internal Audit during 2016/17 and the governance, risk management and internal control environment of the Council.

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

- actions that have now been completed in respect of compliance with procurement regulations by the Health and Social Care Partnership;
- the publication of the annual Audit Plan, which outlines the service areas to be audited, the anticipated timescales for each audit and early completion of audits that frees up time to undertake other work, including unplanned investigations

Noted

10. Internal Audit and Corporate Fraud Action Plans: Quarter 4 Update

Submitted report by the Executive Director (Finance and Corporate Support) on the progress made by Council services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 31 March 2017.

Members asked questions and were provided with further information in relation to an update that will be provided at the next meeting by the Executive Director (Education and Youth Employment) in respect of the outstanding action - Teaching staff with access to IT equipment should read and sign the Corporate Acceptable

Computer Use Policy.

Noted.

11. External Audit Plan 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the External Audit plan for 2015/16, attached at Appendix 1, which summarised Deloitte LLP's assessment of the key risks and challenges facing the Council and the audit work proposed in the 2016/17 financial year.

Members asked questions and were provided with further information in relation to the current level of unallocated reserves that has not been considered as a significant risk.

Noted

12. External Audit Action Plans: Quarter 4 update

Submitted report by the Executive Director (Finance and Corporate Support) which provided (a) information on the progress made in implementing the agreed action plans arising from the external audit of the Council's 2014/15 and 2015/16 accounts; and (b) details of all the incomplete actions, along with the latest management comments (Appendix 1).

Noted.

13. Audit Scotland report: Local Government in Scotland: Performance and Challenges 2017

Submitted report by the Executive Director (Finance and Corporate Support) which highlighted the key messages and issues from the Audit Scotland national report 'Local Government in Scotland: Performance and Challenges 2017' which was attached at Appendix 1 to the report.

Members asked questions and were provided with further information in relation to a range of briefing sessions that will be provided for Members to ensure they have the knowledge and skills to enable them to fulfil their role effectively.

Noted.

14. Corporate Fraud Annual Report 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the work of the Corporate Fraud team during 2016/17, which included information on the internal and external investigations undertaken, an agreement with East Ayrshire Council to extend the reach of the Team to cover the East Ayrshire area and the success of the Team in winning the award for 'Team of the Year' at the Finance and Corporate Support Awards and details of future planned work during 2017/18.

Noted.

15. Strategic Risk Register 2017/18 and Risk Management Framework

Submitted report by the Executive Director (Finance and Corporate Support) which provided details of (a) a review of the Strategic Risk Register undertaken for 2017/18 and the addition of 3 new strategic risks, namely Health and Safety, Information and Brexit, that was attached at Appendix 1 to the report; and (b) a review of the Risk Management Framework, that revised the Policy and Strategy to enhance the role of the Corporate Risk Management Group in co-ordinating risk management activity and implementing a risk management and attached at Appendix 2 to the report.

Noted.

16. Exclusion of the Public

The Committee resolved, in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting, the press and public for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A of the Act.

16.1 Investigation Reports issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of investigations completed by Internal Audit and the Corporate Fraud team between 1 February and 30 April 2017. Appendix 1 to the report provided an executive summary and action plan from each of the investigations concluded.

Members asked questions and were provided with further information in relation to management actions to address the issues outlined in the reports.

Noted.

The meeting ended at 12.45 p.m.