



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, 09 March 2021 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 12 January 2021 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 Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report (Council Plan Progress Update – Quarter Two 2020-21)

Submit report by the Head of Democratic Services on the Council's response to date to the Covid-19 pandemic and performance against the Council Plan 2019-24 as at Quarter Two 2020-21 (copy enclosed).

- 4 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).
- 5 Internal Audit Reports Issued**
Submit report by the Head of Finance on the findings of Internal Audit work completed during January and February 2021 (copy enclosed).
- 6 Internal Audit and Corporate Fraud Action Plans: Quarter 3 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 31 December 2020 (copy enclosed).
- 7 External Audit Plan 2020/21**
Submit report by the Head of Finance on the External Audit Plan for 2020/21 (copy enclosed).
- 8 April to September 2020 Complaint Report**
Submit report by the Head of Democratic Services on the Council's complaint performance and the volumes and trends of complaints in the first 6 months of Financial Year 2020 (copy enclosed).
- 9 Urgent Items**
Any other items which the Chair considers to be urgent.
- 10 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.
- 11 Investigation Reports Issued**
Submit report by the Head of Finance on the investigation reports finalised since the last meeting.

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.

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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.

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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, Margaret George, Alan Hill, Tom Marshall and Donald Reid.

In Attendance

A. Sutton, Executive Director and L. Taylor, Senior Manager (Communities and Education); J. Miller, Chief Planning Officer, Economic Development and Regeneration (Place); E. Currie, Interim Section 95 Officer (IJB)/Principal Manager (Finance) (Health and Social Care Partnership); and M. Boyd, Head of Finance and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support), A. Fraser, Head of Democratic Services, B. Quigley, Senior Manager (People and ICT) and E. Gray and D. McCaw, Committee Services Officers (Chief Executive's Service).

Chair

Councillor Burns in the Chair.

Apologies

Joy Brahim and John Sweeney.

1. Declarations of Interest

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

2. Minutes

The Minutes of the Meeting of the Audit and Scrutiny Committee held on 17 November 2020 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. 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, detailing information on the agreed deal and risks in relation to the service sector and long-term economic impact.

Members asked a question in terms of the Scottish Government approach to Brexit funding and received information of the requirement for Councils to evidence where spending had been required and where there had been extra costs.

The Committee agreed to (a) note the current position in respect of the UK's withdrawal from the European Union; and (b) receive further information, either as a report to the next meeting of the Committee or as a Briefing for Members.

4. Public Performance Reporting 2019-20

Submitted report by the Head of Democratic Services on the 2019-20 public performance reporting and the draft Annual Public Performance Report 2019-20. Appendix 1 detailed the full set of performance indicators, showing 3 years of performance data, with Appendix 2 providing information on underperforming indicators. The full draft Annual Performance Report was attached at Appendix 3 to the report.

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

- the provision of additional narrative around the meaning of tariff scores;
- the drop in tariff score from 2017/18 to 2018/19 being attributed to the reduction in the number of subjects studied across North Ayrshire schools to 6;
- reversing the trend which will allow 7 subjects and additional learning opportunities to feed into future tariff scores; and
- a report being provided on the impact of the current cancellation of exams and ongoing assessment and moderation of subjects, once clarification is received from the SQA on how this would work locally and nationally.

The Committee agreed to (a) receive a report to a future meeting on the impact of the current cancellation of exams and ongoing assessment and moderation of subjects once clarity was received from the SQA; and (b) note (i) the status of the Council's performance indicators at Appendices 1 and 2 to the report and (ii) the draft Annual Public Performance Report 2019-20 set out at Appendix 3.

5. Planning Services Update: Former Seafield School, Eglinton Road, Ardrossan

Submitted report by the Executive Director (Place) updating on the position regarding the former Seafield School, Ardrossan.

The requirements of the Notice under Section 179 of the Town and Country Planning (Scotland) Act 1997 were met in September 2020. The boarding on the windows was further vandalised and broken by 12 September 2020 with further reports of vandalism and unauthorised entry since that date. Planning Services advised of this and further steps to secure the property.

Discussions in relation to bricking up the windows have also taken place with the landowners verbally stating they planned to start such works in the New Year. To date this work has not commenced on site.

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

- the feasibility of protecting the building if it could be so easily vandalised; and
- other steps which could be taken through Planning legislation to address amenity issues.

The Committee agreed to (a) note (i) the Planning Services actions to date in respect of the property; (ii) the owner's compliance with the terms of the Notice; and (b) receive a further update to a future meeting.

6. 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 financial outturn position for the financial year as at October 2020. The budget monitoring report and Appendices, which were presented to the IJB on 17 December 2020, were attached as an Appendix to the report.

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

- the pressures which would be put on the NHS in the next couple of months;
- current staff absence numbers resulting in a limited workforce and the resultant use of bank staff;
- claims to the Scottish Government in terms of significant additional costs as part of the Covid return; and
- lessons learned from the pressures in March 2020.

The Committee agreed to note (i) the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £0,807m at Period 7, (ii) the updated estimated costs of the Covid mobilisation plan of £8.5m, including savings delays, and the associated funding received to date and (iii) the financial risks for 2020-21, including the impact of Covid-19 and the fact that there was no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.

7. Internal Audit Plan 2021-2022

Submitted report by the Head of Finance on the proposed Internal Audit Plan for 2021-22. The Appendix to the report contained the detailed audit plan including intended commencement dates for each audit.

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

- the reserve audit list showing areas where no activity had been undertaken due to Covid restrictions; and
- the external audit of local community council accounts to ensure they had been properly prepared.

The Committee agreed to (a) approve the Internal Audit Plan for 2021-22 in line with the indicators and targets detailed at section 2.8 of the report.

8. Internal Audit Reports Issued

Submitted report by the Head of Finance on the findings of Internal Audit work completed during November and December 2020. The findings from one audit assignment were detailed at Appendix 1 to the report, together with the respective executive summary and action plan.

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

- ipads and laptops within schools on Airwatch, the mobile device management system;
- the auditing process developed for decommissioning ipads in the future;
- historical reasons regarding weak password controls;
- continuing issues around cloning when transferring equipment from one person to another;
- action plan assurances and how these plans would be maintained in future;
- the recognised need for ICT training and development across schools;
- communications which had already been issued to Head Teachers and ICT Technicians to quickly address some actions;
- the initiation of a review of education ICT policies and procedures around longer-term actions; and
- information to be issued to Members on ipad and laptop numbers and locations within the core structure, including a comparison between January 2020 and January 2021, which figures would not include digital deprivation devices as these were treated differently.

The Committee agreed to (a) note the outcomes from the Internal Audit work completed as set out in the report; and (b) receive an update report on progress with actions to a future meeting.

9. 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.

10. Community Investment Fund Application: Radio City Association

Submitted report by the Executive Director (Communities and Education) on the findings of an Internal Audit review of the Radio City Association Community Investment Fund application.

Noted.

The meeting ended at 11.35 a.m.

NORTH AYRSHIRE COUNCIL

9 March 2021

Audit and Scrutiny Committee

Title: **Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report
(Council Plan Progress Update – Quarter Two 2020-21)**

Purpose: To advise the Audit and Scrutiny Committee on our response so far to the Covid-19 pandemic and performance against the Council Plan 2019-24 as at Quarter Two 2020-21

Recommendation: That the Audit and Scrutiny Committee agrees to: (a) note the performance of the Council Plan as at 30 September 2020; and (b) note our response to the Covid-19 pandemic so far.

1. Executive Summary

- 1.1 The “Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report” in Appendix One replaces the standard Council Plan 2019-24 Progress Update (Mid-Year 2020-21) as it provides an overview of how the Council has worked alongside partners and communities to respond to the Covid-19 pandemic as well as the impact on progress against our strategic priority outcomes.

2. Background

- 2.1 Within our Quarter Four Council Plan Progress Update there was commitment to provide an update on the Council’s response to the Covid-19 pandemic. As the pandemic has affected every aspect of our lives and significantly changed our methods of working, the impact on our day to day services is included, as well as progress in delivering our strategic priorities. As a result, the report provides visibility of the scale and speed of the response and enables effective scrutiny of it and existing services.
- 2.2. This report forms part of our Public Performance Reporting commitments and complements our other reporting activities such as our Annual Performance Report, Local Government Benchmarking Framework reporting and other specific performance reporting.

2.3. Performance Summary






- 2.3.1 In the space of a few days we worked with partners to mobilise an unprecedented response to the Covid-19 pandemic. A culture of empowerment and several years of working alongside partners with shared priorities ensured we could establish support quickly and effectively, much of it on an equal partnership basis. This included Community Hubs, Childcare Hubs and Food Hubs with over 5,700 shielding residents and 690 key worker families supported.
- 2.3.2 We have provided almost 1.26 million meals and nearly 1.5 million items of Personal Protective Equipment (PPE). We delivered 12,407 prescriptions and 66,753 food parcels. We have administered £24,160,000 of grants to businesses and £312,000 of newly self-employed hardship grants to our residents.
- 2.3.3 The ability to be agile due to previous investment in the digital agenda and promotion of flexible working, meant our office-based teams were able to operate from home very quickly, ensuring core activities continued.
- 2.3.4 We moved significant numbers of services online, however the Contact Centre telephone service was maintained remotely to ensure our vulnerable residents or those not online could still access services.
- 2.3.5 Though many frontline services had to close or move online, we maintained critical services such as our household refuse collection. We were one of only a few councils in Scotland to achieve this.
- 2.3.6 We continued to deliver education remotely to our young people and provided IT equipment and paper-based alternatives for those unable to access the internet. We ensured significant support was available for our vulnerable young people.
- 2.3.7 Work to progress our key strategic priorities continued in many areas. This included:
 - Launching our Community Wealth Building Strategy. It is also embedded in the Recovery and Renewal Strategy, developed in response to the pandemic.
 - Responding to our extremely positive Best Value Assurance Report by Audit Scotland.

2.4. Areas of Focus for the Next Six Months

- Evolve our response to the Covid-19 pandemic to support our residents and businesses.
- Continue with preparations for the UK's withdrawal from the European Union.
- Embed Community Wealth Building in our own activities and encourage the approach within our partner organisations.
- Implement our Economic Recovery and Renewal Approach.
- Implement our Financial Recovery Plan.
- Engage with communities through our "Fair Say" sessions and finalise the 2021-22 budget.
- Finalise the Ayrshire Growth Deal (this was signed on 19 November 2020, outside the timescales of this report).
- Further develop Community Hubs, looking at new ways of working to support our residents.
- Prepare for the Scottish Parliamentary Election.

2.5. Performance Indicators

- 2.5.1. Appendix 2 details the Performance Indicators (34) from the Council Plan Performance Framework. A summary of indicators against traffic light status is outlined below. Of the 27 indicators that have data and a target, **80.8% are on target** and **3.8% are slightly adrift of target** and **15.4% are significantly adrift of target**. Where an indicator is annual, the 2019-20 annual status is used.

2020-21 Mid-Year Status Summary *	
Traffic Light	Indicators
 On target	21 (80.8%)
 Slightly adrift	1 (3.8%)
 Significantly adrift	4 (15.4%)
 Data Only	1
 Data not available	7

**Of the five indicators adrift of target, two have already been reported within the Council Plan Quarter Four Progress Report. Six indicators have no data available due to expected time lags and one due to a system issue.*

- 2.5.2. Details of performance indicators adrift of target can be found in the exceptions report in Appendix 3.
- 2.5.3. Due to the pandemic some figures are lower than in previous years. This is the result of some services being closed and/or employees being redeployed to other areas to establish and continue key operations. It was expected performance would reduce this year, however we have remained on target for many of our services. This is commendable and a reflection of the dedication of our teams, as even maintaining many of these areas would have been positive in the current circumstances.

2.6. Actions

- 2.6.1 No formal actions have been established for the first six months of this financial year. This is primarily due to the pandemic and the desire for our services to have enough capacity to concentrate on delivering frontline and core services. However, the ongoing response and business as usual activities support our existing priorities of “Aspiring Communities”, “Inspiring Place” and “a Council for the Future” as well as their outcomes.
- 2.6.2 We believe the “Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report” contains sufficient detail on our priorities, outcomes and activities to ensure effective scrutiny of our progress against the Council Plan 2019-24.

3. Proposals

- 3.1 Cabinet are requested to (a) approve the performance of the Council Plan as at 30 September 2020 (b) note our response to the Covid-19 pandemic so far; and (c) submit the report and appendices to Audit and Scrutiny Committee for consideration at the next available date.

4. Implications/Socio-economic Duty

Financial

4.1 None.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 The report outlines the Council's commitment to fulfilling its statutory duty in terms of Equalities and Socio-economic duties.

Environmental and Sustainability

4.5 The report highlights the Council's commitment to Environmental and Sustainability priorities as outlines in the Council Plan priorities.

Key Priorities

4.6 The report provides information on our performance progress against the key Council Plan priorities.

Community Wealth Building

4.7 None.

5. Consultation

5.1 The Executive Leadership Team discussed and approved "Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report" and appendices. The Cabinet at its meeting on 26 January 2021 also considered the report and its appendices and agreed that these should be submitted to the Audit and Scrutiny Committee for consideration.

Andrew A Fraser
Head of Democratic Services

For further information please contact **Barry Tudhope, Senior Manager (Corporate Policy, Performance and Elections)** on **01294 324113**.

Background Papers

Council Plan 2019-24



Supporting North Ayrshire Together

Our Response to the Coronavirus Pandemic and Progress Report

September 2020



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

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This section looks at our progress against the key priorities outlined in our Council Plan 2019-24. It is essential our response to the pandemic is the core priority for all our teams. We also need to maintain and progress key initiatives to support existing needs and ensure we are in a position to make a strong recovery as soon as possible.

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We would welcome your thoughts

You can contact us via:

Email: NorthAyrshirePerforms@north-ayrshire.gov.uk

Hashtag: [#NorthAyrshirePerforms](#) on social media

Call: **01294 324648**

Write to us at:

Performance Feedback
Corporate Policy, Performance and Elections Team North Ayrshire Council
1st Floor East
Cunninghame House
Friars Croft
Irvine
KA12 8EE

Welcome

At the beginning of this year none of us could ever have imagined that we would be within a global pandemic and would need to mobilise an immediate response to support our residents and businesses in North Ayrshire. Yet within the space of a few days and even in some cases a few hours, that is exactly what we did. However, none of this would have been achieved in isolation and we are immensely grateful for the help of our communities, volunteers, local businesses, the third sector, our Community Planning Partners and of course our own teams within North Ayrshire Council.

Relationships with our partners have not happened overnight, we are aware that the speed of our collective response was based on many years of collaboration and shared priorities. We would like to take this opportunity to thank everyone who has supported us, our residents and businesses.

Together we have **supported 5,700 shielding residents** during lockdown. We have received over **9,577 helpline calls**. We have procured and **distributed nearly 1.5 million items of personal protective equipment** - not only to our employees but to care homes and unpaid carers. We have provided **almost 1.26 million meals to families and vulnerable residents, 12,407 prescriptions and 66,753 emergency food deliveries**. We've provided **childcare to 690 families** to ensure that our key workers can continue to respond to this pandemic on the front line and **maintained education for our young people**. We have enabled **businesses to access over £24 million of grants** and **distributed £312,000 to newly self employed residents**. We were one of only a handful of local authorities in Scotland to maintain uninterrupted household waste collections, emptying **over 102,000 household waste bins each week**.

Many of our key response areas, such as Community Hubs, would usually have taken a significant amount of time to organise, yet this was established in a matter of days. This is evidence of our teams feeling empowered to make decisions. We minimised bureaucracy in favour of setting things up quickly based on the facts we had and ensured we came up with innovative solutions while not being afraid of failure. In the current situation doing something and learning as it develops is by far the best option.

We moved many of our services online while ensuring we maintained our Contact Centre remotely to ensure the most vulnerable or those without internet access could still access vital services. We launched our **Community Wealth Building Strategy** live online and made sure there were opportunities for our residents to get involved in discussions around it. At no time has this innovative approach been more important to building a wellbeing economy than now.

As a result of the changing demands on our services, this six-monthly progress report looks a little different. We are concentrating on what has been done in response to the pandemic as well as the impact it continues to have on our day to day priorities. Though Covid-19 is the central focus of all our teams just now, it is important that key areas still progress to ensure we can build back quickly and more strongly once this virus is over and ensure we deliver a North Ayrshire that is Fair For All.



Councillor Joe Cullinane
Leader of the Council



Craig Hatton
Chief Executive

Impact on North Ayrshire

This section explores how we have supported our residents, businesses and visitors. It also looks at the impact of the pandemic specifically on our Council operations.

Supporting Our Communities

Community Hubs

Through building on our existing strong relationships, by 24th March we had established a network of six Community Hubs across North Ayrshire, all of them formed as true equal partnerships. The Community Hubs proved a lifeline for many of our residents, providing essential services such as a prescription delivery service, hot meals, befriending and foodbank distribution for those unable to access food due to shielding, self-isolation or financial issues. For those not eligible for free food packages, the hubs provided essential groceries when no other help was available for our residents.



This immediate response was only possible thanks to the well-established relationships with our communities including over 600 current and new volunteers, the third and private sectors and the NHS. In the first week our Community Hubs received 1,789 calls. The Community Hubs are still providing support, as at 30th September the hubs had received 27,387 calls, made 66,753 deliveries of food and 12,407 prescription deliveries. All of this was achieved with the minimal number of our employees and volunteers working onsite on a rota basis due to social distancing regulations. Team members and vehicles were redeployed from other Council services to support our most vulnerable residents.

Many residents contacting the hubs were shielding or self-isolating. Due to this and the volume of calls that were being received, we established a data management system. The key aim of this was to enable front-line workers to be alerted prior to visiting someone who was self-isolating.

We supported the NHS with the provision of transport for patients attending Crosshouse Hospital for treatment, ensuring Covid-19 compliance. We provided transport for key workers and their children to Community and Childcare Hubs.

We provided help and advice on food access including hot food, health including mental health, statutory services, money, isolation, period poverty and offered daily welfare calls. Local bookshops provided almost 10,000 books for those shielding and these were also distributed through the hubs.

Childcare Hubs at a Glance

Opened
Immediately
on 23rd March

16 childcare
Hubs

Up to 196 young
people supported
per day

Over 13,400
school meals
provided in hubs

690 families
supported

Open every weekday until
schools returned on 12th August

Food Hubs

We quickly established food packing and distribution hubs for community food and free school meal packages, from where we distributed the equivalent of almost 1.26 million meals to families as well as the wider community in need of food support. Children of key workers and vulnerable children in our Childcare Hubs across North Ayrshire were provided with over 13,400 nutritious meals as well as snacks.

"Thank you so much for this lifeline and the quick efficient nature that it has been carried out. The weekly pack of food means so much and is making a huge difference for my family in the Three Towns.

The pack is varied and nutritious with no attention or shame being linked to it by your delivery driver or the telephone handler. It meant accessing this service was easy and non-prejudice.

Thank you so much for arranging this so quickly - without this support my family would have really went without. Thank you."

We increased our partnership working with North Ayrshire Foodbank, collaboratively working to develop a process including logistical arrangements to plan and respond to the needs of local vulnerable residents in a food crisis situation.

Childcare Hubs

We opened Childcare Hubs for the children of key workers on 23rd March, initially within our nine secondary schools before moving to six dedicated locations, one in each locality. The Childcare Hubs were operated by volunteers from across the service such as our Education and Library Services. More than 600 teaching and support employees volunteered to support the hubs during term time which enabled key frontline workers to remain at work. The Childcare Hubs continued during the school holidays as Summer Hubs. Our children and young people have spoken positively about their experiences of the Childcare Hubs.

Education

Following the national decision to close all schools from 20th March, classrooms were replaced with living rooms as teachers provided online home learning support to pupils, parents and carers. We provided over 1,000 computers and internet routers to families to support those without internet access or devices. In addition learners unable to access digital platforms were issued with paper-based learning packs.

Impact on North Ayrshire

We established online resources and virtual classrooms through Glow, the Show My Homework App and Microsoft Teams with the ability to complete and submit work and ask for advice.

Throughout the unprecedented disruption to the learning of our young people, their parents and carers were reminded not to put too much pressure on themselves or their children, as supporting everyone's wellbeing remains extremely important. This was supported through regular and sometimes daily contact between our young people and our education and leadership teams.

While schools were closed, our learners eligible for the Education Maintenance Allowance continued to be paid as normal.

The new school term began a week earlier than normal in line with national guidance on 12th August. Prior to this considerable work had been carried out to ensure the safety and wellbeing of all our learners and school employees. Measures ensuring enhanced personal hygiene and rigorous cleaning regimes are in operation across all establishments. We ensured all catering in schools was cashless at the start of the new term and additional teaching staff were recruited through a Scottish Government education grant.

Our Young People

We worked alongside the Health and Social Care Partnership (HSCP) to support and protect our vulnerable children and young people.

Our North Ayrshire Child and Public Protection Committee asked our communities to assist in protecting our vulnerable people by publicising details on how to report concerns about children and adults. On 27th July we launched our "Here to Help" campaign in partnership with the three Ayrshire Councils, NHS Ayrshire and Arran and Police Scotland to further publicise the support available to anyone dealing with harm or abuse.

Food Poverty

While schools were closed during term time and the holiday period, food poverty for our young people became an even greater concern. Building on our experience gained through our Holiday Hunger school meals service (Wrap Run and Fun), we ensured all pupils eligible for free school meals or clothing grants would be provided for. However, in considering this we realised that where a young person was eligible, it was very likely the family would be struggling in the current circumstances. As a result, food parcels were based on family need rather than the young person alone.

We received 4,800 eligible household registrations of which 2,300 were eligible for free school meals and 2,500 for community food packages. This meant pooling our resources to meet demand. We redeployed 151 employees and 52 vehicles from other services. Due to practicalities of distribution, £30 food vouchers for local shops were provided within Arran and the Isles of Cumbrae. Mainland distribution hubs were set up at school bases in each locality.

Approximately 80% of items within the parcels included fresh local or Scottish produce. Environmental Health were on hand to ensure food safety guidelines were followed.

Schools also registered for the Eat Out to Help Out Initiative which allowed pupils to benefit from half price meals when they returned to school in August.



We recognise that for some, home is not always as safe as it should be. Our North Ayrshire Child Protection Committee published guidance for our young people who felt unsafe at home. School counsellors were also available to provide support.

We worked with Children's Hearings Scotland and the Scottish Children's Reporter Administration to support volunteers within the Children's Hearing system by implementing virtual hearings and the reintroduction of some face-to-face hearings.

During lockdown we visited 5,969 children. This includes 991 visits made to families identified as particularly vulnerable. Over 5,000 telephone calls were made to support families within the same period of time. Many of our HSCP employees were redeployed into critical areas such as: hospital wards, Child Protection teams, Children's Houses and the Summer Hubs (Childcare Hubs). Their flexibility and willingness to do so enabled vital support to be provided at the right time to children and families who required it.

The facilitation of face-to-face family time for Looked After and Accommodated Children and their parents has been a critical area of practice, ensuring their needs are met and the impact of separation from their family lessened. Colleagues from across the service have been engaged to ensure this face-to-face family time is promoted positively. There has been incredible creativity shown such as providing arts and crafts activities for young people and families to enjoy within these supervised visits.

A number of initiatives and interventions were taken forward to limit the impact of inequality and poverty. This ranged from establishing the Get Connected Fund for a number of children and families to enhance participation in learning, through to providing ongoing connections with those offering them essential support. We assisted a further 82 care experienced young people to get connected.

For some of our more vulnerable families we assisted online applications for food provision and electricity cards. We supported access to IT through providing mobile phones, SIM cards, tablets and Wi-Fi dongles.

Applications to the Cash For Kids Emergency Grant Fund provided £10,500 for our most vulnerable families to provide them with essential items during the lockdown period. Individual applications were made on behalf of families resulting in funding for items such as trailers for bicycles which enabled parents to get out for daily exercise with their young child and thus promoted positive mental health.

Donations of toys, games and bicycles to our HSCP were distributed to families, providing them with mobility and outdoor opportunities to enhance their health and wellbeing. Donations of children's clothing were also collected and distributed to families.

Social restrictions and isolation were particularly difficult for our young people. Youth Services moved their activities online. #DigiDrEAM was launched and included Monday Minds, DigiQuiz Wednesday, Fakeaway Friday and Tuesday Tik Tok Challenge. There were new challenges every day which featured a whole range of activities from different services including KA Leisure, Active Schools and our North Ayrshire Ranger Service.

Each day at 11am a programme of events was announced on North Ayrshire Youth Services Facebook page.

Our Family Learning Team provided learning packs for our children which were delivered to their homes. Our Information and Culture team provided our children with a variety of online events including; storytelling, Titanic virtual tour and the MacDougall's music and theatre company.

With most social interaction now taking place online, we published advice on how to stay safe online.

Impact on North Ayrshire

Financial Support

As a result of some of our residents facing financial hardship due to the pandemic, we suspended Council House evictions, except those relating to anti social behaviour, in line with Scottish Government directions. Private tenants with three months of arrears would not face eviction and arrears were extended to six months. Flexibility in Council Tax payments were introduced. All recovery of debt from benefits was suspended.

Our Welfare Reform Advice Team were available via telephone or email for advice and support for residents. Work for Families in partnership with Lennox Partnership was available for families who needed help with debt, childcare, housing or returning to work.

Our Money Matters Team were available online or by phone to provide free, confidential, advice, information and support to residents.

Working from home, our Debt Recovery Team successfully implemented a system which enabled them to continue to offer support to any of our residents experiencing difficulties with the payment of Council Tax or other monies owed to us.

We issued guidance on how to report phishing emails, doorstep callers, phone calls and bogus visitors to protect our residents against fraud.

Trading Standards promoted their “call-blocker” initiative to prevent fraudulent calls.

“I just wanted to thank you very much following on from the installation of the Telephone Blocking System at my mum’s. That’s her had it a week now and what a difference it has made to her already. My sincere thanks to you and your team for the provision of this system.”

We worked with the third sector and our Community Planning Partners (CPP) to secure £1.22m of funding to support local charities, community and voluntary organisations.

Social Interaction

As Community Centres had to close we launched Virtual Community Centres to ensure our communities maintained those crucial social networks and could continue to support each other. As well as tackling social isolation, they provided online information and local community activity updates on a wide range of local services. After lockdown restrictions started to ease, the Virtual Community Centre continued.

With no access to our buildings to use technology or free Wi-Fi, 180 digital devices were made available to eligible adults to allow them to order essentials and keep in touch.



- Child Winter Heating Assistance
- Scottish Child Payment Scheme
- Best Start Grant for new parents
- Best Start Food Scheme
- Best Start School Age Payment
- Free school meals and clothing grants
- Support for young carers
- Kick Start Scheme
- Job Retention Scheme
- Mental health support
- Energy savings advice with Citrus Energy
- Mortgage holidays
- Funeral Support Payment
- Free online financial workshops including maximising income from entitled benefits
- Recovery of unpaid benefits
- PIP appeals
- Reimbursement of arrears
- Pension Credit
- TV Licence Fee changes
- Hardship support
- Migrant rights

Supporting Our Businesses

We immediately published support for our businesses during the first week of lockdown. This included financial advice and support, online business continuity support (including changing production), supply chain mapping and publicising soon to be available business rates relief.

We administered the following national business grants:

- **Phase 1 - Small Business and Retail Hospitality and Leisure Grants:** £10k and £25k grants were available to NDR ratepayers.
- **Phase 2 - Multiple Property Small Business and Multiple Property Retail, Hospitality and Leisure Grants:** £7.5k and £18.75k grants were available.
- **Phase 3 - Tenants who are not the named ratepayer on NDR Bill:** £10k grants were available to non NDR ratepaying tenants.

In total we received 2,484 applications and distributed £24,160,000 of grants to 2,237 businesses across North Ayrshire.

The Newly Self-Employed Hardship Fund was launched on Thursday 30th April and enabled newly self-employed residents to claim a taxable grant of 80% of their trading profits

up to a maximum of £2,500. As a result, 147 residents received grants totalling £294,000.

Bed and Breakfasts not previously eligible for other support were able to apply for business grants from Monday 15th June. Six businesses received £3,000 each.

In total we distributed £312,000 of hardship funds to self-employed residents.

In the first week of April, we launched our Business Gateway webinars hosted by our Business Development team. Spread over several weeks, subjects included short term funding and planning, crisis public relations management and remote working. Businesses completing two funding modules were also given access to an online business planning tool, providing a further four modules and ability to download a full financial forecast and business plan template. This support was in addition to the national Business Gateway support provided.

A business support helpline was launched as a joint initiative between North, South and East Ayrshire Councils on 17th June to help local businesses navigate the extensive support and funding opportunities available to them. Callers were automatically routed to advisers in their area. Our Business Development team remained fully contactable for advice and signposting to other services.

£24,160,000 of business grants distributed

One year business rates holidays

£312,000 of newly self employed hardship grants distributed

School Transport contracts paid despite school closures (75% value during closures)

Our supplier invoices paid immediately (changed from 30 days)

Approx 80% of food parcel contents sourced from local or Scottish suppliers

Impact on North Ayrshire

We immediately published support for our The Coronavirus (Scotland) Act 2020 adapted licensing protocols to support businesses. This included accepting scanned documents such as driving licences rather than originals and accepting phone payments only. Decisions by the Licensing Committee were suspended though decisions delegated to officers continued.

Licences including liquor and temporary licences for some taxis were extended as renewing a licence is quicker than reapplying for an expired licence, which would have prevented some residents working. We extended the refresher training deadline for Alcohol Personal Licences by 15 months. Relaxations were introduced to support taxi operators.

Our Environmental Health team worked closely with a variety of businesses including takeaways, supermarkets and local stores to ensure food was being handled, stored and produced hygienically and in compliance with legal requirements. In the midst of a global crisis the team wanted to assure residents that the food supply chain in North Ayrshire is well-regulated and safe. Our Trading Standards team offered support to food retailers to ensure they were compliant with regulations

prior to the return of customers. Both teams worked closely with Police Scotland to ensure regulations were complied with.

At the end of March, our Planning Team immediately supported the Scottish Government Chief Planner in relaxing enforcement of public houses and restaurants to enable temporary provision of takeaway services even if their licence did not cover it.

We continued to make decisions on applications. Timescales were longer than usual due to the circumstances. Photographs could be submitted with applications in place of site inspections. Major applications were suspended. Updated guidance was regularly provided on our website.

School transport operators were supported during the school closures, with all contracted providers paid 100% of the contract until 31st March 2020, followed by 75% from 1st April to 30th June 2020 (end of the school term). From April this equated to £753,808, ensuring that employees continued to be paid and businesses remained solvent until the schools reopened in August.

We helped suppliers manage their cash-flow by reducing our payment terms from 30 days to immediate, so payment was cleared as soon as possible.

In May, we urged our residents and businesses to "Keep It Local" in line with our Community Wealth Building Strategy and purchase goods and services from local companies in order to support them and their employees, many of whom are local residents. This included encouraging businesses to review their supply chains to harness local skills and produce.

North Ayrshire Council @North_Ayrshire · 11 Jun

Our Trading Standards Team have been receiving enquiries about what businesses can open during this Phase. Take a look at their quick guide below. If you have any questions you can contact them at tradingstandards@north-ayrshire.gov.uk 🙌

The following retail businesses can be open as long as they have appropriate social distancing and hygiene measures in place for the safety of their customers and staff:

- Takeaway food
- Supermarkets, food shops, newsagents & off licences
- Medical Services and pharmacies
- Bicycle shops
- Homeware & hardware
- Vets & pet shops
- Agricultural shops
- Laundrettes & dry cleaners
- Post offices
- Car rentals
- Car garages and MOT centres
- Banks
- Garden centres

Tradespeople can work in people's homes if they are doing essential repairs and maintenance and follow social distancing and hygiene measures.

This isn't an exhaustive list, if you're unsure please contact us: tradingstandards@north-ayrshire.gov.uk

Supporting Tourism



At the beginning of lockdown we became increasingly concerned about the large numbers of residents and visitors gathering at parks, seafronts and other locations across North Ayrshire. As a result, from 23rd March we agreed to close all playparks, Largs Seafront Car Park, all public toilets in our ownership and closely monitored the usage of Eglinton Country Park and Irvine Beach Park.

From 3rd April we took the decision to close car parks at our most popular tourist locations to discourage non-essential travel. The facilities themselves remained open for our residents to walk around while practising safe social distancing measures. However, as soon as it was safe to do so they were reopened in stages from 18th June with all reopened by 3rd July to coincide with the five mile journey restrictions being eased.

Our Island communities are particularly exposed to the impact of Covid-19 on the tourism and hospitality sector. In July we approached the Scottish Government with four asks: that methods of increasing ferry capacity

were explored, journeys were prioritised based on economic and social recovery for the islands, for financial interventions to support the tourism sector and requested the creation of a bespoke Island Fund.

To coincide with this, we commissioned research by the Fraser of Allander Institute (FAI) at the University of Strathclyde into the disproportionate economic impact of Covid-19 on the island economy. 'The Impact of Covid-19 on the Arran Economy' report published in September, showed that Arran has a unique mix of industries relying on social spending and is particularly exposed to the long-term impact of Covid-19. In cash terms the Gross Value Added (GVA) of the island is estimated to have decreased by £9.3m in the first half of this year compared to 2019 and a large number of businesses remain reliant on government support despite eased lockdown measures at the time the report was written.

We worked with Crown Estate Scotland to identify opportunities for regeneration and investment in our area.

Impact on North Ayrshire

Both organisations share a vision to unlock the potential of North Ayrshire's unique marine and coastal resources, helping to stimulate the social, economic and environmental regeneration of coastal and other communities.

Many events due to be held in North Ayrshire were cancelled including the Making Waves festival which was launched days prior to lock down. However, as restrictions eased, we continued to support marine tourism including working with the local community and partners in September to re-lay the 54 free visitor moorings at Arran and Cumbrae to provide responsible opportunities for tourism for the remainder of the sailing season. In addition we supported the #RespectTheDestination campaign launched by our partners Sail

Scotland, the Royal Yachting Association Scotland, British Marine Tourism and Wild Scotland.

In September we invited tourism and hospitality businesses to share their thoughts and experiences of Covid-19. We worked with East and South Ayrshire Councils and VisitScotland to conduct a research programme to understand the impact of the pandemic on individual businesses, what extra support the public sector could provide, actions taken and an approach to the recovery of the sector and Ayrshire as a responsible tourism destination. The impact on the sector was discussed at the Ayrshire Regional Partnership meeting that month.



Our Council Operations

Democracy and Leadership

Within days of the pandemic the Emergency Management Team, chaired by the Chief Executive, was established. Our Council and Committee meetings were suspended. Emergency Governance power arrangements allowed our Chief Executive, in consultation with Political Group Leaders and a representative from our Independent Elected Members, the ability to consider and deal with urgent matters.

Emergency Governance arrangements during the pandemic were logged and decisions taken by the Chief Executive reported to Cabinet. We quickly resumed committee meetings by remote means, ensuring the readiness of Elected Members' devices and providing them with extensive support. This included establishing protocols and software solutions for remote meetings and making arrangements for future hybrid meetings.

Elected Members have been incredibly supportive with many volunteering within our frontline activities such as delivering food parcels to our most vulnerable residents. In response to the pandemic and our focus on Community Wealth Building new Cabinet roles were created for: Green New Deal and Sustainability; Community Wealth Building; Education; Participatory Democracy; Post Covid Renewal; and Health and Social Care Partnership. These will support open decision making that includes wider participation by residents through building on our successful Community Investment Fund and mainstreaming participatory budgeting approach.

Our Legal Services have provided our leadership team with updates on coronavirus legislation, regulations and

guidance, assisting our colleagues with the delivery of services in a compliant manner in difficult circumstances. This also included negotiation on behalf of the three Ayrshires to secure a storage facility at Prestwick Airport.

Informed decision making is key to ensuring effective action and to monitor impact. It is especially challenging during a fast-moving situation such as the current pandemic. Our Corporate Policy, Performance and Elections Team worked in partnership with our Data Team and across all services including the Health and Social Care Partnership to ensure our Emergency Management Team, the Scottish Government, CoSLA and statutory stakeholders had full oversight of the demand for and impact on our services.

Our Workforce

Our investment in our digital agenda, the implementation of Microsoft Office 365 and the promotion of flexible working for many of our teams has proven invaluable during lockdown. It has allowed the majority of our employees to work from home, connect with each other via Microsoft Teams and continue to provide services to our communities and businesses.

We set up methods for all office-based employees now working from home to have access to the materials they needed to work safely including ICT equipment.



Impact on North Ayrshire

We moved from providing remote access to just over 100 users per day to over 1,200. This included employees who had never worked from home before.

The ICT Team introduced virtual handovers enabling our colleagues to collect their new devices safely. Remote connectivity was used to complete the virtual handovers as well as any other support required.

This is a major cultural transformation which would have seemed impossible at the start of the year but only took days to implement. This enabled our core support services to continue, including but not limited to; Human Resources, Payroll, Finance, Procurement, Legal Services, Health and Safety and Communications. All of which are essential to our day to day operations and mobilisation of critical front-line support.

We created and implemented an alternative approach to meetings and developed guidance on a variety of topics including working from home and shielding. We initiated surveys to inform current and future working patterns and environments. The wellbeing of all our teams remains paramount and we ensured employees had access to information, guidance and support which was regularly updated and promoted.

To ensure minimum disruption during the pandemic, we introduced online recruitment interviews. A webinar, video and guide were developed for recruiting managers to ensure the integrity of existing recruitment requirements.

Our Treasury Management service seamlessly managed the Council's cash flow requirements throughout the pandemic to ensure that funds were available to support services at all times. We responded to several legislative changes to the Freedom of Information (FOI) process from the Office of the Scottish Information Commissioner, adapting to changes and keeping managers updated.

Education

Our senior learners were unable to take their Scottish Qualification Authority Exams. Schools were issued with guidelines on how grades would be calculated based on classwork. Schools submitted these on 28th May and results were issued to pupils on 4th August.

Our plans to increase our Early Years provision to 1,140 hours from August 2020 were put on hold and remained at 600 hours. We are currently looking to review and introduce the 1,140 hours entitlement as soon as the situation permits.

We developed a Local Phasing Delivery Plan and established an Education Recovery Board. Pre-populated education establishment Covid-19 risk assessment templates were created, taking into account:

- Mental health and wellbeing resources provided for headquarters teams working from home.
- Guidance for blended learning contingency plans, online digital learning and the recovery curriculum.
- Established forums for Headteachers to discuss school recovery.

Health and Social Care

Care at Home Service capacity was increased to support individuals getting home from hospital without delay and we completed a risk rating for each case ensuring the most vulnerable service users continued to receive home visits and face-to-face contact through lockdown.



Psychological Therapies continued via telephone and NearMe video call consultations.

As part of the Scottish Government's response to the Covid-19 pandemic the Health and Social Care Partnership were set a target of having no delayed discharges from all acute hospital settings and we have achieved significant reductions in delays.

Our Addiction Services Team continued to support residents relying on prescribed treatment for substance dependence with their mental and physical health and helped with access to medication and care.

Our Sensory Impairment Team provided a video and contact details to publicise that we were still available to assist residents and carers of those who are deaf, blind, hearing or vision impaired, or deaf blind.

On Arran our previously employed healthcare and social care workers were asked to come forward and provide their details for a bank/relief register as part of the pandemic preparations.

We continued with child immunisations and our Universal Early Years service to support children and families through the pandemic.

Health Protection Guidance and NHS Ayrshire and Arran's Infection Control Guidance is adhered to by all staff attending home visits.

Keeping Everyone Informed

The fast-moving nature of the pandemic and its impact means high quality immediate communication with our residents, businesses and employees continues to be essential. Our website was constantly updated with the most recent information. As well as utilising local media, our social media channels saw substantial growth during this period in terms of followers and engagements, reaching as many of our residents as quickly as possible.

Our Council Leader and Chief Executive hosted a live Question and Answer Session on Facebook to deal with questions and concerns from local residents regarding Covid-19, the session was viewed by over 13,000 people.

Our Twitter followers increased to 22,753 and we issued 340 Tweets which were seen over 1.9 million times. We gained over 2,800 new Facebook page likes, bringing our total likes to 7,362. We issued 311 posts which were seen over 3.3 million times.

COVID-19 Q&A on LIVE

7PM, Wednesday 8 April

Tune in on the North Ayrshire Council Facebook page to ask our Chief Executive and Council Leader your questions about what we are doing during the COVID-19 pandemic and what it means for you.

Craig Hatton
Chief Executive

Joe Cullinane
Council Leader



Impact on North Ayrshire

We developed Community Planning Partnership communication channels as a reliable and accessible source of information about support and services in relation to Covid-19. During lockdown over 140 locality updates were provided, community books were developed, and six Locality Partnership Facebook pages were refreshed with posts reaching 8,600 people. Launch of the Community Planning Twitter account received 24,000 impressions in the first month.

During the pandemic, our internal communications reached a record number of employees. The average number of monthly visits to our internal news site during this period was 20,399 compared to 7,065 average monthly visits for the same time period in 2019.

We established a Covid-19 section on our website so all information relating to specific temporary changes in services could be found in one place.

Our frontline Customer Service Centres and Local Offices closed to the public. Our Contact Centre team were able to work from home and maintain our central telephone contact number. A large proportion of our services moved online and due to high volumes of calls we prioritised our most vulnerable residents and encouraged others to use our website where possible report missed bins, fly tipping, lighting and roads faults as well as make Council Tax payments, view Council Tax and Rent accounts and request extracts from our Registration Services.

Our Registration Services remained open by appointment only for death registrations and our residents could still phone and use our online service. Restrictions continue to be in place for funerals, with some of our providers offering online streaming of the funeral ceremony.

We recommenced accepting and processing paperwork for marriages and civil partnerships from 22nd June. Ceremonies continue to have restrictions in place relating to the number of people able to attend.

Following its temporary closure, a phased birth registration service began from 29th June.

"I would like to thank Largs housing department for their phone calls checking up on our welfare during these strange times. Fortunately, we have not needed any help so far but their gesture is much appreciated."

We redeployed eight Housing employees to make welfare calls to our most vulnerable residents. We made 50,000 calls including 13,221 to those in our 26 sheltered housing units.

In response to the national shortage of Personal Protective Equipment (PPE), our Procurement team took the lead on setting up a new process to ensure we had the required PPE to protect employees. We worked with service representatives to agree a rationalised product list. A PPE store was established within Building Services and the Procurement team worked with suppliers to secure available PPE at the best price.

1,484,976
items of PPE provided to
care homes, unpaid carers,
care providers and personal
assistants

Our schools donated science goggles and 3D printers to produce face visors to the NHS. Local businesses and residents donated hand sanitiser and face visors, funds to buy PPE for frontline services and infrared thermometers for care homes and Community Hubs.

Our residents who were looking for employment could no longer access our Employability Services in person at our five Employability Hubs. Residents were advised to contact us or CEIS Ayrshire, who specialise in supporting social enterprises, by phone or email for assistance. Job seekers who needed access to digital devices were provided with support to complete online applications. Our Employability Team approached local businesses about the national Kickstart programme which provides funding for employers to create job placements for 16-24 year olds.



Though our buildings were closed, we maintained a library service through a combination of online access to our digital library service offering ebooks, magazines, audio books and music, with the new addition of Bookbug sessions and author talks. We maintained our home delivery service for vulnerable residents through the Community Hubs. Some of our library buildings were repurposed as Community Hubs.



Impact on North Ayrshire

The Harbour Arts Centre's (HAC) online programme continued while the building was closed. They provided their first virtual online art exhibition and looked for households across North Ayrshire to take part in free online drama sessions. The Heritage Centre in Saltcoats embraced Facebook and Twitter to showcase the Titanic exhibition and fascinating local history.

KA Leisure facilities were closed with subscriptions and fees suspended, however some free exercise classes moved online for everyone to use. An online booking system was introduced as services reopened, with most indoor leisure facilities, including swimming pools and gyms available by early September.

"Can I just compliment all the employees at Bartonholm Recycle Centre for their help and assistance. My husband is visually impaired and each time we visit the place, these guys cannot be any more helpful. Well done NAC for employing them."

We prioritised our household waste collection service, and are proud to be one of the few local authorities to continue all those services uninterrupted throughout lockdown, despite significant resource challenges and increased amounts of waste. We increased patrols to deter and reduce incidences of fly-tipping and were one of the first councils to resume our special uplift service, with additional capacity. This eased pressure on households who were unable to access Household Waste Recycling Centres due to the nationwide closure. We successfully re-opened our sites from 1 June onwards, overseeing exceptionally high levels of demand, with extensive traffic management and safety measures in place to protect visitors and our employees.

Our Roads Service continued to attend to dangerous and urgent road defects throughout lockdown. As a result of several flooding incidents in July and August, we worked in partnership with the emergency services and Scottish Water to respond quickly and effectively.

Our Housing Repairs Service was temporarily paused with only emergency repairs provided during the lockdown period. Non-emergency housing repairs restarted on 6th July. Our Homeless and Community Safety Service continued throughout to ensure our homeless residents and those requiring temporary accommodation continued to be safely housed.

In line with most other councils, our grass cutting services focused only on essential areas during lockdown, including junction sightlines and cemeteries. This allowed us to redeploy colleagues from this work to other essential services such as waste collection and food deliveries for vulnerable residents. Following lockdown, teams worked tirelessly over a period of eight weeks to clear the backlog of grounds maintenance work.



Our play parks, tourist car parks and public toilets were closed to discourage visitors to the area. Eglinton Country Park and Irvine Beach Park remained open to allow residents to have socially distanced exercise. The use of the two parks was continually monitored.

Our car parks reopened in phases from 19th June with reminders to our residents to adhere to national guidance. Our play parks reopened on 29th June and our public toilets opened on a phased basis from 11th July. The Tournament Café and toilets at Eglinton Park reopened on 24th July.

We received £100,000 from Sustrans to support the reopening of outdoor recreational spaces and assist residents to exercise in a socially distanced way.

We worked with contractors and the construction supply chain to ensure construction work on our school build and house build projects was appropriately wound down and secured prior to lockdown and that the re-start was achieved in a safe and efficient manner as possible, in line with Government and industry guidelines. Our house build projects resumed in June.

Our Digital Evolution

Due to our investment in rolling out Office 365 during recent years, the majority of our office based workforce could immediately work from home with access to almost all of our systems. This ensured we could help and support our residents and businesses quickly and effectively during the pandemic.

In addition, we maintained our telephone Contact Centre to ensure our most vulnerable residents or those without internet access could still access services and support.

A summary of our digital activities is below:

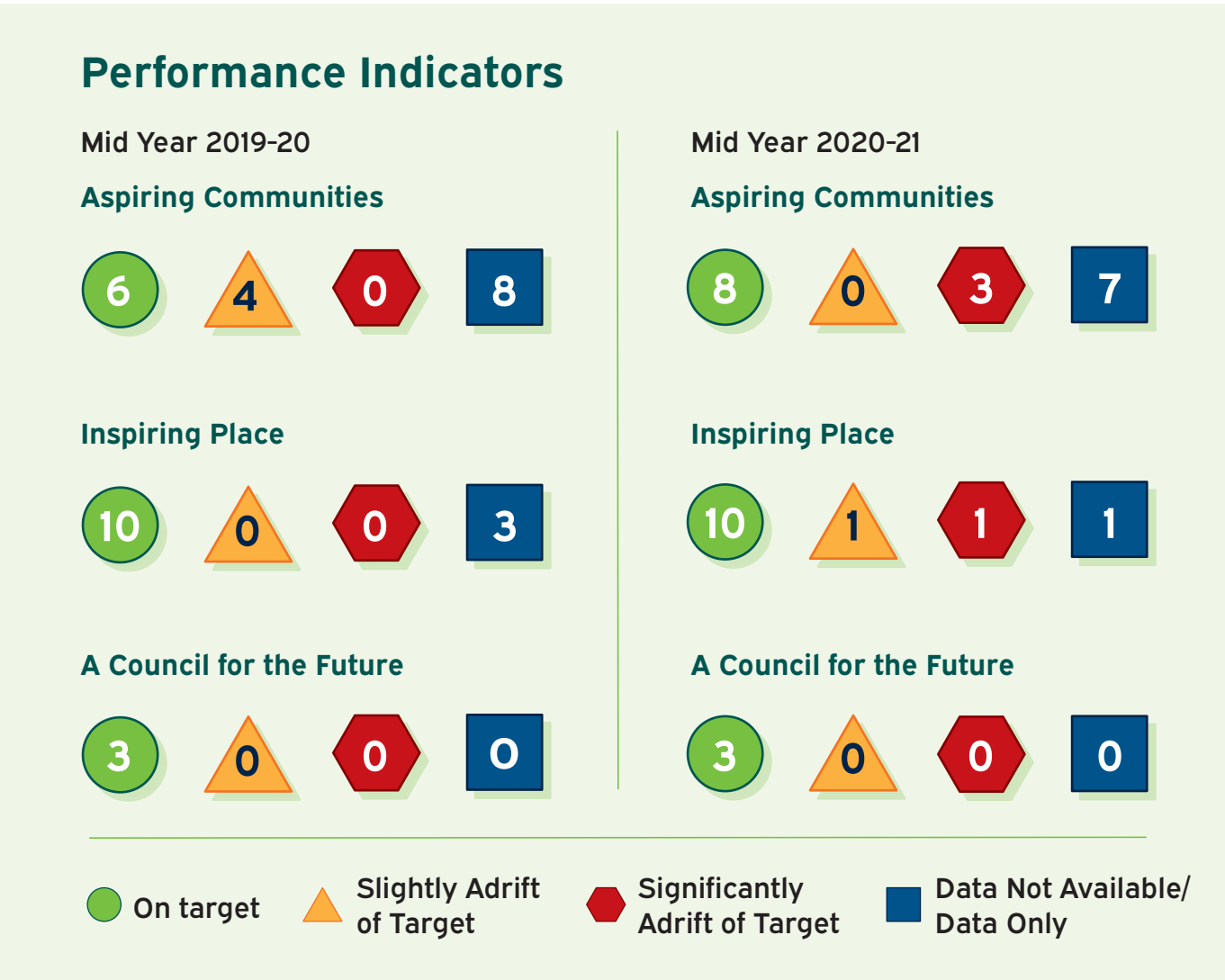
- Online launch of Community Wealth Building Strategy
- Virtual Community Centres on Facebook, one for each locality
- Daily updates to the online Community Books
- Adult learning online – English to Speakers for Other Languages (ESOL)
- #DigiDrEAM – a popular online platform by Youth Services – Drop Everything and Move (online!) The Wednesday night quiz was especially popular

- Active Schools online – via Facebook and Twitter – a range of activities for physical and mental health, including TikTok competitions
- KA Leisure offered online activities and motivational programmes
- More than 1,000 iPads and other devices provided for digitally excluded families, those shielding and care-experienced young people, through Connecting Scotland and third sector partners.
- E-Sgoil and other learning platforms to support remote learning
- Online applications for business grants and hardship funds
- Online recruitment and interviews with guidance for candidates and recruiting managers
- Online registration for weekly food packs including delivery day information
- Licensing accepted scanned documents
- Free waste special uplift online registration
- Closely managed social media presence
- Our website was updated regularly and publicised as support where possible for enquiries, reporting issues or faults and online payments.

Delivery of Our Council Plan

It is essential our response to the pandemic is the core priority for all our teams. We also need to maintain and progress key initiatives to support existing needs and ensure we are in

a position to make a strong recovery as soon as possible. This section looks at our progress against the key priorities outlined in our Council Plan.



The graphic above shows how our performance indicators compare with the same period last year. Due to the pandemic some figures are lower than in previous years. This is the result of some of our frontline facilities being closed and/or employees being redeployed to other areas to establish and continue key operations.

Of the five adrift indicators, two have been previously scrutinised through Quarter Four reporting and a third relates to 2019-20 with data only recently being made available. Of the

two that relate to the first half of this year, both have been directly impacted by the pandemic.

It was expected that performance would reduce this year, however we have remained on target for many of our services. This is commendable and a reflection on the dedication of our teams, as even maintaining many of these areas would have been positive in the current circumstances.

Full details of performance indicators are listed at the end of this report.

Aspiring Communities

North Ayrshire has active and strong communities

Our 'Substance of Our Communities' participatory budgeting event was postponed to June and moved online to allow our communities to take part. Residents were empowered to decide which of the projects, aimed at preventing drug related deaths should be awarded funding. Community projects were able to bid for grants of between £8k and £10k. Six projects were successful.

North Ayrshire's children and young people have the best start in life

Our Children's Services Planning includes our Children's Rights Report and our Child Poverty Action Plan, all of which have been redeveloped for the next three years.

We published our Children's Services Plan 2020-23, outlining our aims and priorities to safeguard, support and promote the well-being of children and to make North Ayrshire the best place in Scotland to grow up

Our Children's Rights Report 2020-23 was finalised which emphasises our commitment to promote and protect children and young people's rights in line with the UN Convention on the Rights of the Child (UNCRC).

Our Child Poverty Action Plan 2020-23 for North Ayrshire was launched, taking account of the initial analysis of the economic impact of the Covid-19 pandemic. Key priorities include the establishment of a cross party working group to develop a co-ordinated approach to reduce the cost of the school day, develop early preventative action, support mental and physical health and develop a North Ayrshire Food System.

North Ayrshire's residents and communities are safe

In order to meet our statutory duty to provide temporary accommodation for our homeless people, we very quickly created additional temporary furnished flats dispersed across North Ayrshire as a result of the closure of Victoria House hostel. This ensured continuity of service and support provision to homeless residents, a particularly vulnerable client group, during a difficult period.

Environmental Health, Trading Standards and Building Standards continued to work with multiple stakeholders to ensure public health and safety. The service also contributed at a national level through significant involvement with Local Authority Building Standards Scotland (LABSS) and both Societies of Chief Officers for Environmental Health and Trading Standards.

Two very positive audits on Protective Services were completed. An internal audit looked at the financial management of the building warrant and planning application process where it was found that 'substantial assurance' was given to the auditors. The second, conducted by the Scottish Government's Building Standards Division stated they were encouraged to see our proactive approach to ensuring our verification service sustained its position as a strong performer.



Delivery of Our Council Plan

North Ayrshire has an inclusive, growing and enterprising economy



Our Community Wealth Building (CWB) Strategy, the first in Scotland, was formally launched with a Facebook event in May 2020, attracting 276 live viewers and over 10,400 video views. It sets out how we will work in partnership with local communities, businesses and wider regional anchor institutions to create a fairer local economy that tackles poverty and inequality. It will embed a new economic model focused on wellbeing and inclusion.

Key Community Wealth Building highlights in the first six months of this year include:

- Formation of an Expert Advisory Panel.
- We became first Scottish Council to become a member of the Wellbeing Economy Alliance.
- A CWB Coordinator started in July with eight related roles starting in September and October.
- Proud to Keep It Local campaign launched to encourage communities to shop local and support local businesses.
- Currently co-producing CWB plans and activities with communities through workshops and developing an Anchor Charter agreement to embed CWB across anchor institutions.

In September our **Economic Recovery and Renewal Approach** was approved by

Cabinet. Our CWB Strategy is central to this new approach. It sits within a suite of key strategies within our Council Plan. It focusses on our priorities of CWB and climate change as well as within these the need to create an inclusive local and regional wellbeing economy.

The transformational **Ayrshire Growth Deal** is continuing to progress, with £251m of business cases developed and strong relationships built to help deliver the ambitious projects. The approach will include the roll out of a new £660,000 Community Wealth Building Business Fund to provide assistance to local business including supporting the development of co-operatives, employee ownership and social enterprises. It will help establish local supply chains, fair employment, digital adoption and the transition to a green economy.

The overall Ayrshire Growth Deal investment in capital projects provides significant leverage in terms of attracting further investment, skills and additional capacity to deliver CWB and Green New Deal objectives. This will be achieved through targeting strategic placemaking and key sectors which will particularly support the economic renewal process, as referenced in our Economic Recovery and Renewal Approach. In addition we are participating in the Covid-19 recovery workstreams through the Ayrshire Economic Partnership. These workstreams are exploring a strategic pan-Ayrshire overview of recovery and renewal processes and will further support partner activity and attract additional resources.

Our Business Development team have developed a locality-based approach and proactive operating model which focuses on the delivery of CWB objectives. CWB staff are now in place and up skilling of advisers is ongoing. We are developing specific mechanisms of support for Green technologies and Digital offers. Our new approach will be rolled out in November.



In the first six months of this year, our supported employment service for residents with a disability 'Equal' has supported 13 residents into employment. This support has been vital during lockdown, with the team developing new ways of engaging with and supporting clients.

We have continued to deliver our Modern Apprenticeship programme this year, receiving 200 applications. We adapted the programme to ensure that it is flexible, providing additional places to services who can still provide support the programme despite pandemic restrictions. As a result we:

- Aim to create the planned 50 apprentice opportunities by the end of this year, with 23 started in September and a further 17 scheduled for October.
- Continue to support disadvantaged groups, with two care experienced and seven young people with disabilities securing apprenticeships.
- We successfully recruited ten, four-year craft apprentices this year, as well as retaining all of our qualifying apprentices in full-time employment. This provides our young people in North Ayrshire with employment and helps to secure the longer-term sustainability of areas such as Building Services by creating our own skill base.



North Ayrshire's residents and communities enjoy good life-long health and well-being

Our move to Trindlemoss House, our new complex needs unit, was delayed until 8 June 2020. It is now operating with five of the six spaces occupied.

One young person has been successfully moved to his own tenancy from one of our Children's Houses and we have submitted a further two housing applications. We are continuing with 'virtual' Fostering Panels and Adoption and Permanency Panels. Since launching our communication campaign 12 foster carers have been approved this year and the number of in-house foster carers has increased to 101.



Delivery of Our Council Plan



Inspiring Place

North Ayrshire is well-connected with effective infrastructure

We signed a formal agreement with Crown Estate Scotland in June which will increase opportunities for regeneration and investment. Particular focus will be given to projects that maximise wider value, deliver sustainable and inclusive economies, promote Community Wealth Building and maximise the impact of our Ayrshire Growth Deal investment alongside other major capital investment programmes.

In addition to our funding commitments, we have secured £1.5M from Scottish Government Regeneration Capital Grant Fund and £500,000 from the Nuclear Decommissioning Authority for the Lochshore community and leisure hub. This will allow construction of the £3.6M facility to commence in spring 2021. A masterplan is being developed with the local community and partners including Scottish Enterprise, the Green Action Trust and the Scottish Environment Protection Agency (SEPA).

Sustrans awarded funding of over £400,000 to allow the creation of a new western gateway to the site and to help develop active travel routes within the site. Investment in the wider site will see overall funding commitments of over £5M.

Funding of £1.35M has been secured from the European Regional Development Fund to allow a programme of works within Ardrossan including development of a National Cycle Network route coastal path, electric vehicle charging points and improved public realm links. We are promoting a wider programme of investment of over £150M within the town including the new community campus at Ardrossan North Shore, new housing and commercial developments and the redevelopment of Ardrossan Harbour. This is one of the largest regeneration programmes in Scotland and will not only transform the local area but also re-establish Ardrossan as one of Scotland's most important coastal destinations.

Funding has been approved to construct new office buildings at Annickbank and as part of the Ayrshire Growth Deal, £15m has been secured to develop new industrial space to support the expansion of our businesses.

Our plans for the closure of Garnock Valley Early Years Centre and relocation to St Bridget's Primary School Early Years have been agreed.

North Ayrshire has homes that meet residents' needs

Our comprehensive house building programme was delayed due to the virus but resumed in June. Two sustainable demonstrator homes have since been completed which will help reduce carbon emissions and the impact of climate change. These homes include some of the features that could be included in the build of our 1,575 new homes.

We started on site in September to deliver new affordable housing in Kilwinning and are currently building new generation council houses in Irvine, Largs, Millport and Arran.

A preferred bidder has been identified for the sale of land at Montgomerie Park, Irvine for housing development. The process was supported by Scotland's first housing

Simplified Planning Zone. The sale of the site will help to fund a new primary school within the masterplan area.

North Ayrshire is a sustainable environment

We have seen a 48% reduction in overall carbon emissions in the first quarter of this year compared with the same period last year. This includes the impact on travel and building use due to coronavirus restrictions.

We have established a partnership with the University of Strathclyde to support innovation and climate change action in North Ayrshire. The first action undertaken by the University is to support the development of solar farm proposals by modelling potential energy use scenarios.

We launched our 'Local Green New Deal' to plot the economic recovery from Covid-19 with an investment fund of £8.8M. The deal includes a focus on building a better local economy, fairer and greener in line with our Economic Recovery and Renewal Approach. This will ensure economic, social and environmental justice for our communities moving forward. We are creating a new £500,000 Green Jobs Fund as well as investing another £500,000 in a tree planting programme and exploring ways to create employment and training opportunities for local young people. In turn our investment will create income that we can invest in further local projects.

SEPA verified the household waste recycling performance for the calendar year 2019 as 56.3%, which has increased from 54.6% (+1.7%) compared to the 2018 calendar year performance.

Community consultations continued in relation to our Flood Prevention Schemes. Two options were consulted on with Millport residents to agree a final option. A construction contract was awarded for the £18M Upper Garnock Valley project which will aim to reduce the flood

risk to properties in Kilbirnie, Glengarnock and Dalry from the River Garnock, Powgree Burn and Rye Water. We have completed coastal defence works at Pirnmill on Arran.

North Ayrshire is a vibrant, welcoming and attractive environment

Following on from an excellent Local Environmental Audit Management (LEAMS) report from Keep Scotland Beautiful for 2019/20 which gave an average score of 94.6% for street cleanliness, we continue to maintain essential street cleaning throughout the pandemic. The Enforcement Team have issued 239 Fixed Penalty Notices compared to 129 for the same period last year. We increased patrols to deter and reduce incidences of fly-tipping and were one of the first councils to resume our special uplift service, with additional capacity.



Delivery of Our Council Plan

A Council for the Future

The Best Value Assurance Audit considers the Council's compliance with its statutory duty of Best Value as set out in the Local Government (Scotland) Act 2003. It is the core Council-wide audit by Audit Scotland on behalf of the Accounts Commission.

The Accounts Commission published their extremely positive findings in June. The audit took place prior to the pandemic and found overall, despite significant economic and demographic challenges, we are performing well, sector leading for community empowerment and an early adopter for national pilots.

The key messages were;

- We have a strong culture of continuous improvement. We have significantly improved and continued to make progress since the last Best Value report in 2011. Council priorities, plans, actions, and outcomes are clearly linked. Employees play an active role in identifying and driving improvement and we are delivering improvements for communities and residents.
- There is a strong culture of collaborative working. Elected Members and officers work well together, and we work effectively with a wide range of partners including the Community Planning Partnership (CPP), the Integrated Joint Board (IJB) and private business. There is joint ownership of, and commitment to, delivering agreed strategic priorities. The Council Plan, the Local Outcomes Improvement Plan and Locality Plans are all clearly aligned and focussed on addressing North Ayrshire's key challenges.
- Our financial planning and management arrangements are good overall and we have significantly improved our asset management and procurement arrangements since the last Best Value

Best Value Assurance Audit

Report. While we have made clear progress with our transformation agenda, including setting aside money to fund projects, our savings plans fall short of the estimated funding gap.

- We are committed to community empowerment and is recognised by the Scottish Government and Convention of Scottish Local Authorities (CoSLA) as a sector leader. Our approach is focused on embedding community empowerment in every-day business. We work well with a wide number of communities and groups including young people and tenants.

The four recommendations were:

- Accelerate the scale and pace of transformation ensuring the right resources and skills mix support this and that benefits are tracked
- Fully embed workforce planning
- Clarify intended impacts across all Locality Plans
- Improve North Ayrshire Performs, the online performance data portal, to make it more user friendly and accessible

"The core of this progress has been a good sense of self-awareness: The Council has been clear on how and where it can improve, has a well-defined strategy, and shares with its partners a strong vision for North Ayrshire.

This strategic direction is reinforced by a record of collaboration: between Elected Members and officers; in engaging with staff in improvement; and in the empowering approach taken by the Council in its relationship with its communities."

(The Accounts Commission – North Ayrshire Best Value Assurance Report 2020)

An efficient Council that puts residents and communities at the heart of what we do

With partners, we mobilised an instant response to the pandemic. The flexibility and innovation of our approach is outlined in detail earlier in this report.

An efficient Council that maximises resources and provides value for money

The Accounts Commission published their extremely positive findings from our Best Value Assurance Audit. (See Best Value Assurance Audit feature.)

Despite the restrictions of lockdown, the Financial Services Team successfully completed the preparation of our annual accounts within statutory timescales and received a positive report from our external auditors.

We have completed our Asset Management Plan process regarding illuminated sign units and Non-Road lighting assets. This will allow integration into our maintenance processes and result in improved budgetary planning and control.

A valued workforce that delivers high quality services

Our Welfare Reform Advice Team continue to have a positive impact on tenants' lives. During the first six months of 2020/21 we have helped improve tenants' incomes with overall financial gains of £907,817.20. This is an increase of £74,342.80 (9%) from the same period last year.

We disclosed 558 Freedom of Information and Environmental Information requests

during the first six months of the pandemic with 89% disclosed within the legislative timescales.

A powerful and respected voice

Our final Report on the Feasibility of Citizen's Basic Income Pilots in Scotland was submitted to the Scottish Government and shared with the UK Government in May/June 2020 and we provided evidence to the Scottish Parliament's Social Security Committee on the report in August 2020. Cabinet Secretary for Local Government and Communities described the report as a 'pioneering study'. The concept is based on offering every individual, regardless of existing welfare benefits or earned income, an unconditional, regular payment.

Between April and September we have actively contributed to a Carnegie UK Trust "Covid and Communities" UK-wide research project to capture learning and good practice from the response to the Covid-19 pandemic. The report, due to be published in December, aims to identify new ways of working that can help shape future policy, projects and services to ensure community and societal wellbeing.



Areas of Focus

Over the next six months we will be focussing on a range of immediate and longer term actions to support our communities and economic recovery.

Over the next six months we will:

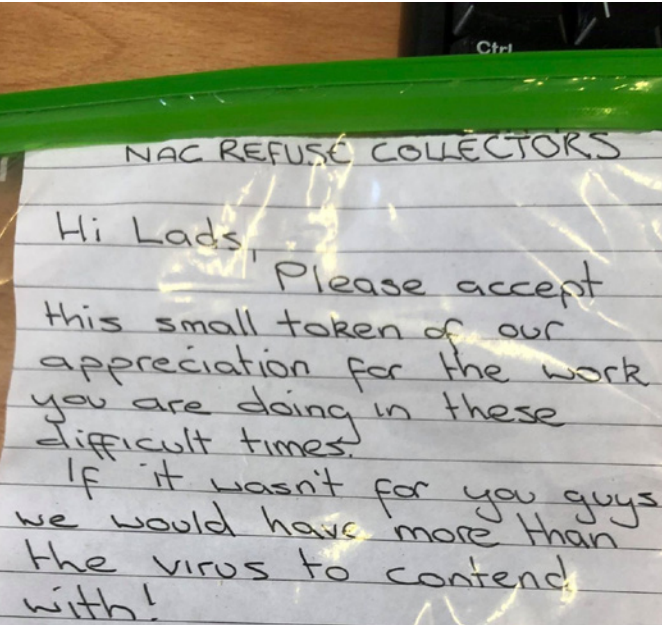
- Evolve our response to the Covid-19 pandemic to support our residents and businesses.
- Continue with preparations for the UK's withdrawal from the European Union through our Brexit Working Group.
- Embed Community Wealth Building in our own activities and encourage the approach within our partner organisations.
- Implement our Economic Recovery and Renewal Approach.
- Implement our Financial Recovery Plan.
- Engage with communities through our "Fair Say" sessions and finalise the 2021-22 budget.
- Progress delivery of the Ayrshire Growth Deal, following ratification of implementation and financial arrangements in November 2020.
- Further develop Community Hubs, looking at new ways of working to support our residents.
- Support Community Associations in preparation for letting provision restarting using the newly developed "Restart Toolkit" as restrictions ease.
- Progress the 1140 hours Early Years Childcare expansion programme.
- Progress development of the new Ardrossan school and community campus.
- Consult on the new Montgomerie Park Primary School.
- Progress the New Green Deal to ensure we meet our commitment to be carbon neutral by 2030.
- Roll out our new locality-based Business Development approach focussing on Community Wealth Building objectives in November.
- Establish a Better Off Hub, building on our Better Off North Ayrshire approach.
- Conduct an Open Space Audit to identify and address any gaps or deficiencies in the quality or quantity of open spaces across North Ayrshire.
- Review our 2020/21 Capital Programme to identify adjustments to the scope and timing of individual projects and revisit our current Construction Programme, where any delays and potential opportunities for acceleration are being considered.
- Prepare for the Scottish Parliamentary Elections in May.
- Progress improvement actions from the Best Value Assurance Audit in terms of workforce planning, transformation, locality plans and access to performance data.

Your Feedback

We continued to receive feedback from our residents throughout the pandemic. Our teams have really appreciated the numerous compliments received through what continues to be an exceptionally challenging time. Comments received are included throughout this report with additional information provided below.

"Pass on thanks for the vital service being provided by the Partnership's care at home staff during the COVID-19 pandemic, providing a fantastic service with personal care support as well as offering emotional support at a time when family are unable to visit."

Resident



We received 5.8% fewer complaints compared to the same period last year. Of the 1,300 complaints received 9% related to changes in policy due to the necessary restrictions brought in due to the pandemic. For example the majority of complaints related to lack of grass cutting which was a direct result of our response to the pandemic. There were a high number of missed bin pull outs however this should be noted in the context of being one of the few local authorities who maintained their waste collection service throughout the pandemic.






We have seen a 26% reduction in the number of compliments received, however it is unlikely this reflects the current situation. Logging of compliments has been necessarily a low priority for many teams as they are delivering frontline services. Anecdotal evidence through social media especially shows that the services we have provided have been exceptionally welcomed by our residents.

"Just wanted to say I think the Council is doing a wonderful job during the lockdown. The specific information on your website about all the services and support available is so comprehensive and helpful. The speed with which you set up the Community Hubs is amazing. The Q and A session held by the Leader of the Council and the Chief Executive was so comprehensive and helpful too. Thank you so much for all the good work you are all doing."






























Resident






























Appendix 2 – Council Plan Performance Indicators

PI Status	
	Significantly Adrift of Target
	Slightly Adrift of Target
	On Target
	Data Only
	Data Not Available

Priority - Aspiring Communities

Code & Short Name	2017/18			2018/19			2019/20			Q2 2020/21		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_01 Percentage of population who are involved in local decision making (see description)	New measure and baseline established for 2018-19			51%			45.53%	60%		1.23%		
CP_02 Percentage of Council budget directed via participatory methods	New measure and baseline established for 2018-19			0.62%			1.11%	0.89%		1.72%	1.20%	
CP_03 Percentage of residents who agree they have access to opportunities to participate in their local community	New measure and baseline established for 2018-19			47%			47%	47%		Not measured for Quarters		
CP_04 Percentage of children achieving their developmental milestones at the time the child starts primary school	77.2%			78%			NA	79%		Not measured for Quarters		
CP_05 Average total tariff score of pupils living in SIMD 30% most deprived areas	709.8	728		638.1	715		NA	718		Not measured for Quarters		
CP_06 Average tariff score: All Leavers	880.2	880		780.7	885		NA	895		Not measured for Quarters		
CP_07 Percentage of school leavers entering positive destinations	95.6%	95.4%		94%	95.7%		NA	96%		Not measured for Quarters		
CP_08 Percentage Children living in Poverty (after housing costs)	29.26%			26.59%			NA	26.5%		Not measured for Quarters		
CP_09 Percentage of working age population in employment	68.2%	64.7%		69.7%	64.7%		70.2%	70%		Not measured for Quarters		
CP_10 Percentage of procurement spent on	19.75%			17.43%			19.94%	23%		Not measured for Quarters		

Code & Short Name	2017/18			2018/19			2019/20			Q2 2020/21		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
local enterprises												
CP_11 Percentage of people earning less than the living wage	24.3%			24.3%			16%	24%		Not measured for Quarters		
CP_12 Percentage of learning disability service users accessing employment support activities	24.25%	30%		23.88%	30%		23.84%	30%		24.81%	25%	
CP_13 Percentage of children with BMI centile >91 at 27 month review	12.65%	10.5%		9.98%	10.5%		13.19%	10.5%		Q1 latest data available 2.49	10.5%	
CP_14 Percentage of households in fuel poverty	30%			26%	26%		28%	25.5%		Not measured for Quarters		
CP_15 Number of attendances at indoor sports & leisure facilities (excluding pools)	1,848,777			1,886,930			1,859,843	1,964,100		19,269	179,891	
CP_16 Percentage of people aged 65 and over with long-term care needs who receiving personal care at home	65.8%			66.68%	65.6%		NA	66%		Not measured for Quarters		
CP_17 Emergency Admissions (Number)	20,724	20,639		20,933	20,257		19,150	20,257		Not measured for Quarters		
CP_18 Percentage of new tenancies to applicants who were assessed as homeless sustained for more than a year	78.28%	81%		81.48%	82%		84.07%	82%		Not measured for Quarters		

Inspiring Place

Code & Short Name	2017/18			2018/19			2019/20			Q2 2020/21		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_19 Proportion of operational buildings that are suitable for their current use	89.91%	91%	✓	91.01%	92%	⚠	90.91%	93%	⚠	Not measured for Quarters		
CP_20 Overall percentage of road network that should be considered for maintenance treatment	39.1%	39.1%	✓	38.1%	39.3%	✓	37.3%	38.1%	✓	Not measured for Quarters		
CP_21 Proportion of properties receiving superfast broadband	92.35%			93.7%			96.8%	97%	✓	Not measured for Quarters		
CP_22 Number of electric vehicle charging points publicly available	25			25	25	✓	36	30	✓	36	36	✓
CP_23 Number of new build Council housing units reaching completion (cumulative)	232	232	✓	296	296	✓	381	351	✓	Not measured for Quarters		
CP_24 Number of empty homes brought back into use (cumulative)	57	43	✓	295	60	✓	594	500	✓	Not measured for Quarters		
CP_25 Percentage of Council dwellings that meet the Scottish Housing Quality Standard	99.14%	98.2%	✓	99.19%	99.4%	✓	99.18%	99.4%	✓	Final data pending	99.5%	?
CP_26 Tourism Visitor Numbers	1,506,210			1,519,260			1,599,400	1,534,968	✓	Not measured for Quarters		
CP_27 Street Cleanliness Index - Percentage Clean	92.2%	94%	⚠	94.5%	94%	✓	94.6%	94%	✓	94.6%	94%	✓
CP_28 Hectares of vacant & derelict land in North Ayrshire	1,294			1,279	1,269	✓	1,180	1,244	✓	Not measured for Quarters		
CP_29 Overall carbon emissions (tonnes)	43,756	50,198	✓	40,666	45,137	✓	37,508	39,320	✓	5,002	7,553	✓
CP_30 Total installed capacity of low carbon heat and electricity generation across the Council's estate	9,029	9,000	✓	9,682	9,600	✓	9,700	9,700	✓	Not measured for Quarters		
CP_31 Percentage of total household waste that is recycled (calendar year as per SEPA)	55.8%	54.5%	✓	54.6%	54.5%	✓	56.3%	59%	⚠	54.1%	59%	✗






A Council for the Future

Code & Short Name	2017/18			2018/19			2019/20			Q2 2020/21		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_32 Percentage of Customers delighted with the overall Customer Service	84%	77%	✓	81%	77%	✓	81%	77%	✓	Not measured for Quarters		
CP_33 Percentage of Self-Service Transactions	36.7%	30%	✓	40.09%	35%	✓	41.26%	40%	✓	58.27%	45%	✓
CP_34 Staff Engagement Level - Council Wide	71.2%	70%	✓	71.2%	70%	✓	70.67%	70%	✓	Not measured for Quarters		





Appendix 3 - Council Plan Performance Indicator Exceptions




This appendix lists indicators that are adrift of target.

Note: Some annual indicators have already been reported at quarter four. These are included for full visibility and shaded in grey.






PI Status	
	Significantly Adrift of Target
	Slightly Adrift of Target
	On Target
	Data Only
	Data Not Available

Priority - Aspiring Communities

Code & Short Name	2018/19			2019/20			Q2 2020/21			Comments
	Value	Target	Status	Value	Target	Status	Value	Target	Status	
CP_10 Percentage of procurement spent on local enterprises	17.43%			19.94%	23%		Not measured for Quarters			The target of 23% was a particularly stretching target. The 2019/20 performance of 19.94% is the strongest performance in ten years (when data was first recorded). The publication of the Community Wealth Building Strategy in 2020/21 will further focus efforts on procuring goods and services locally, though always inline with the national Procurement Regulations. This has been demonstrated during the pandemic, where approximately 80% of items in our food parcels for residents contained local or Scottish produce and some essential items such as PPE were procured from local suppliers.
CP_14 Percentage of households in fuel poverty	26%	26%		28%	25.5%		Not measured for Quarters			The Scottish House Condition Survey (SHCS) provides estimated annual fuel poverty figures. In July 2019 the fuel poverty definition changed with the introduction of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act. SHCS reporting for this year incorporates some of the changes to the new fuel poverty definition resulting in more homes being identified as being in fuel poverty. This is a best estimate of fuel poverty under the new definition and cannot be compared to previous local authority analysis figures. We continue to focus efforts towards reducing fuel poverty through the development of our Local Heat and Energy Efficiency Strategy, the delivery of home insulation and solar PV installation programmes, and the referral mechanisms established through the Local Energy Advice Forum to maximise income and support residents with utility bill enquiries and switching suppliers.

Code & Short Name	2018/19			2019/20			Q2 2020/21			Comments
	Value	Target	Status	Value	Target	Status	Value	Target	Status	
CP_15 Number of attendances at indoor sports & leisure facilities (excluding pools)	1,886,930			1,859,843	1,964,100		19,269	179,891		<p>The closure of all indoor sports and leisure facilities due to the pandemic from 23rd March has had an obvious impact. A number of activities, with reduced capacity due to restrictions, have restarted on a phased basis.</p> <p>The quarter two figure includes fitness activities which restarted at Auchenhavie Leisure Centre and Vikingar on 31 August and Portal on 5 September. Eight of the fitness facilities remain unavailable. Additionally, sports hall activities are significantly restricted as only 2-courts are available at the Portal and the indoor school estate is unavailable.</p> <p>The target for 2020/21 will need to be reviewed due to the required change in capacity levels however we continue to offer a service wherever possible within the current regulations.</p>

Priority - Inspiring Place

Code & Short Name	2018/19			2019/20			Q2 2020/21			Comments
	Value	Target	Status	Value	Target	Status	Value	Target	Status	
CP_19 Proportion of operational buildings that are suitable for their current use.	91.01%	92%		90.91%	93%		Not measured for quarters			2019/20 result was 90.91% against a target of 93%. The Scottish Average for 2018/19 was 82.14% with the Council ranked 9 out of 32 Scottish Local Authorities and remains in the 2nd quartile. Rationalisation of the Additional Support Needs school estate and integration of Health and Social Care Partnership locality teams within secondary schools will improve performance.
CP_31 Percentage of total household waste that is recycled (calendar year as per SEPA)	54.6%	54.5%		56.3%	59%		54.1%	59%		<p>The Covid-19 pandemic has had a significant impact on waste arisings and recycling performance during quarter two, including increased kerbside residual waste, higher than anticipated contamination levels in the blue bin for paper/cardboard, the nationwide closure of Household Waste Recycling Centres(HWRCs), the closure of the Cunninghame Furniture Recycling facility and the suspension of household bulky uplifts during the pandemic.</p> <p>We are proud to be one of only a few local authorities to maintain uninterrupted household waste collections, collecting over 102,000 household bins each week. This meant overcoming significant resource challenges compounded by increased amounts of waste due to the reasons noted above.</p> <p>We were also among the first to reopen HWRCs from 1st June and received extremely positive feedback from our residents on our handling of the increased demand during reopening.</p>

Priority - A Council for the Future

All performance indicators are on target.

NORTH AYRSHIRE COUNCIL

9 March 2021

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.

1. Executive Summary

- 1.1 This report provides an update on the UK's withdrawal from the European Union. While the agreement of a trade deal with the EU removes most immediate risks of a no-deal, particularly around tariffs, and immediate impacts on North Ayrshire have been limited, there remains a danger that EU-exit compounds and deepens the longer-term economic impacts of COVID.

2. Background

- 2.1 On 24 December 2020 a deal was agreed between the UK Government and the EU. While the key terms of the treaty were set out in the previous report to the Committee, the following paragraphs provide further information.
- 2.2 The EU and UK agreed a number of principles intended to provide a 'level playing field' in the way that UK and EU businesses are regulated. The most important features are:
- competition law regulation based on principles very similar to EU competition law;
 - state subsidy regulation based on principles very similar to EU state aid law;
 - employment rights not to be reduced from current levels in a way that impacts on trade;

- environmental protection not to be reduced from current levels in a way that impacts on trade.

If either party goes further in imposing higher standards of protection in these areas that impacts on trade and investment, while the other does not, it can adopt 'rebalancing measures' in respect of the other party. This should mean that the other party does not gain a competitive market advantage from the 'uneven playing field' if it fails to match the other's increasing regulatory standards.

2.3 The agreement provides for EU and UK authorities to cooperate in a number of other areas:

- facilitating customs arrangements where possible;
- recognition and enforcement of registered intellectual property rights;
- access to public procurement;
- cooperation between authorities on energy trade arrangements, and a more detailed Nuclear Cooperation Agreement;
- agreement not to place new restrictions on digital trade between UK and EU;
- agreement not to place new restrictions on access to telecoms markets.
- law enforcement and judicial cooperation (but not direct access to EU criminal databases, and the European Arrest Warrant is being replaced by a looser form of Rendition),
- security of information
- cyber security and health security, and
- Covid-19 cooperation

2.4 The agreement does not provide for the continued access of UK financial services providers to EU markets. This is still subject to discussions that will continue in 2021 on potential EU decisions on the equivalence of UK financial services regulation.

2.5 New UK policy announcements to review existing EU derived rules such as Procurement and Employment rights and the UK Shared Prosperity Fund have either taken place or are expected to be made shortly. COSLA have been engaged in discussions about the latter.

2.6 In relation to the transfer of personal data, while the agreement provided a four-month transitional period from 1 January permitting the continued transfer of personal data from the EU to the UK, on 19 February, the European Commission announced that it had formally launched the procedure to adopt two adequacy decisions for data transfers to the UK. This hopefully clears the way for the continued transfer of personal data.

- 2.7 UK and EU citizens who established EU free movement rights before 31 December 2020 retain them, if they have registered their settled status under the schemes set up by the UK or EU by 30 June 2021. While there are no immediate issues, a concern is that as a result of COVID, many EU workers appear to have returned to the EU. When lockdown eases and the economy picks-up it may be difficult to recruit, particularly in lower paid areas traditionally reliant on EU workers, such as the hospitality and the care sector.
- 2.8 Trade in Northern Ireland is governed by the Northern Ireland Protocol to the UK-EU Withdrawal Agreement. The Protocol provides for Northern Ireland to form part of the EU's single market, meaning that the impact of most of the provisions on trade in goods will relate to trade between Great Britain and Northern Ireland, rather than Northern Ireland and the EU. This has given rise to a number of issues including the widely publicised and swiftly revoked decision by the EU regarding cross-border transfer of vaccines. There have been issues relating to lorry shipments not having adequate paperwork on arrival at Cairnryan. Recent press coverage has reported that the Scottish Government is preparing to create a new customs checkpoint in Dumfries and Galloway.
- 2.9 In relation to the import and export of goods, this is the first ever EU zero tariff, zero quota deal with another trading partner and is the largest bilateral trade deal in the world (by volume of goods). Customs procedures will continue to be simplified as the UK and EU agree and recognise their respective trusted trader schemes. It should however be noted that the absence of tariffs or quotas applies only for goods meeting the agreement's rules of origin. Therefore, businesses must prove their products fulfil all necessary 'rules of origin' requirements. For example, at least 55% of the materials making up a car must originate from the UK or EU for it to be imported tariff-free. Businesses dependent on international supply chains will need to assess the impact for them of the rules of origin.
- 2.10 In relation to border control, increased friction at the border means that businesses will need to adapt, particularly where they are reliant on speed of delivery. The delays are likely to be a long-term feature of trade, with peaks in January-February 2021 as the new arrangements bed in, and in July 2021 when the UK's transitional arrangements end. A recently published survey of 350 supply chain managers found that two out of three had experienced delays of "at least two to three days" getting goods into the UK.

- 2.11 The most obvious issues to date have been around exporting fish and seafood. The problems seem to be largely associated with the Hubs and the complicated documentation required of business. Discussions continue to resolve the problems and there are signs of the process in Scotland settling down. Compensation has been introduced by the UK Government for lost business.
- 2.12 In relation to state aid, the UK Government published guidance on 31 December 2020 and a consultation was launched on 5 February. COSLA have also been holding detailed discussions with Scottish and UK officials on the new domestic state aid arrangements, the UK Shared Prosperity Fund, common frameworks such as procurement, and the new statutory requirement for Scottish ministers to consult Local Government whenever they wish to keep pace with EU targets.
- 2.13 In relation to the impacts on North Ayrshire Council, to date these have been limited, partly because we have few exporters in the seafood sector.
- 2.14 The conclusions of the previous report are still pertinent. In the short term, greater certainty about the UK's relationship with the EU is likely to release delayed investment. However, in the longer term the new relationship is expected to lead to a reduction in GDP of around 4% compared to remaining in the European Union, according to the Office for Budget Responsibility. Therefore, long-term economic impact remains the key risk. This needs to be considered alongside the economic impacts of COVID-19.

3. Proposals

- 3.1 The Committee is asked to note the current position.

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.

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 There are no legal implications of this report.

Equality/Socio-economic

- 4.4 There are no impacts of this report. However, 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 Any Environmental risks appear to have lessened as a result of the Deal

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.

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**9 March 2021****Audit and Scrutiny Committee**

Title:	Internal Audit Reports issued
Purpose:	To inform the Committee of the findings of Internal Audit work completed during January and February 2021.
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 January and February 2021. 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 2 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
Building Services systems	Reasonable
Fire Safety	Substantial

- 2.4 There are no high priority findings from either of these audits which require to be highlighted to the Committee.

3. Proposals

- 3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed during January and February 2021.

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.

BUILDING SERVICES SYSTEMS

1 Background

- 1.1 Building Services uses a system called ROCC URM to raise purchase orders, receipt goods and process invoices. This involves a reconciliation to match the invoice to the purchase order and goods received before the invoice is paid. Invoices also have to be keyed in Integra as there is currently no interface between ROCC and Integra.
- 1.2 Building Services also raise purchase orders directly on Integra.
- 1.3 The URM system is a single sign-on system and therefore access is automatically granted to users once they have signed on to the corporate network.
- 1.4 Invoices from the Stores Team are passed to the Senior Officer for approval. Invoices that do not reconcile are investigated and rectified by the Building Services Procurement Team.
- 1.5 Invoices from the Operations Team are passed to the supervisor to confirm the works have been carried out as there are normally variations between the purchase order and invoice.

2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure that:
 - Adequate written procedures are in place.
 - appropriate controls are in place for interfaces to and from the URM system.
 - appropriate user access controls are in place and there is a robust process for removing leavers access.
 - system admin access and high-risk job roles are properly controlled and adequately restricted to a small number of key staff.
 - there are appropriate separation of duties and adequate controls in place for ordering, receipting and payment of goods/services.
- 2.2 The period covered by the audit is 1st October 2019 to 30th June 2020. This includes the pre-lockdown and lockdown period.

3 Findings

Procedure Documents

- 3.1 A number of user manuals/training materials were provided to the auditor. They have not been updated since 2014/15 or no date is noted so it is unclear when the document was last reviewed and updated. Also, although these documents provide a basic step by step flow of system processes, they have not been adapted to include the Council's internal processes. This would provide a full documented process for each key area i.e. raising and approving purchase orders, receipting goods and processing and reconciling invoices. During the audit the Finance Officer produced a written note of the invoice process as there was no formal process documented. **(action a)**

System Interface Controls

- 3.2** There has been no progress made with an invoice interface between the URM system and Integra. As a result, Building Services staff are having to double key invoices. Staff key them to the URM system to ensure the invoice reconciles to the goods, services or works ordered and received before the invoice is keyed to Integra for payment. **(action b)**

System Access Controls

- 3.3** Testing carried out in this area showed there are robust procedures in place to ensure that users are removed timeously from the system when they leave the Council. However, it was noted the system administrator is not in receipt of the monthly movers and leavers report issued by IT Services. This was rectified during the audit.

Controls around System Admin Duties and High-Risk Job Roles

- 3.4** There are 5 users with system administrator level access to the URM system. It should be noted that a Senior Officer, Building Services Governance, has system administrator access and is an approver on the system. This level of access is a risk and should be reviewed to see if this user needs to be a system administrator. **(action c)**

Procurement and Payment of Goods and Services

- 3.5** The auditor analysed a report of all purchase orders raised on URM within the period of the audit to identify any purchase orders that were raised and approved by the same person. This identified 1,147 out of 4,480 purchase orders that were raised and approved by the same person. However, the auditor checked the user's access and only 1 user is set up to raise and approve purchase orders. Building Services explained that the approver field is overwritten if a purchase order is amended as part of the invoice reconciliation process. As a result, the user amending the purchase order will be recorded as the approver and it is not possible to see who originally approved the purchase order.
- 3.6** The auditor selected a sample of 20 invoices to carry out audit testing. This testing identified 9 instances where a Procurement user is shown as the purchase order's approver, as a result the auditor cannot determine who approved the purchase order. In 6 instances a change has been made to the purchase orders as per the History tab on URM. In 3 instances no changes have been made to the purchase orders as per the History tab on URM.
- 3.7** Building Services confirmed that an upgrade, which went live on 4th December 2020, resolved the audit trail issue identified at 3.5 and 3.6. The History tab on the system now records the original approver.
- 3.8** Further testing identified that if a purchase order is amended to allow the invoice to reconcile, the copy of the purchase order is overwritten to show the new purchase order details. An original copy of the purchase order which was sent to the supplier is not retained.

- 3.9** There is a history tab within the URM system which shows the old value and new value of a purchase order, when the change was made and who made the change. A reason should be entered to explain the reason for the change. From the sample of 20 invoices, there are 10 purchase orders where changes have been made. There were 3 purchase orders where the reason for the change as per the history tab is not detailed enough to understand why the change has been made. **(action d)**
- 3.10** A physical copy of all Stores invoices is passed to the Senior Officer for approval after the invoice has been reconciled on the URM system and spot checks are then carried out. The Senior Officer is not advised if there has been a discrepancy with the original purchase order amount. However, if the invoice reconciles to the purchase order and goods received on URM, there is no audit requirement for the invoice to be approved. **(action e)**
- 3.11** There is only one approver for purchase orders raised via Integra as per the approval plan. There is no back up approver to cover the Senior Officer's leave. **(action f)**
- 3.12** The auditor analysed the spend per supplier to ensure contracts were in place for suppliers with a 9 month spend of over £100k. This identified 1 supplier with a spend of £159.5k which was not on the contract register and this was rectified during the course of the audit.

4 Internal Audit Opinion

- 4.1** Overall, reasonable assurance was obtained with regard to the controls around the URM system used by Building Services. The main issue relates to system data being overwritten in relation to the purchase order and the user that approved the purchase order.

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 BUILDING SERVICES SYSTEMS

Action	a
Finding	User manuals have not been updated since 2014/15 or no date is noted. Also, although these documents provide a basic step by step flow of system processes, they have not been adapted to include the Council's internal processes.
Action Description	The current user manuals/training documents for the key areas should be reviewed and adapted to include the Council's internal process to provide a complete user manual.
Risk	Manual is out of date and incomplete.
Priority (1, 2, 3)	2
Paragraph Reference	3.1
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance) Jim Smith, Senior Officer (Governance)
Due Date	31 st March 2022
Management Comment	A complete user manual will be developed, ensuring that internal processes are captured.

Action	b
Finding	There has been no progress made in an invoice interface between the URM system and Integra. As a result, Building Services staff are having to double key invoices.
Action Description	Building Services should progress with the interface between the URM system and Integra to prevent double keying.
Risk	Increased risk of keying errors and inefficient use of staff time.
Priority (1, 2, 3)	3
Paragraph Reference	3.2
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance) Jim Smith, Senior Officer (Governance)
Due Date	31 st December 2021
Management Comment	<p>Building Services have been working with a representative from the Transformation Team on this action. Contact has been made with both IT suppliers and the specification of requirements is in progress.</p> <p>The implementation of the Creditors interface cannot proceed until some work is undertaken on the general ledger. A mapping exercise has to be undertaken to ensure ROCC's financial coding is in line with the Council's Integra system; this will involve replacing old financial codes with the current codes that are in use.</p> <p>This is currently done through a translation table, which will be removed.</p>

Action	c
Finding	There are 5 users with system administrator level access. It should be noted that a Senior Officer, Building Services Governance, has system administrator access and is an approver on the system. This level of access is a risk and should be reviewed to see if this user needs to be a system administrator.
Action Description	Management should remove the Senior Officer as an administrator if he does not need this level of access to carry out their job.
Risk	A user with too much access can manipulate the system to their own benefit and avoid detection.
Priority (1, 2, 3)	2
Paragraph Reference	3.4
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance)
Due Date	31/03/2021
Management Comment	The Senior Officer has responsibility for the Systems Admin team and requires system access to provide the system admin function. In addition to this the Senior Officer is a manager within the Governance Team and requires to authorise material orders for the service. We will undertake a review to examine if there are any options for an alternative manager to approve the invoices on the system.

Action	d
Finding	From the sample of 20 invoices, there are 10 purchase orders where changes have been made. There were 3 purchase orders where the reason for the change as per the history tab is not detailed enough to understand why the change has been made.
Action Description	When a change is made to a purchase order to allow reconciliation to the invoice, a valid and full reason should be noted on URM.
Risk	Lack of audit trail to explain the difference between the purchase order and the invoice.
Priority (1, 2, 3)	2
Paragraph Reference	3.9
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance) John Andrew, Senior Officer (Governance)
Due Date	Complete
Management Comment	Staff have been made aware of this and will ensure that a full explanation is given where a purchase order is amended. Reports will be run every 4 weeks to ensure that all amendments have a full and valid reason.

Action	e
Finding	A physical copy of all Stores invoices is passed to the Senior Officer for approval after the invoice has been reconciled on the URM system and spot checks are then carried out. The Senior Officer is not advised if there has been a discrepancy with the original purchase order amount. However, if the invoice reconciles to the purchase order and goods received on URM, there is no audit requirement for the invoice to be approved.
Action Description	Internal Audit recommends that only Stores invoices that did not reconcile should be passed to the Senior Officer for approval. In addition, these invoices should be emailed to the Senior Officer noting the original purchase order value to allow the Senior Officer to approve the invoice via email.
Risk	Paying invoice without checking original approved purchase order amount, unnecessary delay in paying supplier and inefficient use of staff time.
Priority (1, 2, 3)	2
Paragraph Reference	3.10
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance) John Andrew, Senior Officer (Governance)
Due Date	Complete
Management Comment	Process has been reviewed and only invoices that do not match the approved order will be passed to the Senior Officer to authorise.

Action	f
Finding	There is only one approver for purchase orders raised via Integra as per the approval plan. There is no back up approver to cover the Senior Officers leave
Action Description	An additional approver should be set up to approve Integra purchase orders.
Risk	Delay in orders being processed and no contingency for long term absence.
Priority (1, 2, 3)	3
Paragraph Reference	3.11
Managed by	Yvonne Baulk, Head of Service (Physical Environment)
Assigned to	Leigh-Ann Mitchell, Senior Manager (Governance)
Due Date	31/01/2021
Management Comment	Senior Manager (Governance) has requested that their authorisation access be reinstated on Integra and will provide cover when required.

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.

FIRE SAFETY

1 Background

- 1.1 Fire safety is the responsibility of every employee of North Ayrshire Council.
- 1.2 Information on the roles and responsibilities of Services and employees are detailed within the Council's Fire Safety Policy and Fire Safety Guidance document.

2 Objectives and Scope

- 2.1 The objective of this audit was to ensure that:-
 - The Council's Fire Safety Policy and Guidance documents incorporate all of the legal requirements imposed on the Council as an employer and property owner
 - Services are complying with the Policy and Guidance documents

3 Findings

The Council's Policy and Guidance Documents

- 3.1 A comparison of the Council's Fire Safety Policy and Guidance documents to the key relevant Legislation was undertaken. The Council's documents were found to cover all key points.
- 3.2 Minor updates to the procedures to remove references to a support document which is no longer relevant have been agreed with the Service.

Compliance

- 3.3 There are a number of processes in place within the Council to ensure that fire safety procedures are being adhered to. For example:-
 - property managers are required to complete a 6 monthly health and safety workplace inspection, which includes a section on fire safety, for submission to Corporate Health & Safety,
 - Corporate Health & Safety carry out fire safety audits,
 - Fire Risk Assessments have been carried out by an independent party for the majority of the properties for which the Council has fire safety responsibility.
- 3.4 In addition to relying on the above controls, Audit selected a sample of 4 properties for detailed testing - with the sample being skewed towards properties with more complex fire safety requirements.
- 3.5 The properties selected were:-
 - A kitchen within a school
 - A kitchen within a commercial property
 - An additional support needs school
 - A residential home for the elderly
- 3.6 Each property was requested to provide copies of documentation, fire safety testing, etc. to confirm they are adhering to Council policy. All were able to provide sufficient evidence of required measures having been undertaken.

4 Internal Audit Opinion

- 4.1 Overall, substantial assurance was obtained with regard to the Council's approach and processes surrounding fire safety.

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.

NORTH AYRSHIRE COUNCIL

9 March 2021

Audit and Scrutiny Committee

Title:	Internal Audit and Corporate Fraud Action Plans: Quarter 3 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 31 December 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 31 December 2020.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 17 November 2020 highlighted that there were 33 actions outstanding at the end of September 2020: 6 that had not been started or were only partially implemented and 27 where the due date had not yet passed.
- 2.2 In addition to these 33 'carried forward' actions, there have been 24 new actions agreed, giving a total of 57 action points for review.

- 2.3 Services have completed 19 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 38 actions, 5 were either not started or only partially complete at 31 December and the remaining 33 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 5 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 31st December 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	The ADP has received full and detailed support from Finance colleagues. However, new ADP Lead Officer has not been able to complete all the Financial Management and Procurement training due to lack of availability of courses (we have requested access to the relevant courses as a priority). Our vision is for all courses to be completed by September 2021.		
Progress Bar	<div><div style="width: 90%;">90%</div></div>	Original Due Date	30-Jun-2019	Due Date	31-Dec-2020
Parent Code & Title	CFT1734 Financial Governance - Alcohol And Drugs Partnership			Managed By	Thelma Bowers
				Assigned To	Thelma Bowers

Code	CFT2250b	Description	The Service should identify and recover any overpayment by the Council to the care provider		
Priority	2	Latest Note	A follow up meeting has taken place with the care provider and further information has been received. This is being reviewed and we will continue to work with the provider to determine the final amount to be repaid. The HSCP will seek to recover the maximum value of funds possible through an agreed repayment plan with the provider. Expected completion date June 2021.		
Progress Bar	<div><div style="width: 75%;">75%</div></div>	Original Due Date	31-Dec-2020	Due Date	31-Dec-2020
Parent Code & Title	CFT2250 Allegation against contracted care provider			Managed By	Caroline Cameron
				Assigned To	Caroline Cameron

Code	IA2019PA012b	Description	Consult with the software supplier URM on a complete process to replace information currently recorded on Excel spreadsheets and Access databases		
Priority	2	Latest Note	We are currently carrying out additional URM testing on the updates implemented. System reporting requires further development and evaluation to ensure all data required is included and accurate. The schedule has been further delayed due to the second Covid19 lockdown – New target date May 2021.		
Progress Bar	<div><div>95%</div></div>	Original Due Date	31-Jul-2019	Due Date	27-Nov-2020
Parent Code & Title	IA2019PA012 Building Services Stores Controls			Managed By	Yvonne Baulk
				Assigned To	John Andrew

Code	IA2019PA014b	Description	Social Work Resources should complete and publish the ' HSCP Eligibility for Transport Assistance' Policy.		
Priority	2	Latest Note	Again, the situation with Covid has meant we cannot progress this. While the pandemic still has an impact on how we can deliver day services, and therefore use of transport, it seems unlikely that we would be able to progress this in the first half of the year. Therefore the proposed new target date is end of June 2021.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Dec-2020
Parent Code & Title	IA2019PA014 Transportation			Managed By	Thelma Bowers
				Assigned To	Jan Thomson

Code	IA2020SI001g	Description	Audit Action: A weekly reconciliation sheet should be introduced, which records income and cash banking details. Audit Finding: Income is not identifiable when banked. Risk: There is no audit trail of cash.		
Priority	1	Latest Note	The Community Association handbook has been updated and contains the additional guidance as required by Audit. This has been agreed with the North Ayrshire Federation of Community Associations and one-to-one sessions with all Community Associations will be complete by end of March 2021		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Dec-2020	Due Date	31-Dec-2020
Parent Code & Title	IA2020SI001 Community Association			Managed By	Rhona Arthur
				Assigned To	Angela Morrell; Donna Morrison

NORTH AYRSHIRE COUNCIL

9 March 2021

Audit and Scrutiny Committee

Title: External Audit Plan 2020/21

Purpose: To inform the Committee of the External Audit Plan for 2020/21.

Recommendation: That Committee notes the External Audit Plan for 2020/21.

1. Executive Summary

- 1.1 Deloitte LLP are the Council's external auditors for the period 2016 to 2022 with 2020/21 being the penultimate year of this appointment.
- 1.2 This report provides the Audit and Scrutiny Committee with details of Deloitte LLP's planning report for the 2020/21 audit.
- 1.3 Following completion of the audit, the annual audit report will be presented to the Audit and Scrutiny Committee before 30 September 2021.

2. Background

- 2.1 Deloitte LLP were appointed as the Council's external auditors for the period 2016 to 2021. However, as a result of the significant disruption for public bodies and to auditors of the public sector caused by the Covid-19 pandemic, the Auditor General for Scotland and the Accounts Commission for Scotland extended the current audit appointments by one year. 2020/21 will now be the penultimate year of Deloitte LLP's appointment.
- 2.2 In addition, Deloitte LLP are the appointed auditors for the North Ayrshire Integration Joint Board for the same period.
- 2.3 Deloitte LLP's planning report for the 2020/21 audit is attached at Appendix 1. A representative of Deloitte LLP will be in attendance to present the plan to the Committee.
- 2.4 In planning the audit work, Deloitte LLP has identified key risks in relation to management override of controls and the recognition of Covid-19 related grant income and specific testing will be carried out in relation to these.

2.5 The Code of Audit Practice sets out four audit dimensions which set a common framework for all public sector audits in Scotland. Deloitte LLP will consider the risks identified under each of these dimensions and review the Council's approach to addressing them, including:

- Financial Sustainability – a review of medium and long term financial plans to assess the consideration of Covid-19 and other pressures; assessment of progress in addressing these financial challenges; and consideration of the Recovery and Renewal Strategy;
- Financial Management – review of arrangements to minimise the risk to the Council's control environment and internal controls;
- Governance and Transparency – review of scrutiny, challenge and decisions making arrangements of the Council; review of the governance arrangements focussing on the IJB response to the pandemic and the decision making process for the departure the former IJB Chief Officer; and review the appropriateness of long term risk managements policies;
- Value for Money – continued review of the reporting and monitoring of performance.

2.5 Other responsibilities will include:

- Best Value - consideration of arrangement for securing Best Value;
- Statutory Performance Information – evaluation of the effectiveness and appropriateness of the Council's arrangements for delivery of the requirements of the 2018 Statutory Performance Information Direction;
- Contributing to Performance Audits - provision of information to support Accounts Commission Performance and Impact Reports;
- Shared Risk Assessment and Joint Scrutiny Planning – leading the Local Area Network for North Ayrshire Council and providing returns to support the National Scrutiny Plan;
- Current Issues Returns – communication of current issues to Audit Scotland; and
- Other Areas - assurance on grant claims and financial returns; preliminary enquiries on all correspondence received; consideration of any statutory objections received; and submission of fraud returns.

3. Proposals

3.1 That Committee notes the External Audit Plan for 2020/21.

4. Implications/Socio-economic Duty

Financial

4.1 The fee which will be charged by Deloitte LLP for the 2019/20 audit work will be £302,520. This represents an increase of £5,660 (1.9%) against the 2018/19 fee.

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 external audit process directly supports the Council Plan 2019 to 2024 through the maximisation of resources and provision of value for money to support financially sustainable delivery models.

Community Wealth Building

4.7 None.

5. Consultation

5.1 Deloitte LLP consulted with the Head of Service (Finance) in preparing their audit plan.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

None

DRAFT



North Ayrshire Council

Planning report to the Audit and Scrutiny Committee on the 2020/21 audit

Issued on 3 March 2021 for the meeting on 9 March 2021

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Planning report



Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the Annual Accounts.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our planning report to the Audit and Scrutiny Committee ('the Committee') of the North Ayrshire Council ('the Council') for the 2020/21 audit. I would like to draw your attention to the key messages of this paper:

Audit plan

We have updated our understanding of the Council, including discussion with management and review of relevant documents. This has included consideration of the impact the COVID-19 pandemic has had on the Council. Based on these procedures, we have developed this plan in collaboration with the Council to ensure that we provide an effective audit service that meets your expectation and focuses on the most significant areas of importance and risk to the Council.

Key risks

We have taken an initial view as to the significant audit risks the Council faces. These are presented as a summary dashboard on page 12.

Audit dimensions

The Code of Audit Practice sets out four audit dimensions which set a common framework for all public sector audits in Scotland.

In carrying out our annual risk assessment, we have considered the arrangements in place for each dimension, building on our findings and conclusions from previous years' audits as well as planning guidance published by Audit Scotland. Our significant risks are presented on pages 27 to 30.

As part of our work on the audit dimensions, we will consider the arrangements in place to secure Best Value (BV) as well as other wider scope requirements set out on pages 26 to 33.

Introduction (continued)

The key messages in this report (continued)

Regulatory change

The implementation of the new standard on leases, IFRS 16, has been deferred again for another year, with a revised implementation date of 2022/23 and will require adjustments to recognise on balance sheet arrangements currently treated as operating leases.

Our audit approach reflects changes to International Standards on Auditing (UK) on going concern (ISA (UK) 570) and management estimates (ISA (UK) 540), and Practice Note 10, effective for this year.

Our commitment to quality

We are committed to providing the highest quality audit, with input from our market leading specialists, sophisticated data analytics and our wealth of experience.

As part of our planning discussions with management, we have shared our *“Key Lessons from 2019/2020 Audits”* to help prepare for the 2020/21 audit, ensuring a focus on quality.

Added value

Our aim is to add value to the Council through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

We have also shared our recent research, informed perspectives and best practice from our work across the wider public sector on pages 36 to 42 of this paper.

Pat Kenny
Audit Director

Responsibilities of the Audit and Scrutiny Committee

Helping you fulfil your responsibilities

Why do we interact with the Audit and Scrutiny Committee?

To communicate audit scope

To provide timely and relevant observations

To provide additional information to help you fulfil your broader responsibilities

We use this symbol to highlight areas of our audit where the Audit and Scrutiny Committee needs to focus attention.



As a result of regulatory change in recent years, the role of the Audit and Scrutiny Committee has significantly expanded. We set out here a summary of the core areas of Audit and Scrutiny Committee responsibility to provide a reference in respect of these broader responsibilities and highlight throughout the document where there is key information which helps the Audit and Scrutiny Committee in fulfilling its remit.

- At the start of each annual audit cycle, ensure that the scope of the external audit is appropriate.

- Implement a policy on the engagement of the external auditor to supply non-audit services.

Oversight of external audit

Integrity of reporting

Internal controls and risks

Oversight of internal audit

Whistle-blowing and fraud

- Review the internal control and risk management systems (unless expressly addressed by separate risk committee).

- Explain what actions have been, or are being taken to remedy any significant failings or weaknesses.

- Ensure that appropriate arrangements are in place for the proportionate and independent investigation of any concerns raised by staff in connection with improprieties.

- Impact assessment of key judgements and level of management challenge.

- Review of external audit findings, key judgements, level of misstatements.

- Assess the quality of the internal team, their incentives and the need for supplementary skillsets.

- Assess the completeness of disclosures, including consistency with disclosures on business model and strategy and, where requested by the Council, provide advice in respect of the fair, balanced and understandable statement.

- Consider annually whether the scope of the internal audit programme is adequate.

- Monitor and review the effectiveness of the internal audit activities.

Your control environment

What we consider when we plan the audit

We expect management and those charged with governance to recognise the importance of a strong control environment and take proactive steps to deal with deficiencies identified on a timely basis.

Responsibilities of management

Auditing standards require us to only accept or continue with an audit engagement when the preconditions for an audit are present. These preconditions include obtaining the agreement of management and those charged with governance that they acknowledge and understand their responsibilities for, amongst other things, internal control as is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

As stakeholders tell us that they wish to understand how external audit challenges and responds to the quality of an entity's control environment, we are seeking to enhance how we plan and report on the results of the audit in response. We will be placing increased focus on how the control environment impacts the audit, from our initial risk assessment, to our testing approach and how we report on misstatements and control deficiencies.

Responsibilities of the Audit & Scrutiny Committee

As explained further in the Responsibilities of the Audit and Scrutiny Committee slide on the previous page, the Audit and Scrutiny Committee is responsible for:

- Reviewing the internal control and risk management systems (unless expressly addressed by a separate risk committee).
- Explaining what actions have been, or are being taken to remedy any significant failings or weaknesses.

Reliance on controls



We will seek to undertake design and implementation testing on controls in respect of our identified significant risk areas. In accordance with forthcoming revisions to ISAs, we will assess inherent risk and control risk associated with accounting estimates.

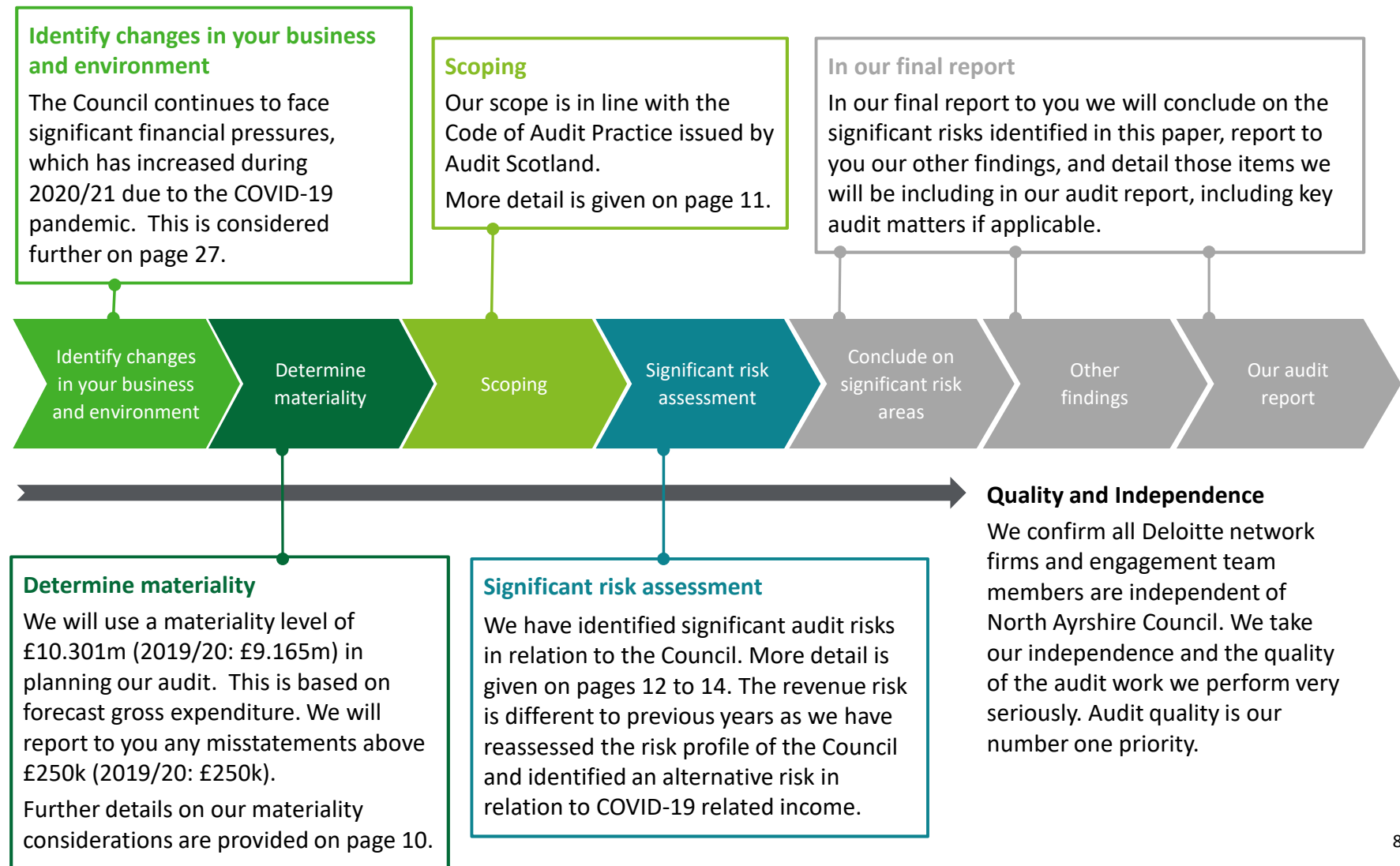
Performance materiality



We set performance materiality as a percentage of materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed materiality. We determine performance materiality, with reference to factors such as the quality of the control environment and the historical error rate. Where we are unable to rely on controls, we may use a lower level of performance materiality.

Our audit explained

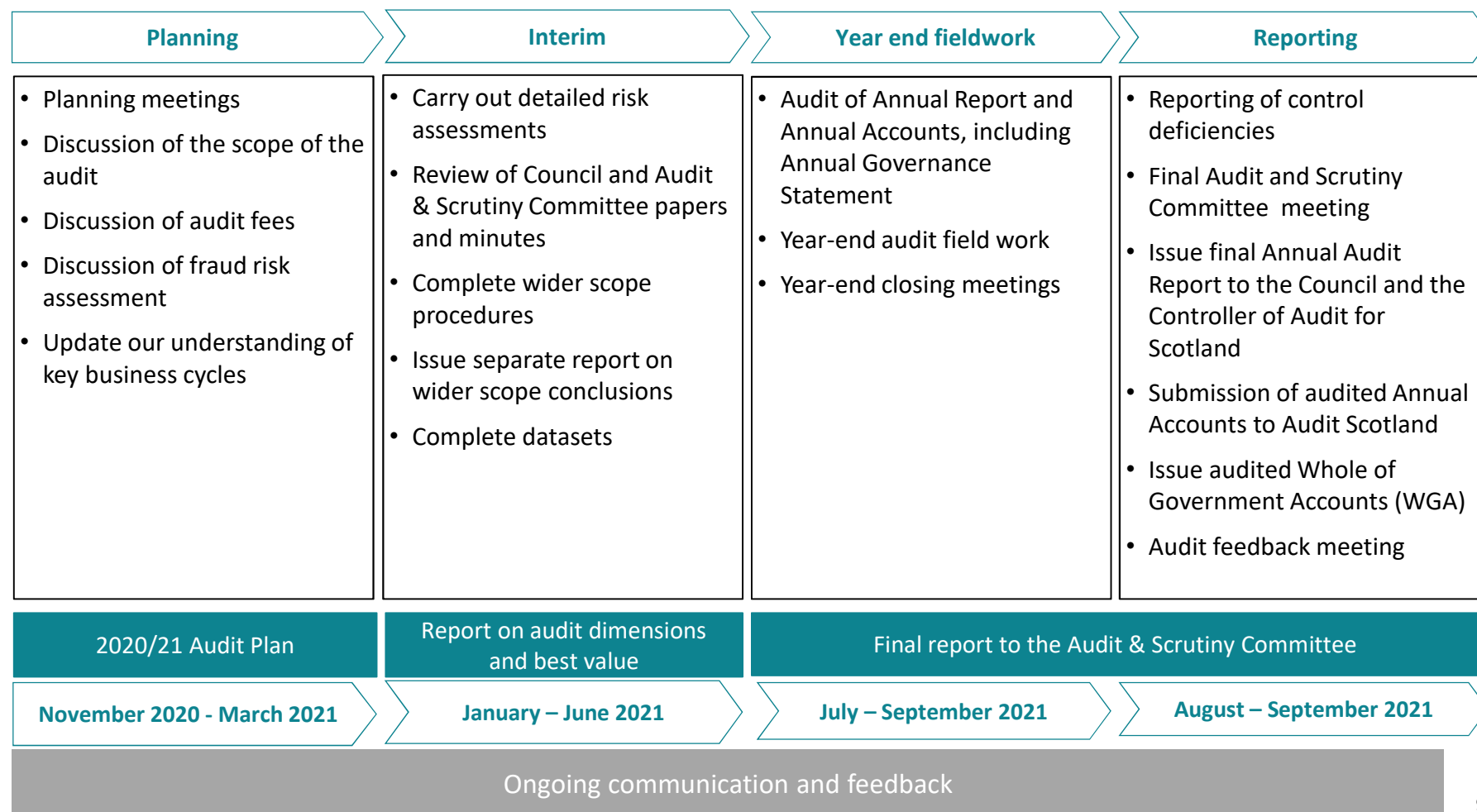
We tailor our audit to your business and your strategy



Continuous communication and reporting

Planned timing of the audit

As the audit plan is executed throughout the year, the results will be analysed continuously and conclusions (preliminary and otherwise) will be drawn. The following sets out the expected timing of our reporting to and communication with you.



Materiality

Our approach to materiality

Basis of our materiality benchmark

- The Audit Director has determined materiality for the group as £10.301m (2019/20: £9.165m) and performance materiality as £7.210m (2019/20: £6.873) , based on professional judgement, the requirements of auditing standards and the financial measures most relevant to users of the annual accounts.
- We have used 1.8% of forecast gross expenditure as the benchmark for determining materiality and applied 70% as performance materiality. We have judged expenditure to be the most relevant measure for the users of the accounts.
- The approach is consistent with previous years. However, the percentages applied have been revisited to take into account our knowledge of the Council and our understanding of the control environment, including the increased fraud risks as a result of the pandemic.
- For the audit of North Ayrshire Council (Council only), a materiality of £9.785m (2019/20: £8.706m) and performance materiality of £6.849m (2019/20: £6.530m) have been determined.

Reporting to those charged with governance

- We will report to you all misstatements found in excess of £250k (2019/20: £250k).
- We will report to you misstatements below this threshold if we consider them to be material by nature.

- Our approach to determining the materiality benchmark is consistent with Audit Scotland guidance which states that the threshold for clearly trivial above which we should accumulate misstatements for reporting and correction to the Audit & Scrutiny Committee must not exceed £250k.

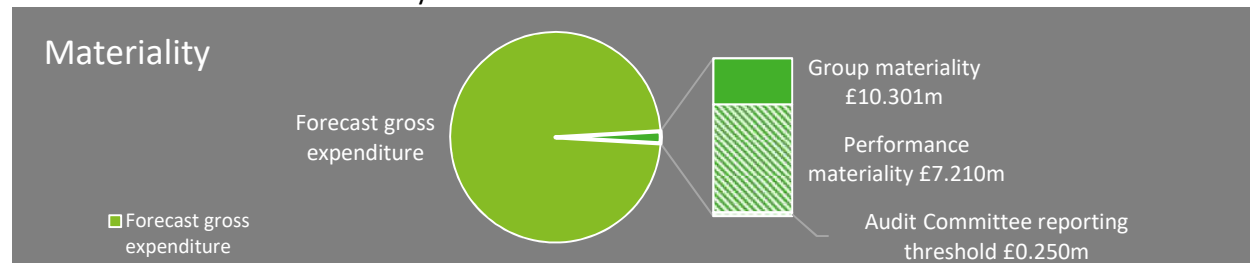
Our Annual Audit Report

We will:

- Report group materiality, council only materiality and the range we use for component materialities;
- Provide comparative data and explain any changes in materiality compared to prior year;
- Explain any normalised or adjusted benchmarks we use; and
- Explain the concept of performance materiality and state what percentage of materiality we used, with our rationale.

Group scoping

The significant components for the group comprise North Ayrshire Council and North Ayrshire IJB. Full audit procedures will be performed on each entity. The Endowment Fund is not significant, therefore will be covered by desktop reviews at the group level



Although materiality is the judgement of the Audit Director, the Audit and Scrutiny Committee must satisfy themselves that the level of materiality chosen is appropriate for the scope of the audit.







Scope of work and approach




Our key areas of responsibility under the Code of Audit Practice


Core audit work	Planned output	Timeline
1. Auditing the annual accounts	Annual Audit Plan	9 March 2021
	Independent auditor's report	14 September 2021
2. Audit dimensions, Best Value, Statutory Performance Information and Strategic Audit Priorities	Annual Audit Plan	9 March 2021
	Report on audit dimensions and best value	1 June 2021
	Annual Audit Report	14 September 2021
3. Contributing to performance audits	Dataset for overview report	March 2021 (submission deadline 8 May 2021)
4. Other wider scope audit work	Current issues returns	15 January, 26 March, 23 July and 22 October 2021
	Assurance Statement on WGA return	TBC
	Fraud Returns	Quarterly (30 November 2020, 28 February 2021, 31 May 2021 and 31 August 2021)
	Certify grant claims	As required

Significant risks

Significant risk dashboard

Risk	Fraud risk	Planned approach to controls	Level of management judgement	Page no
Management override of controls				13
Recognition of COVID-19 related income				14

- Level of management judgement**
-  High degree of management judgement
 -  Some degree of management judgement
 -  Limited management judgement

- Controls approach adopted**
-  Assess design and implementation

Significant risks (continued)

Management override of controls



Risk identified

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent annual accounts by overriding controls that otherwise appear to be operating effectively.

Although management is responsible for safeguarding the assets of the entity, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the annual accounts and accounting records.



Deloitte response and challenge

In considering the risk of management override, we plan to perform the following audit procedures that directly address this risk:

Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the annual accounts. In designing and performing audit procedures for such tests, we plan to:

- Test the design and implementation of controls over journal entry processing;
- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Select journal entries and other adjustments made at the end of a reporting period; and
- Consider the need to test journal entries and other adjustments throughout the period.

Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. In performing this review, we plan to:

- Evaluate whether the judgments and decisions made by management in making the accounting estimates included in the annual accounts, even if they are individually reasonable, indicate a possible bias on the part of the entity's management that may represent a risk of material misstatement due to fraud. If so, we will re-evaluate the accounting estimates taken as a whole; and
- Perform a retrospective review of management judgements and assumptions related to significant accounting estimates reflected in the annual accounts of the prior year.

For significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual given our understanding of the entity and its environment and other information obtained during the audit, we shall evaluate whether the business rationale (or the lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Significant risks (continued)

Recognition of COVID-19 related income



Risk identified and key judgements

ISA 240 states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks.

We have assessed the income streams of the Council, the complexity of the recognition principles and the extent of any estimates used, and concluded that, with the exception of the funding received in 2020/21 in response to the COVID-19 pandemic, there is no significant risk of fraud.

During 2020/21, the Council has received additional funding in relation to COVID-19 mobilisation costs, although all funding has not yet been confirmed. In addition, there are a number of business support schemes designed to help eligible businesses during the COVID-19 pandemic that are being administered by Councils on behalf of the Scottish Government.

We have pinpointed the significant risk to the completeness and occurrence of the funding for COVID-19 mobilisation costs and the completeness and accuracy of the agency arrangement disclosures.

The key judgements for management are assessing:

- Any conditions associated with the mobilisation cost funding; and
- Whether the Council is acting as a principal or agent in administering the business support schemes.



Deloitte response and challenge

We will perform the following:

- Assess the design and implementation of the controls in relation to the accounting treatment of all COVID-19 related funding;
- Test a sample of funding for COVID-19 mobilisation costs and confirm these have been recognised in accordance with any conditions applicable; and
- Test the agency arrangement disclosures to confirm, where it is concluded that the Council is acting as an agent, that:
 - Transactions have been excluded from the Comprehensive Income and Expenditure Statement;
 - The Balance Sheet reflects the debtor or creditor position at 31 March 2021 in respect of cash collected or expenditure incurred on behalf of the principal; and
 - The net cash position at 31 March 2021 is included in the financing activities in the Cash Flow Statement.

Other areas of focus

Expenditure recognition



Risk identified and key judgements

In accordance with Practice Note 10 (*Audit of Annual Accounts of public sector bodies in the United Kingdom*), in addition to the presumed risk of fraud in revenue recognition set out in ISA (UK) 240, as discussed further on page 14, auditors of public sector bodies should also consider the risk of fraud and error on expenditure. This is on basis that most public bodies are net spending bodies, therefore the risk of material misstatement due to fraud related expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition.

We have considered this risk for the Council and concluded that we are satisfied that the control environment is strong and there is no history of errors or audit adjustments. This has therefore not been assessed as a significant risk area, but will continue to be an area of audit focus in line with Practice Note 10.



Deloitte response and challenge

We will perform the following procedures to address the risk:

- Detailed analytical procedures on all invoices processed in the year to assess the risk of a material misstatement; and
- Testing of creditors balances at the year-end to assess completeness of expenditure.

Other areas of focus (continued)

Pension liability



Risk identified and key judgements

The Council participates in two defined benefits schemes:

- Scottish Teachers' Superannuation Scheme, administered by the Scottish Government; and
- The Strathclyde Pension Fund, administered by Glasgow City Council.

The net pension liability has decreased from £198.942m in 2018/19 to £122.116m in 2019/20. The decrease was as a result of changes in assumptions, specifically driven by reduced inflation assumptions, resulting in a reduction in the value of pension liabilities, partly offset by a reduction in the return on Scheme assets, resulting in the change in the value of the pension assets. The liability also continues to be affected by the McCloud and Goodwin legal cases.

Hymans Robertson LLP are the Council's appointed actuary, who produce a detailed report outlining the estimated liability at the year-end along with the associated disclosure requirements.

The pension liability valuation is an area of audit focus due to the material value and significant assumptions used in the calculation of the liability. The valuations are prepared by a reputable actuary using standard methodologies which have been considered as appropriate in previous years and no significant changes in the membership of the scheme or accrued benefits are expected in the current year. As a result, we have not identified this as a significant risk.



Deloitte response and challenge

We will perform the following procedures to address the risk:

- Assess the independence and expertise of the actuary supporting the basis of reliance upon their work;
- review and challenge the assumptions made by Hymans Robertson;
- Obtain assurance from the auditor of the pension fund over the controls for providing accurate data to the actuary;
- Consider the impact of the Triennial Review of the pension fund;
- Assess the reasonableness of the Council's share of the total assets of the scheme with the Pension Fund annual accounts;
- Review and challenge the calculation of the impact of the McCloud and Goodwin cases on pension liabilities; and
- Review the disclosures within the accounts against the Code.

Coronavirus (COVID-19) outbreak

Impact on our audit

Requirements	<p>The COVID-19 pandemic had a significant impact on the 2019/20 audit process, despite impacting relatively late in the year. We would expect there to be guidance as we approach year-end on accounting and disclosure requirements for 2020/21, where the impact has been much more extensive on all organisations.</p> <p>A key element of this will be communicating risks and governance impacts in narrative reporting, consistent with the Financial Reporting Council's guidance to organisations on the importance of communicating the impact of COVID-19 and related uncertainties, including their impact on resilience and going concern assessments.</p> <p>Entity-specific explanations of the current and expected effects of COVID-19 and the Council's plans to mitigate those effects should be included in the narrative reporting (including where relevant the Annual Governance Statement), including in the discussion on Outlook and Risks impacting an organisation.</p>
Actions	<p>While there may be greater clarity as we approach year-end, we would expect organisations as part of their reporting to conduct a thorough assessment of the current and potential future effects of the COVID-19 pandemic including:</p> <ul style="list-style-type: none">• Consideration of the impact across the Council's operations, including on its income streams, supply chains and cost base, and the consequent impacts on financial position;• The scenarios assumed in making forecasts and on the sensitivities arising should other potential scenarios materialise (including different funding scenarios); and• The effect of events after the reporting date, including the nature of non-adjusting events and an estimate of their financial effect, where possible.

Coronavirus (COVID-19) outbreak (continued)

Impact on our audit (continued)

Impact on the Council and management actions	Impact on annual report and annual accounts	Impact on our audit
<p>We will consider the key impacts on the Council such as:</p> <ul style="list-style-type: none"> • Interruptions to service provision • Supply chain disruptions • Unavailability of personnel • Reductions in service income 	<p>We have considered the impact of the outbreak on the annual report and annual accounts, discussed further on the next slide including:</p> <ul style="list-style-type: none"> • Narrative reporting, including disclosures on financial sustainability • Principal risk disclosures • Impact on property, plant and equipment valuations • Impairment of non-current assets • Allowance for expected credit losses • Events after the reporting period and relevant disclosure 	<p>We will continue to assess the impact on the audit including:</p> <ul style="list-style-type: none"> • Resource planning • Timetable of the audit • Impact on our risk assessment • Logistics including meetings with entity personnel
Impact on annual report and annual accounts		
<p>Impact on Property, Plant and Equipment</p>	<p>The Royal Institute of Chartered Surveyors issued a practice alert, as a result of which valuers identified a material valuation uncertainty at 31 March 2020 for most types of property valuation. This practice alert was withdrawn in September 2020. Valuation reports at March 2020 typically identified a need to consider potential impairments in future periods, and this year's valuations may reflect more significant movements.</p> <p>The Council will need to consider the approach to its valuation (including any changes as a result of the pandemic and consequent service and organisational changes on the "modern equivalent asset" assumed in valuations). Councils will also need to consider whether there are any indications of impairment of assets requiring adjustment at 31 March 2021.</p>	

Coronavirus (COVID-19) outbreak (continued)

Impact on our audit (continued)

Impact on annual report and annual accounts

Expected credit losses	While most debtors are with public sector entities (where significant changes in recoverability are not expected), for non-public sector debtors, the Council will need to consider the level of provision required for expected credit losses under IFRS 9.
Narrative and other reporting issues	<p>The following areas will need to be considered by the Council:</p> <ul style="list-style-type: none">• Narrative reporting as well as the usual reporting requirements will need to cover the effects of the pandemic on services, operations, performance, strategic direction, resources and financial sustainability.• Reporting judgements and estimation uncertainty, the Council will need to report the impact on material transactions including decisions made on the measurements of assets and liabilities.
Going concern assessment	<p>The annual accounts should include disclosure on the basis of the Council's going concern assessment, including related uncertainties.</p> <p>The Council also needs to report on the impact of financial pressures and its financial sustainability in the narrative report, as well as any relevant liquidity reporting requirements under IFRS 7 Financial Instruments: Disclosures.</p>
Events after the reporting period and relevant disclosures	Events are likely to continue to move swiftly, and the Council will need to consider the events after the reporting period and whether these events will be adjusting or non-adjusting and make decisions on a transaction by transaction basis.

Reporting hot topics

Increased focus on quality reporting



Deloitte view

The expectations of corporate reporting, reflected in the Financial Reporting Council's ('the FRC') monitoring and enforcement priorities, are increasing. While the focus is primarily on corporate entities, we highlight these areas where improved disclosures would help meet stakeholder expectations.



The potential impacts of Brexit

Depending upon events, organisations may be preparing annual reports against the backdrop of continued uncertainty around the UK's future relationship with the EU. Even with a deal agreed, the future basis of UK-EU trade will affect the longer-term viability period of 3-5 years and a longer consideration of prospects.

ACTION: Depending upon events through to the date of signing, we would expect to see annual reports reflecting at least:

- relevant risks and uncertainties, and actions taken to manage those risks; and
- consideration of whether there is any impact on critical accounting judgements and areas of estimation uncertainty.

We will discuss with the Council closer to the time areas where disclosures may be appropriate.



Climate-related risks

The report by the Intergovernmental Panel on Climate Change (IPCC) has made it clear that prompt and decisive action on climate change is required from governments, businesses and individuals alike.

The recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD) are gaining momentum. The government has proposed mandatory TCFD disclosures by 2022, and the FRC is undertaking a major review of how organisations assess and report the impact of climate change. The FRC expects organisations to disclose how they have taken climate change into account in assessing the resilience of the business model, its risks, uncertainties and viability both in immediate and longer term.

Investors are challenging companies that are not factoring the effects of the Paris Climate Agreement into their critical accounting judgements and are not disclosing comprehensively these judgements, assumptions, sensitivities and uncertainties.

ACTION: Clearly articulate how your organisation is addressing climate change e.g.

- whether this is a principal risk and how it is being managed; and
- its impact on the business model, the viability statement and the key assumptions and projections in impairment reviews and valuations (including in assessing remaining asset lives).

Revisions to auditing standards coming into effect

ISA (UK) 570 – Going concern

The FRC issued a revised going concern standard in September 2019, that takes effect for periods commencing on or after 15 December 2019. For public sector bodies, this will be March 2021 year ends and thereafter.

The revision was made in response to recent enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

We have summarised below the key areas of change in the standard – however, the Public Audit Forum is also consulting on changes to Practice Note 10, with the intention of reflecting public sector considerations in the approach to going concern, and so the ultimate impact of ISA (UK) 570 changes will be affected by this.

The key changes affect:

- Risk assessment procedures and related activities, increasing consideration of the entity's business model, operations and financing;
- The auditor's evaluation of management's assessment of the going concern assumption (which therefore requires a clearly documented assessment to be prepared by management);
- Enhanced professional scepticism requirements, including around the evaluation of the sufficiency and appropriateness of audit evidence;
- Considering the appropriateness of disclosures; and
- Reporting in enhanced audit reports.

"The revised standard means UK auditors will follow significantly stronger requirements than those required by current international standards."

FRC's press release, 30 September 2019

Revisions to auditing standards coming into effect (continued)

ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures

Since 2015, the International Auditing and Assurance Standards Council (IAASB) has sought to identify audit issues relating to accounting estimates for financial institutions and other entities. Initially, this focused on the impact of IFRS 9 *Financial Instruments*, because it would fundamentally change the way that banks and other entities account for loan assets and other credit exposures.

However, the IAASB concluded that most, if not all, issues identified for expected credit losses would be equally relevant when auditing other complex accounting estimates. Accordingly, a holistic revision of ISA 540 was undertaken and the new standard takes effect for periods commencing on or after 1 January 2020. For public sector bodies, this will be March 2021 year ends and later.

We summarise on the next few slides how this will impact our audit.

“There is a clear need to update ISA 540 to support better quality audits of increasingly complex accounting estimates”

FRC letter to the IAASB, July 2017

Area of change	Impact on our audit	Impact on the Council
Assessment of oversight and governance relating to estimates	In connection with our planning work to understand the entity and its environment, including internal control, we will specifically enquire regarding management’s processes, and the oversight and governance of those processes relating to accounting estimates.	You will need to consider the adequacy of your processes and controls over estimates, and documentation thereof.

Revisions to auditing standards coming into effect (continued)

ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures (continued)

Area of change	Impact on our audit	Impact on the Council
<p>Identification of inherent risk factors; separate assessment of inherent risk and control risk</p> <p>Objectives-based work effort requirements</p>	<p>Recognising a spectrum of inherent risk, we will assess risks of material misstatement in estimates with reference not only to estimation uncertainty, but also complexity, subjectivity or other inherent risk factors, and the interrelationship among them.</p> <p>We will specifically assess control risk relating to estimates, which may require us to evaluate the design and determine implementation of an increased number of internal controls. Our subsequent audit procedures will be responsive to this assessment, and designed to obtain evidence around the methods, significant assumptions, data and (where applicable) the selection of a point estimate and related disclosures about estimation uncertainty.</p>	<p>You will need to provide clear documented rationale for (a) the selection and application of the method, assumptions and data in making the accounting estimate, including any changes in the current year, and controls relating to those aspects; and/or (b) the selection of a point estimate and related disclosures for inclusion in the annual accounts.</p>
<p>Enhanced “stand back” requirement, to evaluate the audit evidence obtained</p>	<p>We will specifically design our procedures, to enhance our application of professional scepticism, so that they are not biased towards finding corroborative evidence; our overall evaluation of the evidence obtained will weigh both corroborative and contradictory evidence.</p>	<p>You should expect more challenge of the evidence provided in support of accounting estimates, use of external data sources and your consideration of contradictory evidence.</p>

Revisions to auditing standards coming into effect (continued)

ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures (continued)

Area of change	Impact on our audit	Impact on the Council
Enhanced requirements about whether disclosures are “reasonable”	The extant ISA 540 required us to evaluate whether disclosures were “adequate”. The change to “reasonable” will involve greater consideration of the overall meaning conveyed through disclosures. For example, where estimation uncertainty associated with an estimate is multiple times materiality, we will consider whether the disclosures appropriately convey the high degree of estimation uncertainty and the range of possible outcomes.	You should expect more challenge on disclosures relating to estimates, particularly for where you have selected a point estimate from a range and those with high estimation uncertainty.
New requirements when communicating with those charged with governance	In accordance with ISA (UK) 260 and ISA (UK) 265, our communications from the audit have included significant qualitative aspects of your accounting practices and significant deficiencies in internal control. With the revised ISA (UK) 540, these communications will specifically include matters regarding accounting estimates and take into account whether the reasons for our risk assessment relate to estimation uncertainty, or the effects of complexity, subjectivity or other inherent risk factors.	You should expect increased reporting in relation to accounting estimates which may be mirrored in our Annual Audit Report.

Areas where we consider the impact to be greatest:

Key areas impacted will include property valuations (discussed on page 18) and net pension liability. Property valuations are by nature significant estimates as they are based on specialist and management assumptions which can be subject to material changes in value.

Net pension liability (discussed on page 16) is subject to assumptions mainly inflation assumptions and return on scheme assets that can impact on the value of pension assets.

For both of the areas above we expect to receive reports from management’s specialists, setting out the basis of assumptions and methodologies. Management should ensure that this information is available in advance of the 2020/21 audit fieldwork.

Audit Quality

Our commitment to audit quality



Our objective is to deliver a distinctive, quality audit to you. Every member of the engagement team will contribute, to achieve the highest standard of professional excellence.

In particular, for your audit, we consider that the following steps will contribute to the overall quality:

We will apply professional scepticism on material issues and significant judgements by using our expertise in the local government sector and elsewhere to provide robust challenge to management.

We have obtained a deep understanding of your business, its environment and of your processes in income and expenditure recognition, payroll expenditure and capital expenditure enabling us to develop a risk-focused approach tailored to the Council.

Our engagement team is selected to ensure that we have the right subject matter expertise and industry knowledge. We will involve pensions specialists to support the audit team in our work on pension fund liability.

In order to deliver a quality audit to you, each member of the core audit team has received tailored learning to develop their expertise in audit skills, delivered by Pat Kenny (Audit Director) and other sector experts. This includes sector specific matters and audit methodology updates.



Engagement Quality Control Review

We have developed a tailored Engagement Quality Control approach. Our dedicated Professional Standards Review (PSR) function will provide a 'hot' review before any audit or other opinion is signed. PSR is operationally independent of the audit team, and supports our high standards of professional scepticism and audit quality by providing a rigorous independent challenge.

Wider scope requirements

Overview

The Code of Audit Practice sets out four **audit dimensions** that frame the wider scope of the audit of the accounts. The audit dimensions provide a common framework for all the audit work conducted for the Auditor General and for the Accounts Commission.

In addition, the wider scope of audit in local government comprises the statutory duty of auditors to be satisfied that bodies have made proper arrangements to secure **Best Value (BV)** and to publish **statutory performance information**. The Commission also sets out five **Strategic Audit Priorities** that it expects auditors to consider in local government audits.

In carrying out our annual risk assessment, we have considered the arrangements in place, building on our findings and conclusions from previous years' audits as well as planning guidance published by Audit Scotland. The following pages summarise the significant risks identified and our planned audit response.

The risk profile of public bodies for the 2020/21 audits is significantly affected by the COVID-19 pandemic. The pandemic has highlighted the importance of many long-standing issues that auditors across the public sector have previously reported on, such as the need for good governance, openness and transparency and effective longer-term planning to deliver better outcomes. The risks and challenges associated with these issues have become greater due to the pandemic. Audit Scotland's COVID-19 Guide for Audit and Risk Committees https://www.audit-scotland.gov.uk/uploads/docs/report/2020/as_200825_covid19_guide_audit_risk_comm.pdf sets out the key short term risks and challenges facing public bodies. They are heightened further because of the uncertainty around the UK's exit from the European Union and increasing budget pressures.

In accordance with Audit Scotland planning guidance, in assessing risks in 2020/21, and in order to deliver a high quality audit, we have focussed on risks related to governance and transparency, financial sustainability, and counter-fraud arrangements.

Wider scope requirements (continued)

Audit dimensions

Audit dimension	Significant risks identified	Planned audit response
Financial sustainability	<p>The projected full year impact of the pandemic is a net overspend of £0.913m, which is based on additional projected costs of £7.211m, offset by funding confirmed to date. While further funding allocations are anticipated later in the year, the current financial pressure and funding to date presents a risk to the Council. In response to the pandemic, the Council has developed a Recovery and Renewal Strategy, alongside a Finance Recovery Plan.</p> <p>The Council has historically achieved short-term financial balance and has made good progress with its transformation agenda. However, as reported in our 2019/20 annual audit report, it is still faces a significant shortfall, with COVID-19 expected to increase this risk.</p> <p>The Council has recently updated its estimate of its funding shortfall, which is now £120m over the next ten years, with a £40m gap over the next three years. There therefore remains a significant risk that robust long-term planning arrangements are not in place to ensure that the Council can manage its finances sustainably and deliver services effectively, identifying issues and challenges early and act on them properly.</p>	<p>We will review the updated Long Term and Medium Term Financial Outlooks to assess whether the impact of COVID-19 and other demand pressures have been appropriately considered.</p> <p>We will also review the Council's progress in developing and implementing detailed plans to address the financial challenges faced and how the impact of COVID-19 has been factored into these plans.</p> <p>We will also consider the work that the Council has done to review the lessons learned from its response to the COVID-19 pandemic and how this experience will inform the transformation agenda. This will consider the work being done as part of the Recovery and Renewal Strategy</p>

Wider scope requirements (continued)

Audit dimensions

Audit dimension	Significant risks identified	Planned audit response
Financial management	<p>We have not identified any significant risks in relation to financial management during our planning.</p> <p>Since the start of the pandemic, the risk of fraud and error has increased as the control environment and internal control change. In accordance with Audit Scotland planning guidance, we will consider fraud as a particular focus area in 2020/21.</p>	<p>We will continue to review the financial management arrangements.</p> <p>Using Audit Scotland's publication "COVID-19 Emerging Fraud Risks", we will assess what action the Council has taken to minimise risk to its control environment and internal controls.</p>

Wider scope requirements (continued)

Audit dimensions (continued)

Audit dimension	Significant risks identified	Planned audit response
Governance and transparency	<p>Following the changes made to the governance arrangements in response to the pandemic that includes the use of teleconference rather than face to face Committee meetings, there is a risk that the revised arrangements are not appropriate or operating effectively. The Council and its Committees suspended all meetings until June 2020 and reconvened from August 2020 during the COVID-19 outbreak.</p>	<p>We will review the work of the Council and Audit and Scrutiny Committee to assess whether the arrangements are operating effectively, including assessing whether there is effective scrutiny, challenge and informed decision making.</p>
	<p>The governance arrangements for Health and Social care integration is an area of particular interest to the Auditor General and Accounts Commission. There is a risk that the arrangements are not operating effectively (including services delivered by, or in partnership with, others). During 2020/21, the former Director of the Health and Social Care Partnership and Chief Officer left his post and a permanent replacement was appointed in December 2020.</p>	<p>We will also continue to review the governance arrangements for the Council, particularly focusing on how the IJB partnership have responded to the pandemic. As part of this, we will review the decision making process for the departure of the former IJB Chief Officer.</p>
	<p>While risk management processes are in place, the likelihood and impact of existing risks and the emergence of new risks will need to be monitored carefully. There is a risk that officers and Committee members have not considered how sustainable any changes to the risk appetite will be in the longer term.</p>	<p>We will review the work undertaken in relation to risk management including updates to the policies in place as a result of COVID-19 and whether these are appropriate for the long-term.</p>

Wider scope requirements (continued)

Audit dimensions (continued)

Audit dimension	Significant risks identified	Planned audit response
Value for money	<p>The pandemic is expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, are at a reduced level or have had to adapt to new ways of working. The pandemic has had a significant impact on the Council's operations in terms of having to reduce or cease certain services, for example schools and leisure centres.</p> <p>Performance reporting to the Council and Cabinet has ceased during the year to allow staff to focus on managing its response to COVID-19. Regular reporting on the impact of COVID-19 has therefore been the primary focus of performance reporting to the Council and Cabinet, which has included updates on the COVID-19 Recovery and Renewal Strategy. There is a risk that performance reporting has not been timely, reliable, balanced, transparent and appropriate to users' needs.</p>	We will review the performance reports presented to the Council to assess the extent of openness and transparency during the year.

Wider scope requirements (continued)

Best value and Strategic Audit Priorities

Considering Best Value arrangements

We have a duty to be satisfied that local government bodies have made proper arrangements for securing BV.

2020/21 is year five of the extended six-year approach to auditing BV in councils. BV audit work is integrated with the annual audit and we will work closely with Audit Scotland's Performance Audit and Best Value (PABV) team to plan, perform and report on the BV audit work.

A key feature of the approach to auditing BV is the Controller of Audit providing a Best Value Assurance Report (BVAR) to the Accounts Commission for each Council once over the audit appointment. The BVAR for NAC was published in June 2020. We will follow up on the progress with the recommendations as part of the annual audit work, considering the pace and depth of continuous improvement. Our BV audit work will be integrated into our audit approach, including our work on the audit dimensions discussed on pages 27 to 30.

Strategic Audit Priorities

In its 2019-24 strategy, the Accounts Commission sets out five Strategic Audit Priorities (SAPs):

- Having clear priorities with a focus on outcomes, supported by effective leadership and long-term planning;
- The strategic appraisal of options to re-shape services in line with priorities. This should consider good practice, innovation and collaborative working with partners;
- Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future;
- Empowering local communities and involving them in the design and deliver of local services and planning for their local area; and
- Reporting councils' performance in a way that enhances accountability to citizens and communities, helping them contribute better to the delivery of improved outcomes.

In recognition of the demands on auditors' time and the challenges of remote auditing, the Commission has agreed that auditors are not required to specifically consider and report on the SAPs as part of the 2020/21 audit. The SAPs continue to be important but the work on the audit dimensions will be used to inform progress.

Wider scope requirements (continued)

Statutory Performance Information

Statutory Performance Information

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. This responsibility links with the Commission's BV audit responsibilities. In turn, councils have their own responsibilities, under their BV duty, to report performance to the public.

The Accounts Commission issued a revised **2018 Statutory Performance Information Direction** in December 2018 which requires a council to report on:

- Performance in improving local public services provided by the Council (on its own and with its partners and communities), and progress against agreed desired outcomes;
- Its own assessment and independent audit assessments of how it is performing against its duty of BV, and how it plans to improve these assessments; and
- How it (with its partners where appropriate) has engaged with and responded to its diverse communities.

As 2019/20 was the first year of the direction, we evaluated the effectiveness and appropriateness of the arrangements at the Council to fulfil the above requirements and concluded that *"the Council has robust and long-standing arrangements in place to comply with the new SPI Direction including its public performance reporting requirements"*. As noted on page 30, the COVID-19 pandemic is expected to have had a substantial impact on performance reporting. We will therefore consider the effectiveness and appropriateness of the current arrangements as part of our audit dimensions work.

Wider scope requirements (continued)

Other requirements

Contributing to performance audits	Shared Risk Assessment and Joint Scrutiny Planning
<p>As in previous years, the Accounts Commission will publish two overview reports (financial and performance) covering the local government sector.</p> <p>The reports use information from the audited accounts and Annual Audit Reports. However, we will also be requested to provide important supplementary information collected as a dataset.</p> <p>The local government dataset is expected to be available in March 2021, with a submission deadline of 8 May 2021.</p>	<p>We continue to play a key role in the Shared Risk Assessment (SRA) process which is the vehicle for scrutiny bodies to share intelligence and agree scrutiny risks at each council. As the local auditor, we lead the Local Area Network (LAN), which comprises representatives from the main local government scrutiny bodies.</p> <p>The COVID-19 pandemic has impacted on the work of all local government scrutiny during 2020 and will continue to affect plans going forward. As a result, a National Scrutiny Plan for 2020 has not been published. The Strategic Scrutiny Group is considering how scrutiny partners can best respond in a co-ordinated way to the challenges and changes brought about by COVID-19. We will provide management with any updates as this develops.</p>
Current issues returns	Other areas
<p>Timely communication by auditors of intelligence is important in helping Audit Scotland to maintain a good level of awareness across the public sector and to keep the Auditor General, the Controller of Audit and Accounts Commission informed.</p> <p>Current Issue Returns for local government represent an important source of intelligence for reporting to the Commission's Financial Audit and Assurance Committee.</p>	<p>We are required to also carry out the following areas of work:</p> <ul style="list-style-type: none"> • Assurance on approved grant claims and other financial returns • Assurance on WGA returns • Preliminary enquiries on all correspondence received • Consider and report on any statutory objections received • Submission of fraud returns

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to establish our respective responsibilities in relation to the annual accounts audit, to agree our audit plan and to take the opportunity to ask you questions at the planning stage of our audit. Our report includes:

- Our audit plan, including key audit judgements and the planned scope; and
- Key regulatory and corporate governance updates, relevant to you

Use of this report

This report has been prepared for the Audit & Scrutiny Committee, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

We welcome the opportunity to discuss our report with you and receive your feedback.

What we don't report

As you will be aware, our audit is not designed to identify all matters that may be relevant to the Council.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the audit procedures performed in the audit of the annual accounts and the other procedures performed in fulfilling our audit plan.

Other relevant communications

We will update you if there are any significant changes to the audit plan.

Pat Kenny
for and on behalf of Deloitte LLP

Glasgow | [date]

Technical update



What does climate change mean for business?

New website – learning, interviews and resources

Climate change is likely to drive some of the most profound changes to businesses in our lifetimes.

Impacts on products and services, supply chains, loss of asset values and market dislocation are already being caused by more frequent and severe climate-related events.

Discover how to think through the challenges and futureproof your business.

The time to act is now!

The screenshot shows a website page with a dark background. At the top left is the Deloitte logo. At the top right, it says 'IN COLLABORATION WITH ICAEW' with a small icon of a person. Below this is a navigation bar with links: 'Learning | Interviews | Resources | Contact us'. The main content area features a large image of the Earth. Below the image, the title 'What does climate change mean for business?' is displayed in white, followed by the subtitle 'Understanding the role of finance professionals'. The main text area is white and contains the following text: 'Climate change is likely to drive some of the most profound changes to businesses in our lifetimes.', 'Impacts on products and services, supply chains, loss of asset values and market dislocation are already being caused by more frequent and severe climate-related events. These effects are now compounded by the accelerating pace of policy and regulatory change as humanity recognises the challenge we face and the drastic and rapid actions we all must take in order to protect our planet and our own livelihoods.', 'Discover how to think through the challenges and futureproof your business through [learning](#), [interviews](#) and [resources](#).', and 'The time to act is now!'. At the bottom of the page, there is a 'Supported by' section with logos for AAS (Accounting for Sustainability), CIBI, CDSB (Climate Disclosure Standards Board), Centre for Climate Change Engagement (Hogges Hall, University of Cambridge), and SASB (Sustainability Accounting Standards Board).

Visit: www.deloitte.co.uk/climatechange

Changes to accounting standards

IFRS 16 - Leases

Background

The implementation of the new standard has been deferred again for another year, with a revised implementation date of 2022/23 and will require adjustments to recognise on balance sheet arrangements currently treated as operating leases.

For 2021/22, the Council will need to include disclosures on the expected impact of the standard, but not make any adjustments in the annual accounts in respect of IFRS 16. However, many organisations have identified previously unidentified leases (or arrangements that contain a lease, such as service contracts) as part of their transition project, and so there may be some 2021/22 impact.

CIPFA/ LASAAC will shortly be issuing for consultation proposals on how housing secure tenancy agreements should be treated under IFRS 16. The proposals in this consultation are expected the 2022/23 accounting code.

Separate to the financial reporting impact, but potentially more critical, budgets for 2022/23, particularly capital budgets, will need to reflect the impact of the new standard (and require submissions well ahead of year-end).

In the local government context relatively small effects from standards can have a significant impact against performance metrics and targets, and so it is important to clearly understand the impact of the standards.

While the deferral of implementation means there is no direct impact on the 2020/21 annual accounts, finance teams should use this additional time to continue their preparation for implementation.

Next steps

We recommend that the Audit and Scrutiny Committee review the impact of IFRS 16, including calculating any adjustments that will be required as at 31 March 2022 for transition. We would suggest that the Audit and Scrutiny Committee receive reporting from management on the implementation of the new standard, and we will report specifically on the findings from our audit work in this area.

Changes to the Code of Practice on Local Authority Accounting

2020/21

Background

The accounting code has been issued by the CIPFA/ LASAAC Local Authority Code Board and its financial reporting framework is based on International Financial Reporting Standards (IFRS) as adopted by the European Union, adapted for the local government context where necessary.

The 2020/21 accounting code has been prepared on the basis of accounting standards and other pronouncements in effect for accounting periods commencing on or before 1 January 2020 (except for IFRS 16 Leases discussed on page 37).

The changes in the 2020/21 accounting code are summarised in the Foreword. The most significant changes impacting the Council are:

- ***The total line in the Comprehensive Income and Expenditure Statement*** – the line description used now needs to provide clarity regarding the use of positive and negative signage. For example, where brackets are used to represent an overall surplus the description “Total comprehensive (income) and expenditure” may be used.
- ***Amendments to reflect changes to the definition of material in IAS 8*** – it now states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that users make on the basis of those annual accounts.
- ***The implementation of amendments to IAS 19 Employee Benefits*** – it creates an exception to the rule that financial assumptions are based on market expectations at 31 March. Where a pension scheme amendment, curtailment or settlement occurs during the year the amended assumptions, as used for the re-measurement of the net defined benefit liability, are to be applied in relation to the benefits for the remainder of the year.

Changes to the Code of Practice on Local Authority Accounting 2020/21 (continued)

Background (continued)

- ***Amendments relating to financial instruments*** – as summarised below:
 - Gains and losses on financial instruments classified as fair value through the profit or loss have been added to the items included in the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement.
 - Clarification has been added regarding the extent of the exemption from recognising a loss allowance for expected credit losses on a financial asset where the counterparty is central government. It has been clarified that the exemption does not apply to credit impaired assets or NDPBs unless explicitly covered by a guarantee given by their sponsor division.
 - Clarification has been added in respect of the application of the interpretation of IFRS 9 that the options that characterise clauses within a LOBO contract should not be separately accounted for. It has been clarified that this interpretation only applies where the specific derivative elements are separable. It does not apply to a compound embedded derivative if separation of the exempted derivative is not permitted by IFRS 9.
 - Clarification has been added that the modification of financial liabilities follows the principles specified for the modification of financial assets, i.e. when the change in terms is not substantial, it is not accounted for as an extinguishment.
 - The wording of the definition for a soft loan has been amended to include loans where the interest rate specified is at below zero (i.e. negative interest).

Next steps

We recommend that management review the changes to the accounting code at the earliest opportunity. We are happy to have early discussion on this to agree and apply the required changes.

Government in the pandemic and beyond

Background and overview

Now in its ninth year, this report brings together Deloitte and Reform to reflect on new research into the issues facing government and public sector across the UK. This year, that research focuses on the impact of the coronavirus pandemic both on the public sector and the public it services. It comes as all nations of the UK faces new lockdown measures designed to reduce transmission, manage demand on health services and ultimately saving lives.

At the heart of the report is our exclusive citizen survey, which offers insight into perceptions of public services and public spending beyond COVID-19, as well as a public perspective on the government's 'levelling up' agenda.

That survey is complemented by our interviews with public sector leaders. This year, we spoke to 40 senior figures in government and public services, producing the most extensive qualitative research of its kind.



Next steps

A summary of the key conclusions are provided on the next page. The full report is available at <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/public-sector/deloitte-uk-state-of-the-state-2020.pdf>

The State of the State 2020-21 (continued)

Government in the pandemic and beyond (continued)

The state according to the public

A survey of more than 5,000 members of the public shows how people feel about tax, spending and public service priorities amid the COVID-19 pandemic. We also explore attitudes towards data sharing with and across government, and unpick what the public across each nation and region wants to see levelled up

58% of the public believe opportunities for young people will be worse as a result of coronavirus.

42% of the public believe that community spirit will have improved after the pandemic



The state according to the people who run it

Over 40 senior public sector figures in England, Scotland, Wales and Northern Ireland talked with us about the issues that matter to them. We explore their views on the legacy of COVID-19, levelling up, EU Exit and creating a data-driven government.

Our interviews of **40** senior public sector figures found that many want to retain the agility of new ways of working however, many sense a gravitational pull back to normality.

Fast forward to the past

Is automation making organisations less diverse?

Background and overview

Robotics and intelligent automation are in the process of transforming the nature of work and the skills required to do it. Whilst there is a clear risk of reinforcing structural inequalities there is also an opportunity to address diversity issues within automation programmes to ensure public sector organisations can capitalise on the benefits that both automation and diversity bring to business outcomes.

For many public sector organisations implementing automation whilst considering diversity is new and uncharted territory. We would like to encourage our public sector clients to consider and discuss this crucial issue.

Based on exclusive client interviews, insight from public sector projects and extensive desk research, our report explores the potential risks of not considering the implications of automation on workforce diversity and inequality. It also identifies the barriers to embedding diversity in automation programmes.

The report provides a practical four stage framework to integrate diverse groups to not only survive but thrive in a new automated and digital world.



Next steps

The full report is available at <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/public-sector/deloitte-uk-diversity-and-automation-brochure-landscape.pdf>

Appendices



Our other responsibilities explained

Fraud responsibilities



Your Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.



Our responsibilities:

- We are required to obtain representations from your management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement.
- As auditors, we obtain reasonable, but not absolute, assurance that the annual accounts as a whole are free from material misstatement, whether caused by fraud or error.
- As set out in the significant risks section of this document, we have identified risks of material misstatement due to fraud in relation to recognition of COVID-19 related income and management override of controls.
- We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

Whilst this requirement has been in place for a few years for public interest entities (as defined by the EU Audit Regulation), recent changes to ISAs (UK) mean it will apply to **all** entities for periods **commencing on or after 15 December 2019**.



Fraud Characteristics:

- Misstatements in the annual accounts can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the annual accounts is intentional or unintentional.
- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our other responsibilities explained (continued)

Fraud responsibilities (continued)

We will make the following inquiries regarding fraud and non-compliance with laws and regulations:



Management:

- Management's assessment of the risk that the annual accounts may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.
- Management's process for identifying and responding to risks of fraud.
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud.
- Management's communication, if any, to employees regarding its views on business practices and ethical behaviour.
- Whether management has knowledge of any actual, suspected or alleged fraud affecting the entity.
- We plan to involve management from outside the finance function in our inquiries, in particular personnel from Regulatory Services.



Internal audit

- Whether internal audit has knowledge of any actual, suspected or alleged fraud affecting the entity, and to obtain its views about the risks of fraud.



Those charged with governance

- How those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks.
- Whether those charged with governance have knowledge of any actual, suspected or alleged fraud affecting the entity.
- The views of those charged with governance on the most significant fraud risk factors affecting the entity.



Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the Council and will reconfirm our independence and objectivity to the Audit and Scrutiny Committee for the year ending 31 March 2021 in our final report to the Audit & Scrutiny Committee.
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Fees	The audit fee for 2020/21, in line with the fee range provided by Audit Scotland is £311,520 as analysed below:
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	£
Auditor remuneration	191,350
Audit Scotland fixed charges:	
Pooled costs	18,080
Audit support costs	10,460
Contribution to PABV	91,630
Total proposed fee	311,520



In addition, the audit fee for the charitable trusts audit is £1,200.

There are no non-audit services fees proposed for the period.

Non-audit services	In our opinion there are no inconsistencies between the FRC's Ethical Standard and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
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Relationships	We have no other relationships with the Council, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.
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Our approach to quality

AQR team report and findings

Audit quality remains our number one priority and we have a relentless commitment to it. We continue to invest in and enhance our Audit Quality Monitoring and Measuring programme.

In July 2020 the Financial Reporting Council (“FRC”) issued individual reports on each of the seven largest firms, including Deloitte, on Audit Quality Inspections providing a summary of the findings of its Audit Quality Review (“AQR”) team for the 2019/20 cycle of reviews.

We greatly value the FRC reviews of our audit engagements and firm wide quality control systems, a key aspect of evaluating our audit quality.

We are pleased with our results for the inspections of FTSE 350 entities achieving 90% assessed as good or needing limited improvement, which included some of our highest risk audits. Our objective is for 100% of our audits to be assessed as good or needing limited improvement and we know we still have work to do in order to meet this standard. We are however, extremely disappointed one engagement received a rating of significant improvements required during the period. This is

viewed very seriously within Deloitte and we have worked with the AQR to agree a comprehensive set of swift and significant firm wide actions.

We are also pleased to see the impact of our previous actions on prior year adjustments is reflected in the results of current year inspections with no findings in this areas. In addition the FRC identified good practice examples including in: risk assessment, group oversight, our comprehensive IFRS9 expected credit loss audit programme and our Audit & Scrutiny Committee reporting.

Embedding a culture of challenge in our audit practice underpins the key pillars of our audit strategy. We invest continually in our firm wide processes and controls, which we seek to develop globally, to underpin consistency in delivering high quality audits whilst ensuring engagement teams exercise professional scepticism through robust challenge.

All the AQR public reports are available on its website. <https://www.frc.org.uk/auditors/audit-quality-review/audit-firm-specific-reports>



Our approach to quality (continued)

AQR team report and findings (continued)

The AQR's 2019/20 Audit Quality Inspection Report on Deloitte LLP

"We reviewed 17 individual audits this year and assessed 13 (76%) as requiring no more than limited improvements. Of the ten FTSE 350 audits we reviewed this year, we assessed nine (90%) as achieving this standard."

"We have highlighted in this report aspects of firm-wide procedures which should be improved, including strengthening the monitoring of the firm's audit quality initiatives."

"Our key findings related principally to the need to:

- Improve the extent of challenge over cash flow forecasts in relation to the impairment of goodwill and other assets.
- Enhance the effectiveness of substantive analytical review and other testing for revenue.
- Improve the assessment and extent of challenge regarding management's estimates, particularly for model testing."

"The firm has taken steps to address the key findings in our 2019 public reports, with actions that included focused training and standardising the firm's audit work programs. We have identified improvements, for example in the audit of potential prior year adjustments and related disclosures, a key finding last year. We also identified good practice in a number of areas of the audits we reviewed (including effective group oversight and robust risk assessment) and in the firm-wide procedures (including the firm's milestone program, with expected dates for the phasing of the audit monitored by the firm)."





This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

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NORTH AYRSHIRE COUNCIL
9 March 2021**Audit and Scrutiny Committee**

Title: April to September 2020 Complaint Report

Purpose: To inform the Audit and Scrutiny Committee of the Council's complaint performance and the volumes and trends of complaints in the first 6 months of Financial Year 2020.

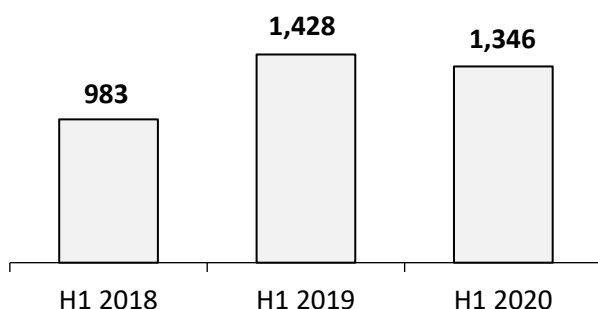
Recommendation: That the Committee notes the report and the information provided.

1. Executive Summary

- 1.1 This report details complaint information relating to North Ayrshire Council covering the period 1 April 2020 to 30 September 2020 (referred to in the report as H1 2020).
- 1.2 In order to allow comparisons the report also details some complaint data covering the same periods in 2018 and 2019 (referred to as H1 2018 and H1 2019).
- 1.3 Complaint handling performance is measured through a number of Scottish Public Services Ombudsman (SPSO) performance indicators, some of which have national targets.

2. Background

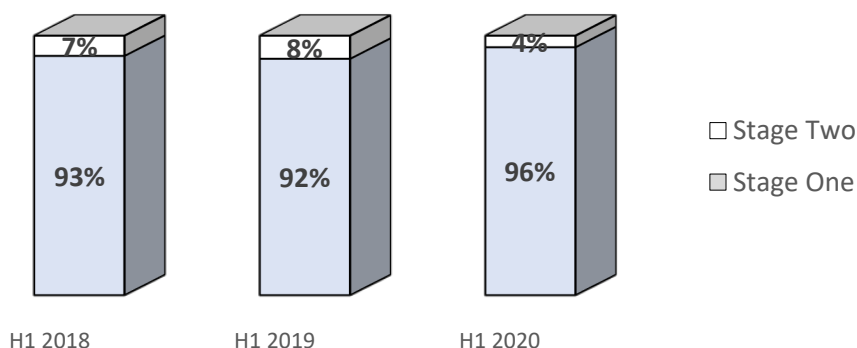
- 2.1 This section contains statistical information and commentary on some of the key complaint performance indicators devised by the SPSO in conjunction with all 32 Scottish councils. More information relating to all the indicators can be found in the attached report.

2.2 *Volume of complaints received and closed*

2.2.1 Whilst the Council had to introduce measures and change policies, processes and practices to combat the Covid-19 pandemic during this period, there has been a 6% reduction in complaints when comparing the first six months of 2020 with 2019. More details can be found in the attached report.

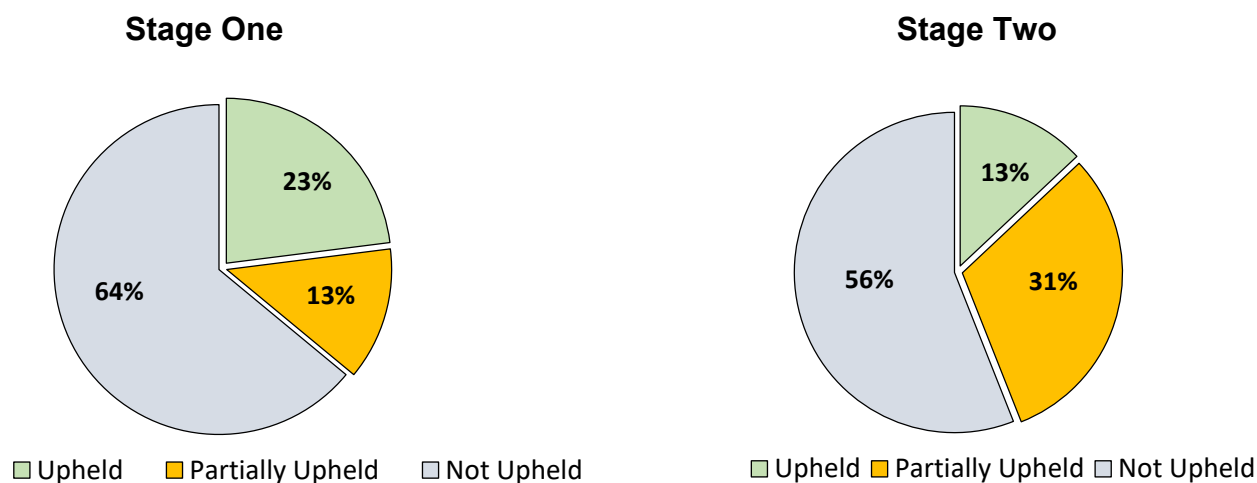
2.2.2 Whilst complaint volumes are recorded, the key point is to ensure lessons are learned as a result of complaints in order to prevent reoccurrence.

2.3 ***Complaints closed at each Stage***



2.3.1 Whilst there is no national target for the number of complaints to be closed under each Stage, the Council always seeks to maximise closure at Stage One as complainants receive a quicker resolution, reduce the impact on complaint handlers' time and reduce the possibility of SPSO referrals.

2.4 ***Complaint outcomes***



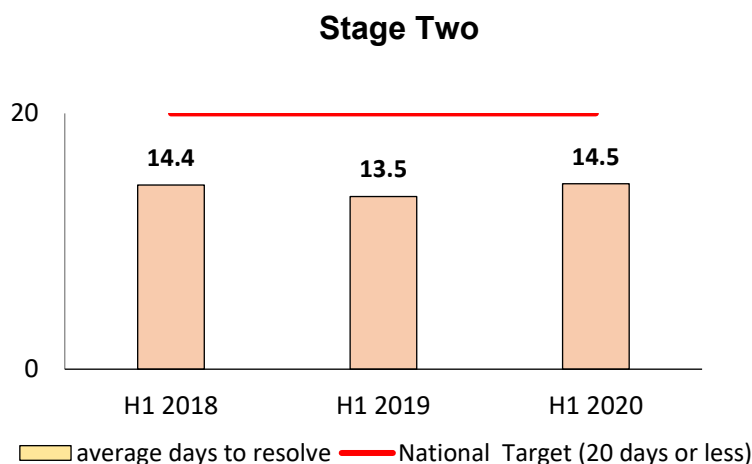
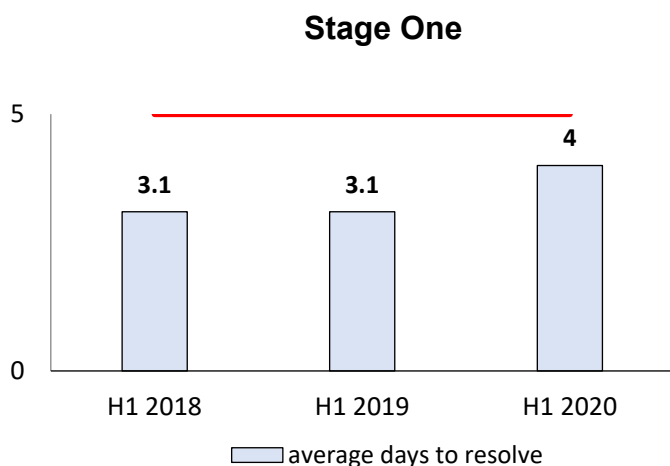
2.4.1 Upheld complaints are those where the Council has had to take action to address or fix something. Partially Upheld complaints are complaints that have more than one complaint element where at least one of them was upheld.

2.4.2 Analysis shows the majority of complaints received during the period related to Waste Services partly as a result of issues the service encountered as a result of Covid-19.

Given the high volume of upheld missed bin collection complaints during the period, the Stage One pie chart above shows the outcomes with these complaints excluded. A chart including these complaints can be found in the attached report, together with further information regarding the impact Covid-19 has had on Waste Services.

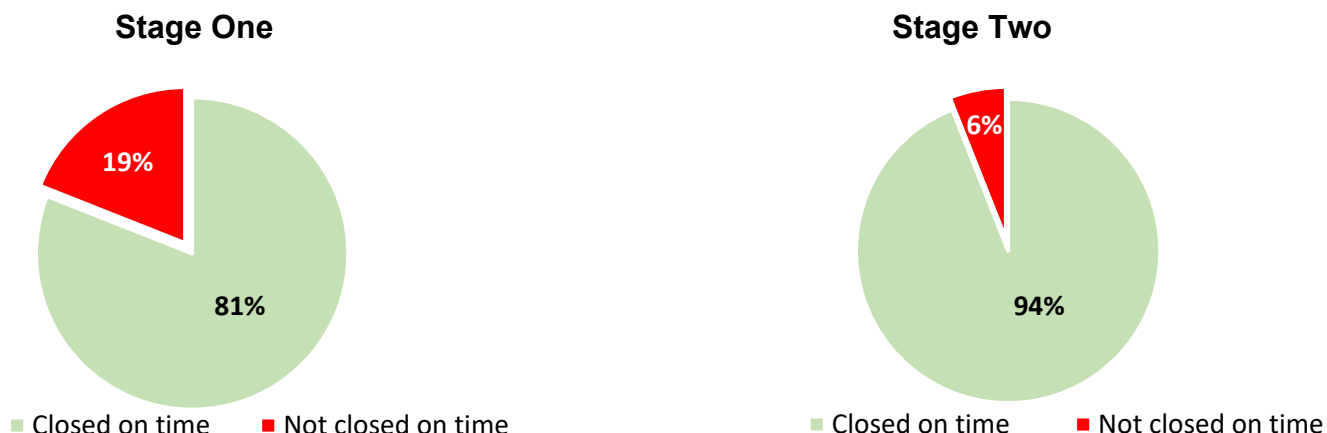
2.4.3 Complaints that were not upheld related to policies, regulations, poor quality complaint submissions or complaints that were proven to be unfounded.

2.5 *Average time in working days for a full response at each Stage*



2.5.1 The average time in working days for a response under both Stages has met the SPSO target response timescales consistently for the last three years.

2.6 ***Complaints closed within timescale***



2.6.1 The national target for complaints closed under Stage One is 80% or above and the target was exceeded.

2.6.2 The national target for complaints closed under Stage Two is 85% or above and again the target was exceeded.

2.6.3 There were several factors complaints that did not meet timescale during the period and further details are contained in the attached report.

2.6.4 It should be noted that whilst the Council has been tackling a major health crisis during this time, national targets for complaints closed on time were still met.

2.7 ***Complaint timescale extensions***

2.7.1 Stage One complaints should be responded to within 5 working days, but we can extend them an additional 5 working days (10 if the complaint relates to Social Work) under certain circumstances. Stage Two complaints should be responded to within 20 working days but again services can extend the timescale of these to a date in the future if certain circumstances are met.

2.7.2 A total of 25 complaints had their timescales extended during the period and just over half were Stage Ones. Reasons for extension included complainants and individuals being unavailable to assist with investigations, additional information having to be sought to support investigations and issues arising from the Covid-19 outbreak.

2.8 ***Trends identified from upheld/partially upheld complaints***

2.8.1 Key complaint topics for upheld or partially upheld complaints within some Services are noted in page 9 of the attached report.

2.9 *Changes or Improvements made as a result of complaints*

2.9.1 Not all Services can implement improvements due to a number of factors, including the feasibility of making changes and resource/budget considerations. That said, improvements were made in some Services as a result of complaints received during the period and a selection are noted in page 14 of the attached report.

2.9.2 During the period 160 compliments were recorded. Some praised specific individuals or teams, some related to more than one Service.

2.10 *Coronavirus impact*

2.10.1 Since March 2020 the Council has been continually assessing the impact of the Coronavirus outbreak and its ability to continue to deliver critical and key services. Section 10 in the attached report provides more information on complaints received during the period that related to Covid-19.

3. Proposals

3.1 It is proposed the Committee approves the report and recognises NAC performance in relation to the information listed in Section 2 above.

4. Implications

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People:	None
Environmental & Sustainability:	None
Key Priorities:	<p>The Two Stage CHP supports the Council's key priority of delivering more effective and efficient service provision.</p> <p>Regular reports are produced with the focus on determining trends and service improvements.</p> <p>Support and guidance from the Complaint Manager ensures greater consistency in complaint handling, improvements in response times and a reduction in duplication of effort.</p>
Community Benefits:	The Two Stage CHP demonstrates a commitment to improve service delivery for North Ayrshire residents, customers and visitors.

5. Consultation

- 5.1 A working group comprising officers from a number of Scottish Local Authorities is producing a standard Complaint Handling Satisfaction Survey that Councils can issue to complainants to capture their views and feedback on how their complaints are handled. As this piece of work is currently suspended due to the Covid-19 outbreak any update on progress will be provided in the 2020/21 annual complaint report.

Andrew Fraser
Head of Democratic Services

For further information please contact **Darren Miller** on telephone number **(01294) 322988**.

Background Papers

N/A



Complaint Report

1 April to 30 September 2020



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Introduction

North Ayrshire Council always seeks to deliver the best services possible to its customers and residents but it is recognised that dissatisfaction will sometimes occur. When it does we want to know what went wrong, why it went wrong and what we can do to make things right.

The Council recognises valuable lessons can be learnt from complaints which are defined as being expressions of dissatisfaction from members of the public about actions, or lack of actions, or about the standard of service provided by or on behalf of the Council.

The Council's complaint handling procedure (CHP) has two stages for handling complaints from the public:-

1

Stage One complaints (also known as *Frontline Resolution*) are straightforward, non-complex complaints the Council can resolve at the initial point of contact or as close to the point of service delivery as possible. The Council has up to 5 working days to resolve these.

2

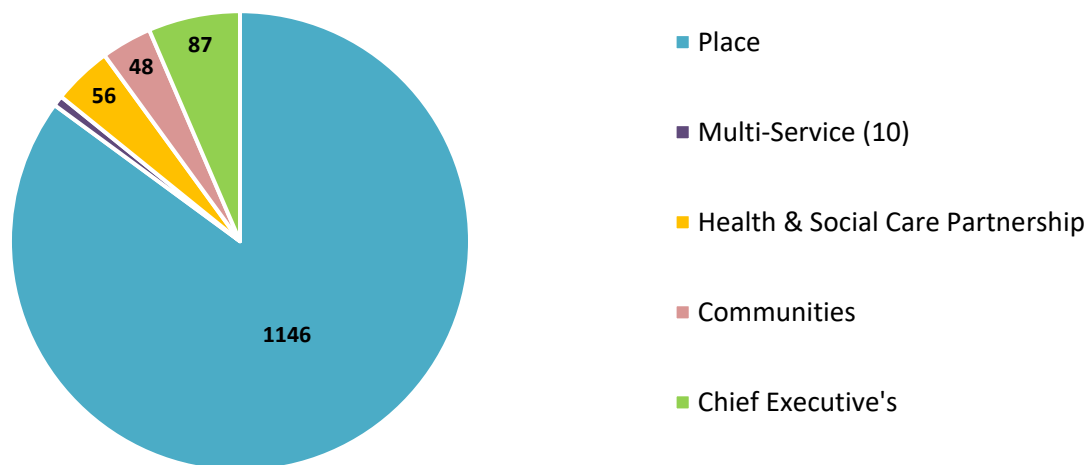
Stage Two complaints (also known as *Investigations*) are complaints the Council are typically unable to resolve at Stage One and need more time to carry out further investigation. This may be because the nature of the complaint is complex, serious or high risk. The Council has up to 20 working days to resolve these.

This report details the Council's complaint handling performance covering the first six months of financial year 2020 (1 April to 30 September 2020) and is referred to in the report as **H1 2020**. Performance is measured via several Scottish Public Services Ombudsman indicators (some of which have national targets) and complaint data relating to previous years has been included in certain sections to allow comparisons to be made.

Reporting complaints is a statutory requirement and is monitored by Audit Scotland.

1 Volume of complaints closed

1,346 complaints were closed during the period and the chart below provides a breakdown per Directorate:



The following tables highlight complaint volumes per Directorate under each Stage:

Place	Stage One	Stage Two
Building Services	59	1
Facilities Management	5	-
Housing	63	10
Planning	-	2
Property Management & Investment	28	1
Protective Services	7	1
Regeneration	2	-
Roads	24	1
Streetscene	89	-
Waste Services	852	1
Total	1129	17

Multi-Service	Stage One	Stage Two
Complaints involving more than one service	5	5
Total	5	5

Health & Social Care Partnership	Stage One	Stage Two
Children, Families & Criminal Justice	14	10
Health & Community Care	17	9
Mental Health	2	-
Support Services	4	-
Total	37	19

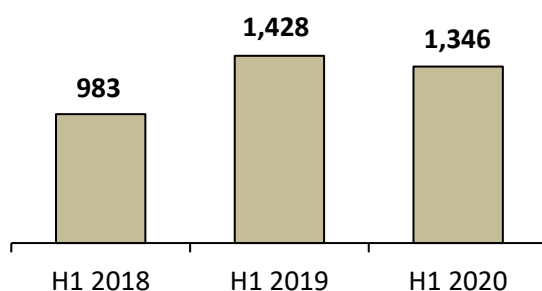
Communities	Stage One	Stage Two
Community Learning & Development	1	-
Education (HQ)	27	9
Education (Schools)	9	1
Total	38	10

Chief Executive's	Stage One	Stage Two
Customer Services	76	1
Benefits	9	-
Legal	1	-
Total	86	1

- Although there is no target for the volume of complaints handled under each Stage, the Council seeks to maximise closure at Stage One wherever possible and 96% were handled at this Stage during the period.
- Some Services handled all their complaints at Stage One.
- Whilst 63% of all complaints received related to Waste Services (the majority being missed bins and assisted pullouts), the Service empty over 102,000 household waste bins each week. As this equates to approximately 2.5 million collections during the period, 0.03% of these collections resulted in complaints being raised. The service is currently developing an improvement plan to address missed collections and assisted pull-outs, including the use of technology to verify genuine missed collections (as opposed to occasions where the householder has not presented the bin on time).
- Complaints received that related to measures the Council took to combat Covid-19 can be found later in this report.
- Multi-Service complaints have a table of their own as they are not attributed to one Service.

Year on Year comparison

The graph below shows a comparison of the volume of complaints received over the half year period in the last three years:



The table below shows the volume breakdown for each Directorate over the three years (based on the new 2020 structure):

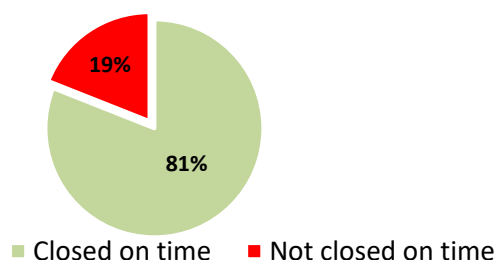
Directorate	H1 2018	H1 2019	H1 2020	Variance (2019 – 2020)
Chief Executive's	144	105	87	-17%
Communities	75	67	47	-30%
HSCP (Social Work complaints)	72	48	56	+17%
Place	675	1,202	1,146	-5%
Total	966*	1,422*	1,336*	-6%

*Multi-service complaints have been excluded to allow for true Directorate comparisons

- Whilst the Council had to introduce measures and change policies, processes and practices to combat the Covid-19 pandemic, there has been a 6% reduction in complaints when comparing the first six months of 2020 with 2019 (the high volume of complaints in Place in H1 2019 related mainly to changes made to the Waste collection service from 1 April 2019).
- Two Directorates saw sizable reductions in complaints received when comparing H1 2020 with H1 2019.

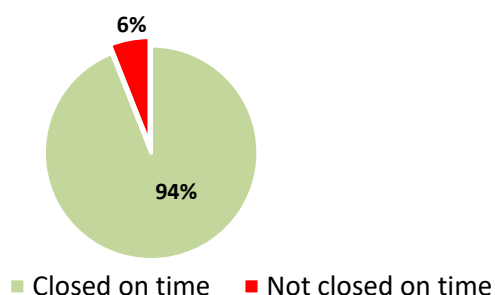
2 Volume of complaints closed on time at both Stages

Stage One



- The national target for closing Stage One complaints on time is 80% and above.
- The volume closed on time includes extended complaints that met their new due dates.

Stage Two



- The national target for closing Stage Two complaints on time is 85% and above.
- The volume closed on time includes extended complaints that met their new due dates.

3 Volume of complaints not closed on time per Directorate

This section provides details of complaints not closed on time under each Stage and includes extended complaints that did not meet their new timescales.

Stage One

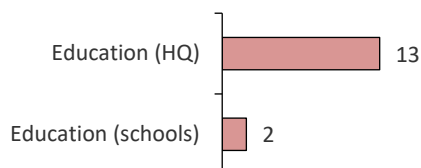
Notes

Chief Executive's



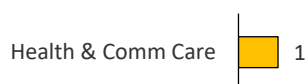
Reasons for these three complaints breaching included the service being unable to contact complainants to discuss the issues and a complaint being incorrectly routed when it was logged.

Communities



Some of these complaints breached due to their complexity and complaint handlers being unable to contact complainants to agree complaint elements. Some also breached due to schools closing due of Covid-19 which caused difficulties in arranging meetings of parents, Headteachers and teachers to resolve the complaints.

HSCP (Social Work complaints)



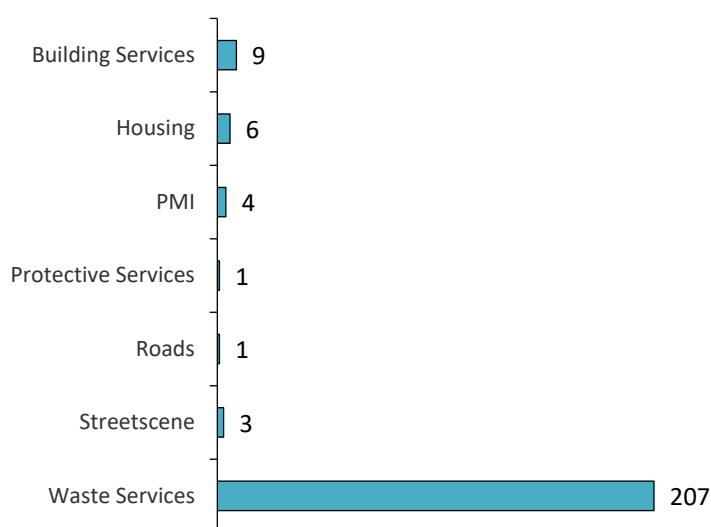
One complaint breached its due date because the Principal Manager requested additional information be added to the response and there were also complications as a result of Covid-19.

Multi-Service



This complaint breached its timescale as it was initially allocated to PMI who determined it involved multiple service several days later. When reallocated to Multi-Service it was resolved the following day.

Place



Reasons given for Place complaints not meeting the 5 working day timescale included complaint handlers not being available to progress complaints and complainants being unavailable to assist with investigations. Some complaints also breached due to factors related to Covid-19 measures and restrictions.

Many of the complaints that breached were closed only one or two days beyond their due dates.

Regarding the volume of Waste complaints that did not meet timescale, see the additional commentary below.

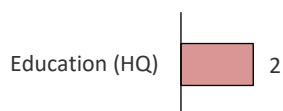
Covid-19 and impact on Waste Services

As a result of Covid-19, Waste Operations had to re-write operational risk assessments and change operating arrangements which included drivers and crews dispersing at the end of a shift to prevent employees congregating at the depot at finish time. This made supervision more difficult as foremen were unable to have face to face time with drivers and crew. Levels of absence also had an adverse effect on service delivery and resolving complaints. During April and May in particular absence levels peaked at 40% and during this period employees were redeployed from other service areas. Although vehicles were fully optimised and operating there were many unfamiliar staff on vehicles which inevitably resulted in mistakes being made, particularly with missed assisted collections. The operating outlook for waste collection remains difficult and is still being disrupted by individual positive Covid-19 cases causing those working in a “crew bubble” being forced to self-isolate. Vehicle availability has been stretched throughout the period of the pandemic which has also impacted on the service delivery of operations.

It is important to consider the above when reviewing complaint data for Waste Services and it should also be recognised that North Ayrshire Council was one of only a few local authorities in Scotland that managed to maintain a normal waste collection service during the pandemic.

Stage Two

Communities



These two HQ complaints were sensitive in nature and were closed just beyond the 20 working-day timescale.

Multi-Service



This complaint breached its timescale due to a technical issue with a shared mailbox. The issue was subsequently fixed by IT.

4 Key complaint topics

Key topics for upheld and partially upheld complaints for Services are listed below. Services will not be listed if there were low complaint volumes that did not allow meaningful analysis.

Chief Executives

Service	Key complaint topic(s)
Customer Services	<ul style="list-style-type: none"> • Waiting times (to speak to Advisers) • Issues regarding free school meal vouchers

Communities

Service	Key complaint topic(s)
Education (HQ)	<ul style="list-style-type: none"> • Sensitive issues relating to teachers and/or pupils

HSCP (Social Work complaints)

Service	Key complaint topic(s)
Health & Community Care	<ul style="list-style-type: none"> • Service provision/delivery

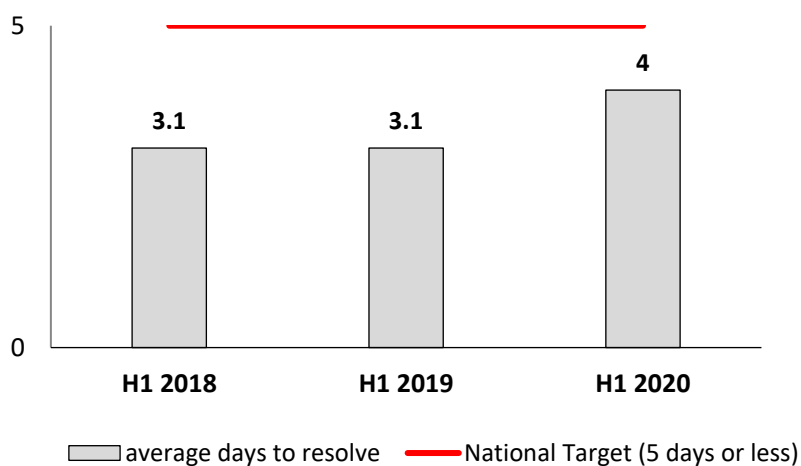
Place

Service	Key complaint topic(s)
Building Services	<ul style="list-style-type: none"> • Follow Up appointments
Streetscene	<ul style="list-style-type: none"> • Quality/lack of grass cutting
Waste Services	<ul style="list-style-type: none"> • Missed bins (all colours) • Missed pull outs (all colours) • Employee actions • Spillages when emptying bins

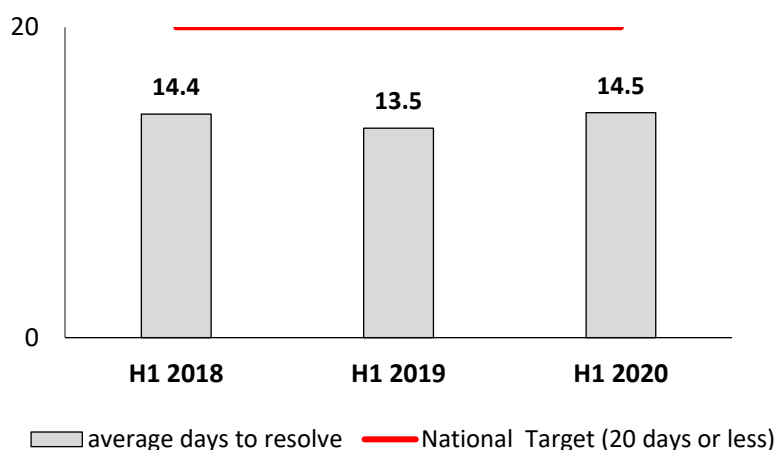
5 Average time in working days for a full response

The average time in working days to close complaints under both Stages during the period is noted below. Values for previous years have been included to allow comparisons to be made and any complaints that had their timescales extended have been excluded from the calculations.

Stage One



Stage Two

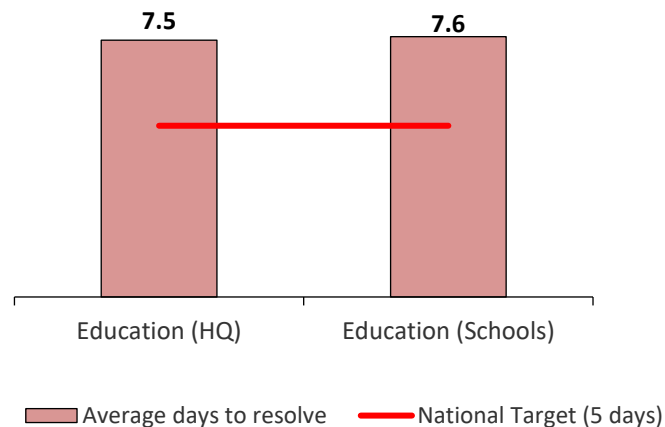


- The average time to close complaints under both Stages has consistently exceeded target.

The bar charts below detail Services that did not meet the average time in working days for a response under either Stage. Services that met the target are not listed and any complaints that had their timescales extended (and met their new due dates) have been excluded from the calculations.

Communities

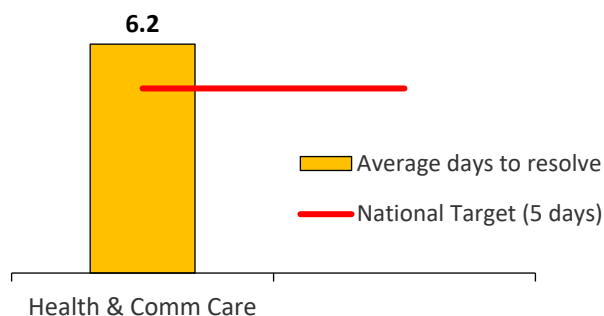
Stage One



Some complaints for HQ and schools did not meet their timescales by considerable margins, which resulted in the average number of days target not being met for both. The main reason for this was complaints no longer being able to be progressed or concluded as a result of national Covid-19 measures that were introduced.

HSCP (Social Work complaints)

Stage One



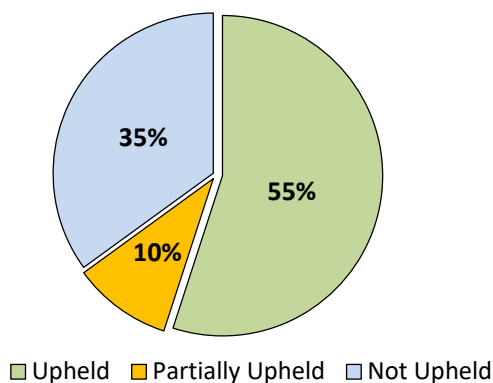
A Health & Community Care Stage One complaint was closed on working day 38 which resulted in the average time to resolve all complaints in the Service being 6.2 working days. It was closed on day 38 due to additional information being required to conclude the complaint and complications as a result of the Covid-19 restrictions.

6 Extended complaints

- 25 complaints had their timescales extended during the period (13 at Stage One and 12 at Stage Two). The complaints related mainly to services within the HSCP and Place Directorates.
- There were numerous reasons for extending, including complainants and individuals being unavailable to assist with investigations, additional information having to be sought to support investigations and issues arising from the Covid-19 outbreak (see section 10 for more information).
- All 25 extended complaints were closed within their new due dates.

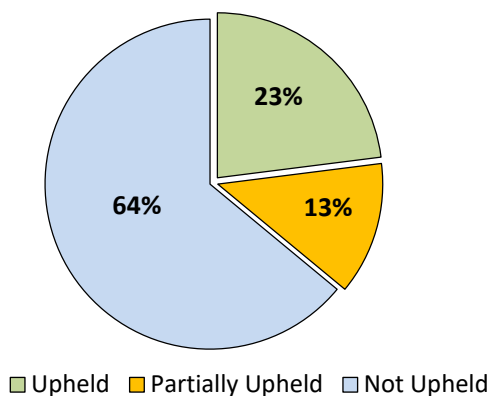
7 Complaint Outcomes

Stage One



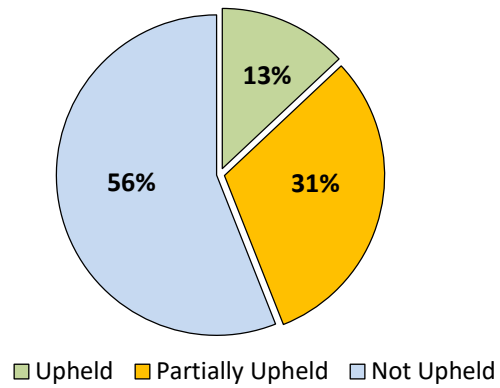
- Of all the complaints upheld and partially upheld* at Stage One, many related to Waste Services and in particular bin collections. This was anticipated given issues the service encountered as a result of Covid-19.
- Of the 35% of complaints not upheld, over two thirds related to policies (and in particular policy changes as a result of Covid-19).

Given the high volume of upheld missed bin collection complaints during the period, the chart below shows the outcomes with these complaints excluded. As you will note, there is now a significant difference when comparing the upheld and partially upheld figures between both charts:



*Partially Upheld complaints are complaints that contain more than one complaint element and at least one of them is upheld

Stage Two



- 44% of all Stage Two complaints upheld or partially upheld* and were split across services within Communities, HSCP and Place.
- Of the 56% of complaints not upheld, these related to policies, regulations and complaints that were determined to be unproven/unfounded.

*Partially Upheld complaints are complaints that contain more than one complaint element and at least one of them is upheld

8 Improvements made as a result of complaints

Some improvements were made as a result of complaints received during the period and a selection is noted below.

What happened?	What we did
An elderly tenant called the Council's Out of Hours service to report a problem but the correct processes were not followed.	A briefing note was issued to the Out of Hours Team reminding them how to handle calls from elderly tenants, tenants that may be living alone and what repairs should be classed as emergencies. An apology was also offered to the complainant.
A resident booked a special uplift which went to an incorrect address.	When it was determined that the resident's customer record showed a previous address, the system was updated to reflect the new address, the special uplift items were removed and an apology was offered to the complainant. Consideration is also being given to include the address of the special uplift when uplift confirmation emails are issued to customers.
A driver complained about road works at a roundabout where the diversion took them up a rural road.	The driver was advised that there were numerous signs advising the road was closed and additional signs had also been erected since the works had started. The driver commented that a 'local access only' sign could have been erected and this suggestion will be considered for any future works planned at this location.

9 Compliments

Over 160 compliments were recorded cross-Council during the period and whilst they cannot all be highlighted in this report a selection is noted below.

*"I reported a dangerous tree which was removed promptly. I would like to pass on my compliments to **Business Support** and **Streetscene** for the prompt action."*

Multiple compliments were received for **Building Services** regarding the "fantastic", "brilliant" and "amazing" jobs that joiners, electricians, plumbers and other staff have carried out over the last six months.

Multiple compliments were received regarding the service provided by HSCP **Care at Home** staff during the Covid-19 pandemic. Comments included that they provide a fantastic service with personal care support as well as offering emotional support at a time when families are unable to visit.

*"I want to say a huge thanks to **Angela Watson**, Library Assistant. She went above and beyond to assist with my membership. A great job, thank you!"*

"Just want to say thanks to those working in the Local Offices, those who may still be at their desks or working from home, those in Waste Services who are still collecting our waste and other staff who are carrying out other essential jobs during this historically remarkable time, you are doing a great job and deserve our thanks and gratitude. Thank you."

"I just wanted to say I think the Council is doing a wonderful job during the lockdown. The specific information on your website about all the services and support available is comprehensive and helpful. The speed with which you set up the Community Hubs is amazing. The Q and A session held by the Leader of the Council and the Chief Executive was comprehensive and helpful too."

*"I had a query with council tax and it was dealt with by **Kaye Robertson** in the **Contact Centre**. She was polite, efficient and a credit to your team."*

Multiple compliments were received for **Waste Services** thanking drivers and crews for continuing to maintain a collection service during Covid-19.

"Congratulations to the Council regarding food boxes being issued to families on benefits whose children receive free school meals. These goods really help to feed families and are so much better than vouchers as it means fewer visits to the supermarket are necessary. Well done NAC!"

*"Thanks to **John Mack** in your **Planning Team** for his prompted clear response to my question. Well done and thanks for all you do for us at this time"*

(multiple compliments were also received from people who benefitted from this initiative)

Multiple compliments were received for **Roads** regarding repairs and faults being addressed swiftly during the last six months.

10 Coronavirus impact

Since March 2020 the Council has been continually assessing the impact of the Coronavirus outbreak and its ability to continue to deliver critical and key services. Whilst robust business continuity plans are in place for unforeseen events, these unprecedented circumstances presented substantial challenges and service provision in some areas of the Council was affected.

Of the 1,346 complaints closed during the period, 160 (12%) related directly or indirectly to the pandemic. Below is a table detailing the Directorate and Service breakdown.

Directorate	Service	No. of Covid-19 related complaints	Volume that were policy-related
Chief Executives	Customer Services	7	4
	Legal	1	1
Communities	Community Learning	1	1
	Education (HQ)	6	5
	Education (schools)	2	1
HSCP	Children & Families	4	0
	Health & Community Care	7	0
	Support Services	2	0
Multi-Service	Multiple services	5	3
Place	Building Services	18	12
	Housing	7	6
	PMI	10	10
	Protective Services	4	1
	Roads	5	5
	Streetscene	35	35
	Waste	46	22
TOTAL		160	106

Looking at services that received most Covid-related complaints, analysis identified:

- Some **Customer Services** complaints related to long waiting times (due to Contact Centre Advisers having to work from home) and council tax/2nd home reductions not being offered during the pandemic/lockdown
- Some **Education** complaints related to school closures and children having to be taught from home
- Some **HSCP Health & Community Care** complaints related to delays to service provision
- Some **Building Services** complaints related to the change in policy where only emergency repairs were to be carried out
- Some **PMI** complaints related to a reduced service as a result of contractors having to close their offices/businesses
- Some **Protective Services** complaints related to the closure of non-essential businesses

- Some **Roads** complaints related to the closure of the Council's car parks
- The majority of the 35 Covid-related **Streetscene** complaints related to grass cutting being suspended and the time taken to phase it back in
- Covid-related complaints about **Waste Services** related mainly to the closure of the Household Waste Recycling Centres; the suspension of special uplifts; missed collections (due to redeployed employees being unfamiliar with the service) and new bin requests only being processed for new properties (although these new bins were delivered in a timely fashion between March and August which is worthy of note given the difficulties the Service was facing).

Further information and analysis on the impact Coronavirus has had on our complaint handling performance will be reported in the 2020/21 end of year complaint report.

11 ALEO complaints

An Arms-Length External Organisation (ALEO) is an organisation formally separate from a local authority but still subject to its control and influence. North Ayrshire Leisure Limited (NALL) is an ALEO for North Ayrshire Council and this section normally highlights complaints handled by NALL using the same Two Stage procedure the Council uses.

As the NALL H1 2020 report was still being prepared when this report was produced, details of NALL complaints will be included in the Council's 2020/21 end of year complaint report.

12 SPSO complaint referrals

The Scottish Public Services Ombudsman (SPSO) is the final stage for complaints about Local Authorities in Scotland. The SPSO recently published its 2019/20 referral statistics and the table below details the volume of complaints (relating to North Ayrshire Council) that were referred to the Scottish Public Services Ombudsman during the year:

Type of complaint	Volume
Education	3
Environmental Health & Cleansing	1
Finance	4
Housing	8
Personnel	1
Planning	1
Roads & Transport	1
Social Work	5
Subject unknown or Out of Jurisdiction	2

- The SPSO received 1,249 complaints about Scottish Local Authorities during 2019/20 and 3% related to North Ayrshire Council. This referral rate is consistent with previous years (typically between 2% to 3%).
- The highest number of referrals made to the SPSO about the Council related to Housing but this was expected given many of the Local Authority referrals made to the SPSO during the year related to Housing or housing services.

The outcomes of the North Ayrshire Council complaints referred to the SPSO are noted below.

Stage	Outcome	Volume
Advice	Not duly made or withdrawn	8
	Out of jurisdiction	1
	Premature	6
Early Resolution	Not duly made or withdrawn	2
	Out of jurisdiction	1
	Proportionality	8
	Resolved	1
Investigation	Fully upheld	2
	Not upheld	1

- The majority of the referrals made by North Ayrshire complainants were resolved by the SPSO at the Advice or Early Resolution stages. Only 3 were taken to investigation where 2 were upheld and some recommendations made (which the Council implemented).

- Many of the referrals at Advice stage were either withdrawn by the complainants, out of SPSO jurisdiction or premature i.e. complainants approached the SPSO before exhausting the Council's Two Stage process.
- Many Early Resolution referrals were considered under proportionality meaning the SPSO decided it would not be proportionate to investigate the complaints given the need to use public resources effectively. Instances include where evidence suggests the Council has already carried out a thorough investigation or the sole outcome being sought by the complainant is not one the SPSO can achieve by investigating and making recommendations.

More details regarding complaint referrals for North Ayrshire Council can be found on the SPSO website at <https://www.spsso.org.uk/decision-reports>.

13 Glossary

Term	Explanation
Stage One	Stage One (aka <i>Frontline Resolution</i>) aims to resolve straightforward customer complaints that require little or no investigation. Any employee may deal with complaints at this stage and they can be resolved via any channel. The main principle is to seek resolution at the earliest opportunity and as close to the point of service delivery as possible. Stage One complaints must be responded to within 5 working days unless an extension (a maximum of 5 additional working days or 10 if the complaint relates to Social Work) is requested and approved by a senior manager. The Council should, however, always aim to resolve these types of complaints within 5 working days.
Stage Two	Not all complaints are suitable for Frontline Resolution and not all complaints will be satisfactorily resolved at that stage. Complaints therefore handled at Stage Two (aka <i>Investigation</i>) typically require a detailed examination before the Council can state its position. These complaints may already have been considered at Stage One, or they may have been identified from the outset as being complex, serious or high risk and needing immediate investigation. The investigation under a Stage Two should establish all the facts relevant to the points made in the complaint and give the customer a full, objective and proportionate response that represents our final position. Stage Two complaints must be responded to within 20 working days unless an extension is approved by senior manager in conjunction with the customer. Stage Two complaints require a written response, signed by a senior manager.

Complaint criteria

When an expression of dissatisfaction is received the Council determines if the issue falls into one of six complaint categories:

- A service the Council should be providing is not being provided (or is not available)
- A request for a service was provided but not to an appropriate standard
- A request for service has not been answered or actioned within the agreed timescale
- A Council employee was rude, unhelpful or unprofessional
- A Council employee did not attend an appointment or call-out on a date/time agreed
- The complaint relates to a policy (internal or external)

If the issue being raised relates to one or more of the above, the matter is considered a complaint and will be recorded and handled as such. If not, the matter will be handled as a request for a service, observation or enquiry and actioned accordingly.

END OF REPORT