

Audit and Scrutiny Committee  
28 January 2020

**IRVINE**, 28 January 2020 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

**Present**

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

**Also Present**

Ronnie McNicol.

**In Attendance**

C. Hatton, Chief Executive; L. Friel, Executive Director, David Forbes, Senior Manager, P. Doak, Senior Manager (Internal Audit, Risk and Fraud) and C. Morris, Internal Auditor (Finance and Corporate Support); R. McCutcheon, Executive Director, A. Laurenson, Senior Manager, Economic Development and Regeneration; and J. Wraith, Team Manager, Physical Environment (Place); A. Sutton, Executive Director (Interim) (Communities); S. Brown, Executive Director (Health and Social Care Partnership); and D. McCaw, Committee Services Officer (Chief Executive's Service).

**Also In Attendance**

Pat Kenny and Jordan Cook (Deloitte).

**Chair**

Councillor Burns in the Chair.

**1. Chairs Remarks**

The Chair advised that the External Auditors were in attendance at the meeting to present their report on the External Audit Plan 2019/20 and, in addition, would observe proceedings as part of their evidence for the Best Value Audit.

**2. 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.

**3. Minutes**

The Minutes of the Ordinary Meeting of the Audit and Scrutiny Committee held on 12 November 2019 and the Special Meeting held on 27 November 2019 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973, subject to amended wording to the penultimate paragraph of the Minute of 27 November 2019 to read "The Committee commented on the significant progress by other Council services in achieving their planned savings. Any overspend by the Health and Social Care Partnership creates a financial risk to the Council, as one of the key funding partners".

#### **4. North Ayrshire Integrated Joint Board (IJB) Budget Monitoring Period 8**

Submitted report by the Chief Finance and Transformation Officer, and presented by the Executive Director, on the financial position of the North Ayrshire IJB and on progress with plans to reduce the projected overspend for 2019-20. The budget monitoring report and Appendices, which were presented to the IJB on 19 December 2019, were attached as an Appendix to the report.

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

- the HSCP working towards financial balance in 2019/20 with a focus on ensuring that the final outturn position is no more than £1.5m, to ensure the deficit of the IJB does not increase;
- the 19/20 savings plans being complete for full delivery by 1 April 2020;
- information is included in the Recovery Plan on the review of services to people with learning difficulties, and balancing independence and safety;
- difficulties in making significant inroads to overnight support and ensuring a safe, effective and cost-efficient service delivery model;
- the filling of vacant managerial posts being determined through the HSCP Vacancy Scrutiny Panel;
- the movement in the savings trackers relating to timescales and delay in delivery;
- the continuing work with the Council to reduce the financial risk to the Council; and
- information on care at home numbers, care home placements, self-directed support and other key areas alongside examples of best practice nationally to be included within future reports.

The Committee agreed to note (a) the financial position with regard to the Health and Social Care Partnership; and (b) the actions being taken by the partnership to reduce the projected overspend.

#### **5. Town Centre Regeneration**

Submitted report by the Executive Director (Place) providing an update on footfall data in town centres and on planned activity to promote their regeneration. Appendix 1 detailed information on footfall counter locations and footfall data trends while Appendix 2 detailed retail vacancy rates within units.

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

- the role of Locality Partnerships in supporting the North Ayrshire Regeneration Framework;
- the possible transition from retail use to residential in some town centres and considerations as part of this process;
- consultation with Members, Officers and Community Groups as part of the Stevenston regeneration process;
- tackling of issues in connection with vacant and derelict land sites;

- ongoing parking issues in West Kilbride which will be considered as part of the overall North Ayrshire parking strategy;
- work in connection with decriminalised parking enforcement which is progressing;
- an update on Vacant and Derelict Land Funding (VDLF) in connection with the old gas works site in Dalry;
- that VDLF funding can be carried to the next financial year; and
- support which can be provided to private town centre businesses in Irvine, Saltcoats and Largs.

The Committee agreed to note (i) recent trends in footfall in the main town centres of Irvine, Saltcoats and Largs; (ii) activity to promote investment and regeneration in town centres, including the expenditure of town centre funding in 2019/20; (iii) future plans to increase the impact of investment from other budgets on town centres, including from the Social Housing Investment Programme; and (iv) plans for a new regeneration framework in early 2020 which will provide a strategic approach to the regeneration of North Ayrshire's town centres.

## **6. Climate Change**

Submitted report by the Executive Director (Place) providing an update on progress in tackling climate change and detailing achievements made through the Environmental Sustainability and Climate Change Strategy.

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

- funding of £50,000 awarded through the Scottish Government's Local Heat and Energy Efficiency Strategy (LHEES);
- procurement of a Consultant to work with Officers on providing a heat strategy across North Ayrshire;
- the installation of solar pv panels on Council houses and the possibility of a joint venture to develop roll-out proposals to private owners;
- the work of the PMI team on the use of solar panels on Council buildings;
- monitoring and usage of the current electric vehicle charging points based at Cunninghame House and possible funding to allow installation of workplace electric vehicle chargers to free these points up to public use;
- zero waste targets, especially in connection with emails and hard copy expectations; and
- the rate of progress with the sustainability and climate change strategy given the climate change emergency.

The Committee agreed to note the actions undertaken across services to mitigate the impacts of climate change.

## **7. External Audit Plan 2019/20**

Submitted report by the Executive Director (Finance and Corporate Support) on the External Audit Plan for 2019/20, which summarised Deloitte LLP's assessment of the key risks and challenges facing the Council and the audit work proposed in the

2019/20 financial year. The full Audit Plan report was detailed at Appendix 1 to the report.

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

- the recognition of grant income which has been identified as a key risk;
- disclosures in connection with the IFRS16 Standard will be included within in-year reporting as part of the accounting policies;
- an update to be provided to a future meeting on the transformation programme;
- the net pension liability increase as a result of changes in assumptions together with the impact of McCloud and GMP indexation;
- any potential waste management monitoring overlap with SEPA and provision for Audit Scotland to provide further clarification around this if required; and
- the annual publication of 'The State of the State' being included to raise Committee awareness.

The Committee agreed to note the External Audit Plan for 2019/20.

## **8. Internal Audit Reports Issued**

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed during October and December 2019. The findings from eight separate audit assignments were detailed at Appendix 1 to the report, together with their respective executive summary and action plans.

Councillor Brahim left the meeting prior to discussion of the Procurement Card audit and rejoined the meeting prior to questions in this regard.

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

- assurances in terms of how kelio system controls issues are being addressed, especially in relation to deactivation from the system;
- procedures for recording of visitors entry and exit at Cunninghame House;
- procurement card transaction limits, allocation of cards and authorisation controls for line managers;
- no current access to the Carefirst system for Education staff and on how this will be improved; and
- minimising risk around duplicate payments.

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

## **9. Council Plan Progress Update: Q2 2019/20**

Submitted a report by the Chief Executive on the progress of performance against the Council Plan 2019-24 as at Quarter 2 2019-20. Appendix 1 to the report detailed the Council Plan 2019-24 Progress Update (Mid-Year 2019-20). Appendices 2 and 3 provided information on performance indicators for the Council Plan Performance Framework and the actions aligned to the Council Plan 2019 - 24 respectively.

The Chair commented on the new format of the report which was more focussed on key priorities and easier to read and follow.

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

- ongoing work for projects within the Ayrshire Growth Deal and reporting timelines;
- timescales regarding skills development progress;
- continuing work to integrate and support refugees and a report to be submitted to a future Cabinet meeting making recommendations on the next stages;
- progress with the development of a Community Charter which will be reported to future meetings of the Locality Partnerships; and
- final targets in connection with recycling and the fact that the Council is on-track to meet the 60% target set by the Scottish Government.

The Committee agreed to note the performance of the Council Plan as at 30 September 2019.

#### **10. 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.

#### **11. Corporate Fraud Reports Issued**

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

Noted.

The meeting ended at 12.00 noon.