

Scrutiny Committee
26 March 2012

IRVINE, 26 March 2012 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

John Hunter, Anthea Dickson, Matthew Brown, Jean Highgate and Alan Munro.

In Attendance

I. Mackay, Solicitor to the Council (Corporate Services); I. Colvin, Corporate Director and O. Clayton, Head of Community Care and Housing (Social Services and Health); Y. Baulk, Head of Finance and T. Reaney, Procurement Manager (Finance and Infrastructure); S. Bale and M. Adams, Policy and Performance Officers and A. Little, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Hunter in the Chair.

Apologies for Absence

Anthony Gurney, Margaret McDougall and Jim Montgomerie.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16.

2. Minutes

The Minutes of the previous meeting of the Committee held on 12 March 2012 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Revenue Budgetary Control Statement to 31 January 2012

Submitted report by the Corporate Director (Finance and Infrastructure) on the Revenue Budgetary Control Statement to 31 January 2012.

The Period 10 General Services projected outturn for 2011/12 reflected a saving of £5.374m. This has arisen from the early delivery of a number of efficiency initiatives, as well as a £1.544m underspend (0.5% of the net budget) due to actual spend being less than that anticipated when the original budget was established.

As a result of the significant savings achieved by services within the current year, the report sought approval to meet the estimated in-year costs of the Change programme (£3.067m) from the 2011/12 budget provision, which would leave the Change Fund intact for use in future years. Approval was also sought to carry forward £3.394m into 2012/13 to fund various initiatives. These actions would result in a total net in-year underspend of £3.851m.

Sections 2.5-2.15 of the report, and Appendices 1-8, provided a commentary on significant variances in the General Services budget by Service, as well as other adjustments relating to major works, loan charges and Council Tax. The table at Section 2.16 of the report provided a summary of the year end General Services revenue projections, based on variances at the end of January 2012.

In terms of the Housing Revenue Account (HRA), projections at Period 10 indicate a reduced forecast underspend of £1.846m at 31 March 2012, as illustrated at Appendix 9 to the report. This movement is mainly due to the anticipated refund from Building Services reducing from £0.976m at Period 8 to a revised figure of £0.815m. The table at Section 2.18 of the report summarised the position on the Housing Revenue Account at the end of January 2012.

The net projection on the HRA for the year is a £0.350m overspend compared with a budgeted overspend of £2.196m, which was to be funded by the balance brought forward at 1 April 2011 of £7.811m. The resultant balance at 31 March 2012 is now projected to be £7.461m, of which £5.487m is already earmarked. As a result of the reduced surplus, the approval given on 31 January for the use of the uncommitted sums now requires to be revised. The report proposed that the uncommitted balance is now used to reduce Prudential Borrowing by £0.574m in the 2011-12 Capital Programme as opposed to the £0.616m highlighted in the previous report.

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

- reasons for delays in progressing projects that result in the requirement for carry forwards;
- the provision of further information in relation to the slow uptake of HNC/HND courses that has resulted in reduced demand for childcare;
- the formation of the Economic Development and Regeneration Strategy Board to take forward the delivery of the North Ayrshire Economic Development and Regeneration Strategy.

The Committee agreed that further information in relation to the slow uptake of HNC/HND courses that has resulted in reduced demand for childcare be provided to Members.

4. Capital Budgetary Control Statement to 31 January 2012

Submitted report by the Corporate Director (Finance and Infrastructure) on the Capital Budgetary Control Statement to 31 January 2012.

Actual expenditure to 31 January 2012 (Period 10) amounted to £11.746m or 53.6% of the revised annual budget for 2011/12 of £21.913m, compared with actual expenditure of 64.4% for the same period in 2010/11. Details of actual expenditure by project against the revised budget for 2011/12 alongside further anticipated expenditure to 31 March 2012 were set out at Appendix 1 to the report.

The total expenditure anticipated to be incurred at 31 March 2012 is now £19.508m, which represents further spend between 1 February and 31 March of £7.762m. The projection is a decrease of £2.411m from that reported for the period ended 30 November 2011, primarily due to further slippage being identified. Details were provided at Section 2.4 of the report.

Since the previous report, further underspends totalling £0.206m have been identified, the main component being in Private Sector Housing Grants where an underspend of £0.195m is projected. When added to the over-programming of £0.071m identified in the previously, there now remains total uncommitted funds of £0.135m. The Capital Programme and Assets Group's recommendations on the use of £0.069m in uncommitted funds were set out in the table at Section 2.6 of the report.

The projected underspend will result in a reduction of £4.955m in the anticipated amount of Prudential Borrowing undertaken in 2011/12 which will have a corresponding impact on the Revenue Budget for 2012-13. Capital receipts from sale of assets in 2011/12 are forecast to be £1.138m, which are credited direct to the Capital Fund for use in funding the capital programme in future years. Full details of capital receipts and all capital income were provided at Appendix 1 to the report.

In terms of the Housing Revenue Account Capital Budget, actual expenditure to 31 January 2012 (Period 10) amounted to £15.777m or 63.7% of the revised annual budget of £24.765m, compared with 61.6% for the same period in 2010/11. Details of actual expenditure by project against the revised budget for 2011/12 were contained in Appendix 2 to the report, alongside anticipated expenditure to 31 March 2012. It is currently anticipated that the HRA capital programme will be underspent by £0.559m at 31 March 2012. This underspend is due to project slippages, primarily in the Window Replacement Programme, and requires to be carried forward into 2012/13.

Members asked questions, and received clarification, on work by Finance and Internal Audit to scrutinise and monitor projects in order to reduce project slippage.

Noted.

5. BV2 Improvement Plan: Progress Update

Submitted report by the Chief Executive on progress in implementing the BV2 Improvement Plan 2011/12 as at 31 December 2011.

Overall progress in implementing the BV2 Improvement Plan was set out at Section 2.1 of the report. The Plan was reported at 83% complete, with 90% of actions "complete" or "on target" and 10% slightly adrift of target. Progress on each of the 100 actions within the Plan was detailed at Appendix 1 to the report.

Section 2.3 of the report provided information on those actions/sub-actions described as "slightly adrift of target". Whilst efforts are continuing to ensure that those actions in the Improvement Plan which are slightly adrift are implemented by 31 March 2012, the following actions will not be complete until later in 2012:-

- the publication of the Council vision (2.1.3);
- the next stage of the Integrated Resource Framework for Children with Complex Needs (5.4.1); and
- the roll out of the PECOS procurement system to all schools (7.4.2).

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

- progress in the implementation of the Integrated Resource Framework for Children with complex needs; and
- the provision to Members of further information in respect of the Integrated Resource Framework Workplan.

Noted.

6. Audit Scotland Report: Role of Community Planning in Economic Development

Submitted report by the Chief Executive on the contents of the Audit Scotland report on the Role of Community Planning Partnerships in Economic Development and the actions taken.

Audit Scotland's report on the Role of Community Planning Partnerships in Economic Development looks at community planning partnerships' contribution to economic development. It examines how CPPs operate, how CPPs plan local economic development and the performance and accountability arrangements in place to support delivery of local economic development priorities.

In carrying out their audit, Audit Scotland surveyed all 32 CPPs and their economic development theme groups; looked in detail at partnership working to support economic development in four CPP areas; interviewed a wide range of other stakeholders including the Scottish Government; and reviewed CPP documents, including Single Outcome Agreements and economic development strategies.

The key messages contained in Audit Scotland's report were detailed at 2.1 and the key recommendations for the Scottish Government, CPPs and CPP partners were detailed at 2.2. Audit Scotland recommended that public bodies (a) consider the findings at their organisation's Audit Committee or other relevant committee: and (b) prepare an action plan to address areas for improvement and monitor and report progress regularly.

The report was submitted to the CPP Board meeting on 12 January 2012 and the Economic and Learning Partnership on 9 January 2012. The Economic and Learning Partnership agreed to establish a Sub Group to examine the Audit Scotland Report and prepare an Action Plan.

Noted.

7. Update on Performance of Scotland Excel

Submitted report by the Corporate Director (Finance and Infrastructure) on the progress made within the last 6 months.

Since the previous report to the Scrutiny Committee on 12 September 2011, Scotland Excel has awarded two contracts, for the supply and delivery of prepared meals for a community meals service and the supply and delivery of telecare equipment and associated services. The Council will not participate in the former as it has an existing contract in place, but expects to achieve savings of £7,600 as a result of participation in the contract for telecare equipment. Scotland Excel's contract delivery plan for 2011-12 and 2012-13 was set out for information at Appendix 1 to the report.

Scotland Excel carried out the annual Procurement Capability Assessments (PCA) for all Scottish Councils during November and December 2011. The Council scored 34%, which represented an increase of 7% compared to 2010 and exceeded its target by 1%.

Following on from the annual assessments, Scotland Excel facilitated a best practice learning event in January 2012. The Team Manager (Corporate Procurement) attended on behalf of the Council and is now developing an improvement plan to establish the Council's target for 2012.

The Council continues to support the training courses offered by Scotland Excel, with 58 staff from across the Council attending training courses in 2011. The Council will also continue to support the Scotland Excel Commercial User Intelligence Groups and lobby for opportunities for local suppliers and Small and Medium Enterprises (SMEs) where appropriate to do so.

Members asked questions and were advised that information in respect of the training costs would be provided to Members.

Noted.

8. Ayrshire Valuation Joint Board Minutes

Submitted report by the Chief Executive on the Minutes of the Meeting of the Ayrshire Valuation Joint (AVJB) held on 15 November 2011.

Noted.

The meeting ended at 2.40 p.m.