

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held remotely on Tuesday 30 November 2021 at 2.00pm.

Present: Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, COLIN BROWN BEM, LYNNE DEVINE, BEN LAWRIE, MARK MCDONALD, IAN McLAREN, CRAIG FOTHERINGHAM, MARK SALMOND and BETH WHITESIDE.

Councillor KING, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Bob Myles with Councillor Craig Fotheringham substituting.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 23 September 2021 was approved as a correct record and signed by the Convener.

Councillor Boyd left the meeting and re-joined the meeting during consideration of the following item.

4. SCOTTISH FIRE AND RESCUE SERVICE - QUARTERLY MONITORING REPORT FOR THE PERIOD 1 JULY 2021 TO 30 SEPTEMBER 2021

With reference to Article 6 of the minute of meeting of this Committee of 24 August 2021, there was submitted Report No 366/21 by Stephen Wood, Local Senior Officer, Scottish Fire and Rescue Service, containing performance information relating to quarter two (1 July to 30 September) of 2021 on the performance and activities in support of the priorities in the Local Fire and Rescue Plan for Angus 2020 and the wider community planning priorities.

Attached as an Appendix to the Report was the detailed breakdown and analysis of all data collected during the reporting period which also included an overview of a range of community safety engagement events and partnership working.

Stephen Wood, Local Senior Officer thanked elected members and officers who had participated in the recent Unwanted Fire Alarm Signal event and also the Angus Her Majesty's Fire Service Inspectorate (HMFSI) inspection. A brief summary of the Report was also provided.

Thereafter, Scott Gibson, Local Group Officer provided an overview of the 12 key performance indicators and targets; the community safety engagement programme activities including the 10-20 weekly enquiries related to the new smoke detector legislation; Challenge Poverty week follow up actions; the 12 post Domestic Incident Response (PDIR) engagements; and the Notable Events detailed in Appendix 2 some of which included Partnership Training for NHS Staff; Rossie Young People's Trust - Young Fire Fighters Project; Young Fire Setter Intervention Programme; and the White Ribbon UK Campaign.

Councillors Bell, Devine and Duff raised questions and comments related to the new smoke detector legislation including the request for further guidance; the potential to link in with the services offered by Caledonia Care and Repair to Angus and Perth and Kinross homeowners and private tenants; the White Ribbon Campaign and SFRS workforce health and wellbeing, and in response, the Local Senior Officer provided updates and also confirmed that he would follow up on the point raised in terms of Caledonia Care and Repair services in due course.

The Convener enquired as to the availability of a list of approved local traders/companies who supplied and fitted the interlinked smoke and heat alarms, and whether this was openly available. Having heard the Local Senior Officer confirm that this was outwith the remit of the SFRS, the Depute Chief Executive confirmed that he would arrange to take this action forward with Housing colleagues, and intimated that it was anticipated that any requests for approved traders/companies would be directed to the Angus Reputable Traders Scheme (ARTS).

The Committee agreed to note the performance of the Scottish Fire and Rescue Service as outlined in the quarterly monitoring Report for the period 1 July 2021 to 30 September 2021.

Councillor Boyd left the meeting during consideration of the following item.

5. POLICE SCOTLAND – ANGUS LOCAL POLICING AREA QUARTERLY REPORT FOR THE PERIOD 1 JULY 2021 TO 30 SEPTEMBER 2021

With reference to Article 4 of the minute of meeting of this Committee of 23 September 2021, there was submitted Report No 367/21 by Chief Superintendent Phil Davison, which updated the Committee on the performance results for the period 1 July 2021 to 30 September 2021.

Appendix A to the Report outlined the performance in relation to the identified policing objectives and outcomes which were monitored and reviewed at the monthly Tasking and Delivery meeting. The data provided in the Report was for information purposes to allow members to conduct their scrutiny responsibilities under the Police and Fire Reform (Scotland) Act 2012.

Chief Superintendent Phil Davison, also accompanied by Chief Inspector Leanne Blacklaw, Local Area Commander for Angus, highlighted that this period had continued to be challenging, with an increased return to normality in communities, in comparison to lockdown periods and reduced socialising last year. He provided an update in terms of the recent COP26 event held in Glasgow highlighting the success of this and emphasised the complexities around policing such a major event.

Chief Superintendent Davison and Chief Inspector Blacklaw provided a detailed overview and informative update in response to questions and comments from Councillors Bell and Devine in relation to the road safety campaign particularly related to cyclists, Mentors in Violence programme (MVP), cyber-fraud activities, current trends including monetary value scammed from Angus citizens; and domestic abuse and the White Ribbon Campaign.

Chief Inspector Blacklaw also confirmed that she would investigate and revert back to Councillor Devine in relation to the total number of schools where the Mentors in Violence programme (MVP) had been delivered.

The Committee agreed to note the Angus Local Policing Area Quarterly Report for the period 1 July 2021 to 30 September 2021.

At this point, the Scottish Fire and Rescue Services and Police Scotland representatives left the meeting.

6. ANGUS COUNCIL ANNUAL ACCOUNTS 2020/21 AND ANNUAL AUDIT REPORT TO MEMBERS

With reference to Article 3 of the minute of meeting of this Committee of 24 November 2021, there was submitted Joint Report No 368/21 by the Chief Executive and the Director of Finance, providing Audit Scotland's Annual Audit Report to Members on the 2020/21 Audit of Angus Council, Robert and William Strang Mortification and Angus Council Charitable Trust and requesting members of the Committee to approve the 2020/21 Audited Annual Accounts of Angus Council, Robert and William Strang Mortification and Angus Council Charitable Trust, for signature.

The Council had achieved the statutory deadline for the submission of their draft Annual Accounts for audit of 30 June 2021. The statements were prepared in accordance with the Local Authority Accounting Code of Practice and the audit would be completed with the issue of an unqualified audit opinion on 30 November 2021, subject to this Committee's approval of the Accounts, for signature.

The Auditor's Report identified 5 new actions for the Council to consider for 2020/21 and highlighted that strong progress had been made in addressing the actions from the 2019/20 Audit Report to Members and had also identified a number of new actions for the Council to consider. The independent and external perspective was helpful and work was in hand to address these actions as outlined in the action plan, attached as Appendix 1 to the Auditor's Report.

The unaudited accounts presented to this Committee on 24 August 2021 had been amended for a number of audit adjustments, noting that one of the audit adjustments reduced the Usable Reserve position by £0.038 million, which related to the accounting of the disposal of the Trail Pavilion in Montrose as reported in the Unaudited Annual Accounts in June 2021, from £66.490 million to £66.452 million. Details of the main movements on the accounting statements were set out in Appendix C to the Report.

In terms of the Robert and William Strang Mortification and Angus Council Charitable Trust 2019/20 Annual Accounts, including Audit Certificate, the statutory deadline for the submission of the draft accounts for audit was 30 June 2021, and had been achieved. The statements were prepared in accordance with the Charity Statement of Recommended Practice. The audits would be completed with the issue of the unqualified audit opinions on 30 November 2021, subject to this Committee's approval of the Accounts, for signature. The audited accounts would be presented to a meeting of the Trustees in December 2021.

The Director of Finance introduced the Report and thereafter, Carole Grant, Audit Director, Audit Scotland provided a detailed overview of the key areas of the Angus Council 2020/21 Annual Audit Report.

Councillor Duff raised questions related to the request for additional information for a Remuneration Report, Housing Revenue Account (HRA) appropriation of General Fund assets, overpayment of salary to a senior councillor, Common Good asset registers; and the Statutory Performance Indicators as detailed in Recommendation 5 of the Report, and in response, updates were provided by a number of officers.

Councillor Duff also took the opportunity to commend the hard work of all those involved.

The Committee agreed:-

- (i) to note the content of Audit Scotland's Annual Audit Report covering letter, attached as Appendix A to the Report;
- (ii) to note the content of Audit Scotland's Annual Audit Report, attached as Appendix B to the Report;
- (iii) to approve, for signature, in accordance with the Local Authority Accounts (Scotland) Regulations 2014, the 2020/21 Audited Annual Accounts of Angus Council; Robert and William Strang Mortification; and Angus Council Charitable Trust;
- (iv) to note the summary of the main movements within the Angus Council Audited Annual Accounts, attached as Appendix C to the Report; and
- (v) to note the key messages and the 2020/21 Action Plan within the Annual Audit Report to Members.

7. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 5 of the minute of meeting of this Committee of 23 September 2021, there was submitted Report No 369/21 by the Service Leader - Internal Audit providing the Internal Audit Activity update on the main findings of the Internal Audit Reports issued since the date of the last meeting.

The Report presented an update on the Internal Audit activity within the Council and provided an update on progress with the planned audit work and the internal audit and counter fraud recommendations. Updates were provided in terms of Procurement Reform (Scotland) Act 2014 audit, brought forward from the 2018/19 plan; and the Data Analysis/Continuous Auditing: Payroll and Accounts Payable audits.

Three Internal Audit Reports had been issued since the last meeting, in relation to:-

- On-line Recruitment/New Start Process
- Protection of Vulnerable Groups
- Housing Improvement – Capital Projects

The Service Leader – Internal Audit provided a summary and highlighted the key areas of the Report.

Following a question from Councillor Bell in relation to the scope of the Fostering, Adoption and Kinship Allowances audit, the Service Leader – Internal Audit advised that the audit was in progress but that she would require to look further into this and revert back in due course.

The Committee agreed:-

- (i) to note the update on progress with the planned Internal Audit work as outlined in Appendix 1 to the Report;
- (ii) to note management's progress in implementing internal audit and counter fraud recommendations;
- (iii) to approve the Procurement Reform (Scotland) Act 2014 work being moved to the 2022/23 plan and the addition of a review of Audit Scotland's Fraud and Irregularity 2020/21 Report to the 2021/22 plan, as outlined in Appendix 1 to the Report; and
- (iv) to note the arrangements for the Committee's 2021/22 self-assessment session scheduled for 10 March 2022 at 10am to 12 noon and that the format for the meeting would follow the same format used for the 2020/21 self-assessment.

8. CORPORATE COUNTER FRAUD MID YEAR REVIEW

With reference to Article 10 of the minute of meeting of this Committee of 1 June 2021, there was submitted Report No 370/21 by the Service Leader - Internal Audit, summarising the activity undertaken by the Corporate Fraud Team (CFT) in the six months to 30 September 2021. The Report supported the Council's zero tolerance approach to fraud and corruption.

During the period to 30 September 2021, the Corporate Fraud Team (CFT) identified losses in excess of £51k (same period 2020 - £28k) from investigative work. Action was taken by Angus Council to recover these monies and where successful, the recovery of amounts resulted in income for the Council.

Additional financial benefits had accrued by the CFT's work in disrupting fraudulent activity, preventing fraud awareness action and by improving internal controls.

The Service Leader – Internal Audit provided an update to the Report and highlighted the key areas of the Report including team resources, corporate fraud, fraud prevention, data matching, whistleblowing, COVID-19 and National Fraud Initiative (NFI).

The Team Leader – Counter Fraud responded to Councillor Bell’s question related to the Housing Tenancy Fraud and the recovery of two Council properties in 2021/22.

Also, in response to Councillor Devine’s question, the Director of Finance confirmed that robust processes were in place to recover monies due to the Council.

The Committee agreed to note the contents of the Report.

9. NATIONAL FRAUD INITIATIVE – PROGRESS REPORT

With reference to Article 6 of the minute of meeting of this Committee of 24 November 2020, there was submitted Report No 371/21 by the Service Leader - Internal Audit updating members on the work of the 2020 National Fraud Initiative (NFI).

The Report indicated that the National Fraud Initiative was a major counter-fraud initiative which used computer data matching techniques to detect fraud and error.

The Angus Council datasets for the 2020 NFI exercise were submitted in October 2019 and the results of the data-matching exercise released, from January 2020 onwards. The Council received 91 reports with a total of 3,419 individual matches, investigatory work was near completion with 871 matches being reviewed. Exercise outcomes had identified overpayments of £2,319 from Housing Benefit/Council Tax Reduction/Council Tax Discount and the cancellation of 318 Blue Badges.

The Service Leader – Internal Audit advised that since the Report had been published, the identified overpayment figure of £2,319 had increased to in excess of £20k.

The Committee agreed to note the progress in investigating the matches from the National Fraud Initiative 2020.

10. DETAILED RISK REPORTING

With reference to Article 13 of the minute of meeting of this Committee of 24 August 2021, there was submitted Report No 372/21 by the Service Leader - Internal Audit presenting detailed risk information in line with proposals agreed by the Committee in August 2021, Report 256/21 refers.

The Depute Chief Executive in reference to the risk description highlighted that when the risk was being identified in early 2020, that the risk was to ensure that the Council and partner organisations had the ability to continue to provide essential services and to protect the most vulnerable citizens of Angus, the wider community and the local economy. He believed that the Council had done an exceptional job to remain on top of this risk, by flexing and responding to deal with challenging circumstances, as they arose.

Councillor Bell, who commended the Council staff for their work, emphasised the need to be aware of how staff were impacted by the continuing pressures faced and questioned the long term provision of resilience and emergency management and, in response, the Depute Chief Executive advised that the Council had built exceptional cross-service capacity to deal with extreme events, both locally and nationally. The Corporate Leadership Team were fully aware of the importance of developing and maintaining the necessary capabilities and skills of the workforce and also to ensure there were also good handover arrangements in place, internally between Council services and staff, and also externally, with partner organisations.

In welcoming the Depute Chief Executive’s comments, Councillor Fotheringham also supported and highlighted the exceptional work undertaken over the pandemic period and also more recently, as a result of the impact of Storm Arwen. He commended the dedication of the staff during these difficult and challenging times and took the opportunity to highlight the good partnership working including that of the community volunteers, support to vulnerable citizens, business grant support and also the provision of local food vans.

Councillor Salmond also commended the Chief Executive and Depute Chief Executive for their exemplary leadership and also expressed gratitude to Council officers for their excellent work, particularly, during the peak of the pandemic.

The Committee agreed to note the information presented in relation to the Pandemic -Covid-19 Risk.

11. CHANGE PROGRAMME UPDATE

With reference to Article 9 of the minute of meeting of the Policy and Resources Committee of 26 October 2021, there was submitted Report No 326/21 by the Director of Strategic Policy, Transformation and Public Sector Reform providing a progress update in relation to the Council's Change Programme, related to the 3-year planning period (2021/22 to 2023/24).

The Report indicated that that there had been good progress with the various projects in the Change Programme required to achieve the £5.161m savings target used in setting the 2021/22 balanced budget position. During the reporting period, there had been some minor adjustments and re-profiling of savings resulting in an updated target position of £5.133m for 2021/22 (a reduction of £28k), whilst the 3-year period total had increased slightly to £23.937m (plus £37k).

Appendix 1 to the Report detailed the latest summary of the Change Programme and highlighted that a number of projects had been completed. The 'locked-down' position for 2021/22 at this stage of the financial year, meant the value of completed projects amounted to £4,407,000 which equated to 86% of the updated target savings of £5,133,000.

Three projects totalling £726,000 remained to be finalised for 2021/22 savings, with planned "one off" funding to be used to address the shortfall. There continued to be work in progress on the various initiatives to improve the position over the next few months and updates on the respective projects were outlined in Section 4.5 of the Report.

The Change Programme was in the process of being refreshed and transitioned to ensure that a number of strands of work which had been evolving were fully co-ordinated and formed part of a re-energised approach.

Having heard from the Director of Strategic Policy, Transformation and Public Sector Reform, the Committee agreed to note the progress update in relation to the Council's current Change Programme (2021/22 to 2023/24), along with the summary included in Appendix 1 to the Report.

12. TREASURY MANAGEMENT ANNUAL REPORT 2020-2021

With reference to Article 7 of the minute of meeting of Angus Council of 17 December 2020, there was submitted Report No 373/21 by the Director of Finance detailing the Council's treasury management arrangements, activity and performance during 2020/21.

The Report indicated that the financial year 2020/21 had seen some significant events that impacted on treasury operations related to COVID-19 Pandemic; Public Works Loan Board (PWLB) Review of Future Lending Terms; and Loans Fund Review.

In summary, as a result of sound treasury management activity, the Council was able to meet all of its financial obligations and cashflow requirements during the financial year, without encountering any liquidity problems.

The Director of Finance provided an overview of the significant events that had impacted on treasury operations and also highlighted a number of key areas of the Report.

Councillors Salmond and Fotheringham commended the Director of Finance and his team for all their hard work, particularly during these difficult and challenging times.

The Committee agreed to note the 2020/21 Treasury Management Annual Report and associated Appendix to the Report.

13. DIGITAL MATURITY ASSESSMENT REPORT

There was submitted Report No 374/21 by the Director of HR, Digital Enablement, IT and Business Support presenting details of the Digital Maturity Benchmarking assessment of Angus Council undertaken by the Scottish Digital Office in 2021.

The Report indicated that the purpose of the assessment was to provide a baseline on where the Council was in their digital transformation journey by capturing the views of the Council's full leadership team and what opportunities existed moving forward. All councils in Scotland had undertaken the assessment. Appendix 1 to the Report detailed the findings from the Digital Maturity assessment of Angus Council.

Angus Council had been assessed as having a corporate wide systematic approach to digital service design and had started to use data analytics to enable targeted and preventative services. It was noted that no other council had been rated higher than a 3, and that Angus was currently sitting in the top 10% of councils in that rating.

The positive Report highlighted that Angus already had strong leadership around digital enablement and skills pre-pandemic, and that this had put the Council in a good position during the pandemic and that this work would be continued post pandemic. Considerable work was ongoing to address connectivity and infrastructure improvements and that effort and capacity building would be required to maintain and improve the Digital Maturity position.

The Director of HR, Digital Enablement, IT and Business Support provided a brief summary of the Digital Maturity Benchmarking assessment of Angus Council. Thereafter, the Service Leader – Digital Enablement and IT provided background information and highlighted some of the key themes of the Report.

In response to Councillor Devine's question related to the Digital Champions Programme and the importance of including the wider community, the Service Leader – Digital Enablement and IT provided an update.

Councillor Whiteside welcomed the person centred approach as described in the Report and also raised the issues faced in rural communities regarding connectivity, particularly around the recent power cuts caused by Storm Arwen, and the devastating impact as a result. In going forward, she highlighted how important it was for the infrastructure to be resilient and robust.

Councillor McDonald highlighted that the Report made for a difficult read but was both positive and negative in its content. In acknowledging the strong leadership and skills, he enquired as to the elected members position, and in response, the Director of HR, Digital Enablement, IT and Business Support confirmed the importance that elected members knowledge and skills be taken into consideration, particularly in going forward, and in preparation of the induction process for new elected members. She also confirmed that the Senior Digital Officer, Scottish Digital Office, had provided assurances that Angus Council were doing well and were in a positive position and in line with other local authority areas across Scotland.

Councillor Salmond highlighted the positive position of Angus Council in the top 10% of Councils rated 3, and thereafter commended all those involved in the assessment and preparation of the Report.

The Committee agreed to note the contents of the Report.

14. QUARTERLY COMPLAINTS REPORT 1 JULY TO 30 SEPTEMBER 2021

With reference to Article 18 of the minute of meeting of this Committee of 24 August 2021, there was submitted Report No 375/21 by the Director of Legal and Democratic Services

highlighting the complaints received in Quarter 2 of 2020/21 and assuring members that work was ongoing to learn from complaints received by Angus Council.

The Report indicated that in 2020/21, a review of the Model Complaints Handling Procedure (MCHP) was carried out by the Scottish Public Services Ombudsman (SPSO) to establish the effectiveness and useability.

The Director of Legal and Democratic Services provided a brief summary of the Report including an update in terms of governance arrangements, staff training, and the development of an e-learning module for all staff.

Councillor Bell sought further information as to the type of complaints received that were detailed within the "other" category for quarters 1 and 2 of 2021/22 and in response, the Director of Legal and Democratic Services intimated that she would require to further review this category and revert back to Councillor Bell in due course.

The Committee agreed:-

- (i) to note the information on complaints outcomes and actions taken to improve services;
- (ii) to note the complaints statistics for the period 1 July 2021 – 30 September 2021, as summarised in Section of the Report; and
- (iii) to note that it was proposed that a further report on Complaints would be brought to this Committee on 1 March 2022.

15. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 – QUARTERLY REPORT

With reference to Article 15 of the minute of meeting of this Committee of 1 June 2021, there was submitted Report No 376/21 by the Director of Legal and Democratic Services advising members of the use of surveillance powers by the Council in terms of the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 April 2021 to 30 June 2021.

The Report indicated that Angus Council was a public authority for the purpose of the Regulation of Investigatory Powers (Scotland) Act 2000 ("RIP(S)A") and had the power to authorise directed covert surveillance and the use of covert human intelligence sources. Covert activities covered by RIP(S)A would be lawful if the activities were authorised and if they were conducted in accordance with the authorisation.

In the period 1 April 2021 to 30 June 2021, no covert surveillance activities were authorised and there were no authorisations in respect of the use of a Covert Human Intelligence Source.

The Committee agreed to note that no authorisations were granted for surveillance and other investigatory activities regulated by the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 April 2021 to 30 June 2021.

16. ANGUS COMMUNITY PLAN ANNUAL REPORT 2020-2021

With reference to Article 7 of the minute of meeting of Angus Council of 4 November 2021, there was submitted Report No 377/21 by the Chief Executive presenting the Angus Community Plan Annual Performance Report for 2020-2021.

The Angus Community Planning Partnership had changed significantly over the past 12 months due to a new approach to developing services and the COVID-19 pandemic. A lot of work had been done to align local strategies and plans with the Community Plan providing an overarching direction of travel for partners and services. The recent strategies which had been aligned included:

- Angus Local Child Poverty Action Report 2019/2020

- Angus Health and Social Care Partnership strategic progress and performance report
- Angus Cultural Strategy
- Angus Food Growing Strategy

A significant amount of work had been undertaken by the partners and a number of key highlights were detailed in the Report.

The Annual Performance Report set the scene for the proposed Community Plan review which would be carried out in 2022. This review was aligned to the requirements in the Community Empowerment Act and would present a lot of opportunities for communities to help shape the future direction of Community Planning in Angus 2022-2030.

The Convener highlighted that the Annual Report had been significantly debated at the recent meeting of Angus Council on 4 November 2021, thereafter the Committee agreed:-

- (i) to note the Community Plan Annual Performance Report for 2020-2021; and
- (ii) to note the Community Plan would be reviewed in 2022 to cover the period 2022-2030.