

**CORPORATE AND COMMUNITY PLANNING**  
**STANDING SCRUTINY PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr,  
on 23rd September 2010 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Sandra Goldie, Bill Grant, John Hampton, Mairi Low, Helen Moonie and Mike Peddie.
- Apology: Councillor Alec Oattes.
- Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; M. Newall, Head of Planning and Enterprise; H. McLaughlin, Audit Services / Programme Review Manager; P. Linton, Performance and Change Management Manager; A. McLeod, Business and Performance Manager; K. Dalrymple, Roads Manager; D. Sherlock, Improvement Manager; D. Robertson, Communications Manager; B. Clancy, Auditor; C. Gardner, Senior Strategic Planning and Performance Management Officer; and E. Wyllie, Committee Administration Officer.
- Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); and Asif Haseeb, Senior Audit Manager and Anne Cairns, Senior Auditor, Audit Scotland.

**1. Items for Call-in.**

The Panel noted that there had been no call-ins for this meeting.

**2. Minutes of previous meeting.**

With reference to the Minutes of 26th August 2010 (Page 434, paragraph 1) dealing with the Call-in – Efficiency Proposals for 2011/12, Councillor Moonie requested confirmation, in respect of Question 2 relating to Service Reviews and the implementation of review outcomes under delegated powers, that the conclusion from these review processes would be reported to a future meeting of the Leadership Panel and the Executive Director – Corporate Services confirmed the position.

**Decided:** following confirmation that the outcomes from the implementation of Service Reviews would be reported to a future meeting of the Leadership Panel, to note the Minutes of the previous meeting of 26th August 2010 (issued).

**WIDER SCRUTINY PANEL BUSINESS:-**

**3. Remit from the Leadership Panel of 14th September 2010 – Annual Statutory Reporting of Performance Information.**

Reference was made to the Minutes of the Leadership Panel of 14th September 2010 (Page 474, paragraph 16) when that Panel had considered a report of 3rd September 2010 by the Head of Policy, Performance and Communication in relation to the Annual Statutory Reporting of Performance Information and when it had been agreed that each Scrutiny Panel be asked to consider the relevant statutory performance indicators.

The Head of Policy, Performance and Communication referred to the summary report (issued) of 15th September 2010 which, to facilitate the process, contained the indicators falling within the scope of this Panel and invited comment from Members of the Panel on the material being presented to them.

Various questions and comments were made in relation to the following performance indicators:-

- SA11.101 – what would happen when uptake numbers reached the number of nursery places being provided and the Head of Policy, Performance and Communication and the Business and Performance Manager responded that demand was continually being monitored to identify how many places were required with this being kept under review;
- SA11.145 – the difference between the categories ‘satisfactory condition’ and ‘suitable for its current use’ and the Head of Legal and Administration responded on the possible differences and indicated that the Head of Policy, Performance and Communication would obtain a definitive response on this matter;
- SA14.134 - although there was a reduction in sickness absence, 11.6 days lost through sickness absence was still high and how would this be addressed and the Head of Policy, Performance and Communication commented on the range of initiatives used to lower figures and this was an area being actively pursued; and
- SA14.144 – on the excellent work of staff in achieving the efficiency savings against the Government target.

A general question was raised by a Member of the Panel in respect of how a level of flexibility could be factored into the performance framework to allow a differentiation between areas where performance was below target, but still acceptable, and areas where particular attention and resource required to be applied. The Head of Policy, Performance and Communication commented that targets were kept under review, such as those that had been impacted upon by the economic downturn and that the Council could tailor tolerance limits across specific indicators.

**Decided:** following scrutiny, to note the information contained within the relevant statutory performance indicators.

#### **4. Single Outcome Agreement 2009/2010 Draft Annual Report.**

There was submitted a report (issued) of 6th September 2010 by the Head of Policy, Performance and Communication

- (1) advising of the draft Annual Report to be submitted to the Scottish Government in September 2010 in relation to the Single Outcome Agreement (SOA) for 2009/10;
- (2) informing that Appendix 1 of the report provided an overview of performance which highlighted a number of achievements but also identified where improvements could be made; and
- (3) indicating that the SOA journey had been a learning process for all community planning partners but had harnessed the will in South Ayrshire to jointly plan together in order to maximise the resources available across organisations.

Thereafter, the Chair invited comments and questions from Members of the Panel on each page of the document and the following points were raised:-

**LO1 (Pages 10 and 11):-**

- SO1a – whether a failure rate should be factored in to give a full measure and the Head of Policy, Performance and Communication responded that this could not be revised for the current year, however this could be considered for evolving documents;
- SO1c – whether a breakdown of the type of ‘social enterprise’ could be provided for evaluative purposes; and
- narrative - an explanation of the ‘Love Me Tender’ programme was requested and the Improvement Manager advised that this was a scheme to assist small businesses with the tendering process;

**LO2 (Page 12) narrative:-**

- with regard to the six young people being supported by the Future Jobs Fund, would targets require to be reviewed as this scheme had been abolished and the Head of Policy, Performance and Communication responded that this was not relevant for the purposes of this retrospective report for 2009/10; and
- the excellent work being undertaken by the Ayr Renaissance team in making improvements to the Town Centre;

**LO4 (Pages 14 and 15):-**

- SO4b, Li4b(1) – whether this data showed an improvement, or otherwise, in relation to the working age population with no qualifications and the Head of Policy, Performance and Communication responded that the level of detail required to account for the underlying trends was not appropriate to this high level report, however, she would try and obtain this information to allow for further analysis; and
- narrative – with regard to skills development and literacy services, who were these services aimed at and whether there were funding opportunities from European partners and the Head of Policy, Performance and Communication responded that she would obtain information in respect of the service uptake and how it was funded;

**LO5 (Pages 17 and 18):-**

- SO5a, Li5a(1) – although successful, whether this was a sustainable target for children and young people participating in recognised positive activities; and
- narrative –
  - the Arran Park Allotment project was a good example of a diversionary activity providing great social outcomes, although due to transport difficulties, this might not be sustainable. ‘Doo the right thing’ pigeon project and the ‘Fairway forward’ were other good examples; and
  - with regard to a reduction in crime and vandalism statistics, whether there were difficulties in obtaining a value from Strathclyde Police and NHS Ayrshire and Arran and a discussion took place in respect of the good work being undertaken by volunteers within the local communities;

**LO7 (Page 22):-**

- narrative – with regard to the number of children in poverty and the accuracy of this figure in terms of the SIMD data as rural areas were not included, should further work be undertaken to include rural pockets of poverty and the Head of Policy, Performance and Communication advised that she would obtain details on the calculation process utilised for arriving at these figures. A Member suggested that schools would be a good starting point to obtain child poverty figures;

**Healthy and Caring National Outcomes 6 and 7 (Page 25):-**

- a discussion took place in respect of health inequality and, in general terms, who progressed with such matters once highlighted and the Head of Policy, Performance and Communication outlined that the theme groups had developed action plans via the Community Planning Partnership and that she could arrange for Members to see the full detail from the Board. A Member commented on the role of the Council in this regard and of this Panel's duty to critically challenge and make recommendations to the Community Planning Board via the Head of Policy, Performance and Communication who then commented on the reporting timeframe and process;

**LO9 (Pages 26 and 27):-**

- SO9a, Li9a1 – NHS funding and how this would be used and the need for collaborative working on budgets to achieve outcomes and the Head of Policy, Performance and Communication advised of the current position with the Community Planning Implementation Group with regards to resources. Councillor McIntosh, as Chair of the Community Planning Board, commented on forthcoming meetings that he was holding that would cover the issue of resourcing;

**LO10 (Pages 31 and 32):-**

- SO10c, Li10a(1) – whether there would need to be a change to the target for numbers in receipt of benefits given the proposed changes to the benefits system and it was suggested that this was an emerging issue that would need to be reviewed alongside a number of other targets;
- SO10c, Li11c(1) – queried how the objective was to decrease homelessness but that the target against the indicator was to increase; and whether those assessed as having a priority need related to being on benefits, and where this left the other people in society?; and
- narrative –
  - applauded the great work done by the Care and Share project and the need being met by the soup kitchens provided by a number of other churches; and
  - queried whether the work described as income maximisation should actually be termed optimisation of benefits claims? The Head of Policy, Performance and Communication clarified that whilst the service was primarily benefits focussed, it also helped people that were in work;

**LO11 (Page 33):-**

- SO11b, Li11b(1) – in respect of drug prevalence rate figures, what action would the SOA and NHS Ayrshire and Arran be undertaking to reduce these figures and whether children younger than 15 years old should be included within the target group and the Head of Policy, Performance and Communication commented on the figures and the work of the Community Planning Partnership through its Alcohol and Drugs Partnership and indicated that she would ask if the target group could be revised to include younger children; and

**LO15 (Page 48):-**

- SO15a, Li15a(2) – with regard to improving the cleanliness of the local streets, it was indicated that the Head of Property and Neighbourhood Services and his staff be congratulated.

General concerns were raised by some Members of the Panel in relation to:- the Fairer Scotland Fund (FSF); how this fund was disseminated; the areas that were excluded; and how these issues could be taken forward with partners. The Head of Policy, Performance and Communication advised that, in future years, the FSF would not be ring fenced nor would it be an identifiable line within the budget and, instead, would be part of the Council's budget bid process.

A further discussion took place in relation to the reporting format and presentation of target information and the Head of Policy, Performance and Communication explained that the Community Planning Theme Groups owned and monitored the information contained within the SOA via the Community Planning Board; however, if Members of the Panel had suggestions in relation to indicators/methods then she would feed this information into the Theme Groups.

**Decided:** following scrutiny, to note the content of the draft Single Outcome Agreement Annual Report for 2009/10 and that the Head of Policy, Performance and Communication would co-ordinate a consolidated response on the various issues raised.

## 5. **Improvement Agenda – Joint Working and Shared Services.**

There was submitted a report (issued) of September 2010 by the Head of Policy, Performance and Communication providing an update on the progress being made in respect of Improvement Strand 10 relating to Joint Working and Shared Services as outlined in the Appendix to the report and as follows:-

- Ayrshire Shared Services Group;
- Ayrshire Shared Services Project Board;
- Single Regulatory Authority;
- Joint Ayrshire Economic Regeneration Group;
- Joint Premises;
- Community Planning; and
- Procurement.

Questions were raised by Members of the Panel in relation to:- whether there were any overlapping issues with work currently being undertaken by the Community Planning Board; the role of Members, governance arrangements for shared services and training for Members in this regard; Prestwick Airport and subsidy and sustainability issues; economic regeneration; and the progress being made with joint premises and procurement and the various officers responded accordingly. The Improvement Manager indicated that he would circulate a web link to Members of the Panel in respect of economic development for their information and Councillor McIntosh commented on the quality of the workforce at Prestwick Airport.

**Decided:** following scrutiny, to note the current position in relation to Joint Working and Shared Services.

## 6. **Scrutiny Review of Communications.**

Reference was made to the meeting of South Ayrshire Council of 17th May 2010 (Page 281, paragraph 10) when the Council had considered a report of 10th May 2010 by the Head of Policy, Performance and Communication in relation to the Communications Strategy for South Ayrshire Council and there was submitted a report (issued) of 8th September 2010

- (1) updating Members on this draft Strategy, as agreed as part of this Panel's review and outlining the progress being made against each of the tasks for the period May to August 2010;

- (2) advising that as well as continuing with these tasks, over the next three months the work to progress the strategy action plan included updating and refreshing Elected Member information on the website, reviewing the intranet and considering the use of different Council brands; and
- (3) informing that other key areas of activity for the communications team during this time included internal and external communication and engagement in relation to the 2011/12 budget, promoting the work of Ayr Renaissance, engaging employees around key sustainability messages in relation to energy use and waste reduction and promoting the Council's new e-learning platform.

A question was raised by a Member of the Panel in relation to the target group for the Plain English training places and the Communications Manager responded accordingly.

**Decided:** to note the progress which had been made against the Communications Strategy and Action Plan previously approved by the Council at its meeting on 17th May 2010.

### **AUDIT FUNCTION:-**

#### **7. Report to those charged with Governance on the 2009/10 Audit.**

There was submitted a report (issued) of 21st September 2010 by the Executive Director – Corporate Services

- (1) advising of the submission of accounts for the financial year to 31st March 2010 and the proposed independent Auditor's report to the Members of the Council and to allow the Auditor to communicate the matters raised during the audit to the Panel;
- (2) informing that recognised best practice required the Council to consider the draft financial statements and the proposed independent Auditor's report and to approve a recommendation that the Executive Director – Corporate Services, the Chief Executive and the Leader of the Council sign the accounts;
- (3) indicating that the Auditors were required under International Standard on Auditing 260 to communicate matters relating to the audit of the financial statements to those charged with governance of a body to enable appropriate action as outlined in their report attached as Appendix 1 of this report with the management representation letter, signed by the Executive Director on behalf of the Council, attached as Appendix 2; and
- (4) highlighting the key issues for Members as identified by the Auditors, as follows:-
  - (a) that there were no qualifications in the proposed independent Auditor's report;
  - (b) that during 2009/10:-
    - weaknesses were identified in the operation of satisfactory internal controls with regard to timely and complete reconciliations of the Council's bank account to the ledger;
    - all accounts were reconciled as at 31st March 2010 with the exception of the number 2 income account and the unified benefit account and that on identification of this issue, immediate steps were taken to clear all unmatched items and provide a complete reconciliation;

- as at 31st March 2010, £5,511 of income remained under review with information being sought from the Council's bankers (Bank of Scotland) to assist in identifying the additional cash; and
  - the introduction of the new cash receipting system, "Aim" and paye.net, an online cash collection system, together with the introduction of revised procedures, would ensure that this situation would not occur again in future years;
- (c) that the accumulated surplus at 31st March 2010 was £13.361m with an uncommitted general fund balance of £5.976m and the Council had now committed to achieve an uncommitted general fund balance of £8m by 31st March 2013 (the projected balance at 31st March 2011 is £7.535m); and
- (d) that the reduction in the accumulated surplus and uncommitted surplus was due to adjustments in respect of severance costs and debtors invoices.

The Chair invited the Senior Audit Manager, Audit Scotland to outline the main findings from the report who then proceeded to bring certain matters to the attention of the Panel and who also took the opportunity to thank the Executive Director and her team for their assistance.

A question was raised by a Member of the Panel in relation to the current position with bank reconciliations and the Executive Director – Corporate Services advised of the introduction of a new cash receipting system and that she would provide further feedback on progress of this system in due course. She also took the opportunity to thank her staff for the work they had undertaken to reach the current position.

A comment was made by a Member of the Panel in relation to whether the report could be revised to indicate that, in respect of equal pay/single status, the Scottish Executive (at that time) had imposed this new structure rather than the Council introducing such a system and the Senior Audit Manager, Audit Scotland confirmed that this would be corrected for the final report.

**Decided:** having thanked the staff within Corporate Services and the Auditors for their work, to authorise signature of the Accounts and submission of copies to Audit Scotland by 30th September 2010.

**At this point, the time being 12noon, the Panel agreed to adjourn for ten minutes.**

**The meeting resumed at 12.10 p.m. Councillor Goldie had left the meeting at this point.**

## **8. Exclusion of press and public.**

Having heard Councillor Moonie ask why the next item on the Agenda should be taken in private, the Executive Director – Corporate Services explained

- (1) that although the report which had been submitted to the Leadership Panel was not confidential, the subsequent discussion that had taken place at that Panel had been in private to consider the findings of the confidential Internal Audit report relating to the contract process; and
- (2) that, similarly, it was recommended that this Panel undertake a private discussion to investigate the issues raised within the Internal Audit report in accordance with the provisions of the Local Government (Scotland) Act 1973.

Thereafter, the Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining item of business on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 9 of Part 1 of Schedule 7A of the Act.

## **9. Contract for Vehicle Tracking System.**

Reference was made to the Minutes of the Leadership Panel of 14th September 2010 (Page 480, paragraph 24) when that Panel, having considered a report of 6th September 2010 by the Depute Chief Executive and Executive Director – Development and Environment, had decided to approve the acquisition of a vehicle tracking system from Exactrak Ltd. for use by the Council's Roads Service, subject to referral to this Panel for consideration of the recent Internal Audit report on the collaborative Contract process.

Thereon, a full investigation took place and Members raised various questions and made comments in respect of the report in relation to the Contract for Vehicle Tracking System and, in particular, in respect of the Internal Audit report and its findings on the collaborative Contract process. Similarly, the Senior Audit Manager asked questions and enquired as to whether the Executive Director – Corporate Services would consider including reference to this matter within the Financial Control Statement or the Governance Statement. Officers responded to the various issues raised and the Executive Director – Corporate Services further commented that she would give full consideration as to whether she felt it necessary to include this matter within any of the Statements which required to be signed by her by 30th September 2010 with an undertaking to inform Members of the Panel of the outcome of her deliberation.

Concerns were raised by some Members of the Panel in relation to ways in which appropriate Members had not been fully informed of such matters at an earlier stage and the Executive Director – Corporate Services outlined the recently reviewed procedures for the issue of Panel reports and suggested that, following discussions with the CMT in respect of an improved procedure for informing appropriate Members, she would report the outcome to the next meeting of this Panel.

**Decided:** following scrutiny

- (1) to accept the decision made by the Leadership Panel in relation to approving the acquisition of a vehicle tracking system from Exactrak Ltd. for use by the Council's Roads Service;
- (2) to note the acceptance by officers of the Action Plan as contained within the Internal Audit report;
- (3) to note that the Executive Director – Corporate Services would report to the next meeting of this Panel on the outcome of CMT discussions in relation to informing appropriate Members of such matters; and
- (4) that the Executive Director – Development and Environment would report to a future meeting of this Panel with a cost benefit analysis on the vehicle tracking system.

The meeting ended at 2.00 p.m.