

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 4th November 2010 at 10.00 a.m.

Present: Councillors Brian Connolly (Chair), Sandra Goldie, Bill Grant, Mairi Low, Helen Moonie, Alec Oattes and Mike Peddie.

Apology: Councillor John Hampton.

Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; D. Alexander, Head of Corporate Resources; C. Monaghan, Head of Policy, Performance and Communication (via webcam); I. Woodburn, Head of Customer and Community Services; K. Leinster, Head of Community Care and Housing; H. McLaughlin, Audit Services / Programme Review Manager; C. Douglas, HR Manager; C. Boyd, Corporate Safety Manager; P. Linton, Performance and Change Management Manager; A. MacLeod, Business and Performance Manager; D. Sherlock, Improvement Manager; J. Andrew, Team Leader; and E. Wyllie, Committee Administration Officer.

Also Attending: Councillor John McDowall (for Call-in item) and Councillors Bill McIntosh, Nan McFarlane, Robin Reid and Margaret Toner (Portfolio-holders); and Peter Tait, Assistant Director Audit (Local Government), Asif Haseeb, Senior Audit Manager and Anne Cairns, Senior Auditor, Audit Scotland.

1. Item for Call-in – Budget Management – Revenue Budgetary Control 2010/11 – Position Statement at 31st August 2010 – Children and Community Directorate.

Reference was made to the Minutes of the Leadership Panel of 26th October 2010 (Page 553, paragraph 11) when that Panel, having considered a report of 15th October 2010 by the Executive Director – Corporate Services, had decided:-

- (1) to approve the management action being taken by Executive Directors to ensure a break-even budget at 31st March 2011 as outlined in Appendix 1 of the report;
- (2) to approve the transfer to contingency of £0.620m debt charge savings, as outlined in Appendix 1e of the report dealing with Miscellaneous Services;
- (3) to approve the virement as outlined in the Directorate budgetary control reports at Appendix 1 and summarised in Appendix 2 of the report; and
- (4) otherwise, to note the contents of the report.

The Panel was advised that the report had been the subject of a call-in for that part pertaining to Children and Community (Appendix 1(b) of the report) for the reason of a further explanation of the various virement requests.

The Chair invited Councillor McDowall to explain his reasons for the call-in and, thereafter, the Panel heard Councillor McDowall seek clarification on this matter, specifically relating to further information in respect of:-

- the budget lines pertaining to employee and transport costs and why the level of identified savings had not been achieved within these areas;
- how, therefore, would similar levels of savings be achieved within the next financial year; and
- the virement request amounting to £695,000 to cover other services within this Directorate.

The Head of Community Care and Housing further explained the reasons for the virement request and advised of:-

- the management action that had been undertaken to continue to deliver priority care services to the most vulnerable within this financial year;
- the efficiencies that had been achieved; and
- the need to continue to deliver priority services within the next financial year and that the Directorate would make every effort to achieve delivery of these services by making savings elsewhere.

Councillor Moonie similarly expressed her concerns and her support for the Call-in and

- commented that Members were not including sufficient details within the budget and if savings were not achieved this year, how would they be achieved within the next;
- stated that the virement request should not be approved; and
- requested further information in respect of recurring and non-recurring savings and asked that she be provided with the explicit detail of this and the previously requested residential care home information. It was requested that Councillor Moonie submit a detailed written request to the Directorate for a full response on these matters.

The Executive Director – Corporate Services similarly responded that management action had been taken to ensure a balanced budget was delivered and, throughout the year, Directorates would identify budget pressures and offsetting savings with Directors requiring to identify permanent solutions for 2011/12 where any temporary savings were achieved in 2010/11.

Following a full discussion various questions and comments were raised by Councillor McDowall and Members of the Panel in relation to:- whether the Directorate had made the necessary savings; how would this budget be targeted next year; whether it would be feasible within the remaining five month timescale for other saving options to be identified; and how a big a challenge would it be taking into account the ageing population and Free Personal Care issues and the Head of Community Care and Housing responded accordingly. The Executive Director – Corporate Services stressed that savings had been made this year and permanent savings would be identified for next year although these might not be in the areas originally identified.

Councillor Moonie, seconded by Councillor Goldie, moved that the Panel should refer this report back to the Leadership Panel with the recommendation to re-examine the budget within social work to look for options to make recurring savings within this financial year with a view to taking the savings identified within the virement forward to help close the budget gap.

By way of Amendment, Councillor Grant, seconded by Councillor Oattes, moved that the Panel uphold the decision of the Leadership Panel.

There was a request that the vote be taken by calling the roll.

The Head of Legal and Administration took the vote by calling the roll as follows:-

Brian Connolly	Amendment
Sandra Goldie	Motion
Bill Grant	Amendment
Mairi Low	Amendment
Helen Moonie	Motion
Alex Oattes	Amendment
Mike Peddie	Amendment

Five Members voted for the Amendment and two for the Motion. The Amendment was accordingly declared to be carried.

Decided: following review, that the decision of the Leadership Panel in respect of this matter be confirmed and implemented.

2. **Minutes of previous meeting.**

Reference was made to the Minutes of 23rd September 2010

- (1) dealing with the Contract for Vehicle Tracking System (Page , paragraph 9) and the Executive Director – Corporate Services advised on the outcome of CMT discussions and informed that in future for similar instances, she would discuss such matters with the Chair of this Panel, the Leader of the Council and the relevant Portfolio-holder; and
- (2) a Member of the Panel sought clarification in relation to confidential matters and whether processes could be improved particularly if such matters were no longer deemed to be private and the Head of Legal and Administration responded accordingly and advised that a similar point had been made at a recent meeting of the Leadership Panel and that Council Standing Orders were currently under review.

Decided: to note the Minutes of the previous meeting of 23rd September 2010 (issued).

AUDIT FUNCTION:-

3. **Report to Members and the Controller of Audit on the 2009/10 Audit.**

There was submitted a report (issued) of 29th October 2010 by the Executive Director – Corporate Services

- (1) requesting Members to consider Audit Scotland’s audit of the Council’s accounts for financial year 2009/10 as detailed in Appendix 1 of the report; and
- (2) informing that Audit Scotland had considered the key strategic and financial risks being faced by the Council, audited the financial statements and looked at aspects of performance management and governance with the key outcomes from the 2009/10 audit being as follows:-
 - (a) a recognition of the progress made in improving the Council’s financial position and the need to develop medium/long term financial plans;
 - (b) a recognition of the financial constraints of the current economic climate;

- (c) a recognition of the challenges for Members and Officers in delivering quality services with limited resources;
- (d) a recognition of some improvement within governance, although there was concern around compliance with contract standing orders; and
- (e) an acknowledgement of good progress in agreeing a corporate plan and embedding many elements of best value and a recognition that further development was required in respect of performance management.

The Chair invited the Assistant Director Audit (Local Government), Audit Scotland to outline the main findings from the report. Mr. Tait then proceeded to bring certain matters to the attention of the Panel and recommended the Action Plan to Members. He also commented on the procurement issues raised at the previous meeting and that North Ayrshire Council had since considered a report on this very matter with the findings due to be published and suggested that both parties discuss the issues involved and intimated that Members from this Council would be welcome to attend North Ayrshire Council's forthcoming meeting of its Audit Committee. The Chair thanked him for his presentation of the Audit and for his update on the procurement matter involving both Councils.

Various questions were raised by Members of the Panel in relation to:- the Council's borrowing capacity; shared services and best value issues; the two aims outlined within the overview of performance in 2009/10, risk area 17; and reviewing and improving services within the 2009 improvement plan and how would this be undertaken given the timescales involved and, where possible, Officers responded accordingly otherwise a response would be provided by Officers to the Member concerned.

Decided:

- (i) to note the report by Audit Scotland on the Council's Audit of Accounts for 2009/10 and the fact that the Accounts had been given a clean audit certificate; and
- (ii) to agree the action taken in relation to the action plan attached as Appendix 1 of the report designed to address the areas of concern highlighted within the body of Audit Scotland's report.

4. Follow-up of External Audit Reports – Progress to 30th September 2010.

There was submitted a report (issued) of 28th October 2010 by the Executive Director – Corporate Services providing an update on the progress being made by the Council in undertaking its external audit improvement actions.

Decided: to note the progress being made as detailed in Appendix 1 of the report.

5. Internal Audit Service – Follow-up of Internal Audit Reports – Progress Reports.

There was submitted a report (issued) of October 2010 by the Audit Services / Programme Review Manager

- (1) advising of the current status of Directorate progress regarding the implementation of Action Plans contained within internal audit reports;
- (2) informing that, as at the cut-off date of 26th October 2010, CPMS was showing one action plan point, due to be implemented by 30th September 2010, still outstanding and that internal audit had received an extension request for this item; and
- (3) intimating that since the previous meeting of this Panel, seven reports had been issued and that a summary of these reports had been included as Appendices to the report.

Various questions were raised by Members of the Panel in relation to the following summary sheets:- the Continuous Audit: Orders, particularly in respect of the Maybole Waste Management facility; and the Statutory Performance Indicators 2009/10, particularly relating to instances of inaccurate recording of information and the Audit Services / Programme Review Manager responded on both issues accordingly.

In respect of issues of inaccuracy, the Head of Policy, Performance and Communication commented on the rolling out of the Covalent system which would hopefully reduce such instances and would capture the data and improve the recording of information. A further question was raised in relation to Covalent and whether it was compatible with other Council systems and was the system proven to work and the Head of Policy, Performance and Communication responded accordingly.

In respect of the Continuous Audit – Orders, the Chair suggested that this matter be continued to the next meeting of this Panel to allow the relevant Officers to be in attendance.

Decided:

- (a) to note the progress of Directorates in the implementation of agreed action plan findings;
- (b) to continue consideration of the Continuous Audit – Orders to the next meeting of this Panel; and
- (c) otherwise, to request the Audit Services/Programme Review Manager to bring agreed reports to future meetings of this Panel.

6. Internal Audit Service – Annual Audit Plan 2010/11 – Progress Report.

Reference was made to the meeting of 20th May 2010 (Page 295, paragraph 11) and there was submitted a report (issued) of October 2010 by the Audit Services / Programme Review Manager advising

- (1) of the progress and current position of the Annual Audit Plan from 1st June to 30th September 2010 and outlining the productivity of the section; and
- (2) that a summary progress report showing actual activity, on a line by line basis against the original Audit Plan, was attached as an Appendix to the report.

Decided:

- (a) to note the progress of the Annual Audit Plan for 2010/11; and
- (b) to request that the Audit Services/Programme Review Manager submit similar reports to future meetings of this Panel.

7. Strategic Risk Management.

There was submitted a report (issued) of 26th October 2010 by the Head of Corporate Resources providing an update on the reviewed Strategic Risk Register as at October 2010 in line with the agreed reporting framework as outlined in the Appendices to the report.

A question was raised by a Member of the Panel in relation to resource implications and mitigated control measures and the Head of Corporate Resources responded accordingly.

Decided: to agree

- (a) the seventeen key risks and to endorse the work currently being undertaken or proposed by risk owners to mitigate these risks which had been identified as significant; and
- (b) that a report on the management of Strategic Risk be taken to the next meeting of the Leadership Panel on 23rd November 2010 for endorsement.

WIDER SCRUTINY PANEL BUSINESS:-**8. Improvement Agenda Update – Customer Focus.**

The Head of Customer and Community Services gave a presentation in relation to the Improvement Agenda Update for that strand pertaining to Customer Focus and commented on:-

- the two main issues being addressed as outlined within the Best Value Improvement Agenda;
- the response so far in addressing these issues;
- the 2010 Strategy including the Vision, key strategies and goals; and
- future developments including three themes being:- Contact and Service Centre developments and online transactions.

Various questions were raised by Members of the Panel in relation to:- property rationalisation; whether there would be capital demands in launching service centre developments as these would need to appear within the Council's Capital Plan; the complaints system; whether an evaluation exercise had been undertaken following the Girvan Centre pilot; the automated service; online transactions and associated costs and the Head of Customer and Community Services responded accordingly. The Head of Policy, Performance and Communication suggested that she could liaise with the Head of Customer and Community Services in respect of the automated service.

Decided: having thanked the Head of Customer and Community Services for his presentation, to note the current position with the Improvement Agenda strand relating to Customer Focus.

9. **Community Engagement.**

There was submitted a joint report (issued) of 9th September 2010 by the Head of Policy, Performance and Communication and the Head of Community Development suggesting proposals for a regular programme of engagement with communities aimed at assisting the Council, and its partners, to develop and establish robust community engagement arrangements.

The Head of Policy, Performance and Communication referred to the options outlined within the report and advised on the outcome of discussions which had taken place at the Community Planning Board meeting on 6th October 2010 in respect of this matter and of the comments made by both Community Representatives and some of the other Board partners.

A full discussion took place in relation to:- the various options for community engagement and how these would be resourced; the use of Officers' time and link Officers; suggested geographical splits for engagement purposes; the role of Community Councils; the Carrick Community Forum and of the opportunity to undertake a pilot with this organisation; and the use of technology to reach the wider community and the Head of Policy, Performance and Communication responded accordingly.

Decided: having considered the contents of the report

- (1) to recommend that a twelve month trial period be undertaken within one rural and one urban area with an evaluation process being undertaken thereafter; and
- (2) to note that the Head of Policy, Performance and Communication would present a report to a future meeting of the Leadership Panel to finalise arrangements on this matter for its consideration.

10. **Scrutiny Review: Strategic Review of Absence Management.**

There was submitted a report (issued) of 26th October 2010 by the Head of HR and Organisational Development advising

- (1) of the progress to date with the strategic review of absence including the absence statistics for the Council for the period from 1st July to 30th September 2010 as outlined in the Appendices of the report; and
- (2) of the current position in respect of the progress being made with the Strategic Action Plan.

A discussion took place in relation to managing absence and obtaining a balance with regard to supporting staff and a request was made by a Member of the Panel in relation to whether actual staff numbers could be included within Directorate absence statistics and the HR Manager commented on the strategic framework approach and reported that she would include Directorate staff numbers within the reporting mechanism for future meetings.

Decided: to approve the contents of the report.

11. Panel Work Programme

(1) Role of the Audit Panel Working Group.

Councillor Peddie provided an update on the current position in relation to the work of the Role of the Audit Panel Working Group and advised

- (a) that he had now reviewed a selection of Standing Orders obtained from various local authorities relating to their Audit function;
- (b) that from his initial findings (tabled) most of these Standing Orders were based on CIPFA guidance; and
- (c) that he would like to discuss these findings with the Members of the Working Group for further analysis.

Decided: to note the current position and that Councillor Peddie would make arrangements for the Working Group to meet and further review these Standing Orders with the outcome reported to a future meeting of this Panel.

(2) Panel Work Programme for 2011/12.

The Executive Director – Corporate Services advised

- (a) of the requirement for this Panel to give consideration to a Work Programme of Reviews for the forthcoming year to be presented to the next meeting of this Panel on 2nd December 2010 and, thereafter, submitted to the Council at its meeting on 16th December 2010;
- (b) of the position with the current Programme and of the ongoing work being undertaken by the Working Groups with feedback subsequently reported to meetings of the Panel along with periodic reporting on the ongoing strategic review of absence;
- (c) that the work of the Role of the Audit Panel Working Group was still ongoing, however, this Group would hopefully be in a position to conclude its work in the near future;
- (d) that the communications strategy should be fully implemented by the summer of 2011 with community engagement currently being progressed;
- (e) that the Leadership Panel had suggested that a review of procurement be undertaken by this Panel; and
- (f) Members to contact her should they have any further suggestions to make in relation to the proposed Work Programme and thereafter she would incorporate these within a report to be considered at the next meeting of this Panel.

A Member of the Panel asked a question to relation to other ways in which the Audit function of this Panel could be presented and a discussion on this matter then took place.

Decided: to note

- (i) the current position in relation to the Work Programme for 2010/11; and
- (ii) the suggestions which had been made for the Work Programme for 2011/12 with further proposals to be forwarded to the Executive Director – Corporate Services who would then compile a report for the next meeting of this Panel on 2nd December 2010 for its consideration.

The meeting ended at 12.45 p.m.