

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 1st December 2011 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Bill Grant, John Hampton, Helen Moonie, Alec Oattes and Mike Peddie.
- Apologies: Councillors Sandra Goldie and Mairi Low.
- Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; A. Wilson, Head of HR and Organisational Development; D. Robertson, Communications Manager; and D. Knight, Committee Services Officer.
- Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); and Peter Tait, Assistant Director Audit (Local Government); and Asif Haseeb, Senior Audit Manager, Audit Scotland.

Chair's Remarks.

The Chair welcomed Peter Tait, and Asif Haseeb to their last meeting of this Panel and introduced David Richardson and Sarah Lawton who would now be taking over Audit Scotland's responsibility for South Ayrshire Council.

1. Minutes of previous meeting.

Decided: to note the Minutes of the previous meeting of 3rd November 2011 (issued).

Audit Function:-

2. Report to Members and the Controller of Audit on the 2010/11 Audit.

There was submitted a report (issued) of 22nd November 2011 by the Executive Director – Corporate Services

- (1) advising
 - (a) of Audit Scotland's audit of this Council's accounts for the financial year 2010/11;
 - (b) that the Council's accounts for financial year 2010/11 had been awarded a clean audit certificate; and
 - (c) that Audit Scotland had considered the key strategic and financial risks being faced by the Council, audited the financial statements and examined aspects of performance management and governance;
- (2) highlighting the key outcomes from the 2010/11 audit as follows:-
 - a recognition of the progress made in improving the Council's financial position and the need to develop medium / long terms financial plans;

- a recognition of the financial constraints of the current economic climate;
 - a recognition of the challenges for Elected Members and Officers in delivering quality services with limited resources;
 - a recognition of improvement within governance arrangements; and
 - an acknowledgement of progress in respect of performance management and the need for further development of the self-evaluation process;
- (3) indicating that the action plan identified the individual Officers responsible for addressing the risks and the timescales involved; and
- (4) reporting
- (a) that the accumulated revenue surplus on non-HRA accounts at 31st March 2011 was £15.302m, £7.532m of which was uncommitted;
 - (b) that the accumulated revenue surplus on the HRA at 31st March 2011 was £13.960m which had been retained for use in subsequent years; and
 - (c) that the Council had incurred capital expenditure of £27.218m during the year.

Mr. Tait, Assistant Director Audit (Local Government), Audit Scotland outlined and emphasised the main issues from the audit and the Action Plan contained within including

- (i) the following key issues:-
- the leadership and governance of the public sector reform;
 - financial sustainability; and
 - workforce planning to deliver effective public services;
- (ii) reference to:-
- the requirement in the housing stock to achieve the Scottish Housing Quality Standard by 2015 and the future funding of building social housing;
 - the improvement in monitoring capital projects;
 - the need to prepare formal medium / long term financial plans;
 - the continuing improvement of scrutiny arrangements over the last five years and of the plans in place to further improve scrutiny arrangements;
 - the Council's proactive approach to investigations;
 - the Council's improved approach to procurement issues;
 - best value, use of resources and performance and the progress being made in relation to the development of a performance management culture;
 - the Council's self evaluation in a minority of services; and
 - the challenging outlook for public spending for the period from 2012/13 to 2014/15; and
- (iii) the position with regard to:-
- Icelandic bank investments;
 - procurement;
 - Oracle;
 - shared services;

- performance management; and
- absence management.

A full discussion took place and questions were raised by Members of the Panel in relation to:- the Council's ability to build new social housing within South Ayrshire and how this could be funded; what arrangements were in place for the introduction of the carbon emissions system and the requirement to purchase £200,000 worth of carbon allowances per annum from 2012/13; the ownership and stewardship of Common Good Funds; audit reports being presented to this Panel; how would information on the review of the purpose and adequacy of all funds be advised to Elected Members; the process and the timescale for the development of medium and long term revenue and capital plans; and what assumptions have been made in respect of future income and expenditure and what assurances do tenants have in relation to future rent increases beyond year three of the Plan and Mr. Tait and the Executive Director – Corporate Services responded accordingly.

The Executive Director – Corporate Services further advised that she would circulate a note to Elected Members regarding the carbon allowances and the implications for the 2012/13 Revenue Budget.

The Chair, on behalf of the Panel, thanked Mr. Tait for his presentation of the Annual Audit Report, guidance and advice to this Panel and wished him well in his retirement. Mr. Tait replied in suitable terms.

Mr. Tait and his colleagues left the meeting at this point

Decided:

- (A) to note the report by Audit Scotland on the Council's Audit of Accounts 2010/11 and that the accounts had been given a clean audit certificate;
- (B) to agree the action taken in relation to the Action Plan, as appended to the report, designed to address the areas of concern highlighted within the body of Audit Scotland's report;
- (C) to request that regular updates on progress against the action plan be provided to the this Panel; and
- (D) to request the Head of Community Care and Housing to submit a report to the next meeting of this Panel responding to the question that had been raised in relation to what assumptions have been made in respect of future income and expenditure and what assurances do tenants have in relation to future rent increases beyond year three of the Plan.

WIDER SCRUTINY PANEL BUSINESS:-

4. Scrutiny Review of Communications.

Reference was made to the Minutes of 3rd December 2009 (Page 673 paragraph 6) and there was submitted a report (issued) of 22nd November 2011 by the Head of Policy, Performance and Communication

- (1) updating the Panel on progress with the Communications Strategy;
- (2) outlining the day-to-day activities of the communications work;

- (3) advising that the Communications Team had also engaged on significant projects as required and outlining the specific items that the team had been heavily involved in over the past six months as follows:-
- media and marketing communications support for the Scottish Parliament election and the referendum on the UK parliamentary voting system, focusing both on electoral registration and participation on polling day;
 - media and marketing communications support for major consultations;
 - strategic and hands-on support for high-profile events;
 - strategic planning and hands-on support for major projects;
 - maintaining strong employee communications to promote internal initiatives; and
 - boosting its social media presence; and
- (4) proposing that a further update would be presented to Scrutiny Panel in April 2012 in line with the current timetable to conclude this review with feedback from that meeting (alongside feedback from other consultative channels) would be used to help draft an updated Communications Strategy 2012-2014 that would be presented to Members for consideration after the local government elections in May 2012.

Questions were raised by Members of the Panel in relation to:- the Council's social media activity, the posting of tweets and who was responsible for responding to them; how were questions / tweets of a political nature dealt with; how did the public access information regarding the Council's activities; the best way for the Council to disseminate information and progress on matters including to young people; the best way of advertising future events; and liaising with the media and the relevant Officers responded accordingly.

Decided:

- (a) to note the progress made on delivering the Communications Strategy and Action Plan; and
- (b) to agree that one further update paper be submitted to this Panel concluding this review before work commenced on developing an updated Communications Strategy for 2012-14.

5. Scrutiny Review: Strategic Review of Absence Management.

The Head of HR and Organisational Development gave a presentation to the Panel on maximising attendance at work and outlined

- (1) a number of case studies;
- (2) the quarterly report on Occupational Health from 1st July to 30th September 2011;
- (3) the current position with regard to:-
- the approval and roll out of '*Framework for Maximising Attendance at Work*' and Managers Handbook during 2011;

- Joint Working Group with Trade Unions who had signed up to develop and progress ‘*Strategic Action Plan*’;
- review and improvements in the corporate training programme and support for managers;
- the implementation of guidance and raised awareness in Managing Addiction and Mental Ill-Health; and
- continued review and improvement of statistics and management information for Executive Directors, Heads of Service and Managers; and

(4) a programme of actions for the future.

There was then submitted (tabled) a report of 17th November 2011 by the Head of HR and Organisational Development outlining the progress to date with the ongoing strategic review of absence including the absence statistics for the Council for the period from 1st July to 31st October 2011.

Questions were raised by Members of the Panel in relation to :- whether the use of the fit note had been beneficial to employers, why a report on the Strategic Review of Absence Management had been tabled at this meeting and had not been issued with the papers calling this meeting; and whether any future financial provision would be made to take into account the aging workforce and the possibility of the need for increased redeployment particularly with regard to these employees undertaking a job of a physical nature and the Head of HR and Organisational Development responded accordingly.

Decided:

- (a) to thank the Head of HR and Organisational Development for her interesting and informative presentation; and
- (b) to agree that the report on the strategic review of absence, which had been tabled at this meeting, be dealt with at the next meeting of this Panel with any comments to be forwarded to the Head of HR and Organisational Development and that, in the meantime, a copy of the report be circulated to Elected Members.

Councillor Peddie left the meeting at this point.

6. Panel Work Programme.

There was submitted a report (issued) of 22nd November 2009 by the Executive Director – Corporate Services

(1) advising

- (a) that the Panel had made good progress in respect of the work programme as follows:-
 - the review of the role of the Audit Committee had been concluded, with a report being submitted to the Leadership Panel on 22nd November 2011;

- further progress continued to be made against the Communications Strategy Action Plan, with the majority of tasks progressing; however, the focus of the communications team for much of the time had necessarily been on managing day-to-day communication issues rather than on strategy and that the third update report had been presented to this Panel, with the recommendation that one further update be presented in April 2012 before work commenced on an updated strategy for 2012-14;
 - the review of procurement had developed proposals for purchases between £10,000 and £29,999 which had been approved by the Leadership Panel in April 2011; and
 - regular updates on absence management were provided to the Panel.
- (2) intimating that this Panel required to consider a work programme of reviews for the forthcoming year, although due to the forthcoming elections in May 2012, it might be advisable to undertake a programme which could be completed within that timescale; and
- (3) proposing that, following discussions with the Chair, a review of procurement should consider performance management information and the opportunities to assist local businesses in tendering for Council contracts.

Decided: to agree the 2012/13 work programme as outlined at (3) above.

The meeting ended at 12.05 p.m.