

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 23rd June 2011 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Sandra Goldie, Bill Grant, John Hampton, Helen Moonie and Alec Oattes.
- Apologies: Councillors Mike Peddie and Mairi Low.
- Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; A. Wilson, Head of HR and Organisational Development; J. McQuillan, Head of Property and Neighbourhood Services; K. Leinster, Head of Community Care and Housing; A. Greenwood, Estates Manager; H. McLaughlin, Audit Services Programme Review Manager; M. Alexander, Housing Operations Manager; and E. Wyllie, Committee Administration Officer.
- Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders) and Councillors John McDowall and Phil Saxton (Call-ins) and Lindsay Tosh, Auditor, Audit Scotland.

1. Exclusion of press and public.

The Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded from the meeting during consideration of items 2 and 3 of business on the grounds that they involved the likely disclosure of exempt information in terms of paragraph 9 of Part 1 of Schedule 7A of the Act.

2. Item for Call-in - Belleisle Estate, Doonfoot Road, Ayr.

Reference was made to the Minutes of the Leadership Panel of 14th June 2011 (Page 388, paragraph 28) when that Panel, having considered a report (issued to members only) of 3rd June 2011 by the Executive Director – Development and Environment, had decided

- (1) to approve the Heads of Terms for the sale of Belleisle Hotel and associated land, extending to 0.853 hectares (2.107 acres), as outlined on the attached plan of the report, as agreed with Campbell Inns Ltd. as purchasers on the terms set out in paragraph 4 of the report; and
- (2) to authorise the Executive Director - Development and Environment
 - (a) to further negotiate and agree the detailed terms and conditions of missives and sale;
 - (b) to request the Council's solicitors to conclude missives on the basis of the agreed detailed terms as outlined within the report; and
 - (c) to negotiate terms of an agreement for the construction of a replacement clubhouse facility with Campbell Inns Ltd., in accordance with Section 20.1 of the Council's Standing Orders Relating to Contracts.

The Panel was advised that the report had been the subject of a call-in (issued) for the following reasons:-

- (i) to further explore the implications of pre-emption rights (as outlined within paragraph 4.9 of the report);
- (ii) for clarification and consideration of the valuation of Belleisle House Hotel;
- (iii) to explore consideration given by officers to option appraisals and best value in relation to procurement of the clubhouse other than the proposal contained within the report; and
- (iv) given the Council's use of development clauses in previous disposals, to further explore any possibilities in relation to this proposed disposal.

The Chair invited Councillor Moonie to explain her reasons for the call-in and, thereafter, the Panel heard Councillor Moonie seek clarification on the points outlined at (i) to (iv) above. The Head of Property and Neighbourhood Services and the Estates Manager responded accordingly.

Following a full discussion, various questions and comments were raised by Councillors McDowall and Saxton as well as the Members of the Panel in relation to:- market value issues and leasing options for the hotel and associated land; options and proposals for the Clubhouse; concerns relating to tee-off times; Best Value; the extent of the advertising for the lease/sale of the site; the inclusion of conditions to protect any future interests of the Council; risks to the Council; security costs meantime; and planning consents. The Head of Property and Neighbourhood Services and the Estates Manager responded accordingly.

The Head of Property and Neighbourhood Services advised that negotiations and conditions of missives were still to be concluded and confirmed that, in relation to the Clubhouse, a full options appraisal would be brought back to a future meeting of the Leadership Panel for consideration.

Decided: following review, that the decision of the Leadership Panel in respect of this matter be confirmed and implemented although noting that the Head of Property and Neighbourhood Services would include a full options appraisal in relation to the Clubhouse within his update report on the Belleisle Estate to the Leadership Panel.

Councillor Grant left the meeting at this point.

3. Item for Call-in – Former School, St. Quivox, Ayr.

Reference was made to the Minutes of the Leadership Panel of 14th June 2011 (Page 389, paragraph 29) when that Panel, having considered a report (issued to members only) of 6th June 2011 by the Executive Director – Development and Environment, had decided to declare the former St. Quivox School surplus to requirements and available for disposal to Edward O'Neil, failing which the next highest offer from Allanvale Land Investments, on terms and conditions to be agreed by the Executive Director - Development and Environment.

The Panel was advised that the report had been the subject of a call-in (issued) for the following reasons:-

- (1) for further information and consideration relating to the open market value of the plot;
- (2) to further consider whether the proposal represents best value; and
- (3) given the Council's historical use of development clauses, to further explore any possibilities in relation to the proposed disposal.

The Chair invited Councillor Moonie to explain her reasons for the call-in and, thereafter, the Panel heard Councillor Moonie seek clarification on the points outlined at (1) to (3) above. The Head of Property and Neighbourhood Services and the Estates Manager responded accordingly and referred to a detailed planning brief for the site.

Following a full discussion, various questions and comments were raised by Members of the Panel in relation to:- the former school building; the development potential for the site; and planning issues and various Officers responded accordingly.

Decided: following review, that this matter be referred back to the Leadership Panel with a recommendation

- (a) that the offer should not currently be accepted; and
- (b) that a request for further information from Officers be made with regards to the market value of the site taking account of the available detailed planning brief.

4. Minutes of previous meeting.

Decided: to note the Minutes of the previous meeting of 26th May 2011 (issued).

Audit Function:-

5. Internal Audit Service – Follow-up of Internal Audit Reports – Meeting the Needs of Homelessness.

Reference was made to the Minutes of 26th May 2011 (Page 351, paragraph 5) when that Panel had decided to continue consideration of the progress of the Action Plan in respect of the summary page relating to Meeting the Needs of Homelessness which particularly referred to the three audit low risk recommendations, to allow an Officer from the Children and Community Directorate to provide an update on this matter.

Various questions were raised by Members of the Panel in relation to:- the levels of homelessness and whether the indicators being used accurately reflected the position; the potential impact if inaccurate; and the varying categories of priority need and the mainstream housing list.

The Head of Community Care and Housing advised that the audit low risk recommendations related to the collation of information and confirmed that all statutory indicators were in place and that the Directorate were meeting the target for priority needs.

Decided: to accept the explanation from the Head of Community Care and Housing in relation to the three audit low risk recommendations associated with the summary page for Meeting the Needs of Homelessness.

WIDER SCRUTINY PANEL BUSINESS:-

6. Review of Main Financial Systems 2010/11.

There was submitted a report (issued) of 14th June 2011 by the Executive Director – Corporate Services

- (1) informing of the findings from a review of the Council's main financial systems undertaken by Audit Scotland to evaluate whether the internal control system was adequate and to follow up issues raised in the 2009/10 Audit;
- (2) advising that the review involved the testing of key controls within the following financial systems:-
 - Cash, Income and Banking;
 - Main Accounting;
 - Budgetary Control;
 - Capital Accounting;
 - Borrowing, Loans and Deposits;
 - Payroll;
 - Creditors;
 - Debtors;
 - Council Tax Income;
 - Council Tax and Housing Benefit;
 - Non-Domestic Rates;
 - Housing Repairs; and
 - Rent Accounting;
- (3) reporting that part of the process involved reviewing the work carried out by Internal Audit and the agreed action plan and following up issues raised in the 2009/10 report; and
- (4) outlining that the action plan detailed the issues and risks, together with the Council's response and target dates by which the issues would be addressed.

In the absence of the Senior Audit Manager who had been unable to attend this meeting, the Chair invited the Auditor, Audit Scotland to outline the main findings from the report. Mr. Tosh referred to the report particularly that part relating to the identified risks and management action and also took the opportunity to thank all those members of staff who had assisted him with the process.

Various questions were raised by Members of the Panel in relation to:- inspection of vacant properties; and whether the Oracle system would assist with the processing of information from HR to Payroll and the Executive Director – Corporate Services and the Head of HR and Organisational Development responded accordingly.

Decided: having recorded the appreciation of all staff across the Council in relation to this report

- (1) to note the key issues raised by the Auditors;
- (2) to agree the Action Plan proposed at Appendix 1 of the report; and
- (3) to agree that progress in implementing the Action Plan would be reported to future meetings of this Panel as part of the review of External Audit reports.

7. Scrutiny Review: Strategic Review of Absence Management.

There was submitted a report (issued) of 14th June 2011 by the Head of HR and Organisational Development advising of the progress to date with the strategic review of absence including the absence statistics for the Council for period 1st January to 31st March 2011 together with the analysis for the year April 2010 to March 2011.

Various questions were raised by Members of the Panel in relation to:- the Council's average days lost per employee compared with the averages within the public and private sectors; whether an estimated cost for sickness could be provided; the 'See Me' mental health campaign and whether further information was available; alcohol related issues; and the reason for the increase in employees between January and February 2011 for the Children and Community Directorate.

The Head of HR and Organisational Development responded accordingly and reported that she would circulate the reason for the Children and Community Directorate staff increase to Members of the Panel as well as exploring the possible costs on average associated with sickness absence. She also suggested that she could provide case studies and outcomes in relation to mental health issues to a future meeting of the Panel.

Decided: to note the contents of the report and that the Head of HR and Organisational Development would provide further detail in relation to mental health issues to a future meeting of the Panel.

The meeting ended at 12 noon