

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

Minutes of meeting in County Buildings, Wellington Square, Ayr,  
on 24th March 2011 at 10.00 a.m.

Present: Councillors Brian Connolly (Chair), Mairi Low, Alec Oattes and Mike Peddie.

Apologies: Councillors Sandra Goldie, Bill Grant, John Hampton and Helen Moonie.

Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; A. Wilson, Head of HR and Organisational Development; C. Monaghan, Head of Policy, Performance and Communication; M. Newall, Head of Planning and Enterprise; D. Robertson, Communications Manager; H. McLaughlin, Audit Services / Programme Review Manager; and E. Wyllie, Committee Administration Officer.

Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); 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.**

**Decided:** to note the Minutes of the previous meeting of 24th February 2011 (issued).

**AUDIT FUNCTION:-**

**3. Follow-up of External Audit Reports – Progress to 31st January 2011.**

There was submitted a report (issued) of 10th March 2011 by the Executive Director – Corporate Services

- (1) providing an update on the progress being made by the Council in undertaking its external audit improvement actions from 1st October 2010 to 31st January 2011;
- (2) advising that, during the reporting period, fifteen actions had been brought to completion, half of these from 2009 reports and half from 2010 with a further twenty-nine actions continuing to progress in line with their original targets;
- (3) outlining the eight actions 'on revised target', four of these were now second extensions and the other four first extensions with the profile of these extensions outlined within Appendix 1 of the report;
- (4) indicating that one action was currently shown as not on target and this related to developing consultation mechanisms with the customers of the Revenues and Benefits Service and reporting that this was currently being discussed between this Service and the Head of Policy, Performance and Communication; and
- (5) highlighting that, of the remaining actions, all five were shown as 'not due to start', these being scheduled from 1st April 2011 onwards.

A discussion took place in relation to the current position with developing consultation mechanisms with customers of the Revenue and Benefits Service and the Communications Manager commented on a general consultation with customers rather than pertaining to a particular service. The Executive Director – Corporate Services advised that she would clarify the position and circulate the findings accordingly.

**Decided:** to note

- (a) the progress being made as detailed in Appendix 1 of the report; and
- (b) that the Executive Director – Corporate Services would seek clarification in relation to developing consultation mechanisms with customers of the Revenue and Benefits Service and circulate the findings accordingly.

#### **4. Internal Audit Service – Follow-up of Internal Audit Reports – Progress Report.**

There was submitted a report (issued) of March 2011 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 11th March 2011, CPMS was showing three action plan points due to be implemented by 1st February 2011, still outstanding;
- (3) indicating that these action points related to Trading Recharges to HRA and outlining the Directorate's proposal in this regard as highlighted within the report; and
- (4) intimating that since the previous meeting of this Panel, four reports had been issued and that a summary of these reports, excluding those for the Town Twinning Associations, had been included as Appendices to the report.

A discussion took place in relation to the current position with Trading Recharges to HRA and the Housing Schedule of Rates and the Executive Director – Corporate Services

- (a) advised of recent discussions and highlighted that the Trading Account was situated between General Services and the HRA with this being the Council's only Trading Account;
- (b) commented on joint work currently being undertaken by the Head of Community Care and Housing and the Head of Property and Neighbourhood Services relating to this matter; and
- (c) reported that a review of the Housing Repairs Service was also being undertaken and due for CMT discussion in March 2011.

The Chair requested that Members be updated following completion of these matters.

**Decided:**

- (i) to note the progress of Directorates in the implementation of agreed action plan findings;
- (ii) to approve the Directorate proposal as outlined within paragraph 4.2 of the report and that the Executive Director – Corporate Services would arrange for an update to be reported to Members when the exercise was completed; and
- (iii) otherwise, to request the Audit Services/Programme Review Manager to submit agreed reports to future meetings of this Panel.

**5. Internal Audit Service - Annual Audit Plan 2010/11 – Progress Report.**

There was submitted a report (issued) of March 2011 by the Audit Services / Programme Review Manager advising

- (1) of the progress and current position of the Annual Audit Plan from 1st June 2010 to 4th March 2011 and outlining the productivity of the section;
- (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;
- (3) that, since December 2010, internal audit staff had continued to be heavily involved in investigation work which had required staff to be diverted from working directly on areas in the Audit Plan and might result in a shortfall in time available to complete the overall plan; and
- (4) that the Annual Plan be adjusted to ensure that sufficient work was carried out on the main core systems section of the Audit Plan to ensure that an annual assurance statement could be produced to Members.

A question was raised by a Member of the Panel in relation to Daily Activity Centre and the Audit Services/Programme Review Manager advised of the current position.

**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.

**6. Retrospective Business Case for Vehicle Tracking.**

Reference was made to the Minutes of 23rd September 2010 (Page 507, paragraph 9) when the Panel had decided that the Executive Director – Development and Environment would report to a future meeting with a cost benefit analysis on the vehicle tracking system and there was submitted a report (issued) of 15th March 2011 by the Executive Director – Development and Environment presenting a Retrospective Business Case and Cost Benefit Analysis of the Roads Vehicle Tracking System, attached as Appendix 1 of the report.

Various questions were raised by Members of the Panel in relation to:- the rationalisation of gritting routes; and the number of vehicles fitted with tracking devices and would other vehicles be fitted and the Head of Planning and Enterprise responded accordingly.

The Executive Director – Corporate Services

- (1) referred to the previous discussion of this Panel at its meeting on 23rd September 2010 and to an inaccuracy contained within paragraph 4.3 of the Business Case; and
- (2) advised of the requirement for this paragraph to be amended to reflect that the contract had not been fully compliant with this Council's Standing Orders with the document being re-circulated thereafter.

The Head of Planning and Enterprise accepted this position and to undertake such a revision.

**Decided:** to note the contents of the Business Case as outlined in Appendix 1 of the report subject to paragraph 4.3 being amended by the Executive Director – Development and Environment accordingly and re-circulated to Members.

### **WIDER SCRUTINY PANEL BUSINESS:-**

#### **7. Scrutiny Review of Communications.**

Reference was made to the meeting of 23rd September 2010 (Page 504, paragraph 6) and there was submitted a report (issued) of 14th March 2011 by the Head of Policy, Performance and Communication providing an update on progress during the previous five month period with the Communications Strategy and

- (1) indicating that a large volume of communication work was centred on day-to-day activities as well as engaging on significant projects as required with a list of specific items being undertaken as outlined within the report; and
- (2) outlining the progress being made within the Communications Strategy and Action Plan as detailed within the report and informing that a further update would be provided to the meeting scheduled to take place on 22nd September 2011.

Various questions were raised by Members of the Panel in relation to:- the progress being made with a virtual press office; staffing issues; completion of tasks; and commercial advertising and whether the Council's website could be used for advertising purposes and the Communications Manager responded accordingly.

**Decided:** to note the current position with the progress being made on delivering the Communications Strategy and Action Plan.

#### **8. Scrutiny Review: Strategic Review of Absence Management.**

There was submitted a report (issued) of 24th March 2011 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 October to 31st December 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 as follows:-

- (a) that the revised Maximising Attendance Policy provided a holistic approach to managing attendance and had, at its core, a range of flexible and practical intervention options for managers;
- (b) that underpinning this approach had been the learning and training of managers at all levels across the Council and that there had also been collegiate events with Head Teachers and Trade Unions working together to understand how best to improve attendance and targeted training had also taken place for managers in areas of the Council where the level of absence was higher than average; and
- (c) that, in addition, HR were working closely with managers to encourage an early return to work for employees who had been on long term absence.

The Head of HR and Organisational Development advised that the Council had achieved a bronze award via the NHS scheme 'Healthy Working Lives' and that the Council would now be working toward the silver award.

Various points were made by Members of the Panel in relation to:- recognition for those staff not being absent; and supporting staff coping with illness and the Head of HR and Organisational Development responded accordingly.

**Decided:** to note the contents of the report.

#### **9. Panel Work Programme – Procurement Working Group – Review of Procurement Thresholds.**

Reference was made to the Minutes of 24th February 2011 (Page 175, paragraph 3) and there was submitted a report (issued) of 14th March 2011 by the Head of Corporate Resources seeking approval for a revised best value approach in relation to purchases below £30,000 and advising

- (1) that Council Standing Orders Relating to Contracts currently provided the mandatory governance framework for purchases in excess of £30,000 and informing that, for purchases below £30,000, there was a duty for all Officers of the Council to achieve best value;
- (2) that, in reviewing the current Council approach in relation to purchases under £30,000, the Working Group had considered:-
  - current Council procedures in place for purchases below £30,000;
  - the approach undertaken by other local authorities;
  - the approach undertaken by the Scottish Government;
  - the need to ensure that opportunities for local businesses to participate in the Council's purchasing decisions were maximised;
  - the level of resource required to achieve quotations and the role of technology within this; and
  - the requirement to ensure best value continued to be obtained by the Council in progressing purchases below £30,000; and
- (3) that the Working Group had concluded
  - (a) that revised guidance should be considered which would require Officers to seek a minimum of three written quotations for any expenditure between £10,000 and £29,999, with this to be further reviewed after one year of operation;

- (b) that, in meeting this requirement, expenditure should not be disaggregated, packaged or split into separate smaller purchases to avoid the application of this guidance and that the aggregate value of any expenditure should be taken into account in determining whether it fell within the threshold for the application of three written quotations;
- (c) that the following exemptions should apply:-
- any purchases which, in the opinion of the appropriate Executive Director or Head of Service, were urgently required for the immediate prevention of risk to life or damage to property;
  - any contract of employment;
  - any contract of engagement of consultants for the provision of specialist legal or financial advice and skills which required to be procured on an ad-hoc basis;
  - any purchases from a framework agreement placed on the Council's behalf by a consortium, partnership, company or similar body of which the Council was a member or user;
  - any purchases made under an existing Council contract; and
  - where the requirement was not readily obtainable from more than one supplier, service provider or contractor and it could be demonstrated that no equivalent was available; and
- (d) that the foregoing exemptions should not be deemed in any way to detract from the requirement of the Council and every Officer of the Council to ensure that every purchase was undertaken in a manner which complied with the duty to achieve best value.

The Executive Director – Corporate Services advised that, following this report being issued, concerns had been raised as to whether there was scope to include social enterprise at paragraph 4.5 of the report relating to exemptions and commented that, although aims could be included within the document, particular businesses could not be singled out.

A discussion took place and questions were raised in relation to:- social enterprise and how would this be weighted; ways in which to support local companies; and whether carbon reduction measures could play a part in this regard and Officers responded accordingly. The Head of Legal and Administration particularly commented on social enterprise and advised that, should this be an avenue that the Council wished to pursue, then policies would need to be developed to support that approach across the board.

The Executive Director – Corporate Services commented that this review was also in response to an internal audit comment previously made.

The Chair, on behalf of the Panel, recorded the appreciation of the very timely work undertaken by Councillor Moonie, the other Members of the Working Group and the Head of Corporate Resources in respect of this matter.

**Decided:** to endorse the revised approach for purchases below £30,000 and that these proposals would be presented to the next meeting of the Leadership Panel on 19th April 2011, with a proposed implementation date of 1st June 2011 and with the intention to seek a further review after one year of operation.

The meeting ended at 10.40 a.m.