

SOUTH AYRSHIRE COUNCIL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 16th March 2011 at 10.00 a.m.

Present: Councillors Winifred Sloan (Provost), Eddie Bulik, Andy Campbell, Douglas Campbell, Ian Cavana, Brian Connolly, Peter Convery, Hywel Davies, Ian Douglas, Stan Fisher, Ian Fitzsimmons, Ann Galbraith, Sandra Goldie, Bill Grant, Hugh Hunter, Mary Kilpatrick, Elaine Little, Mairi Low, John McDowall, Nan McFarlane, Bill McIntosh, Helen Moonie, Alec Oattes, Mike Peddie, Robin Reid, Philip Saxton, Tom Slider and Margaret Toner.

Apologies: Councillors John Allan and John Hampton.

Attending: D. Anderson, Chief Executive; H. Garland, Executive Director – Children and Community; E. Howat, Executive Director – Corporate Services; L. Bloomer; Executive Director – Development and Environment; V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; K. Leinster, Head of Community Care and Housing; D. Alexander, Head of Corporate Resources; A. Wilson, Head of HR and Organisational Development; D. Robertson, Public Communications Manager; and D. Knight, Committee Services Officer.

1. **Provost.**

The Provost welcomed Elected Members to the meeting.

2. **Sederunt.**

The Chief Executive called the Sederunt for the meeting.

3. **Minutes of previous Council meetings.**

The Minutes of 16th December 2010 and 19th January 2011 (Special) and 10th February 2011 (Special) (issued) were submitted and authorised to be signed as correct records of these meetings.

4. **Minutes of previous meetings of Panels.**

The Minutes of the undernoted Panels (issued) were submitted and approved as a correct record of these meetings:-

- (1) Regulatory Panel of 10th December (Special) and 16th December (Special) 2010, 19th January (Special) and 20th January and 11th February (Special) and 17th February 2011.
- (2) South Ayrshire Local Review Body of 14th December 2010, 25th January and 8th and 22nd February 2011.

- (3) Community Services Standing Scrutiny Panel of 13th January (Special) and 26th January 2011.
- (4) Leadership Panel of 18th January and 15th February 2011.
- (5) Development and Environment Standing Scrutiny Panel of 25th January and 22nd February 2011.
- (6) Corporate and Community Planning Standing Scrutiny Panel of 27th January and 24th February 2011.
- (7) General Purposes Panel of 2nd February 2011.
- (8) Scrutiny and Governance Management Panel of 1st March 2011.
- (9) Chief Officers' Appointments / Appraisal Panel of 3rd March 2011.
- (10) Appeals Panel of 3rd March 2011.

4. **Draft Submission on the Future Delivery of Public Services.**

There was submitted a report (issued) of 10th March 2011 by the Head of Policy, Performance and Communications

- (1) advising
 - (a) that the Commission on the Future Development of Public Services (the Christie Commission) had been established by the Scottish Government at the end of 2010;
 - (b) that its focus was on producing a "road map" for the future reform of public service in Scotland which would inform the reform agenda for the next five to ten years and that its work would centre on three broad questions:-
 - how best can our public services achieve positive outcomes for and with the people of Scotland?
 - how best can wider organisational arrangements (including functions, structures and processes) support and enable the delivery of effective services?
 - what shared values and ethos should underpin Scotland's public services, and how best can they be embedded in the delivery of public services in the future?
 - (c) that the Commission would be reporting in June 2011 and that they have issued a call for evidence with responses requested by the end of March;

(d) that following discussion between the Leaders and the three Ayrshire Councils and reflecting the joint working ongoing across the three local authorities, it had been agreed that a pan-Ayrshire response be prepared as outlined in Annex A of the report which covered:-

- Community Planning;
- Joint Working;
- the Integrated Resource Framework;
- Supporting the most vulnerable;
- Empowering individuals; and
- the Ethos of Public Services;

(2) indicating that the pan-Ayrshire response had already been agreed by North Ayrshire Council and that it was expected to be considered by East Ayrshire at a meeting on 24th March 2011; and

(3) reporting that in addition, Annex B of the report set out specific points from a South Ayrshire perspective and encapsulated the views of Elected Members as expressed at the Seminar on 28th February 2011.

A full discussion then took place regarding the Christie Commission and questions were raised by Elected Members in relation to the consultation regarding the reform of the Police and Fire Services, North Ayrshire Council's response and whether public consultation would take on this matter and the Head of Policy, Performance and Communications responded accordingly.

Decided: to agree that this Council's response and the pan-Ayrshire response be submitted to the Christie Commission.

5. **Treasury and Investment Strategy Report 2011/12.**

There was submitted a report (issued) of 2nd March 2011 by the Head of Corporate Resources

(1) reporting that the Treasury and Investment Strategy Report for 2011/12 had been recently considered at the meeting of the Corporate and Community Planning Standing Scrutiny Panel on 24th February 2011 (Page 173, paragraph 2) in line with the agreed reporting arrangement;

(2) advising

(a) that the Chartered Institute of Public Finance and Accountancy (CIPFA) had adopted the following as its definition of treasury management activities:-

'The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks';

- (b) that the Local Government in Scotland Act 2003 and supporting regulations required the Council to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable;
- (c) that the Act also required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included at Section 9 in Appendix 1 of the report) which set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments; and
- (d) that the CIPFA Code of Practice on Treasury Management (revised November 2009) had been adopted by the Council on 2nd March 2010;
- (2) intimating that this Council had adopted the following reporting arrangements in accordance with the requirements of the Code:-

| Area of Responsibility | Council/ Panel/Officer | Frequency |
|---|--|--|
| Treasury Management Quarterly Reporting | Leadership Panel | Quarterly |
| Scrutiny of Treasury Management Strategy/Performance | Corporate and Community Planning Standing Scrutiny Panel | Annually before the start of the year/Following financial year end |
| Treasury Management Strategy (incorporating Annual Investment Strategy) | South Ayrshire Council | Annually before the start of the year |
| Annual Treasury Outturn Report | South Ayrshire Council | Annually following the end of the financial year |

- (3) intimating that the overall objectives for the Council's Treasury Management Strategy were:-
- (a) *for borrowings:-*
- to minimise the revenue costs of borrowings;
 - to manage the Council's cash flows;
 - to manage the borrowing repayment profile;
 - to assess interest rates' movements, and borrow/ invest accordingly;
 - to monitor and review the level of variable rate loans held in order to take advantage of interest rate movements; and
 - to identify and evaluate opportunities for debt rescheduling; and

- (b) *for temporary investments:-*
- to protect the capital security of the invested funds; and
 - to obtain the best market return available commensurate with protection of security and liquidity; and
- (4) seeking approval of the proposed Strategy for Treasury Management activities within the Council for the financial year 2011/12 as detailed in Appendix 1 of the report.

A question was raised by an Elected Member in relation to the countries that were qualified to use the credit criteria and the Head of Corporate Resources responded accordingly.

Decided: to approve the annual Treasury Management Strategy for 2011/12, as attached at Appendix 1 of the report.

6. **Reshaping Care for Older People: Change Fund.**

There was submitted a report (issued) of 24th February 2011 by the Executive Director – Children and Community

- (1) advising
- (a) that Reshaping Care for Older People was a national policy with the principal policy aim of “optimising independence and wellbeing for older people at home or in a homely setting” being achieved through shifting the balance of care of older people from hospital to community care;
 - (b) that the budget statement by Scottish Government on 17th November 2010 included indication of a “Change Fund” to support the Reshaping Care for Older People programme with a national resource of £70m for 2011/2012 and that on 23rd December 2010 guidance on the Change Fund had been issued and detailed an allocation of £1.890m for South Ayrshire;
 - (c) that each of the thirty two local Partnerships were required to submit a transformation plan that had been agreed by all partners to the Scottish Government by 28th February 2011 and that South Ayrshire’s submission was attached to this report as Appendix 1 and that the Plans would be approved by the Ministerial Strategic Group for Health and Community Care;
 - (d) that although the funding was only outlined for one year at this time, plans should anticipate a four year programme; and
 - (e) that responsibility for sign-off of the Change Plan lay with the Community Planning Partnership, the guidance further indicated that plans would require to be agreed at partnership level by Local Authority, Health Board, Voluntary Sector and Independent Sector, or the funds available for a particular area would not be released and that in relation to South Ayrshire the Third Sector was represented by Voluntary Action South Ayrshire (the official third sector ‘interface’) and the Independent Sector by Scottish Care;

- (2) indicating
- (a) that the guidance stated that the fund would operate along the following principles:-
- a partnership fund to be hosted by NHS Boards, and that the resource could not be used without full partnership agreement;
 - the fund should be used to unlock mainstream resources, it was not designed simply to augment revenue funding; and
 - the partnership focus was not limited to NHS and social work spend but should also consider other Council budget lines (such as housing and leisure) and private and voluntary sector expenditure;
- (b) that South Ayrshire's Change Fund submission had been developed in line with these principles and that a planning group comprising members of staff from the Council, NHS and Joint Improvement Team had produced the submission in consultation with key stakeholders; and
- (c) that progress against the change fund plan would be reported to the Community Planning Partnership as outlined in the national guidance along with achievement of the specified outcomes and spend against budget; and
- (3) seeking the Council's approval to ratify the decision taken by the Community Health Partnership on 21st February 2011 and the Community Planning Partnership Board on 23rd February 2011 to agree South Ayrshire's Change Fund Plan.

Questions were raised by Elected Members in relation to funding beyond five years and the location of the rehabilitation hubs and the Head of Community Care and Housing responded accordingly.

Decided: having recorded their appreciation of the work undertaken by the Head of Community Care and Housing and his staff, other staff from this Council and its partners

- (i) to ratify the decision approved by the Community Planning Partnership at its meeting on 23rd February 2011; and
- (ii) to approve the future reporting arrangements to the Community Planning Partnership Board as detailed in the Appendix of the report.

7. Formal Questions.

In terms of Council Standing Order No. 16(b), there was submitted (tabled) a Formal Question from Councillor Reid, details of which, together with the Answer, are outlined below:-

Question What is the approximate cost of Officer time spend since February 2010 with Members of the Labour Group discussing the 2011/12 budget?

Answer The approximate cost is £10,000.

Councillor Reid raised a supplementary question enquiring whether, given the costs involved, should Elected Members continue to utilise Officers' time in this way and the Chief Executive advised that Officers would continue to support Elected Members to construct their Budget whether they were part of the Administration or not, and would continue to discharge this duty as they thought appropriate. However, if they did not believe this to be appropriate, then he would raise any issues with the relevant Group Leader.

The meeting ended at 10.55 a.m.