

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

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 6th June 2013 at 10.00 a.m.

Present: Councillors Brian Connolly (Chair), Andy Campbell, Douglas Campbell, Alec. Clark, John Hampton, Mary Kilpatrick and Brian McGinley.

Apology: Councillor Ann Galbraith.

Attending: E. Howat, Chief Executive; V. Andrews, Head of Legal and Democratic Services; Claire Monaghan, Head of Policy, Community Planning and Public Affairs; K. O'Hagan, Head of Employee and Customer Services; D. Gillies, Head of Corporate Resources; H. McLaughlin, Audit Services Programme Review Manager; W. Phillips, Revenue and Benefits Manager; and E. Wyllie, Committee Services Officer.

Also Attending: Councillors John McDowall, Bill McIntosh and Robin Reid (Portfolio-holders); and Dave Richardson, Audit Manager, and Sarah Lawton, Senior Auditor, Audit Scotland.

Chair's remarks.

The Chair, on behalf of the Panel, welcomed Councillor Kilpatrick, recently appointed Panel Member and Donald Gillies, recently appointed Head of Corporate Resources to their first meeting of the Panel.

1. Declaration of Interest.

There were no declarations of interest by Members of the Panel in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

2. Item for Call-in.

The Panel noted that there had been no call-ins for this meeting.

3. Minutes of previous meeting.

Decided: to note the Minutes of the previous meeting of 9th May 2013 (issued) ([link attached](#)).

WIDER SCRUTINY PANEL BUSINESS:-

4. Remit from Leadership Panel of 28th May 2013 – Raising our Ambitions – Progress Report 3.

Reference was made to the Minutes of the Leadership Panel of 28th May 2013 (Page 356, paragraph 14) when that Panel, having considered a joint report by the Head of Policy, Community Planning and Public Affairs and the Head of Employee and Customer Services of 14th May 2013 (issued) ([link attached](#)), had decided to note the third progress report on Raising our Ambitions and that the report be referred to this Standing Scrutiny Panel for its consideration.

A discussion took place in relation to the Single Outcome Agreement and the way in which internal structural changes had created the capacity to manage key external pressures. It was recognised that various strands of activity were in the process of converging. It was noted that the Single Outcome Agreement priorities would inform the Council's Business Plan and, thereafter, the 'How Good Is Our Council?' process would highlight areas for improvement. A report to Members was expected to be submitted in June 2013 for their consideration of this element of Raising Our Ambition.

The Panel

Decided: to note the third progress report on Raising our Ambitions.

5. **Employee Absence Monitoring Report.**

There was submitted a report (issued) ([link attached](#)) of 29th May 2013 by the Head of Employee and Customer Services providing details of absence levels for the Council for the year 2012/13 advising of the ongoing recording and review arrangements and providing an update on earlier recommendations to monitor and address absence levels across the Council.

A discussion took place in relation to increased absence levels across Directorates and, in particular, teaching staffing. Clarification was sought as to the possible reasons for this increase and comments were made on the associated costs of absence. It was noted that the Head of Employee and Customer Services was reviewing a number of policies and practices to maximise attendance at work, in conjunction with Officers, and that trade union involvement formed a part of this process. It was suggested that trade union involvement should be from the outset. The Head of Employee and Customer Services also commented on a multitude of reasons for an increase in absence levels and advised of the steps being taken to ensure consistency across the Council in the application of policies by managers. As well as ongoing training, different support mechanisms via case studies for managers were being explored.

In terms of costs, it was noted that the Council followed national scheme guidance with regard to sick pay periods although there was a level of flexibility around this should Members take a particular view.

The Head of Employee and Customer Services commented on CMT's focus on absence and indicated that regular updates would be provided to the Panel so that progress could be monitored and, with regard to long term absences, this could be demonstrated by banding time off periods for comparison. It was noted that categories of absence could also be reviewed as well as the impact of absence measured against performance.

The Panel

Decided: to note the statistics outlined within the report and the progress being made in addressing absence levels taking into account the discussion at this meeting.

6. **Capital Update.**

The Head of Corporate Resources provided an update in relation to the Capital Programme and its budget and indicated his intention to submit fully scoped projects for Members' consideration as one way in which to prevent delays in the delivery of the Programme.

In terms of slippage and inflation costs, it was noted that the Head of Corporate Resources would explore these issues and the deliverability of projects as well as scope for other projects to be developed and presented should approved projects be delayed due to unforeseen circumstances outwith the Council's control. He outlined areas of crossover with the Head of Property and Facility Services as well as their individual remits and commented on the work being undertaken to develop an internal/external model of project management and delivery within the constraints of the approved budget.

Clarification was sought in relation to the Housing Revenue Account and the Head of Corporate Resources indicated that he would circulate information in relation to the current position and commented on similar issues and difficulties.

The Panel

Decided: to note the current position in relation to the ongoing work with the capital programme and its budget.

AUDIT FUNCTION:-

7. Audit Service – Statement on Internal Controls.

There was submitted a report (issued) ([link attached](#)) of May 2013 by the Audit Services Programme Review Manager presenting the Annual Statement on the adequacy and effectiveness of the internal control system of the Council for the year ended 31st March 2013, attached as an appendix to the report.

Clarification was sought in relation to the Fraud and Corruption Policy and Response Plan and whether this system was robust in terms of stock control matters and the Audit Services Programme Review Manager commented on the adequacy and the effectiveness of the system of control in place and stressed that no absolute assurances could be given to any of the areas within the report.

The Panel

Decided: to approve the Statement on Internal Controls for financial year 2012/13.

8. Audit Scotland – Welfare Reform Update.

There was submitted a report (issued) ([link attached](#)) of 29th May 2013 by the Chief Executive providing a further update on the welfare reform agenda and, specifically, on Scottish Councils' preparedness for the upcoming changes.

The Chief Executive advised that statistical data requested at a previous meeting of this Panel in relation to welfare reform was near completion for circulation to Members.

A discussion took place in relation to discretionary housing payments, availability of other housing options and homeless issues as well as the position with housing associations in terms of the possibility of a reduction in rent levels. The Revenue and Benefits Manager commented on these matters and also on collaborative working with other services and agencies to maximise income for those affected by the reform changes.

In relation to the 10% cut in the value of Westminster funding for council tax benefit payments amounting to approximately £40 million for 2013/14 to be funded jointly by the Scottish Government and local authorities, clarification was sought in relation to how sustainable this would be and it was noted that this would be an added pressure for the Council, however, further discussions were taking place with the Government in this regard. Clarification was sought in respect of whether the interest rates of loan funds could be utilised for this purpose and the Chief Executive advised that there was limited scope to use any interest and that this Council's share of the funding would require to be met from within its budgets.

Clarification was sought in relation to the variances across local authorities on the loss per working age adult per annum figures and it was noted that these amounts had been provided by Sheffield Hallam University and that a number of factors had most likely been taken into account in their production.

Having heard the Chair on behalf of the Panel ask the Revenue and Benefits Manager to convey the Panel's gratitude to all staff members involved in this work, the Panel

Decided: to note the content of this report and that regular updates would be provided.

9. Follow-up of External Audit Reports – Progress to 31st March 2013.

There was submitted a report (issued) ([link attached](#)) of 29th May 2013 by the Head of Policy, Community Planning and Public Affairs providing an update on the progress being made in relation to external audit improvement actions.

Clarification was sought in relation to the delays in the timeline for Shared Services and the completion of the roads business case and it was noted that this was on track to be submitted to the meeting of the Council on 27th June 2013. Similarly, it was noted that the ICT service review was on track for completion by end of September 2013.

The Panel

Decided: following review, noted the progress being made against the Council's external audit improvement actions as presented in this report.

10. Exclusion of press and public.

Clarification was sought as to the reasons why the next item on the Agenda should be considered in private and on the process to consider the disclosure of this item, thereafter, since this Panel did not have the authority to release or otherwise reports relating to matters considered following exclusion of the press and public. The Head of Legal and Democratic Services explained the reasons why this item was being recommended to be taken in private in accordance with the provisions of the Local Government (Scotland) Act 1973. She also commented that, as part of the consideration of these Minutes, the Council would be in a position to consider the disclosure of this item under Standing Order 31.2 at its meeting of 27th June 2013.

On these terms, the Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the following item of business on the agenda on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 1 of Part 1 of Schedule 7A of the Act.

C***11. Audit Scotland – Departure of Chief Executive.**

There was submitted a report (issued to members only) of 30th May 2013 by the Chief Executive advising of the outcome of Audit Scotland's review of the procedures used by the Council in facilitating the departure of the Chief Executive.

The Chair invited the Audit Manager to present the report.

Following discussion and clarification in relation to a policy regarding retirement on grounds of efficiency of the service, the Panel

Decided:

- (1) to request that the Chief Executive would arrange for the Audit Scotland recommendations to be implemented as outlined in Appendix 1 of the report; and
- * (2) to recommend to Council via these Minutes
 - (a) that consideration of the disclosure of this confidential report be given at its meeting on 27th June 2013; and
 - (b) that consideration be given to requesting Officers to undertake the development of a policy regarding retirement on grounds of efficiency of the service.

The meeting ended at 11.35 a.m.