

MINUTE

A & B

Audit and Scrutiny Committee
Council Chamber, Town Hall, Lerwick
Wednesday 23 January 2008 at 10am

Present:

F B Grains	A G L Duncan
A T Doull	R S Henderson
C H J Miller	C L Smith

Apologies:

A J Hughson

In attendance (Officers):

G Johnston, Head of Finance
C McIntyre, Internal Audit Manager
C Medley, Head of Housing and Capital Programme
I Halcrow, Head of Roads
W Shannon, Assistant Chief Executive
J Riise, Head of Legal and Administration
J Smith, Head of Organisational Development
D Bell, Human Resources Manager
S Pearson, Safety and Risk Manager
P Peterson, Performance Management Co-ordinator
L Adamson, Committee Officer

Chairperson

Mrs F B Grains, Chairperson of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None.

Minute

The minute of the meeting held on 30 November 2007, was confirmed.

Min. Ref.	Subject	Action/Info
01/08	<p><u>Performance Management Update</u></p> <p>The Committee considered a report by the Head of Organisational Development (Appendix 1).</p> <p>The Performance Management Co-ordinator introduced the report and advised that the report had been presented to Council in December. The report provides an update on the Corporate Improvement Plan and sets out progress on priority areas up to December 2007. He added that Members would</p>	

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	<p>note that a number of the target dates had “not been achieved” however with the expected date for completion of the Corporate Plan being March 2008, it was anticipated that by that date the majority of targets would be achieved.</p> <p>Mrs C H J Miller said that she had concerns that the actual Corporate Improvement Plan was still not complete, and until such time as the Plan was in place it was difficult for the Council to properly set out its priorities and targets. Mrs Miller went on to say that she had raised this matter at the Council meeting in December, through the minute of this Committee, however no recommendation had been made. She questioned how this matter could be progressed and suggested that a seminar be arranged for Members to progress the CIP to develop a clear business plan for the Council. During the discussion that followed, the Committee recommended that an update report on the draft Corporate Improvement Plan would be presented to Council in February, following which a seminar be arranged for all Members, with the Plan being presented to Council in March for final endorsement.</p> <p>Referring to Priority Area 1.6 in the Plan, Mr R Henderson enquired what progress was being made with the Mid Yell School. The Head of Housing and Capital Programme advised that it had been agreed that the Council would carry out some advance work to level off the site and a contractor should be appointed soon. The Head of Housing and Capital Programme agreed to provide Mr Henderson with further detail on this project.</p> <p>In response to a query from Mrs Miller, the Head of Housing and Capital Programme advised that the early contractor involvement process was taking longer than expected, however when this process is complete a report will be prepared to Council.</p> <p>Mr A G L Duncan referred the priority to introduce 20mph speed limits at certain schools, and noted that the Dunrossness School had not been included. The Head of Roads advised that the priority list had been agreed at Infrastructure Committee based on the speed and volume of traffic, and the number of pupils walking to school. The Head of Roads agreed to provide Mr Duncan with further information on the implementation of the speed limit at Dunrossness School. During the discussion that followed, the Committee noted that the Council’s Road Safety Advisory Panel monitors progress with the introduction of speed limits at schools.</p> <p>Mr Duncan referred to priority area 1.2, and noted with concern that only 63.3% of public buildings in Shetland are accessible</p>	

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	<p>to disabled people. The Performance Management Co-ordinator advised that this Committee had previously agreed to address this priority through improving disabled access at ferry terminals and a report would be presented to the next meeting of this Committee. The Head of Organisational Development suggested that a further challenging target for disabled access to public buildings could be set as a priority in the next Corporate Improvement Plan.</p>	
02/08	<p><u>2006-07 Statutory Performance Indicators – Comparative Analysis</u></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 2).</p> <p>The Performance Management Co-ordinator summarised the main terms of the report. In response to a query from the Chairperson, he advised that the performance indicators marked as “not measured in 2004/05 ” were newly introduced indicators for this current year and did not previously exist.</p> <p>Mr A G L Duncan complemented staff on achieving top rankings on a number of performance indicators. He also noted instances when the SIC had ranked nearer the bottom Councils in Scotland, and said this was cause for concern and improvements had to be made on these bad performances.</p> <p>In response to a query from Mr Duncan regarding Shetland’s poor performance relating to the indicators for Home Care, the Head of Organisational Development advised that the percentage levels relate to the number of clients receiving care, with most Authorities providing intensive care to a smaller number of clients, compared to Shetland that provides a wider range of care to a broader set of clients.</p> <p>In response to a query from Mrs C H J Miller regarding Performance Indicator No. 71, “Business advice requests dealt with within 14 days”, the Performance Management Co-ordinator advised that he understood the indicator to relate to Trading Standards, however he would refer back to the Service and provide Mrs Miller with further information.</p> <p>Mr Duncan referred to the indicator relating to Homelessness and noted that Shetland had ranked 31st. The Head of Housing and Capital Programme explained that the Housing Service have now changed their method of counting homeless persons to keep in line with other local authorities, and this should improve Shetland’s performance in the future.</p> <p>Mr Duncan noted that Shetland had ranked 31st on the Rent Management indicator, compared to Orkney ranking 7th, and</p>	

	<p>asked for an explanation on the variance. The Head of Housing and Capital Programme explained that the figure related to the instances when people get into rent arrears then move away. He said he would look further at why instances are higher in Shetland, however this could relate to the SIC's procedures of following up and recovering rent arrears. The Head of Housing and Capital Programme went on to explain that following an earlier request from this Committee relating to Housing Voids, a range of procedures are being introduced which should dramatically improve the figures.</p> <p>In response to a query from Mr Duncan relating to the indicators on Traffic Light Repairs, the Head of Roads provided Members with an explanation of the main types of faults reported and the procedures currently followed for carrying out repairs. He advised that there has been an improvement in the indicator results from 2004/05 and with improved monitoring and a new system to be implemented in the next financial year for counting faults, this should improve Shetland's performance and provide a clearer overall picture.</p> <p>During the discussion that followed, Members noted that Local Authorities use different methods for measuring performance and therefore the indicators are not always an accurate indication of the Council's performance.</p> <p>Mr Duncan then asked for an explanation on the indicators listed as "unreliable data". The Head of Organisational Development advised that this was something the Council's external auditors, Audit Scotland, had picked up. They had commented that some of the "unreliable data" had come about as a result of arithmetic errors and failure to check figures. He added that it was hoped that the trend would reverse, with a tightening up of the process, to produce a more comprehensive list of indicators.</p>	
03/08	<p><u>Human Resources Internal Audit – Key Issues</u></p> <p>The Committee considered a report by the Human Resources Manager (Appendix 3).</p> <p>The Human Resources Manager introduced the report and provided an update on the three key audit issues highlighted in the recent Internal Audit of Human Resources. Members noted that significant progress had been made on these key issues, and that one issue was now complete.</p> <p>In response to a query from Mr A G L Duncan, the Internal Audit Manager advised that Internal Audit was completely satisfied with the progress made and noted that one issue had been resolved.</p> <p>Mr Duncan thanked the Human Resources Manager for the work undertaken to complete and progress these issues. Mrs</p>	

	C H J Miller referred to Section 6.2.3 in the report and said that she was pleased to note the all Scottish Local Authorities were working together to develop a national recruitment portal, as this new portal should result in savings throughout Scotland.	
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04/08	<p><u>Council Vehicles Investigation – Terms of Reference</u></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 4).</p> <p>The Performance Management Co-ordinator introduced the report and advised that this was an opportunity for Members to review and amend the Terms of Reference attached as Appendix 1.</p> <p>Mrs C H J Miller reported that she had been approached by a number of SIC staff who were aware that this investigation was to be carried out, with concerns that it could lead to the demise of some jobs at the DLO. Mrs Miller said that she would like staff and union representatives involved during the investigation to ensure that the process is fair, open and transparent and that there is clear reporting back to other staff.</p> <p>Mr C L Smith suggested that in the first instance the findings from the investigation should be reported to this Committee, then involve staff should any issues be identified.</p> <p>During the discussion that followed, the Committee agreed that input from a wide range of officers, the vehicle drivers and union representatives could be beneficial to the investigation. The Committee also agreed that the investigation should deal with all types of vehicles used for work and travelling to and from home e.g vans, pick-ups and lorries.</p>	
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05/08	<p><u>Risk Registers</u></p> <p>The Committee considered a report by the Safety and Risk Manager (Appendix 5).</p> <p>The Safety and Risk Manager provided Members with a detailed explanation on Risk Registers within the Council, and advised on the risk control path. She reported that the Council's strategic risk register was due for review and a new computer system was to be installed in the next few weeks. Members noted that risks were graded on a 5 x 5 grading matrix of multiplying severity by frequency.</p> <p>The Safety and Risk Manager said that it was important to get all risks managed and controlled to an acceptable level, and that a variety of different methods were required to control risks, with some requiring a short-term working group to be set up, and that properly controlled risks would keep costs down and keep insurance premiums low. A paper was tabled at the</p>	
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	<p>meeting explaining how insurance premiums are constructed.</p> <p>In response to a query from Mr A G L Duncan, the Safety and Risk Manager advised that the Council's insurance premiums have been decreasing steadily and it was envisaged that the tendering exercise for the next five years would bring in more savings. She advised that any future savings would not be as impressive as previous years, however the more controlled the risk the better, and a stage will be reached when further savings cannot be made. In response to a further query, the Safety and Risk Manager anticipated that further saving could be made in Ferry and Marine Services, however these areas would need to be investigated. The Head of Legal and Administration said that the decision to take a higher deductible on property had first been endorsed by the Head of Finance and EMT, and a step by step approach was the way to proceed and that high cost, high risk areas should be kept under review.</p> <p>The Safety and Risk Manager also provided the Committee with an explanation on the process with the Key Transfer Programme and the Working Group involved in determining why there are skills/staff shortages in certain areas of the Council.</p> <p>Members complimented the Safety and Risk Manager on the clear and detailed report and commended the work associated with keeping the Council's insurance premiums to a minimum. The Safety and Risk Manager agreed to provide a further update report to the next meeting of this Committee. The Head of Legal and Administration suggested the update could also include a report on the work of the Risk Management Board.</p>	
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06/08	<p><u>Remit of Audit and Scrutiny Committee</u></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 6).</p> <p>The Head of Organisational Development introduced the report, which provided advice on how the Committee could investigate the governance arrangements of external bodies and asked Members to decide what, if any, further action should be taken.</p> <p>The Head of Legal and Administration said that the report sets out the limitations very clearly and the Committee would need to be certain on the scope for the investigation. Mr A G L Duncan said that it is important that the Council in providing grants to the private sector, should be able to research and make sure the money is spent for the purpose given, and that grant conditions have been met.</p> <p>During the discussion that followed, it was suggested that the SDT could be asked to provide Trustees with a report to advise on grant monies received. The Chairperson said that she felt</p>	
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	<p>the Committee should focus on the future instead of looking at the past. She added that she felt the process of looking at the Capital Programme for the past 5 years would take up a lot of time, and should be looked at first, thereafter that ongoing monitoring arrangements be put in place.</p>	
07/08	<p><u>Soft Road Verges Issue Raised by the Association of Shetland Community Councils</u></p> <p>The Committee considered a report by the Head of Roads (Appendix 7).</p> <p>The Head of Roads summarised the main terms of the report. The Head of Legal and Administration suggested that the Association of Shetland Community Councils be advised on the process carried out in reviewing the Policy on roadside verges, and the recommendation that no amendments were required. The Head of Roads agreed that either he or a member of his management team would attend the meeting of the ASCC in April to provide further information on the process that had been followed.</p>	
08/08	<p><u>Information on Capital Projects Past and Present: Update Report</u></p> <p>The Committee considered a report by the Head of Housing and Capital Programme Services (Appendix 8).</p> <p>The Head of Housing and Capital Programme advised that Heads of Service had been requested to provide information on projects that had overspent during the last 5 years. However this was not a straightforward task, and in the meantime he had met with the Chairperson and Vice Chairperson of this Committee to provide them with the information collated to date.</p> <p>Mr A G L Duncan referred to Section 3.4 and suggested some changes to the wording. In the final sentence, the word 'dependent' should be changed to 'imperative', and that 3.4.2 be changed to read "That Heads of Service provide a comprehensive report on progress to date". However the Chairperson commented that Heads of Service should not be tasked to provide so much detailed information that no other work gets carried out. The Head of Capital Programme and Housing explained that he can make requests to Heads of Service to provide the information, however if they do not respond, he did not have authority to instruct them to do so. He went on to say that a report, including the commentary from Heads of Service, would be presented to Executive Committee and Council later this cycle, where Members will see clearly which Heads of Services have failed to respond.</p>	

On behalf of the Committee, the Chairperson paid tribute to Councillor Cecil Eunson, who she said would be sadly missed.

The meeting concluded at 12.05pm.

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F B Grains
Chairperson