

MINUTE

A & B

Audit and Scrutiny Committee
Council Chamber, Town Hall, Lerwick
Wednesday 5 March 2008 at 10am

Present:

F B Grains A G L Duncan
A T Doull C L Smith

Apologies:

R S Henderson A J Hughson
C H J Miller

In attendance (Officers):

G Johnston, Head of Finance
C Medley, Head of Housing and Capital Programme
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 23 January 2008, was confirmed on the motion of Mr C L Smith, seconded by Mr A G L Duncan.

Min. Ref.	Subject	Action/Info
09/08	<p><u>Information on Capital Projects Past and Present</u></p> <p>The Committee considered a report by the Head of Housing and Capital Programme (Appendix 1).</p> <p>The Head of Housing and Capital Programme summarised the main terms of the report and advised that should Members request additional information on any of the projects listed, additional detailed information would be obtained.</p> <p>The Chairperson commented that the summary sheets did not contain the type of information she had requested. She went on to explain that the information she would like provided would be the actual budget set at the start of the project, the tender cost of the contract, the final outturn of the project, with</p>	

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	<p>information on any overspends, or underspends, at any time during the project. It would also be beneficial to find out whether there were any particular trends relating to certain types or sizes of projects, which went over or under budget.</p> <p>The Head of Housing and Capital Programme advised that further information should be available on each of the projects listed, however to investigate each project in detail would be a huge task. He suggested that Members select a number of projects for further scrutiny, or alternatively he could select a number of projects at random, or the projects with the highest overspend, for further investigation.</p> <p>The Head of Finance noted a pattern across the five-year review period in which projects had underspent. The original budget had been set dramatically higher than the outturn costs of the project. He explained that Officers are often pressurised into providing a formal estimate on the costs of a project, to gain quick approval by Council, and in these circumstances often the figure cannot be relied on as the final cost of the project. This scenario also makes it difficult for the Capital Programme Service and the Finance Service to plan ahead financially. He added that if the Committee were so minded, they could put out a message to Project Officers for the costs of projects to be considered more carefully and timeously, and for Budget Responsible Officers and Committees to tighten up on budget management.</p> <p>The Chairperson commented that it would be beneficial for Project Officers to set an accurate, detailed price at the start of the process, instead of hurriedly providing unrealistic figures. The Head of Housing and Capital Programme said that he would welcome the Committee's endorsement of the message that Project Officers should not put forward projects, prematurely but that projects should be properly costed.</p> <p>Mr A G L Duncan referred to Appendix A, and asked a number of questions relating to specific projects. The Head of Housing and Capital Programme provided Mr Duncan with some explanation, and advised that he would need to seek further information from the relevant Project Officers. It was agreed that Mr Duncan and other Members of the Committee provide the Head of Housing and Capital Programme with a list of all the projects requiring further explanation, and this information would be reported at the next meeting.</p> <p>Mr C L Smith thanked the Officers involved in providing the information in the report, however he questioned the benefits of Officers spending time scrutinising past projects, when it was more important to ensure that future projects did not overspend. He added that it had been agreed that Officers will</p>	CM

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	<p>report any overspend on individual projects to Committee, prior to spending more on a project. The Head of Finance said that the Committee should be clear on the purpose of seeking further information on past projects, to ensure it is appropriate for Officers to spend more time sourcing the information. He added that the Committee may come to a view that there is only a limited amount of benefit from examining past project, however some of the findings from further investigation could be helpful to learn for the future.</p> <p>The Head of Housing and Capital Programme advised that regular update reports on the Capital Programme are being presented to Council, with Budget Responsible Officers providing financial information on the individual projects and this should hopefully bring more focus to projects.</p>	
10/08	<p><u>Breakdown of Directorate Budgets for 2007/08</u></p> <p>The Committee considered a report by the Head of Finance (Appendix 2).</p> <p>The Head of Finance introduced the report and asked the Committee to consider whether they wished any further detailed information on Directorate employee costs within the Infrastructure and Education and Social Care Departments.</p> <p>During the discussion that followed, Members requested further detailed information on the training costs, overtime costs, allowances and recruitment expenses associated with the Education and Social Care Department.</p>	GJ
11/08	<p><u>Risk Management Board and Current Strategic Issues</u></p> <p>The Committee noted a report by the Safety and Risk Manager (Appendix 3).</p> <p>The Safety and Risk Manager summarised the main terms of the report.</p> <p>In response to a query from Mr A G L Duncan, the Safety and Risk Manager advised that she anticipated that the complete findings from the review of the Strategic Risk Register would be presented to the next meeting of the Committee, in full if complete, and in part if not.</p> <p>The Chairperson referred to the SIC's Communications Strategy attached as an Appendix, and commented that with the Strategy being produced in 2003, that it could possibly benefit from an upgrade.</p>	

12/08	<p><u>Disabled Access to Ferry Terminals</u></p> <p>The Committee considered a report by the Asset and Properties Unit (Appendix 4).</p> <p>The Performance Management Co-ordinator summarised the main terms of the report and highlighted the information provided in the Ferry Service Action Plan attached as an Appendix, which included the short-term and medium-term improvement works to facilities at ferry terminals.</p> <p>Mr A G L Duncan said that the proposed improvement works at the ferry terminals appeared to be very satisfactory.</p> <p>Mr C L Smith noted that the toilets at Grutness Pier were not suitable for disabled use, and referred to the proposed short-term solution, “will provide signage to direct users to nearest disabled toilet”, which he presumed would be at the airport. Mr Smith had concerns that the airport was not open all hours, and enquired whether another solution should be considered. The Performance Management Co-ordinator agreed to raise this matter with the SIC’s Cleansing Service Manager and Ferry Operations Manager.</p> <p>Mr Duncan expressed concern that the annual budget had been reduced from £170,000 to £122,000, and said that he would like to see the budget enhanced wherever possible. The Head of Finance explained that the budget had been cut in the context of financial pressure, and also to a more realistic figure to cover the cost of the works that could be carried out in the time frame.</p>	
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The meeting concluded at 10.55am.

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F B Grains
Chairperson