

# MINUTE

# A & B

**Audit and Scrutiny Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 11 June 2008 at 10am**

**Present:**

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

**Apologies:**

C L Smith

**In attendance (Officers):**

C Medley, Head of Housing and Capital Programme Services  
C McIntyre, Internal Audit Manager  
P Peterson, Performance Management Co-ordinator  
S Pearson, Safety and Risk Manager  
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 April 2008, was confirmed on the motion of Mrs C H J Miller, seconded by Mr A G L Duncan.

**12/08 – Disabled Access to Ferry Terminals**

The Chairperson referred to the previous discussions regarding an alternative solution for disabled toilets at Grutness Pier, and reported that signs advising on the location of disabled facilities are currently being designed.

Min. Ref.	Subject	Action/Info
18/08	<b><u>Annual Audit and Scrutiny Committee Activity Report</u></b> The Committee considered a report by the Performance Management Co-ordinator (Appendix 1).  The Performance Management Co-ordinator introduced the report. He advised that Section 3 outlined the Committee's main areas of activity during the first year of this Council, and Section 4 provided feedback from Officers involved with the	

Min. Ref.	Subject	Action/Info
	<p>Committee, with suggestions on areas where improvements could be made. The Performance Management Co-ordinator reported that a new Work Programme for 2008/09 would be presented to Committee in August, and Members should put forward issues to be considered for inclusion in the Work Programme.</p> <p>In response to a question from Mr A G L Duncan, the Internal Audit Manager advised that the issues raised by the Committee provided another useful tool to support matters to be addressed. The Head of Housing and Capital Programme Services said that from a housing perspective the Committee was very important and fulfils a good purpose, particularly when set outcomes and actions are to be followed, and with officers being accountable to the Committee.</p> <p>Mr R S Henderson enquired whether the Council would have any jurisdiction to remove abandoned vehicles from people's properties. Mrs C J H Miller explained that the Policy had recently been amended to allow removal of abandoned vehicles from private property. The Chairperson added that Shetland Amenity Trust encourage people to hand over their abandoned vehicles, however they cannot remove vehicles from private property without the agreement of the individual, regardless of whether the vehicle is an eyesore.</p> <p>Mrs Miller commented that the Committee had achieved a considerable amount during the first year. She advised that she would be attending a Seminar on 19 June, which addressed personal development, and she would pass on any useful information to Members.</p> <p>Dr J W G Wills advised the Committee of issues that he would like to be considered for inclusion in the Work Programme. He referred to Agenda Item 7, Efficient Use of Council Buildings, and proposed that the study should also address the proposal for new Council headquarters. He suggested that an Environmental Audit of the Council should be undertaken, to ensure that best practise was being followed. Dr Wills explained that he had concerns regarding the mechanisms in place for handling major capital projects, and suggested that the current procedures should be reviewed to ensure that the correct processes are adhered to at each stage of a project.</p> <p>Following a suggestion from Mrs Miller, the Committee agreed that Council employees should be made aware that they can also raise relevant issues for consideration by the Committee.</p> <p>The Chairperson thanked the Performance Management Co-ordinator for the report, and thanked the Officers involved in providing responses to the issues raised by the Committee.</p>	

Min. Ref.	Subject	Action/Info
-----------	---------	-------------

--	--	--

19/08	<p><b><u>Internal Audit – Annual Report 2007/08 and Operational Plan 2008/09</u></b></p> <p>The Committee considered a report by the Internal Audit Manager (Appendix 2).</p> <p>The Internal Audit Manager summarised the main terms of the report.</p> <p>In response to a question from Mr A G L Duncan, the Internal Audit Manager explained that the 6% of the 2007/08 Audit Plan still outstanding referred mainly to issues with single status and youth work, and would be addressed during the 2008/09 Audit.</p> <p>In response to a comment from Dr J W G Wills relating to the information in paragraph 9.3, the Internal Audit Manager advised that the issues with staff not completing the Register of Interests forms would be addressed through EMT, and the standard of completion of expenses forms and purchase orders has been gradually improving.</p> <p>Dr Wills stated that this was a very comprehensive and reassuring report, and moved that the Committee approve the recommendations contained therein. Mrs C H J Miller seconded.</p> <p>In response to a question from the Chairperson, the Internal Audit Manager advised that the outstanding audit issues at Social Care would be reported to Committee in the Internal Audit Six-monthly Progress Report.</p>	
-------	---	--

20/08	<p><b><u>Update Report – Insurance Claims at “in progress” Status</u></b></p> <p>The Committee noted a report by the Service Manager, Safety and Risk (Appendix 3).</p> <p>The Service Manager, Safety and Risk summarised the main terms of the report, advising that 188 insurance claims were currently being handled by Safety and Risk Services, and that 28 of the claims had been received in 2008. Members noted the information on the breakdown of claim types in Section 3 of the report. The Service Manager advised that she could not provide Members with specific details on any of the claims, as ongoing claims were subject to confidentiality.</p> <p>In response to a question from Dr J W G Wills as to whether the Council’s insurance would cover the type of claim made by Lerwick Port Authority, the Chairperson clarified that due to confidentiality issues the Service Manager could not advise on particular insurance claims. Dr Wills noted with concern that</p>	
-------	--	--

	this information could not be provided.	
21/08	<p><b><u>Update Report – Year to Date Personal Incident Notifications</u></b></p> <p>The Committee noted a report by the Service Manager, Safety and Risk (Appendix 4).</p> <p>The Service Manager, Safety and Risk, advised that the report provided Members with information on the number and types of Personal Incident Notifications (PIN's) reported to the Service since 1 April 2008.</p> <p>In response to questions from Members regarding the causes of incidents in Section 3 of the report, the Service Manager advised that the incidents relating to assaults mainly occurred in care homes and schools, the "Errors and Omissions" incidents could relate to when individuals carried out processes in an incorrect way or had acted wrongly or had not acted when they should have done, and "hazardous substances" could be any substance that could cause harm such as when staff were working with chemicals/boiling water. The Service Manager stated that it was important that the Service is made aware of all incidents and potential incidents, to be able to focus resources in certain areas.</p> <p>Dr J W G Wills commented that the number of incidents were quite alarming, particularly when incidents of assault and abuse resulted in risk to staff.</p> <p>In response to a question from Mr A G L Duncan, the Service Manager advised that at the moment none of the incidents had progressed to an insurance claim. She went on to explain that individuals have a period of time after an incident occurs in which to bring forward a claim. Members noted that a claim can be made a considerable number of years after an incident, as in some cases realisation of the injury is not known until some years after the actual incident. The Service Manager added that it was therefore important to retain details of all incidents, to be able to make a decision on whether a case can be defended.</p> <p>In response to a question from Mr A J Hughson, the Service Manager advised that for issues that are service specific, Safety and Risk staff would work with the Service to find solutions or alternative ways of working to remedy the situation or reduce the severity of incidents. She added that corporate issues are dealt with through the Risk Management Board</p> <p>In response to a question from Mr Duncan, the Service Manager advised that progress was being made with the Safety and Risk computer system. A further key phase would be carried out in July, with training for staff expected in August,</p>	

	<p>and the system should be running at full capacity by the end of the year.</p> <p>The Chairperson thanked the Service Manager for the information provided.</p>	
--	---	--

22/08	<p><b><u>Information on Past Capital Projects</u></b></p> <p>The Committee noted a report by the Head of Housing and Capital Programme Services (Appendix 5).</p> <p>The Head of Housing and Capital Programme Services advised that the report provides information on the specific contracts identified by the Committee for further scrutiny.</p> <p>In response to questions from Dr J W G Wills regarding the Cinema and Music Venue project, the Head of Housing and Capital Programme Services said that he would provide Dr Wills with information on the spend to date, and he confirmed that there would be ongoing costs to pay staff undertaking the current review.</p> <p>Mr A G L Duncan enquired whether there were any particular reasons or trends for major overspends on budgets. The Head of Housing and Capital Programme Services advised that there could be a number of contributing factors, however in general terms overspends could occur due to the inadequacy of the brief, insufficient time to prepare for the contract, urgency for the project to go ahead when it is not at the appropriate stage, changes/additions to a project, staff errors, routine variances and unexpected issues arising during the project. The Committee noted that Councillor involvement could also be relevant to projects overspending.</p> <p>Mr A T Doull said it was important that Members are made aware of any overspend as projects progress, rather than being informed when the project is complete. The Chairperson said that update reports should include information on the agreed budget, progress on the projects and provide an explanation on any overspends.</p> <p>In response to a question from Mr Duncan, the Head of Housing and Capital Programme Services advised that the price of construction projects in Shetland could cost 25% more than the same project on the mainland, construction costs and tender returns are increasing, and there was also a growing trend that contractors in Shetland were not so willing to tender for the smaller construction projects.</p> <p>Mr R S Henderson proposed that the current procedure of the Council agreeing the price for projects prior to tender should be changed. He suggested that the tenders should specify the costs involved, and only then should the Council make a decision on whether a particular project should go ahead.</p>	
-------	---	--

	<p>During the discussion that followed it was noted that the Council employed professional staff to determine the price of projects, to establish a budget indicative to plan resources, and to allow the projects to be included in the Capital Programme. In response to a question from Mr Duncan, the Internal Audit Manager advised that Internal Audit are involved in monitoring budgetary controls and that financial estimates are required to plan the project.</p> <p>Dr Wills proposed that briefs should be set for all major capital project to ascertain what items should be included in each project.</p> <p><i>(Mr A J Hughson left the meeting).</i></p>	
--	---	--

23/08	<p><b><u>Low Floor Buses Study</u></b></p> <p>The Committee considered a report by the Assistant Chief Executive (Appendix 6).</p> <p>The Committee noted that the Council's functions relating to the provision of bus services had transferred to ZetTrans, and therefore ZetTrans approval would be required for the study to be undertaken.</p> <p>On the motion of Mr A G L Duncan, seconded by Mr R S Henderson the Committee approved the recommendations in the report.</p>	
-------	---	--

24/08	<p><b><u>Efficient Use of Council Buildings</u></b></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 7).</p> <p>Mrs C H J Miller moved that the Committee approve the terms of reference for the study.</p> <p>Dr J W G Wills referred to information in a recent report to Infrastructure Committee, that there are currently 19 properties in Lerwick, with a total floor area of 9,559sq.m., which the Council utilises for office accommodation. He said that should the building of the Council's headquarters go ahead, a significant number of the properties could be released back for housing and commercial accommodation. Dr Wills proposed that the remit of the study could be extended to include a detailed examination of the costs and benefits of building Council headquarters, or the work involved could be considered as a separate investigation. The Chairperson noted that the proposed Scope of the Study included "Information on the debate into a single Council campus and some discussion of options that have been considered/are being considered ...". The Head of Housing and Capital Programme Services advised that a purpose built Council</p>	
-------	--	--

	<p>headquarters would bring about cost savings to the Council.</p> <p>In response to a suggestion from Dr Wills that the Council headquarters should be located at the Shetland College campus, Mr A T Doull commented that there would be parking issues. Mr Duncan said it was essential that the Council found savings and made efficiencies, and suggested that the Council headquarters should be located at a new site that would have the capacity for the car parking requirements. Mr Duncan seconded.</p> <p>Members noted the proposal that the findings from the investigation would be reported to Committee in August, however taking into consideration the amount of work involved with this investigation, it was agreed that interim reports should be provided to Committee, with the final report presented in November.</p> <p style="text-align: center;">- - - - -</p> <p>Mrs C H J Miller enquired whether it would be possible to get sight of the requests for new Council vehicles, to allow the Committee to consider whether the types of vehicles requested are necessary, and whether more fuel efficient vehicles could be used. The Chairperson advised that a request could be made for the information.</p> <p>Mr A G L Duncan suggested an additional item 'AOCB' should be included on the agendas for this Committee. However following discussion, the Committee agreed that "Items for Future Discussion" would be included on the agendas.</p>	
--	---	--

The meeting concluded at 11.20am.

.....  
F B Grains  
Chairperson