

# MINUTE

# A & B

**Audit and Scrutiny Committee**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 7 October 2009 at 10.00am**

**Present:**

F Grains	L Baisley
A Doull	A Duncan
R Henderson	J Wills

**Apologies:**

C Miller	G Robinson
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**In attendance (Officers):**

G Johnston, Head of Finance  
G Greenhill, Executive Director – Infrastructure Services  
C McIntyre, Internal Audit Manager  
S Pearson, Safety and Risk Manager  
P Peterson, Policy Manager  
L Adamson, Committee Officer

**Chairperson**

Mrs F Grains, Chairperson of the Committee, presided.

Members noted that the meeting today was being broadcast to the Main Hall, where pupils from Scalloway School would be viewing the proceedings.

**Circular**

The circular calling the meeting was held as read.

**Declarations of Interest**

Mr A Duncan advised that in relation to housing issues, he was a Director of SLAP.

**Minute**

The minute of the meeting held on 2 September 2009, was confirmed on the motion of Mr A Duncan, seconded by Mrs F Grains.

**20/09 – Internal Key Financial Controls 2008/09: External Audit Assurance Report**

Mr Duncan requested an update on the problems with the Logotech Capital Accounting software. The Head of Finance explained that discussions were ongoing with the supplier of the software to try to overcome the difficulties. He added that all other Councils in Scotland with the same software were experiencing similar problems.

**26/09 – Annual Efficiency Statement**

In response to a question from Mr Duncan regarding the update on fuel efficiency savings, the Executive Director – Infrastructure Services explained that a new Transport Manager would be in

post from November, and the fuel efficiency report would be presented to the next meeting of the Committee.

In response to a query from Mr Duncan regarding the possibility of linking additional oil heated buildings to the District Heating system, the Policy Manager reported that he had spoken with the Council's Energy Manager on this subject. He said that it would be possible to link both the Town Hall and Viewforth, however due to the required spend to save timescale of 3 years there could be a budget issue, and there was also the question of capacity on the District Heating system. The Committee agreed that this would be kept under review.

#### 27/09 – Housing Voids Investigation – Update Report

Mr Duncan asked whether there was any further detail on the proposal to introduce redecoration vouchers. As no representative from Housing was in attendance, it was agreed that this would be raised at the next meeting.

#### 28/09 – Internal Audit 2008-09 Schools Service

In response to a question from Mr Duncan relating to Disclosure Checks, the Internal Audit Manager explained that the Head of Schools had previously confirmed that the outstanding Disclosure Checks had been resolved. The Committee discussed the current requirement for multiple disclosure checks, when individuals undertaking more than one job have to complete separate Disclosure applications. It was reported that this was being looked at by a member of staff at Market House, and also by the Council's Human Resources service, and the Committee agreed that an update could be provided to a future meeting.

In response to a question from Mr Duncan regarding an update on the procedures to manage school funds, the Internal Audit Manager explained that Internal Audit had highlighted the issue, however any progress would be provided by the Head of Schools.

#### 29/09 – Risk Management Development Plan

In response to a question from Mr Duncan relating to the Council's compliance with the self-assessment checklist, the Safety and Risk Manager reported that this was partly addressed through Item 3 on the agenda "Risk Implications in Committee Reports", and she also reported that modifications had been made to the CIPFA checklist form, which would be sent to audit partners for their responses back by the end of November, following which a progress report would be presented to Committee.

In response to a comment from Mr Duncan, the Safety and Risk Manager advised some further savings were expected this year.

#### 30/09 – Promoting Attendance Project Up Date

In response to a question from Mr Duncan, the Policy Manager advised that the new CHRIS 21 system has been introduced and officers would be exploring the capacity of the new system.

In response to a question from Mr Duncan, it was confirmed that the promoting attendance update report would be presented to Committee in March. Dr Wills said that information was also to be provided on the actual costs per day to the Council linked to absenteeism. In response to a comment from Ms L Baisley that the main focus should be on the reasons for absenteeism, rather than the costs, Dr Wills agreed but said that an indication of the costs would be a useful management tool.

#### 31/09 – Governance Review – Verbal Report

Dr J Wills commented that the minute was very full and accurate, and he welcomed the decision for the item to be kept on the agenda.

Min. Ref.	Subject	
35/09	<p><b><u>Audit and Scrutiny Committee Work Programme 2009-10</u></b></p> <p>The Committee considered a report by the Policy Manager (Appendix 1).</p> <p>The Policy Manager summarised the main terms of the report, advising that an agreed work programme would assist in preparing future agendas, and would give officers more time to prepare their reports.</p> <p>Mr A Duncan moved that the Committee approve the recommendation in the report. Mrs F Grains seconded.</p>	

36/09	<p><b><u>Statutory Performance Indicators – 2008/09</u></b></p> <p>The Committee considered a report by the Head of Organisational Development (Appendix 2).</p> <p>The Policy Manager introduced the report, and reminded Members that the usefulness of the indicators can be questioned, as the result can be better or worse depending on, for example, the range of the sample, and the size of the local authority. In referring to Section 3.3 of the report, the Policy Manager highlighted two notable areas where performance had improved, being the percentage of householder planning applications dealt within a 2 month period, and food hygiene inspections.</p> <p>Mr A Duncan referred to Section 3.2 of the report, where it stated that “.. Audit Scotland has confirmed that this Council has performed well, receiving no ‘X’ marks”, and said that congratulations should be conveyed to the staff concerned. He also referred to the 4 areas highlighted in the report where performance had improved, and said that staff should be congratulated on the improvements made, however in acknowledging this, he added that the Council should not be complacent.</p> <p>Mr Duncan referred to Appendix A, to Adult Social Work areas 1(a) and 1(b) and enquired why the Council had failed to report on these two issues. The Policy Manager explained that this was the final year these particular performance indicators would be reported, and as the indicators would be changed for next year, agreement had been reached with Audit Scotland for the Council not to report .</p> <p>In response to a query from Mr Duncan relating to the costs associated with the increased numbers reported in relation to</p>	
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	<p>respite care, the Policy Manager advised that the increase related to increased capacity at the Eric Gray Centre, however he agreed to provide Mr Duncan with a fuller explanation.</p> <p>Mr Duncan then asked for some explanation relating to the significant improvement in the percentage of householder applications dealt with within two months. The Executive Director – Infrastructure Services explained that the improvements were due to additional staff recruitment and commitment in the Planning Service.</p> <p>Regarding the improvements in food hygiene inspections, the Executive Director said that he was delighted with the improvement, with all high risk premises being visited on time and achieving the 100% target. He added that the Service would strive to retain this result. He then referred to the decrease reported in relation to Protective Services area (5a) “Inspection of trading premises – the percentage of premises in inspection level 12 months or less that were inspected on time”, and explained that one member of staff had been off sick, which had impacted on the inspection programme which had to be carried out by the 2 remaining qualified trading standard officers.</p> <p>The Executive Director commented that the indicator where it stated that 38.4% of Shetland’s road network should be considered for maintenance treatment was nonsense, as the roads in Shetland were excellent. He advised that Shetland’s Class A roads in particular were of a high standard, however the analysis used highlighted that the smaller roads in Shetland need attention.</p> <p>Referring to the Traffic Light Repairs indicator, the Executive Director explained that this area would not improve, as maintenance was in the hands of external contractors, and although some improvements could be made, Shetland would never achieve the target for repairs to be completed within 48 hours. In response to a question, the Executive Director agreed that further consideration could be given to training local staff to carry out some repairs.</p> <p>In relation to the Waste Management Performance Indicator 1(a), the Executive Director advised that the figure reported for 2008/09 was incorrect. He clarified that the net cost per property for refuse collection in 2008/09 was £74.01, and that the rate stacks up well against other rural authorities.</p> <p>He then referred to the figure of 22.6% for refuse recycling, and explained that the figure should be significantly higher for Shetland, however the Scottish Government to not consider the Waste to Energy Plant as a recycling target.</p> <p>The Executive Director said that overall he was very pleased with progress made on the Performance Indicators, however</p>	PP
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the Service would strive to make further improvements next year.

In response to questions from Ms L Baisley, the Executive Director advised that he was uncertain whether any of the complaints received in relation to refuse collection related to the quality of black bags. He advised that the majority of complaints related to an instance when it had not been practical to put out the refuse collection vehicles due to bad weather. The Executive Director advised that there was insufficient quantity or market to consider recycling plastic bale wrap, and also the environmental quality of the proposal was dubious. The Chairperson advised that Shetland Amenity Trust in conjunction with Waste Services, were looking into recycling bale wrap however there would be a cost. Mr R Henderson advised that the salmon industry had recently acquired plant to recycle salmon bags, and suggested that this could also be used for the bale wrap.

In response to a question from Mr Duncan relating to the nil return for 2008/09 for the Protective Services indicator 2(b.i), the Executive Director explained that a nil response had been submitted, as the process relating to the indicator was not relevant to how the Council responds to noise complaints.

Dr J Wills commented that it was good to note that input from this Committee had assisted in improvements being made on a number of the indicators. He added that the Committee's role was to be critical, but also to give praise when appropriate, and he said that some of the improvements had been very notable.

Dr Wills said that there were a number of indicators where the criteria and/or benchmarks were not particularly appropriate for Shetland, or Orkney, the Western Isles and the West Highlands, and enquired whether any representation had been made to the Government to modify the systems of measurement of the indicators, or whether local indicators could be developed in parallel. The Policy Manager advised that he had raised this repeatedly with Audit Scotland. He said that the Single Outcome Agreement was encouraging Local Authorities to develop their own indicators which measure the impact they are having for service users rather than processes. The Executive Director suggested that customer feedback on Council services should also be taken into account.

In response to a question from Mr Henderson, the Executive Director clarified that procedures were in place to notify applicants on the decision on planning applications, and the instance reported by Mr Henderson would have been an error on the Service's part. He added that the administration procedures had recently been revised, and therefore any problems should be historical.

Mr Duncan referred to the Housing Quality indicators 2(a)-(f),

	<p>and said that it would be desirable for a report to be prepared for the next meeting to provide a bit more explanation of the figures. The Chairperson agreed. She asked why it was the case that the percentage of Council dwellings that are termed “healthy, safe and secure” was 93.8%, but Council dwellings that are considered to meet the Scottish Housing Quality Standard was only 80.8% (the same percentage that were classed “of tolerable standard”). The Policy Manager advised that these Housing indicators were new, and therefore earlier figures were not relevant comparators. However, he agreed to ask the Housing Service to prepare a report explaining the Quality Standard and how it relates to these indicators.</p> <p>In response to comments from the Chairperson, the Policy Manager agreed to request an update report on public access buildings that are suitable and accessible to disabled people.</p> <p>In response to a question from Mr Duncan relating to the Corporate Management Indicator on the cost of collecting Council tax per dwelling, the Head of Finance explained that he figure did vary year by year, however the important figure in this area is the levels of Council tax collected. The Head of Finance referred Members to the indicator where it was reported that the percentage of Council tax income for the year that was collected in the year was 96.5%, and commented that the amount spent was compensated by the high rate of collection.</p> <p>Mr Duncan referred to the Cultural and Community Services indicators and stated that they all appeared to be poor. The Policy Manager suggested that the drop in the number of visits to/usages of Council funded museums, could relate to the fall in the number of visitors to the new museum and archives, following peak attendance when the museum opened. The Chairperson commented that as far as she was aware visitor numbers had remained stable. The Policy Manager agreed to check this figure.</p> <p>Mr Duncan referred to Section 3.4, to the report that the performance had deteriorated in relation to Council House Sales, and to the final sentence, “There have also been some land and property issues that have taken longer to resolve within 2008/09”. Mr Duncan reported that he had recently discussed this delay with the Head of Legal and Administration, who had taken on board his concerns and progress had been made. Mr Duncan added that although the Acting Asset and Properties Manager had advised of some minor issues, these should be resolved quickly and should not delay the land acquisition any further.</p> <p>The Chairperson congratulated staff on the improvements made to the performance indicators.</p>	<p>Housing</p> <p>Housing</p> <p>Asset &amp; Property</p> <p>PP</p>
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37/09	<p><b><u>Risk Implications in Committee Reports</u></b></p> <p>The Committee considered a report by the Safety and Risk Manager (Appendix 3).</p> <p>After hearing the Safety and Risk Manager summarise the main terms of the report, Mr A Duncan moved that the Committee approve the recommendation contained therein. Ms L Baisley seconded.</p>	
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38/09	<p><b><u>Risk Management Training for Members - ½ Day Course</u></b></p> <p>The Committee considered a report by the Safety and Risk Manager (Appendix 4).</p> <p>The Safety and Risk Manager summarised the main terms of the report.</p> <p>In response to a question from Ms L Baisley, the Safety and Risk Manager explained that Zurich Risk Management Services would provide part of the training, and she would be providing the local element.</p>	
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39/09	<p><b><u>Governance - Update</u></b></p> <p>The Chairperson advised that this is a standing item on the agenda, and proposed that the item is carried forward to the next meeting.</p> <p>Dr J Wills said that this issue would appear to be more urgent than ever if the Council is to run in the best way possible. He reported that papers had only been produced by the Head of Organisational Development and himself and said that he hoped ideas would be submitted from other Members. He said there were still some issues to be addressed, including the Executive Office and whether there needs to be a full time Depute, and the Chief Executive's idea that the Council may need more Directors to spread the load and possibly increase supervision. He said that politics aside, he would still like a discussion on office bearer's reappointment, particularly seeing this is going to be a 5 year term of this Council.</p> <p>Dr Wills commented that the public also have contributions to make, having taken an extraordinary interest in the AHS and Viking Energy projects. He said that there was a need to extend public participation, and to think to have consultation and referendums on the bigger issues in Shetland to gauge</p>	
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	<p>public opinion.</p> <p>The Chairperson suggested that Mr Wills put down his other suggestions, and that other Members of the Committee submit their ideas on how things can improve, and that a report would be prepared for the next meeting.</p>	
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40/09	<p><b><u>Items for Future Discussion</u></b></p> <p>The Chairperson reminded Members that they could submit any suggestions for future discussion to the Policy Manager, and these would be considered for addition to the Work Programme.</p>	
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The meeting concluded at 11.15am.

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F B Grains  
Chairperson