

**EAST AYRSHIRE COUNCIL****GOVERNANCE AND SCRUTINY COMMITTEE****MINUTES OF MEETING HELD ON FRIDAY 23 SEPTEMBER 2011 AT 1005 HRS  
IN THE COUNCIL CHAMBERS, COUNCIL HEADQUARTERS,  
LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Tom Cook, Willie Coffey, John McGhee, Helen Coffey, John Campbell, Gordon Cree, John Knapp, Alan Brown, Eric Ross and Drew Filson.

**ATTENDING:** Elizabeth Morton, Depute Chief Executive/Executive Director of Neighbourhood Services; Graham Short, Executive Director of Educational and Social Services; Alex McPhee, Executive Director of Finance and Corporate Support; Malcolm Roulston, Head of Corporate Infrastructure; Bill Walkinshaw, Head of Democratic Services; Craig McArthur, Head of Finance; Chris McAleavey, Head of Housing; Martin Rose, Head of Human Resources; David Mitchell, Head of Legal, Procurement and Regulatory Services; Hugh Melvin, Acting Development Management Manager; and Stuart Nelson, Administrative Officer.

**ALSO ATTENDING:** Peter Tait, Assistant Director and David Richardson, Audit Manager, both Audit Scotland and Jonathan Grant, Inspection Manager, Scottish Housing Regulator.

**APOLOGY:** Councillor Elaine Dinwoodie.

**CHAIR:** Councillor Tom Cook, Chair.

**CHAIR'S REMARKS**

1. The Chair welcomed to the meeting Councillors Gordon Cree and John Knapp who had been appointed to the Governance and Scrutiny Committee by Council on 22 September 2011, to replace Councillors Stuart Finlayson and Jimmy Kelly. The Chair acknowledged the contribution made to the work of the Committee by Councillors Stuart Finlayson and Jimmy Kelly and, in this connection, it was agreed that Councillors Finlayson and Kelly would have the opportunity to continue to be involved in progressing towards the conclusion of the topic reviews on Contractors' Insurance Arrangements and Anti-Social Behaviour Orders and Other Measures.

The Chair also welcomed to the meeting Peter Tait, Assistant Director with Audit Scotland, who was in attendance in respect of Item 2 on the agenda - "Communication of Audit Matters to those Charged with Governance on the 2010/11 Audit"; and also David Richardson, Audit Manager with Audit Scotland and Jonathan Grant, Inspection Manager with the Scottish Housing Regulator, who were in attendance in respect of Item 3.1 on the agenda - "Review of the Housing Asset Service - A Joint Report by Audit Scotland and the Scottish Housing Regulator".

**PREVIOUS MINUTES****2.1 APPROVAL AS A CORRECT RECORD**

There were submitted and approved as a correct record, the Minutes of the meeting held on 26 August 2011 (circulated).

## **2.2 MATTERS ARISING**

### **2.2.1 Item 2.2: Provision of Information to Members**

Noted that, in cases where it is agreed at a meeting of the Governance and Scrutiny Committee that information is to be provided to an individual Member outwith the meeting, this information also be circulated to all other members of the Committee; and that this protocol apply with regard to the further information to be provided to Councillor Jimmy Kelly as referred to in Item 2.2 of the Minute of Meeting of the Governance and Scrutiny Committee held on 26 August 2011.

### **2.2.2 Item 12: East Ayrshire Council - Shared Risk Assessment: Assurance and Improvement Plan 2011/12 - Update**

Noted, as advised by David Richardson, Audit Manager with Audit Scotland, that no response had yet been received from Audit Scotland's Best Value Unit regarding the possibility of developing a management tool to measure the rate of deterioration in buildings.

### **2.2.3 Item 6: Health and Safety Performance Report 2010/11 Quarter 4 (January - March 2011) and Health and Safety Annual Report 2010/11**

Noted, as confirmed by the Head of Human Resources, that further information had been provided to Councillor Finlayson as agreed at the last meeting, viz:- the number of falls and broken bones within Games Halls and Sheltered Housing Complexes were four and three, respectively.

## **CORPORATE GOVERNANCE**

### **COMMUNICATION OF AUDIT MATTERS TO THOSE CHARGED WITH GOVERNANCE ON THE 2010/11 AUDIT**

3. There was submitted a report dated September 2011 (circulated) by Audit Scotland which set out relevant matters arising from the audit of East Ayrshire's Financial Statements for 2010/11.

Peter Tait highlighted the main findings, outcomes and outlook for the period ahead, and confirmed that the proposed independent auditor's report was unqualified, that there were no unadjusted mis-statements to be brought to attention, that no material weaknesses had been identified in the accounting and internal control systems of the Council, and congratulated the Council on an excellent report.

In the course of discussion, the Head of Finance and the Head of Legal, Procurement and Regulatory Services provided further information relative to the undernoted matters in response to questions put by Members, viz:-

- the accounting treatment of the financial provision made by the Council in respect of potentially successful claims under the Equal Pay Act 1970;
- the level of Council Tax bad debt provision made by East Ayrshire Council;
- review of the methodology for calculation of sundry debtors bad debt provision;
- considerations to be taken into account with regard to bad debt provision arising from the current economic climate; and

- work which had been undertaken to review the Council's Asset Register, identification of Common Good assets, and residual issues in relation to properties held in trust which are moving towards resolution.

It was agreed:

- (i) following the matter having been raised by Councillor John McGhee, that the Head of Finance would provide to all Committee members further detailed information relative to the financial provision made in respect of the potential for claims made against the Council in terms of the Equal Pay Act 1970 being successful;
- (ii) following the matter having been raised by Councillor John McGhee, that the Head of Legal, Procurement and Regulatory Services would provide to all Committee members further information on those properties held by the Council for the Common Good and those held in trust, together with an explanation of the differences in the status of these two categories; and
- (iii) otherwise, to note the terms of the report.

## **PERFORMANCE**

### **HOUSING ASSET SERVICES**

#### **4. REVIEW OF THE HOUSING ASSET SERVICE - JOINT REPORT BY AUDIT SCOTLAND AND THE SCOTTISH HOUSING REGULATOR AND HOUSING ASSET SERVICE PROGRESS REPORT 2010/11**

There was submitted (a) a joint report dated September 2011 (circulated) by Audit Scotland and the Scottish Housing Regulator which summarised the findings of a joint review of the Council's Housing Asset Service and, where appropriate, made recommendations to strengthen existing controls or otherwise address identified weaknesses; and (b) a report dated 23 September 2011 (circulated) by the Depute Chief Executive/Executive Director of Neighbourhood Services which provided information on the performance of the new Housing Asset Service during the first year of operation.

During discussion, Members received further information as follows, viz:-

- Jonathan Grant, David Richardson and the Depute Chief Executive/Executive Director of Neighbourhood Services provided further detail on current performance monitoring and reporting arrangements including benchmarking and the proposed further development of same;
- David Richardson explained the processes and reporting associated with previous Audit Scotland inspections into the operation of the Council's Building and Works Section;
- the Head of Housing provided clarification with regard to the use of sub-contractors in certain circumstances; and
- the Head of Housing provided further information on the collation of information on levels of tenant satisfaction with the repair service with particular reference to use of "ring back" where older or vulnerable people may be involved; on measures in place and being developed to minimise the requirement for pre-inspections and the number of failed appointments; on monitoring and verification

of job performance by operatives; and the level of income from house rents for 2010/11.

It was agreed:

- (i) to note the terms of the joint report by Audit Scotland and the Scottish Housing Regulator and that a report on progress in implementing the Action Plan for improvements in certain areas in order to enhance existing arrangements be submitted to this Committee in March 2012; and
- (ii) to note the progress made by the Housing Asset Service during the first year of operation, as detailed in the Appendix to the Progress Report 2010/11.

Councillor John Campbell joined the meeting during consideration, but prior to determination, of this item.

#### **AUDIT SCOTLAND REPORT ON IMPROVING ENERGY EFFICIENCY - A FOLLOW UP REPORT**

5. There was submitted a report dated 7 September 2011 (circulated) by the Executive Director of Finance and Corporate Support which provided a summary of Audit Scotland's follow up report on Improving Energy Efficiency in the Public Sector, highlighted key issues for East Ayrshire Council and proposed a response to the key action points and checklists outlined within the report.

On the matter having been raised during discussion, the Head of Corporate Infrastructure confirmed that it was anticipated that the Council's proposed Energy Strategy and the complementary Renewable Energy Strategy would be submitted to Cabinet for approval prior to the end of 2011 and thereafter to Governance and Scrutiny Committee.

It was agreed:

- (i) to note the key findings of Audit Scotland's report on Improving Energy Efficiency - Follow Up Report, as summarised in the Director's report;
- (ii) to note the key recommendations for public bodies as outlined in Appendix I to the report, and the Council's actions and future deliverables in response to these recommendations;
- (iii) to note the checklist for Councillors and for Non-Executive Board Members as set out in Appendix II to the report, and the Council's actions and future deliverables in response to this; and
- (iv) otherwise, to note the terms of the report.

Councillor Alan Brown left the meeting during consideration of this item.

Peter Tait, David Richardson and Jonathan Grant left the meeting following determination of this item, the Chair having thanked them for their attendance and contribution to discussions.

#### **EAST AYRSHIRE PERFORMS - SUMMARY REPORT**

6. There was submitted a report dated 24 August 2011 (circulated) by the Executive Director of Finance and Corporate Support which advised of a number of important

performance measures as at 24 July 2011 (Period 4) including the projected financial position for the year, expenditure reduction measures, progress of the Capital Programme, absence management, health and safety and risk management.

During discussion, the officers concerned responded to issues raised by Members relative to the following, namely:-

- Protocols and arrangements around the introduction of a standard charge for bulky uplifts with effect from 1 April 2011, and in this connection, the remit of the Corporate Enforcement Unit in dealing with “fly tipping”; and
- Maintenance of Risk Registers as appropriate, at all levels within the Council.

It was agreed:

- (i) to note the recommendations to Cabinet on 31 August 2011, as detailed within paragraph 4 of the report;
- (ii) on the matter having been raised by Councillor John McGhee that the Head of Human Resources would provide to all Committee members further detailed information on the “average number of days to report an incident”, by employees of the Council, for the periods referred to within the Health and Safety Section of the Summary Report; and
- (iii) otherwise, to note the terms of the report.

Councillor Brown rejoined the meeting during discussion of this item.

### **ANNUAL TREASURY MANAGEMENT REPORT 2010/11**

7. There was submitted a report (circulated) by the Executive Director of Finance and Corporate Support which provided Members with a summary of the Treasury activity for the financial year ended 31 March 2011, along with an update on Treasury activity and performance against the agreed Strategy in 2011/12.

During discussion, the Head of Finance provided clarification with regard to the use of the money markets by East Ayrshire Council and on the number of authorities in Scotland and also in England who engage in similar activities; and on the implications of, and the Council’s response to, the recently announced spending review by the Scottish Government.

It was agreed to note the terms of the report.

### **DERELICT BUILDINGS REPORT**

8. There was submitted a report dated 9 September 2011 (circulated) by the Depute Chief Executive/Executive Director of Neighbourhood Services which presented an update to identify and provide relevant information on those derelict buildings within East Ayrshire which were known to the Council and which presented cause for concern.

The officers concerned provided further information in response to matters raised by Members, relative to the following:-

- Issues around those buildings which featured within the Buildings at Risk Register and are owned by East Ayrshire Council;
- The statutory extent and limit of the powers available to the Council in relation to derelict buildings;

- Issues around the application of Section 179 of the Town and Country Planning (Scotland) Act 1997 in terms of the serving of a “Wasteland Notice”; and
- The current status of the former ABC Cinema building at Titchfield Street, Kilmarnock.

It was agreed:

- (i) to note that the Head of Legal, Procurement and Regulatory Services would discuss with Councillor Drew Filson outwith the meeting issues around the potential for work being carried out by a local organisations to a derelict building in Dalmellington; and
- (ii) otherwise, to note the terms of the report and the further information provided.

Councillor Alan Brown left the meeting during consideration, but prior to determination, of this item.

### **CONCLUDED PROPERTY TRANSACTIONS**

9. There was submitted a report dated 9 September 2011 (circulated) by the Executive Director of Finance and Corporate Support which provided, for information, details of disposals and acquisitions by the Council of land and buildings which had been concluded during the period from 1 October 2009 to 31 March 2011, with the exception of Council houses sold in terms of the Right to Buy legislation.

It was agreed to note the terms of the report.

Councillor John McGhee left the meeting during consideration, but prior to determination, of this item.

### **AWARDING OF CONTRACTS - PERIOD FROM 4 JUNE TO 8 SEPTEMBER 2011**

10. There was submitted a report dated 7 September 2011 (circulated) by the Executive Director of Finance and Corporate Support which provided, for information, details of tenders which had been accepted on behalf of the Council for the period from 4 June to 8 September 2011.

During discussion, the Depute Chief Executive/Executive Director of Neighbourhood Services provided a summary of the nature of business development support provided by the Council within East Ayrshire; and further information on the extent of work carried out under the “Re-upholstering of Theatre Seating” contract at the Palace Theatre.

It was agreed:

- (i) to note, as advised by the Chair that the estimated cost for Castle Primary School, New Cumnock - Refurbishment and Extension, should read £6,797,260.00 and that the estimated cost for Sorn Primary School Refurbishment should read £873,000.00 (the costs given were the project costs);
- (ii) on the matters having been raised by Councillor Eric Ross, that the Head of Legal, Procurement and Regulatory Services would provide to all Committee members, information on the breakdown of the total project cost for Castle Primary School, New Cumnock - Refurbishment and Extension and details of

the location and ownership of the building featured within the contract for "Demolition of Grey Block, Lugar, Cumnock"; and

(iii) otherwise, to note the terms of the report.

Councillor John McGhee rejoined the meeting during consideration, but prior to determination, of this item.

The meeting terminated at 1328 hrs.