

## **EAST AYRSHIRE COUNCIL**

### **COUNCIL MEETING: 25 JUNE 2009**

#### **Report by Chair of Governance and Scrutiny Committee**

#### **1. INTRODUCTION**

- 1.1** Following the establishment of the Governance and Scrutiny Committee at the Statutory Council on 17 May 2007, the first meeting of the new Governance and Scrutiny Committee was held on 24 August 2007. At that meeting, I highlighted the important role which the Committee had within the new Decision Making Structure with its overall responsibility for Scrutiny and Review within East Ayrshire Council. As well as holding Cabinet, Service Departments and Core Partners to account, important functions in areas of Standards of Conduct, Performance Review and Best Value, Audit and Risk and Scrutiny all fall within the remit of the Committee.
- 1.2** It gives me great pleasure to submit my first report to Council to highlight the work which the Committee has carried out since its first meeting across all aspects of the Committee's remit.
- 1.3** During the first year of the Committee, training has been of course an important aspect for Committee Members and I have highlighted later in this report, some of the areas covered.

#### **2. AREAS OF ACTIVITY**

- 2.1** I have taken the opportunity to report on the following areas of activity
- Scrutiny
  - Performance/ Best Value
  - Audit/Governance
  - Risk Management
  - Call ins
  - Training

#### **2.2 Scrutiny**

- 2.2.1** The Committee has considered 65 reports under the business heading of Scrutiny. The subject matter of these reports range from regular update reports in terms of Capital and Revenue Finance reports, Contract Awards and Outturns, Property Disposals/Acquisitions and Employee Statistics. The Committee also receive annual reports in terms of SQA exam results and School Leavers Destinations. The Committee also receives a range of various other reports to scrutinise at appropriate times. The format and information in many of these reports has been modified to meet the Committee's requirements.

- 2.2.2** The Committee has recently introduced a new reporting system. From time to time during the course of discussion at meetings, Members seek information or clarification from Officers on particular matters which requires to be provided after the meeting. These requests arise from and reflect the role of the Committee in respect of its Scrutiny Function. The Committee now receives a report at each Committee which consolidates all responses to information requests made by Members at previous meetings. This facilitates presentation of the information to Members and also formally records progress of the issues raised.
- 2.2.3** An important aspect of the Scrutiny function is in relation to the Committee's work programme for topics to be subject to the Committees Scrutiny Work Programme.
- 2.2.4** Members are aware that in January of each year, the Committee hold a Workshop at which all requests for topics suggested for reviews either received from Elected Members, Officers or members of the public are considered and scheduled in to the work programme for the forthcoming year.
- 2.2.5** In 2007/2008, the Committee completed its first Scrutiny Review in terms of the Waste Recycling Policy/Technical Evaluation of the Kerbside Recycling Scheme. The outcome and recommendations from this review were submitted to Cabinet on 21 May 2008 where Cabinet agreed to the recommendations from the Committee. In February of this year the Committee received an update on progress relative to the recommendations by the Governance and Scrutiny Committee which followed the review of the Policy/Scheme. I am pleased to note that following the implementation of these recommendations the Council's recycling rate continues to improve.
- 2.2.6** For 2009/2010, the Committee will focus on three topics. The first topic for review is the Winter Emergency Response Policy which commenced in April 2009. The other two topics are Exploring the Background Reasons on the Level of Complaints on Contact Upgrades to Council's Housing Stock within the Capital Programme and a Review of the Vehicle Tracker System (Masternaught Traffic Management System) . Work on the former just began and the latter is scheduled to being in November.

## **2.3 Performance/ Best Value**

- 2.3.1** The Committee played a pivotal role in overseeing and reviewing progress in relation to the Best Value and Community Planning Improvement Agenda. We monitor progress against action plans that were agreed with Audit Scotland following the Council's Audit of Best Value and Community Planning in September 2006. I specifically welcomed the opportunity for the Committee to contribute towards the ongoing development of the Council's Corporate Performance Management Framework and the agreement and subsequent review of the Council's 2007 – 2010 Best Value Service Review Programme, in terms of progress against the Programme and overall outcomes achieved.

- 2.3.2** The Committee has also overseen progress on areas for improvement that were identified through both the Service Level Strategic Self Assessments of Performance and the Corporate Level Strategic Self- Assessment of Performance which were undertaken to inform the 2006 Best Value and Community Planning Audit. Excellent progress has been made in relation to the implementation of agreed actions arising from both the Strategic Self-Assessment of Performance and the Best Value and Community Planning Improvement Agenda and I look forward to receiving details, and monitoring the implementation, of the new improvement actions arising from the recently completed Second Council-wide Strategic Self-Assessment of Performance.
- 2.3.3** To ensure continuous improvement across all Council services, annual reports are also submitted on the outcome of EFQM reviews and on the outcome of the annual review of the Education Service using the Quality Management in Education (QMIE2) Self-assessment framework.
- 2.3.4** The Committee also considers a range of performance related reports including the annual Community Planning Performance Report, the report on SPI Council Profiles and a range of service related performance reports such as the Community Care Outcomes Framework and the Department of Educational and Social Services Standards and Quality Report.

## **2.4 Audit/Governance**

- 2.4.1** The Committee receive reports from the Chief Auditor giving a summary of audits undertaken, full copies of which are available on the Members' portal, along with outcomes and progress reports on performance against the Audit Plan. The Chief Auditor also provides the Committee with his opinion on the adequacy and effectiveness of the Council's systems of internal control. This is an effective way for Committee Members to scrutinise and oversee the Audit work undertaken within the Council and the Chief Auditor and his team are regular attendees at the Committee to clarify any matters for Members.
- 2.4.2** The Committee also received regular reports from Audit Scotland, in particular the main findings from the annual Audit reports of the Council. I am pleased to report that they presented an unqualified report on the Council and I am grateful to Peter Tait, Assistant Director and his team who take time to attend Committee meetings to answer Members' questions.
- 2.4.3** The Council places a high degree of importance on the need to ensure that its arrangements for Corporate Governance are effective and the Committee, at its last meeting, considered the outcome of the annual review of the Council's Corporate Governance arrangements. The overall conclusion of this review was that the Council continues to have effective arrangements in place to protect the Council's interests and promote good governance within the Authority. These are reflected in the revised and updated Local Code of Corporate Governance for 2009/10 which reflects the CIPFA/SOLACE Delivering Good Governance Framework and the associated Corporate Governance Improvement Action Plan for 2009/10, both of which were considered and approved by the Governance and Scrutiny Committee.

## **2.5 Risk Management**

**2.5.1** The Council's Risk Management Strategy is presented to Committee on an annual basis for approval. The Strategy identified the key risks facing the Council and an Action Plan for containing these within an acceptable level of tolerance. The Strategy defines risk management outlining roles and responsibilities, the reporting framework in place and upcoming challenges. Members are aware of the importance of the principles of risk management which should be integrated into the day to day business of the Council which allows the Council to minimise risks and maximise opportunities.

**2.5.2** The Committee was pleased to note that the Council's Risk Management Initiatives were recognised officially by winning the European Strategic Risk Management award for the "Best Risk Management approach in the Public Sector 2008".

## **2.6 Call-Ins**

**2.6.1** The Committee has considered 5 called-in decisions of Cabinet in respect of:

- Windfarm Policy (Nov 07)
- Parent Councils of Crossroads Primary School and Sorn Primary School: Deputations (Feb 08)
- Charges for community use of Council premises 08/09 (May 08)
- Charges for Leisure Services 08/09 (May 08)
- Lease of disused walled garden at Dean Castle Country Park (March 09)
- Option Appraisal – replacement Children's Residential House (April 09)

**2.6.2** The outcome of the called-in items were 2 being referred back to Cabinet, 2 being to accept the decision of Cabinet and 2 being to accept the decision of Cabinet but with recommendations being made in terms of future reports containing more detailed information for Members. All Members participated fully in the call-in process and their continued co-operation is appreciated.

## **2.7 Training**

**2.7.1** The Committee approved a structured training programme at its meeting in October 2007. The training programme consisted of Stage 1 training which focused on the key areas of governance and scrutiny and was carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA) during December 2007 and January 2008 and consisted of a package of 3 interlinked courses on Introduction to Local Government Finance, Audit Committee Roles and Governance and Scrutiny function.

**2.7.2** The second stage then focused on the practicalities and techniques on the process and procedures adopted by the Council and was carried out by an in house Training and Development Officer. This training was carried out prior to the first Governance and Scrutiny Annual Workshop in January 2008.

- 2.7.3** During the course of 2008 the Chief Auditor along with Peter Tait, Audit Scotland and their staff provided Members with an overview presentation of the Role of Internal and External Audit.
- 2.7.4** The Council's Risk Manager also gave a briefing to Members on the role of Risk Management within the Council. Following discussions and matters raised at this briefing, Members requested a site visit to the then new Risk Management Centre which was followed by an informal meeting with key Officers involved in the Centre where Members were able to raise and have questions answered on the operation of the Centre.

### **3. CONCLUSION**

- 3.1** Committee Members have worked hard over the last two years of the operation of the Committee. I think it is fair to say that for many of us it has been a steep but interesting learning curve.
- 3.2** Members have considered, queried, challenged and evaluated numerous reports in a robust way showing proper scrutiny and review in terms of the remit of the Committee.
- 3.3** I am confident that our new arrangements are working well and provide an effective forum for scrutinising performance and where required challenging Cabinet decisions. I would like to praise the arrangements we have in place which conform with Audit Scotland guidance and confirm that the Committee is fully compliant with Audit Committee Principles.
- 3.4** I would like to thank all Members past and present for their contribution.

Tom Cook  
Chair of Governance and Scrutiny

19 June 2009