

MINUTE
of
AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock on 12 November 2015.

Present:

Councillor Gordon Wallace (Chair)
Councillor Charlie Gilbert
Councillor Gordon McCaskill

Councillor Paul O’Kane
Councillor Tommy Reilly
Councillor Ralph Robertson

Councillor Wallace in the Chair

Attending:

Sharon Beattie, Head of HR, Customer and Communications; Barbara Clark, Chief Accountant; Michelle Blair, Chief Auditor; Linda Hutchison, Clerk to the Committee; and Jennifer Graham, Committee Services Officer.

Apology:

Councillor Barbara Grant (Vice Chair).

DECLARATIONS OF INTEREST

1800. There were no declarations of interest intimated.

CHAIR’S REPORT

1801. The following matters were discussed during the Chair’s report:-

(i) Consultancy Costs

Under reference to the Minute of the meeting of 20 August 2015 (Page 1576, Item 1684 refers), when initial feedback on consultancy costs incurred during 2013/14 and 2014/15 had been noted and it had been agreed that a range of additional information be requested, Councillor Wallace confirmed that departments had been requested to send this to the Clerk by 20 November to allow it to be collated for the committee’s future consideration.

(ii) Internal Audit Report on Payments to Care Providers

Under reference to the Minute of the meeting of 20 August 2015 (Page 1575, Item 1681 refers), when it had been noted that the Chief Auditor’s report on

Payments to Care Providers would be completed shortly, Councillor Wallace confirmed that the report, which had been completed in mid-October, and the related management action plan had been circulated as agreed. Having commented that the report reflected both in-depth and time consuming work on the issues that had arisen and merited the committee's careful consideration, he encouraged Members to review the content in-depth and advise him or the Clerk, by 25 November if possible, of any issues they wished to discuss further with Officers. He anticipated that the committee would wish to submit the report to its meeting in January 2016 and invite appropriate officers to attend. He added that the suggested timings should not however impact on the necessary level of scrutiny and that if extra time was required so be it.

(iii) Community Grants

Under reference to the Minute of the meeting of 20 August 2015 (Page 1576, Item 1683 refers), when the work progressed by the committee on community grants had been commented on, Councillor Wallace clarified that a report on the work was being drafted. Taking account of the information on this issue circulated over time and discussed at various meetings, again he encouraged Members to advise him or the Clerk of any particular issues they would wish referred to in the final report and clarified that the aim was to consider the draft report at the next meeting.

The committee:-

- (a) noted that the additional feedback on consultant costs had been requested by 20 November to allow it to be collated for the committee's future consideration;
- (b) agreed that Members should advise the Chair or Clerk of any views they had on the Internal Audit Report on Payments to Care Providers and the associated management response by 25 November, noting that it was anticipated that the committee would wish to discuss the report at its next meeting in January; and
- (c) agreed that Members should advise the Chair or Clerk of any issues they wished referred to in the committee's report on community grants, noting that the aim was to consider the draft at the next meeting.

INTERIM TREASURY MANAGEMENT REPORT FOR 2015/16

1802. Under reference to the Minute of the meeting of 24 September 2015 (Page 1618, Item 1731 refers), when the committee had noted the Treasury Management Annual Report for 2014/15 and recommended to the Council that the organisations specified in that report for investment of surplus funds be approved, the committee considered a report by the Chief Executive advising on the treasury management activities for the first six months of 2015/16.

The report explained that, in line with the revised CIPFA Treasury Management Code of Practice 2011, the Audit and Scrutiny Committee was responsible for ensuring effective scrutiny of the Council's treasury management activities. In accordance with that requirement, a copy of the interim Treasury Management Report for 2015/16 was attached to the report for consideration.

Whilst referring to the report, the Chief Accountant clarified that long-term borrowing was fairly static and referred to variable rate loans relative to total debt outstanding and a related target. She explained why short-term investments had increased substantially due to cashflows in capital and revenue expenditure and income, and referred to fluctuations in balances since January 2015. She also commented on various treasury related activities, prudential indicator information and related issues, and the list of organisations recommended for the investment of surplus funds.

In response to questions, the Chief Accountant confirmed that Council investments were currently restricted to UK organisations and commented on credit rating and interest rate issues.

The committee agreed:-

- (a) to **recommend to the Council** that the organisations for investment of surplus funds be approved in accordance with Appendix 2 to the report; and
- (b) otherwise, to note the report.

WORKFORCE PLANNING

1803. Under reference to the Minute of the meeting of 23 April 2015 (Page 1449, Item 1539 refers), when it had been agreed that a further update on workforce planning issues would be provided in 6 months, Councillor Wallace invited the Head of HR, Customer and Communications to make a presentation on the current position.

During her presentation, the Head of HR, Customer and Communications advised that workforce planning was now aligned with the NHS's six step methodology to integrated workforce planning, adding that this was beneficial in view of the Council's relationship with the NHS in terms of the Health and Social Care Partnership for example. She clarified that a Workforce Planning Working Group had been established the membership of which was outlined, the main priorities of which were to establish a sustainable workforce, maintain a capable one, and effective leadership and management. She also referred to the main demand drivers and service changes and how these impacted on workforce planning and the Group's work, highlighting a number of related issues, including how the Council's ambitious change programme required workforce requirements to be taken into account and against a challenging financial environment to ensure it was fit for the future.

Having commented on the reduction in the Council's workforce equating to a decrease of 190 full time equivalent posts to 3,612 within the last 6 months, 170 of which were attributable to TUPE transfer, and related issues, the Head of HR, Customer and Communications summarised the position on a range of workforce planning issues including the management of overtime; temporary employees; and staff turnover for both teaching and other local government employees. She also referred to areas of the Council with low staff turnover, which contributed to an ageing workforce and limited career progression, and those areas with higher turnover where recruitment issues were being considered. It was confirmed that targeted restructuring had taken place across the Council following which reference was made to the emphasis being placed on leadership competencies for posts advertised at Grade 11 or above and the Modern Apprenticeship Scheme that was being reviewed and monitored over the next 6 months. Other issues highlighted included increased productivity through the use of new technology and process re-engineering, the importance of employee engagement, and the How Good is Our Service Model.

In response to questions, the Head of HR, Customer and Communications acknowledged the problem of lack of supply teachers to provide cover which it was reported was both a local and national problem, difficult to resolve, but being looked at. For example, reference was made to a permanent pool of supply teachers established locally to try to alleviate this problem. Related issues were commented on, including problems when teachers were absent on jury duty and problems resolving this. Councillor Robertson commented that trying to pursue a blanket exemption would be valuable, but it was acknowledged that this would be difficult to achieve. During discussion on staff turnover rates, it was clarified that these were lower in areas such as Corporate and Community Services and amongst professional employees and implications in terms of recruitment opportunities were commented on. Areas with higher turnover were also commented on.

The Head of HR, Customer and Communications also commented on training including in terms of management competencies; conditions of service of temporary employees; and absence levels which were showing the first signs of improvement. She confirmed that the number of apprenticeships offered by the Council was low compared to some other local authorities and that this was being considered by the Employability Team.

The committee, having heard Councillor Wallace thank the Head of HR, Customer and Communications for an interesting and informative presentation, agreed to note the position and related observations made.

INTERNAL AUDIT PLAN PROGRESS REPORT

1804. The committee considered a report by the Chief Auditor regarding progress made on the implementation of the 2015/16 Internal Audit Plan from 1 July to 30 September 2015. The report confirmed the number of reports issued during the quarter and that satisfactory management responses had been received in all cases.

The Chief Auditor advised that further audits on managing absence and overtime were amongst those taking place in future and that there had been no instances of fraud during the reporting period.

In response to questions, the Chief Auditor confirmed that her section would be providing internal audit services for the Culture and Leisure Trust and that the reports prepared would be submitted to the Chief Executive of the Trust in the first instance.

The committee agreed to note the Internal Audit progress report and the comments made.

CHAIR