

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 9 May 2024

Purpose

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

Recommendations

2. The Commission is asked to:
 - Approve the attached draft minute of its previous meeting.
 - Consider any matters arising from the draft minute.

Minutes

3. The minute of the previous meeting is in Appendix 1.
4. Members should note that the action tracker – available on the member SharePoint site and provided to members monthly – provides updates on progress from previous meetings.

Minutes

Thursday 18 April 2024, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh, and

online via Microsoft Teams

509th meeting of the Accounts Commission

Present:

Jo Armstrong (Chair)

Malcolm Bell

Nichola Brown

Andrew Burns

Andrew Cowie (online)

Carol Evans

Jennifer Henderson

Angela Leitch

Christine Lester

Ruth MacLeod

Mike Neilson

Derek Yule

In attendance:

Allan Campbell, Secretary to the Accounts Commission

Helena Gray, Controller of Audit

Pauline Gillen, Audit Director, Audit Services (items 6 and 11)

Gillian McCreadie, Senior Audit Manager, Audit Services (items 6 and 11)

Joe Chapman, Policy Manager to the Accounts Commission (items 7 and 13)

Antony Clark, Executive Director of Performance Audit and Best Value (items 12 and 13)

Carol Calder, Audit Director, Performance Audit and Best Value (items 12 and 14)

Kathrine Sibbald, Senior Manager, Performance Audit and Best Value (item 12)

Zoe McGuire, Audit Manager, Performance Audit and Best Value (item 12)

Christopher Lewis, Senior Auditor, Performance Audit and Best Value (item 12)

Blyth Deans, Senior Manager, Performance Audit and Best Value (item 13)

Jillian Matthew, Senior Manager, Performance Audit and Best Value (item 14)

Vicki Bibby, Chief Operating Officer (item 15)

1. Apologies for absence

There were no apologies for absence noted.

2. Declaration of connections

There were no declarations of interest.

3. Order of business

It was agreed that the following items be considered in private:

Items 9 to 17, as they required the Commission to consider confidential policy matters.

4. Minutes of Accounts Commission Committees

The Commission considered a report by the Secretary presenting the minutes of the Committee meetings on 22 February 2024.

With no comments, the minutes of the meetings were approved as a correct record.

5. Minutes of meeting of 7 March 2024

The Commission considered a report by the Secretary presenting the minutes of the meeting of 7 March 2024, including a summary of business arising from the minutes.

With no comments, the minutes of the meeting were approved as a correct record.

6. Best Value in Falkirk Council

The Commission considered a report by the Controller of Audit on Best Value in Falkirk Council.

Following an introduction by the Controller of Audit, the discussion was structured according to the following themes:

- Finances – savings and transformation, including:
 - likelihood of the council achieving its savings targets
 - previous reliance on reserves and non-recurring savings
 - progress and status of the Council of the Future programme
- Finances – sustainability and affordability, including:
 - projected budget gaps, year-by-year, and underlying assumptions
 - potential impact of not meeting gaps through planned savings
 - scale of borrowing and impact on revenue budgets
- Leadership, including:
 - commitment to making necessary difficult decisions
 - improvements in relationships and collaborative leadership
- Community engagement, including:
 - reasons for and impact of delays to community engagement strategy
 - examples and limitations of engagement including on the budget
 - capacity to incorporate views of communities in decision-making
- Performance, including:
 - extent to which performance reporting is used to inform decisions
 - relative poor performance against communities-related council priority
 - quality of public performance reporting including on council website
 - strengths and weaknesses of the performance management framework
- Strategic planning, including:

- self-evaluation, and consideration of audit recommendations
- status of service-level savings plans and operational plans
- updates on strategies including financial, workforce and digital
- Follow-up to previous reports, including:
 - partnership working and integration of services by the IJB
 - Christine Lester requested further information from the audit team
Action: Senior Audit Manager, ASG
 - community engagement by children's and family services
- Climate change, including:
 - update on approval and implementation of strategy and action plan
 - how the necessary savings will be made, and alternative actions

After discussion, the Commission agreed to consider in private how to respond to the Controller of Audit's report.

7. Local Government policy update report

The Commission considered a report by the Secretary to the Accounts Commission providing an update on significant recent activity relating to local government.

During discussion:

- Christine Lester suggested there could be an increased focus on housing in future Commission work, and possible comment on current housing-related issues.
- Derek Yule requested clarification on the mechanism used by Inverclyde Council to effectively freeze council tax, and the implications of this for future years. Joe Chapman agreed to pick this up with the team working on the council budget analysis.
Action: Policy Manager

Following discussion, the Commission noted the report.

8. Any other public business

The Chair, having advised that there was no business for this item, closed the public part of the meeting.

9. Chair's update report

The Commission considered an update by the Chair providing an update on recent and upcoming activity.

- Commission members discussed the potential opportunity to attend future Audit Scotland Board meetings as observers, and the possibility of Board members coming to the Commission. Allan Campbell confirmed the Board members would be coming

to the August meeting for an informal lunch and discussion and agreed to look into arranging Commission member attendance as observers at Board meetings.

Action – Chair and Secretary

- The Chair provided an update from recent Audit Scotland Board meetings and agreed to use this report to highlight anything of interest at future meetings.

Following discussion, the Commission noted the update.

10. Controller of Audit's update report

The Commission considered a written and verbal update by the Controller of Audit on recent and upcoming activity. During discussion,

- Helena updated the Commission on her recent presentation and discussion with the Improvement Service Change Managers Network, covering the integrated approach to Best Value and the key themes emerging from audit work. Three councils also provided feedback on the new approach, which was all positive, noting that it was streamlined but still in-depth, and therefore a proportionate approach.
- Helena highlighted she is considering the handling of Best Value thematic reports on individual councils which is currently reported in a separate management letter to Councils rather than within the Annual Audit Report which could give the impression that it is separate, rather than integrated, into the annual audit,
- Helena clarified that her meeting with the Chief Executive of Renfrewshire Council covered the Commission's current and upcoming audit work, including regarding Dargavel and the forthcoming Best Value report.

Following discussion, the Commission noted the update.

11. Best Value in Falkirk Council

The Commission considered its response to a report by the Controller of Audit on Best Value in Falkirk Council.

Following discussion, the Commission agreed to make findings to be published on 2 May 2024; the drafting of those findings would be delegated to the Chair and the Secretary on behalf of the Commission and would then be circulated to all members for comment, with responsibility for final sign-off resting with the Chair.

In discussing what the findings should include, the following general points were raised:

- The Commission noted it was pleased to see substantive improvement but agreed there is still work to be done.
- Acknowledged commonality with other local authorities in Scotland in relation to financial challenges, but has a track record of delivering savings, albeit it has a reliance on non-recurring savings. The Commission highlighted the budget gap which required large savings in 2024/25 and the following two years.

- The Commission highlighted transformational change programme as increasingly important, to provide recurring savings to ease the burden on future years. Additionally, the Commission welcomed the establishment of the joint officer and elected member Oversight Board for the Council of the Future programme. The Board will play a critical role in ensuring the delivery of the council's transformation programme and the associated savings.
- Members were assured that the collaborative leadership of the council, by both officers and elected members, has improved in recent years. It advised this consensual approach will be crucial in communicating difficult decisions which lie ahead for the council.
- It is also crucial that the council has effective community engagement arrangements in place. It was noted that consultation does take place, but it is concerned by the delays in production of the council's community engagement strategy. The Commission would encourage the council to accelerate this at pace.
- The council's overall approach to strategic planning, with clear priorities and linked commitments, is welcome. However, evidence of formal service plans is not available, although it is understood this work isn't far away from completion.
- The Commission was particularly pleased to see the council's approach to performance reporting, utilising both data from the Local Government Benchmarking Framework and its own indicators, and welcomed the council's compliance with the Statutory Performance Information Direction.

12. IJB financial and performance analysis: Emerging messages

The Commission considered a report by the Executive Director of PABV on the IJB financial and performance analysis: Emerging messages.

During discussion,

- The Commission provided a clear steer that the report should be relatively short that provides relevant and actionable recommendations for the sector.
- The Commission discussed the scope of this report, and the Commission's overall approach to reporting on IJBs, including how best to reflect and report on the overall financial status of IJBs. It was noted that Annual Audit Reports cover broad financial aspects, not just accounts, and that any sustainability concerns would be raised with the Commission by the Controller of Audit.
- The potential impact on service delivery of the finances of IJBs, and also of councils and NHS boards, was also discussed.
- Members raised a need for a sense of urgency, with a likelihood that the financial and demand position are likely only to get more challenging, but balanced with a call for long-term actions in relation to areas such as workforce planning.
- The proposed use of case studies in the report was welcomed, with a reflection on whether the improvements highlighted were achieved by or occurred irrespective of the creation of IJBs – Antony Clark explained this was difficult to answer, although many initiatives were attributed to joint working between councils and the NHS.

After discussion, the Commission:

- Noted that the work continues, and further significant messages may arise that will be set out in the draft report
- Noted the key themes from the stakeholder roundtable discussion
- Agreed the additional outputs to be published alongside the report.

13. SPI Direction update

The Commission considered a report by the Secretary and Executive Director of PABV on the SPI Direction update.

During discussion,

- The Chair indicated there was general agreement with the content of the paper.
- The potential for encouraging a move from inputs and outputs to a broad focus on improving outcomes was discussed.
- It was noted that Community Planning Improvement Board is working on reviewing indicators for Local Outcome Improvement Plans, and that Public Health Scotland fulfils a similar function in the health sector.

After discussion, the Commission:

- Agreed the proposed timetable and process for preparing and consulting on the new Statutory Performance Information (SPI) Direction.
- Agreed to form a short-life working group to provide ongoing oversight of the development of the new Direction. It was agreed the Chair and members Mike Neilson, Angela Leitch and Carol Evans, would form the working group pool.

14. Youth advisory panel update

The Commission considered a report by the Executive Director of PABV on the Youth Advisory Group (YAG) update.

During discussion,

- It was pointed out that membership of the YAG is currently quite focused around the central belt and cities, with Highlands and Islands communities not represented. Jillian explained that this was due to the approach taken to recruitment by the contracted agency, who also wanted to ensure balance in other ways such as deprivation levels. Additionally, recruitment was focused on areas where the consultant has existing networks which has helped with recruitment and does include rural areas too
- The Chair indicated that there is no objection to members of the YAG attending Commission meetings in the future, and suggested that individual members could approach the support team if they wanted to engage with the YAG. Members also expressed support for involving and engaging with YAG members in individual audits.

- Jennifer Henderson asked whether there was any exchange of information between the Youth Advisory Group and the Scottish Youth Parliament. It was explained that this is currently under consideration.

After discussion, the Commission noted the paper.

15. Commission Change Programme

The Commission considered a report by the Secretary and Chief Operating Officer on the Commission Change Programme.

During discussion,

- Commission members agreed that the actions within the Commission Change programme had mostly been completed, and those that remained would be picked up in other areas – for example, well targeted seminars with stakeholders will feature in the Commission communications and engagement strategy refresh.
- It was acknowledged the support team and Audit Scotland colleagues are working on progressing the livestreaming options with the current AV system available.

After discussion, the Commission noted the update on the programme and agreed to close the Commission Change Programme.

16. Strategy Seminar Review

The Commission considered a report by the Secretary on the Strategy Seminar Review.

After discussion, the Commission noted the following:

- Agreed the theme for the 2024-25 Best Value Thematic as “Transformation – How councils are redesigning services to maintain outcomes and deliver services more efficiently” as outlined in paragraph 15.
- Agreed to delegate arrangements for meetings outside of Edinburgh to the Chair and Secretary.
- Noted other actions set out in the paper.

17. Any other private business

The Chair, having advised that there was no further business, closed the meeting.

Close of meeting

The meeting closed at 13.45.