

# Minutes and matters arising from previous meeting

Secretary to Accounts Commission

**Item 4**  
Meeting date: 13 March 2025

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## 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 to members via SharePoint and shared with them monthly – provides updates on progress from previous meetings.

# Minutes

Thursday 6 February 2025, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh, and  
online via Microsoft Teams

518<sup>th</sup> meeting of the Accounts Commission

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## Present:

Jo Armstrong (Chair)  
Malcolm Bell (online)  
Andrew Burns  
Andrew Cowie (online)  
Carol Evans (online)  
Jennifer Henderson (online)  
Angela Leitch (online)  
Christine Lester (online)  
Ruth MacLeod (online)  
Mike Neilson (online)  
Derek Yule (online)

## In attendance:

Sarah Watters, Secretary to the Commission  
Helena Gray, Controller of Audit (online)  
Karen Jones, Auditor, Azets (online, items 5 and 11)  
Joe Chapman, Policy Manager to the Accounts Commission (item 6)  
Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) (online, items 8, 12 and 13)  
Richard Robinson, Audit Director, PABV (online, item 8)  
Thomas Charman, Senior Auditor, PABV (online, item 8)  
Carol Calder, Audit Director, PABV (online, item 12)  
Kathrine Sibbald, Senior Manager, PABV (online, item 12)  
Christopher Lewis, Senior Auditor, PABV (online, item 12)  
Claudia Alsius Coll, Auditor, PABV (online, item 12)  
Mark MacPherson, Audit Director, PABV (online, item 13)  
Tricia Meldrum, Senior Manager, PABV (online, item 13)  
Claire Tennyson, Audit Manager, PABV (online, item 13)  
Vicki Bibby, Chief Operating Officer (item 15)

## 1. Apologies for absence

No apologies were received.

## 2. Declaration of connections

Jo Armstrong declared a connection via Hub West with Alan Paul, Head of Property Services at Fife Council (items 5 and 11), and a connection via Wheatley Group with Jackie Brock at The Promise (item 13). Both have no direct working connection.

## 3. Order of business

It was agreed that items 10 to 16 would be considered in private, for the reasons stated on the agenda.

## 4. Minutes and matters arising from previous meetings

The Commission considered a report by Sarah Watters, Secretary, presenting the minutes of the December meeting.

Sarah summarised the matters arising. Regarding the minutes, the following amendments were suggested in advance of today's meeting:

- Specifying online attendees within the minutes
- A clarification to item 9 which incorrectly stated that there was no progress on Clackmannanshire's implementation of recommendations but should have said that the Controller of Audit did not have an update on progress.
- An amendment to item 10 which incorrectly referenced Aberdeen instead of East Renfrewshire Council
- A request to capture an action in relation to Local Government Benchmarking Framework service user indicators and the exploration of unmet need.

With no further comments, the minutes were approved as a correct record subject to the amendments above being made.

## 5. Best Value in Fife Council

The Commission considered the Controller of Audit's report on Best Value in Fife Council. Following an introduction by Helena Gray, in which she thanked Karen Jones and the Azets audit team, the discussion was structured according to the following themes:

- Finances, including:
  - How the council has achieved a positive outturn position without the need for significant savings.
  - Future planning including medium-term financial strategies, and use of reserves, including current position of committed, earmarked and uncommitted funds
  - Arrangements for managing significant financial risks from demand-led Integration Joint Board (IJB)

- Tenant engagement in relation to addressing financial gaps in the Housing Revenue Account.
- Performance, including:
  - Mixed picture with improvement in some areas but comparatively poor performance in others and widening gaps between the least and most deprived areas.
  - Progress by the council in implementing its new performance management framework.
  - Activity and performance in relation to community engagement.
- Transformation, including:
  - Relative lack of significant savings, efficiencies, and innovation up to now, and whether the council has capacity and capability to drive necessary transformation
  - Capacity in relation to digital transformation including leadership and skills development.
- Leadership, including:
  - Programme of mandatory training and development for elected members
  - Positive cross-party engagement and working relationships.
- Workforce, including:
  - Positive approach to staff development such as through ‘Grow Your Own,’ and potential to share this good practice with other councils
  - Challenges of tracking benefits, performance metrics, and delays in reporting
  - Approaches to blended/hybrid working, and levels of employee engagement.
- Other areas, including:
  - Means of addressing potential cyber risks from ‘Use Your Own Device’ policy
  - Fraud – assessing risks and consideration of controls (with reference to the Aberdeen City Council s102 report)

Following discussion, the Commission agreed to decide in private how it wishes to respond to the report.

## **6. Local Government policy update report**

The Commission considered a report by Joe Chapman, Policy Manager, providing an update on significant recent activity relating to local government.

Joe highlighted a few key issues:

- The Official Report (transcript) from the Local Government, Housing and Planning Committee on 4 February, at which Jo Armstrong and Derek Yule gave evidence

alongside Blyth Deans and Martin McLauchlan, is now available and will be shared with Commission members shortly.

- A few reports had been published since the report was produced, so more information will follow on engagement for those reports including the Financial Bulletin, Sustainable Transport and East Renfrewshire. There is also an evidence session with the Public Audit Committee on Sustainable Transport in late February.

During discussion, the following points were raised:

- Updates on the Scottish Government's intention to enhance integration governance after dropping its plans for the National Care Service – no further information is available at this time, but Audit Scotland colleagues will be monitoring this.
- The Scottish Housing Regulator's message that homelessness issues are systemic and beyond their scope, so a national level policy response is required.
- Discussion between the Local Government Committee, the Ethical Standards Commissioner, and the Improvement Service regarding relations between and complaints about councillors, and how any trends will be monitored.

Following discussion, the Commission noted the report.

## **7. Chair's update report**

The Commission considered an update by Jo Armstrong on recent and upcoming activity.

During the discussion, Jo highlighted the following,

- Attendance at Audit Scotland's Board meeting on 28 January, which was attended by Audit Scotland Board's new Non-executive Director Patrick Bartlett, along with Board Apprentice Dr Catherine Maclean.
- Recent attendance at COSLA's Special Interest Group, noting their positive reception to the Accounts Commission, and feedback which will feed into the March Strategy Seminar.
- Evidence at the Local Government, Housing and Planning Committee on 4 February alongside Derek Yule, Blyth Deans and Martin McLauchlan. Jo commented that Derek's background and expertise was particularly valuable in the session.
- Andrew Burns and Andrew Cowie met with Aberdeen City Council earlier in the week, following the fraud Section 102 report published in January and the meeting had been constructive.
- Upcoming attendance at the Directors of Finance Section meeting on Friday 7 February, accompanied by Blyth Deans.

Following discussion, the Commission noted the update.

## 8. Scottish Budget Briefing

The Commission considered a briefing by Alison Cumming, Executive Director of Performance Audit and Best Value (PABV), who asked that the Commission give feedback on how they want to engage on the Scottish Budget, and whether the format of reporting works for them.

Richard Robinson highlighted some points of note:

- This analysis will feed into the local government budgets briefing in spring and will be shared with Audit Scotland's audit teams.
- The UK Government's Autumn Budget in October 2024 resulted in a 3.8% real terms increase in overall funding for the Scottish Government (SG). However, due to issues and variations in relation to tax, the actual increase in funding available to the Scottish Government is closer to 0.8% in real terms.
- The Spring Budget Revision showed how the additional £1.5 billion received by SG for 2024/25 has been utilised, including eliminating the need to draw down on ScotWind funding as intended and reducing required borrowing.
- As part of budget negotiations, SG has announced £16.7 million of further measures for the 2025/26 financial year, including funding for a £2 bus fare cap pilot and an extension to free school meal eligibility in some areas.
- SG has announced £144 million of additional funding for councils to cover increased employer National Insurance costs. However, this amount will not fully cover the costs; similarly, Barnett funding received from the UK Government will not fully cover costs due to the size of the public sector workforce in Scotland.
- Capital funding for local government has increased by 19% in real terms between 2024/25 and 2025/26. However, despite this increase, the total capital allocation for local government in 2025/26 remains lower than in previous years.

During discussion, the following points were raised:

- The Chair acknowledged the fast turnaround of this and other budget briefing material, in response to the Commission's prior request for more prompt information.
- Changes to budget presentation, to provide more realistic comparisons with previous years, taking into account in-year transfers and revisions, and the complexities due to some local government funding being transferred from a number of policy portfolios within the Scottish Government.
- Future analysis required to understand how business rates variations impact grant allocations for individual councils.
- Expectations in relation to the UK Spending Review in June and how SG will respond to it, including whether and when it will provide a three-year settlement framework and with what level of detail.

- Potential for better medium-term planning to reduce large in-year funding changes, and difficulties in predicting what additional funding – anticipated or not – will come through to local government, creating challenges in presentation and planning.
- Update on the mechanism for providing the £30 million of grant funding for ‘reform’ or spend-to-save. Tom Charman advised that the audit team has had sight of the funding application form but the implications for local government are unclear.
- The impact of the 2024/25 council tax freeze and whether the funding from SG is baselined in 2025/26 – this was intended but can be difficult to trace in budget documents. Also noting that any council tax increases in 2025/26 are from the 2023/24 level, so the freeze reduced the council tax base.
- Information on likely council tax increases – Richard advised that information on that was not part of the Scottish budget analysis, but noted the Finance Secretary had indicated that the £144 million for National Insurance costs was equivalent to a 5% council tax increase and encouraged councils to avoid large increases.

Following discussion, the Commission noted the briefing.

## **9. Any other public business**

The Chair advised there was no other business and closed the public part of the meeting.

## **10. Controller of Audit’s update report**

The Commission considered an update by Helena Gray, Controller of Audit, on recent and upcoming activity.

In addition to the information in the paper Helena highlighted some points of note including bringing Highland Council’s Best Value report forward to April (with East Lothian moving to June) and East Lothian Council’s appointment of a new Chief Executive, Laurence Rockey, who is currently Director of the Scotland Office.

A number of points were discussed including around audit delays and capacity within some finance teams, the importance of the CoA’s meetings with council Chief Executives, and consideration of future engagement with IJB Chief Finance Officers.

Following discussion, the Commission noted the report.

## **11. Best Value in Fife Council**

The Commission considered its response to the Controller of Audit’s report on Best Value in Fife Council. Members agreed to issue findings in response to the report, with a draft to be circulated to members.

The Commission members discussed several points, which are included within the findings of the published report.

After consideration, the Commission:

- Approved the proposed publication arrangements
- Delegated to the Secretary and Chair to produce the findings for publication on 25 February.

## **12. IJB Financial Bulletin 2023/24: draft output**

The Commission considered a draft report presented by Alison Cumming, Executive Director of PABV. Alison highlighted several points:

- This is a new form of output, designed to improve transparency and understanding of pressures on IJBs, and the team are hoping to use this format on other products. It will be expanded to include performance and outcome data later in the year, which is a joint output with the Auditor General for Scotland (AGS) and will allow effective demonstration of key performance indicators.
- The published product may differ slightly to what is presented today, and the team is looking to create an easily downloadable format for particular audiences, and to produce a user guide for the Power BI platform.
- The reference to the National Care Service in the draft blog will be updated in line with the latest government position.

During the discussion, the following points were raised:

- The sponsors and other Commission members were positive about what they felt is a valuable, user-friendly tool, and thanked the team for their work.
- The Commission found value in the inclusion of strategic risks, and the use of charts which they found particularly effective. They also liked that some non-monetary data also provided a clear message – such as the turnover in IJB Chief Officers and Chief Finance Officers, especially when compared to councils.
- Commission members suggested several areas that would add value to future outputs, including population data, and reserves. They also asked that key messages be disseminated from the data provided and suggested using this format to present the next Local Government Financial Bulletin in 2026.

Following discussion, the Commission:

- approved the draft IJB financial bulletin output and blog
- agreed to delegate final approval of any final amendments to the content of the bulletin to the audit sponsors
- noted the publication arrangements for the financial bulletin and blog.

## **13. Improving care experience: Delivering the Promise: scope**

Alison Cumming introduced the paper, which provided an update on the audit team's work to scope a performance audit on Improving care experience: Delivering the Promise, a joint output with the Auditor General for Scotland.



Alison commented that the audit is timely, at the halfway point in the implementation period for The Promise, the target date for which is 2030, with substantial work still to be done. Alison explained that the audit does not intend to repeat the work of other organisations who are reporting on progress against The Promise, but will seek to assess the identified areas of risk in more detail, and compliment wider progress reporting.

An audit advisory group has been established involving a range of stakeholders, and next steps include bringing a draft report in August, with a plan to publish in October.

During the discussion, the following points were raised:

- Reassurance that despite making a change from a briefing to a performance audit, there will not be a delay in the timeline. The importance of not delaying the audit timings was noted, as this would ensure that the work can have impact before any further advances in this area, and well ahead of the Scottish Parliament election period.
- Membership of the audit's advisory group, which includes Scottish Government, COSLA, The Promise Scotland, Who Cares? Scotland, Care Inspectorate, Social Work Scotland, Police Scotland, and the Chair of the Local Government Programme Board for The Promise.
- The role of Who Cares? Scotland as a link with care experienced children and young people (CECYP), their involvement throughout scoping, and consideration of who might supplement Who Cares? Scotland's knowledge. Related to this, the need to reflect the voices of lived experience for the report to have credibility and impact.
- The importance of tracking spending and impact, including specifically for The Promise as well as earmarked funding such as the £500 million Whole Family Wellbeing Fund, although it was acknowledged that available data has limitations. Similarly, whether there is sufficient evidence to assess work in individual local authorities.
- The definition of care-experienced for the purposes of the audit, particularly in relation disabled and non-disabled people in residential care. Alison noted the recent Scottish Government consultation on this issue and agreed to provide clarity on this.

***Action: Executive Director of PABV***

Following review and discussion, the Commission:

- Agreed the audit scope for the performance audit on Improving care experience: Delivering the Promise, inclusive of the Issues and Investigations (I&I) matrix and audit flyer
- Agreed the approach to considering emerging messages for the audit work
- Noted and agreed the proposed timings of the audit work, including plans to bring a draft report to the Accounts Commission meeting in August 2025.

## 14. Meeting arrangements and local engagement options

Sarah presented the paper, which set out options and potential costs for various arrangements for Commission meetings including online or in other locations and options for wider stakeholder engagement

During the discussion, the following points were raised:

- The question of who should attend meetings with councils following statutory reports was debated, with concerns raised about having too many attendees. A number of options were supported by individual members, but no clear consensus was reached. The Commission Support Team will give further consideration to this and update members accordingly.

***Action: Secretary to the Commission***

- The need to maximise efficiency, with virtual meetings acknowledged as a way to save time and money. While all members said they value face to face meetings as enabling full discussion and building relationships, most also recognised the benefits of holding two or three meetings virtually each year. August, as well as January and February, were highlighted as appropriate meetings to hold online.
- Some technical issues around online meetings, however the Secretary advised that the Support Team has identified solutions to these such as using different functionality within Microsoft Teams, which would also have the benefit of streamlining public access to observe the meetings.
- Maximising the value of meetings with councils following statutory reports by potentially incorporating additional engagement opportunities with other stakeholders, such as IJBs and partners. The discussion highlighted the importance of clear objectives and goals for engagement.
- Whilst most members were broadly supportive of some online meetings, they asked for a deeper dive into what engagement opportunities any savings could enable before they could reach an agreement.

***Action: Secretary to the Commission***

After discussion, the Commission requested further information to allow a decision to be reached regarding the proposed online meeting arrangements, as well as more clarity in relation to the aims of engagement.

## 15. Chief Operating Officer update

The Commission considered a verbal update by Vicki Bibby, Chief Operating Officer.

Vicki provided updates on the following areas:

- Future of Public Audit Model project, giving assurance around the sequencing of engagement and decision making with the Commission. Decisions will be made by the Commission, working closely with the Secretary who will be part of the operational board. A fuller discussion will be brought to the Commission in March along with a timeline to signal dates when Commission approval will be needed.

- Confirmation that the Audit Scotland budget, including the Accounts Commission budget, for 2025/26 has been approved. This included specific funding for the Audit Modernisation Project.

Following discussion, the Commission noted the update.

## **16. Any other private business**

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

## **Close of meeting**

The meeting closed at 16.00