

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 10 April 2025

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 13 March 2025, 10.00am

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

519th meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters, Secretary to the Commission
Helena Gray, Controller of Audit
Joe Chapman, Policy Manager to the Accounts Commission (Item 6)
Mark Outterside, Director, Forvis Mazars (Items 5 and 10)
Jillian Matthew, Senior Manager, PABV (Item 11)
Gemma Diamond, Director of Innovation and Transformation (Items 11 and 12)
Susan Burgess, Head of Human Resources (Items 11 and 12)
Vicki Bibby, Chief Operating Officer (Item 14)

1. Apologies for absence

Apologies had been received from Angela Leitch.

2. Declaration of connections

No connections were declared.

3. Order of business

It was agreed that items 9 to 15 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 and actions from February's meeting.

Nichola Brown had been incorrectly noted as an apology at the meeting, and it was agreed that this would be amended.

The minutes were approved as a correct record subject to this correction.

5. Best Value: Argyll and Bute Council

The Commission considered the Controller of Audit's report on Best Value in Argyll and Bute Council. Following an introduction by Helena Gray, the discussion covered the following themes and main points:

Finances:

- The council's track record of delivering planned savings, and the need for a strategic savings plan to address long-term challenges and improve monitoring and oversight
- Ownership of financial challenges at senior levels, making use of established frameworks to ensure strong cross-party working relationships
- Monitoring of dormant bank accounts as recommended by the auditor in 2024.

Performance:

- The council's commitment to update its corporate improvement plan in late spring, addressing areas of performance which require improvement
- The council's current approach to performance monitoring, with multiple plans and strategies, and the need for this to be more cohesive and integrated.

Transformation:

- Examples of innovation such as the use of drones to deliver school lunches, and how the council has embraced hybrid and remote working
- Evidence that the council is 'ahead of the game' as an early adopter of technology, driven in part by the geography of the council area
- Whether the council has a 'transformation programme' or if transformation is integrated across its activities.

Leadership:

- Balancing the time and resource required for developing the corporate improvement plan, whilst continuing to implement existing planning, to prevent disruption
- The effectiveness of the current administration and senior leadership, working well together with no significant issues reported.

Workforce:

- Work underway to reduce high numbers of temporary contracts and create a wide range of permanent positions instead, with a smaller pool of agency staff
- The council's intention to carry out a review of remote and flexible working, and whether this might include the impact on employee wellbeing and development
- Potential to share outcomes of the 'Grow Your Own' initiative with other councils.

Community engagement:

- Use of the council's innovative budget simulator, which was high for 2023/24 budget-setting but declined sharply for 2024/25 and was not made available for 2025/26
- Other community engagement activities such as satisfaction surveys, and where leadership and accountability for community engagement lies within the council
- Potential for focus on community asset transfers in future audit reports.

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.

The discussion highlighted a few key issues:

- The contrast between the overall real-terms growth and the per-capita decline in local government funding in England, and whether these metrics could be replicated in the Commission's audit work. Jo Armstrong asked for this to be discussed with the Executive Director of Performance Audit and Best Value.

Action: Policy Manager to the Commission

- The shortfall between the costs for local government of changes in employer National Insurance contributions, and the funding provided for it by the Scottish Government, and how this shortfall will be covered in council budgets.
- East Renfrewshire Council's decision to delay the introduction of charges for non-residential social care services pending further consideration, and using underspend from the previous financial year to cover the costs.

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 that she and Andrew Burns had met Des Murray and Pippa Milne, chair and vice-chair of Solace, who will be joining the Commission for a forum session in April.
- Jo noted that wider stakeholder engagement is underway on the work programme.

Following discussion, the Commission noted the update.

8. Any other public business

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

9. Controller of Audit's update report

The Commission considered an update by Helena Gray, Controller of Audit, on recent and upcoming activity, which included the following:

- Clackmannanshire Council has committed to develop a medium-term financial strategy by the end of May – slightly later than the Commission had requested, as the council had focused resources on developing and agreeing the 2025/26 budget. The council still has capacity challenges in the finance team, but recruitment is being prioritised.
- Clackmannanshire Council is also working with Stirling and Falkirk councils regarding options for transformation and partnership working.
- The refreshed approach to scrutiny coordination has had overwhelming support from scrutiny partners, with the next meeting of the Scrutiny Coordination Group planned for late April. Progress with this was welcomed by Commission members.
- Glasgow City Council has appointed Brodies to conduct an independent investigation on the restructure of the Chief Executive's Office, which was discussed at a special meeting of the council earlier this week. Auditors and Helena are monitoring this.

10. Best Value: Argyll and Bute Council

The Commission considered its response to the Controller of Audit's report on Best Value in Argyll and Bute Council. Members agreed to issue findings in response to the report, with findings to be drafted by the Secretary and Chair and circulated to members.

The Commission members discussed and agreed upon a number of points, which are included within the findings in the published report.

11. Diversity, equality and inclusion strategy and mainstreaming equalities progress report 2023-2025

The Commission considered a report by Gemma Diamond, Director of Innovation and Transformation and Michelle Borland, Head of Organisational Improvement, which

introduced the diversity, equality and inclusion (DEI) strategy for 2025-2029 and a progress report on mainstreaming equality for 2023-2025.

During discussion, a number of points were raised:

- Commission members would like to see 'SMART' (specific, measurable, achievable, realistic and time-bound) objectives for monitoring and delivery. Gemma explained that the strategy is underpinned by an operational delivery plan with specific actions and target outcomes, with baseline data used to set targets for the next four years.
- A number of suggestions were made for additions or amendments to the strategy, including:
 - More detail in the evidence and data used as the rationale for the strategy and the outcomes
 - Further emphasis on issues relating to socio-economic inequalities
 - Regarding employee information, monitoring of retention by reporting leavers data and exit interview outcomes, and senior managers advocating the benefits of collecting and using the data
 - Consideration of the content and positioning of the 'Purpose' section.

Gemma agreed to work with the project team to look at making these changes.

Action: Director of Innovation and Transformation

- Gemma and Jillian explained the internal and external audiences for the strategy, the intention to set out ambitions and areas of focus, and work being done to further incorporate DEI considerations into audit work, particularly in annual audits.
- Gemma asked Commission members to share their thoughts on both reports via email following the Commission meeting, and agreed that final versions of the reports will be shared by correspondence after any agreed amendments are made.

After consideration, the Commission:

- Approved the DEI strategy for 2025-2029 subject to any agreed amendments.
- Approved the mainstreaming equality report 2023-2025 subject to any agreed amendments.

12. Commission equalities monitoring proposals

The Commission considered a report by Susan Burgess, Head of HR, Michelle Borland, Head of Organisational Improvement, and Sarah Watters, Secretary to the Accounts Commission, which proposes that diversity and equality data for Accounts Commission members is collected.

Sarah explained that the paper built on discussions by the Commission in 2024 and the team has worked closely with HR to ensure deliverable recommendations are proposed.

During discussion, a number of points were raised:

- Clarification that iTrent captures data on protected characteristics, socio-economic and carer status, and location details, and is able to manage board-type roles separately.
- Equalities data about Commission members collected by Scottish Government's Public Appointments team in recruitment cannot be subsequently with Audit Scotland.
- Discussion about whether the proposed data collection for the Commission could be used as an exemplar to encourage broader efforts to monitor diversity and inclusion in public appointments across Scotland.
- The Commission members supported the proposition, agreeing to capture any data deemed important.

After consideration, the Commission:

- Noted the rationale for this work
- Agreed to the anonymous collection of diversity and equality data for reporting
- Agreed that iTrent is the preferred method of data collection

13. General Power of Competence consultation: Proposed Commission response

The Commission considered a report by Sarah Watters, Secretary to the Accounts Commission, on a proposed Accounts Commission position in relation to the Scottish Government's consultation on a Local Authority General Power of Competence (GPC).

During discussion, a number of points were raised:

- Audit Scotland's Executive Team has discussed a response from Audit Scotland, to which the Commission response is aligned, and will respond to some technical areas which are not appropriate for the Commission to comment on.
- Members discussed the consultation proposals and questions and the rationale for a GPC in the context of existing local government powers in Scotland and potential future reforms.
- Derek Yule and Sarah recently attended a roundtable on the subject, the slides for which are available to members. Derek or Malcolm Bell – depending on availability – will attend a forthcoming event.

After consideration, the Commission:

- Noted the contents of the report
- Agreed that the Chair and Secretary to the Accounts Commission be delegated to submit a response to the Scottish Government's current consultation on the introduction of a GPC, aligned to that of Audit Scotland.

15. Chief Operating Officer update

The Commission considered a verbal update by Vicki Bibby, Chief Operating Officer. Vicki provided updates on the following areas:

- Vicki explained the work underway on the Future Public Audit Model (FPAM) and Audit Modernisation projects, and the differences and relationships between these and Public Audit in Scotland (PAIS). PAIS is a joint strategy for how the three public audit entities will secure public audit, while FPAM and audit modernisation are about transforming and modernising how audit is delivered. Vicki said the Executive Team has been mapping out timelines for delivering change, and the interdependencies.
- The Audit Scotland Q3 corporate performance report is due to come to the Accounts Commission in April. Given the time lag, an up-to-date position on audit delivery will supplement the report, either in the covering report or verbally at the next meeting.
- Vicki is working with Jo Armstrong and Sarah Watters to plan the next joint Commission and Audit Scotland Board session, as part of the commitments made in the Partnership Working Framework.

16. Any other private business

The Chair provided a further update on her recent meeting with the chair and vice chair of Solace ahead of their visit to the Commission in April. They discussed the Commission's potential work in the areas of community planning partnerships and integration joint boards, and expect to have a fruitful discussion at the next meeting.

The Commission reflected on their meeting with the Cabinet Secretary ahead of today's Accounts Commission meeting, agreeing that it felt both constructive and positive.

There being no further business, the Chair closed the meeting at 2.45pm.