

# Dynamic work programme update: stock check against priorities

Executive Director of Performance Audit and Best Value

Item 8

Meeting date: 14 December 2023

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## Purpose

1. This report provides an overview of how the products within the current dynamic work programme (DWP) align with the Accounts Commission's revised strategic priorities and provides an update of the current DWP resourcing position.

## Recommendations

2. The Accounts Commission is invited to:

- Consider how the current work programme, both confirmed and pipeline products, aligns with the new strategic priorities.
- Provide any views or reflections on the current composition, focus and phasing of the programme to ensure it meets the aims of the Commission.
- Note that the outcomes from this discussion will be reflected in specific proposals brought to the Commission in the February 2024 work programme update.

## Background

3. At its strategy session on 10 August 2023, the Commission reviewed its strategic priorities based on its consideration of the evolving local government operating environment. Following this, a new set of priorities were approved at the Accounts Commission meeting on 9 November 2023. The 5 revised strategic priorities are:

- Reform
- Inequalities
- Finances
- Environmental Sustainability
- People and Communities.

4. The Commission asked Audit Scotland to review each of the products currently contained in the forward work programme (confirmed and pipeline) and provide it with a short assessment of the what's planned, and how this aligns to the revised priorities.

## Stock Check Against Priorities

5. Appendix 1 provides a summary of the intended focus and purpose of each of the products within the Dynamic Work Programme. The table is split into confirmed products and those not yet agreed (pipeline), including the new suite of local government overview products discussed by the Commission at its October 2023 meeting.

**6.** The Senior Managers within Audit Scotland have considered if and how each of the products relates to the five priorities above. Each product was then categorised on the basis of having: strong links, some key links, some limited links, or no links. This is illustrated in the colour coded columns in the table included in appendix 1.

**7.** The outcomes from this stock check exercise demonstrate that there is a close alignment between the current work programme (both confirmed and pipeline products) and the Accounts Commissions' revised priorities. All the products align strongly to at least one of the key priorities, with many products addressing multiple priority areas. This highlights the interconnectedness of the priorities and the cross-cutting nature of many of the audit products.

**8.** A more detailed assessment of how each priority is being addressed through the work programme is included in the accompanying slide pack. This includes a high-level assessment of how resources are currently allocated across the priority areas – for both confirmed and pipeline products. The estimated cost of each audit product has been broken down and apportioned to the priorities based on how strongly it aligns with each. While illustrative, this exercise provides the Commission with a high-level overview of how resources are currently being targeted towards each priority area. The Commission may wish to reflect on this position when considering future audit products.

## Resourcing the work programme

**9.** We continue to improve and refine our budget and cost data for performance audit and Best Value work, building on the prototype shared at the Commission's Strategy seminar in August 2023. The marginal costs of proposed changes to the programme were incorporated for the first time into the September 2023 work programme update considered by the Commission. An update of the current resourcing position for 2023/24 and 2024/25 is attached at appendix 2. This incorporates all products considered in the stock check alongside other statutory reports by the Controller of Audit. All amounts are based on current estimates.

**10.** The overall position is that there is headroom of £190k in 2023/24 and £634k in 2024/25 based on the products previously approved by the Commission. If all products in the pipeline were to be approved (including LG24 products – see below) this would mean a small overcommitment of £19k in 2023/24, reducing to £16k in 2024/25. We consider that this would be manageable within existing resources. There is limited scope to add further products that would require work during the remainder of 2023/24. The position for 2024/25 will depend on choices made by the Commission in relation to the audits currently included in the pipeline, alongside any other emerging proposals.

## Local government overview reporting – LG24

**11.** The Commission endorsed a new strategic approach to future local government reporting at its October 2023 meeting, approving the proposed scope of work (known as LG24). The new approach will be delivered within the Commission's overall resource envelope but requires some realignment of resources to accommodate the delivery of new and more extensive outputs. The impact of these changes is incorporated in the assessment of the overall resource position and the stock check against priorities set out above.

**12.** Overall, the full suite of LG24 products is expected to cost around £388k annually. Previously the aggregate budgeted cost of the Local Government Overview and Financial Bulletin was around £302k. We consider this is manageable within the overall resource envelope set out, recognising the opportunity cost of the more extensive outputs planned. All estimates will be kept under review as work progresses.

## Next Steps

**13.** We will present a full work programme update report to the Accounts Commission in February 2024 as part of the new triannual reporting arrangements, including proposals for specific changes to the programme. Feedback from this stock check discussion will inform the development of options for utilising the remaining headroom in the programme during 2023/24 and 2024/25 and any attenuation that may be required, for the consideration of the Commission. This may include replacing, rescheduling or re-sizing products currently included in the work programme.

## Confirmed Audit Products

Key: Alignment with Priority

Strong Links



Some Key Links



Some Limited Links



No Links



Proposed Publication Date	Product Title	Product Type	Focus of the Product	Purpose of the Product	Reform	Inequalities	Finances	Environmental Sustainability	People and Communities
Q3 23-24	Social Care work programme	Blog	The blog will highlight the Commission's continued interest in IJBs and the planned approach for work in this area.	To publicly signal the Commission's continued interest in IJBs and sustainability of the social care sector.	Some Limited Links	Some Key Links	Some Key Links	No Links	Strong Links
Q4 23-24	Social Care Roundtable (linked to IJB report)	Event	To engage with key stakeholders with an interest in the social care sector.	To identify the risks in social care for consideration for future work, develop intelligence on issues and test emerging messages for the 2024 report.	Some Limited Links	Some Key Links	Some Key Links	Some Limited Links	Strong Links
x3 Q4 23-24 x1 Q1 24-25 x2 Q2 24-25	BV Controller of Audit reports	Statutory Report	Reports will focus on implementation of BVAR recommendations and wider dimension BV work through local audit.	To provide the Commission with an assessment of individual council's progress with its statutory BV duties. Specific BV criteria coverage expected over the annual appointment period; not all criteria will be covered in each report (but will be covered in AAR each year).	Some Key Links	Some Key Links	Strong Links	Some Key Links	Some Key Links
Q4 23-24	Local government financial bulletin 2022/23...	Briefing	The report will focus on the strategic financial position across the local government sector during 2022/23, as well as identify the ongoing and emerging financial challenges.	To support councils in their budget setting process and in developing their financial plans.	Some Key Links	Some Limited Links	Strong Links	No Links	Some Limited Links

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Q4 23-24 Q4 25-26	Annual Assurance and Risks Report (AARR) (Internal)	Annual Report	This report provides assurance to the Commission that the range of audit work undertaken on its behalf provides effective coverage of local government performance and risks, including coverage of key Commission priorities.	The AARR helps inform the Commission's consideration of its wider work programme. It will also set out proposals for the next year's Best Value thematic work that will be included in the Planning Guidance for local auditors.					
Q1 24-25	Integration Joint Board Report 2024	Overview Report	This report will set out the current context and background in which IJBs are operating. It will cover the financial position and outlook for IJBs. It will set out an analysis of performance information about IJBs and it will also set out a 'spotlight' feature on social care commissioning and procurement.	To provide public commentary on the financial and wider performance of IJB and set out the issues related to social care commissioning. Make recommendations for improvement that will support improved performance and sustainability in the sector.					
Q1 24-25	Best Value thematic report: Leadership	Briefing	The national thematic report will draw together the findings from each individual thematic council audit. It provides an opportunity for the Commission to comment in detail on how effectively councils are demonstrating this aspect of Best Value and to challenge progress and highlight good practice across councils. This report will provide an overview of the leadership of the development of new local strategic priorities by councils following the local government elections in May 2022.	To use national intelligence gathered to provide an assessment of the effectiveness of council leadership (political and officer) in setting clear priorities and a sustainable approach to delivering them.					

Proposed Publication Date	Product Title	Product Type	Focus of the Product	Purpose of the Product	Reform	Inequalities	Finances	Environmental Sustainability	People and Communities
Q1 24-25	Digital exclusion <b>Joint with AGS</b>	Performance Audit	How well public bodies are tackling digital exclusion, how it affects access to services and the impact this has on people in Scotland, and their human rights. Includes engaging with people with lived experience.	To improve understanding of digital exclusion, identify who is affected by it and what it means for people's human rights. And to support improvement and identify innovative or positive practice.					
Q2 24-25	Drug and alcohol services <b>Joint with AGS</b>	Performance Audit	A review of D+A services to assess what progress has been made to reduce drug and alcohol related harm, how effective investment in these services has been, and how responsive services are to the needs of those who require them.	To provide an independent assessment of drug and alcohol services and to make recommendations on how services can make better use of the resources at their disposal to improve the outcomes for those who need them.					
Q3 24-25	Local Government Workforce	Blog	This blog will provide commentary on strategic workforce issues within the local government sector. It will consider various themes, including innovation, the impact of AI and digitalisation/robotics, multi-skilling, the impact of hybrid working and staff performance management.	This blog will provide the Commission with an opportunity to signpost to upcoming work on the second Best Value theme: workforce innovation. It will call upon existing intelligence relating to workforce trends, ongoing and emerging capacity challenges and early examples of innovation and productivity across the sector.					
Q3 24-25	Additional support for learning <b>Joint with AGS</b>	Briefing	Consider trends in demand at a high level, how services are provided and perform (as far as data is available), any evidence of a shift to early intervention, what available data on outcomes and spending shows and data gaps, as well as progress against the recommendations in the Morgan review. - TBC	There are long-standing concerns about the provision of services for the increasing number of children and young people who need ASL, and significant equalities issues relating to outcomes. A briefing paper with conclusions and recommendations will allow the Commission and AGS to push for improvements.					

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Q3 24-25	Sustainable Transport <b>Joint with AGS</b>	Performance Audit	Focus on what progress SG and councils are making towards the target of reducing car kilometres by 20 per cent by 2030	To report on arrangements in place to deliver the target, including how well SG, Transport Scotland and councils are working together, how funding is directed and how progress is being monitored and reported on.					
Q1 25-26	Best Value thematic report: workforce innovation	Briefing	The national report will draw together the findings from each individual thematic council audit. It provides an opportunity for the Commission to comment in detail on how effectively councils are demonstrating this aspect of Best Value and to challenge progress and highlight good practice across councils. This report will review how councils are responding to local government and workforce challenges through building capacity, increasing productivity & innovation.	To gather national intelligence to provide an assessment of how councils are innovating with their existing workforce to address workforce pressures in an environment where they cannot recruit themselves out of the problem due to funding constraints and market competitiveness.					
Q1 25-26	Adapting to climate change <b>Joint with AGS</b>	Performance Audit	Pre-scoping is ongoing to refine and target areas of focus, which could include flooding, infrastructure and the natural environment. Whichever area we focus on, there are likely to be common cross-cutting themes, including equalities, investment and building resilience.	To highlight the importance of collaboration across the public sector to build resilience and adapt to current and future impacts of climate change. As a joint audit, we can highlight learning and make recommendations for improvement across the public sector.					

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Q4 25-26	Local Heat and Energy Efficiency Strategies	Performance Audit	Examining area-based approaches to heat and energy efficiency planning and delivery, aimed at reducing emissions. Focusing on early implementation of LHEES, which councils to publish by Dec 2023. Could cover several themes, including partnership working, workforce planning, estate management and tackling inequalities.	To provide an independent assessment of the role of local government in supporting the transition to zero emissions heating, which is an essential element of meeting Scotland's statutory 2045 net zero target. Will share learning and make recommendations for improvement at an early stage of LHEES delivery.					

### Pipeline Audit Products

Key: Alignment with Priority

Strong Links



Some Key Links



Some Limited Links



No Links



Pipeline	Product Title	Product Type	Focus of the Product	Purpose of the Product	Reform	Inequalities	Finances	Environmental Sustainability	People and Communities
Revised LG Reporting Suite of Documents	Council performance commentary	TBC	High level commentary on council performance using LGBF annual report.	For the Commission to make findings on LGBF data each year.					
	Local government in Scotland: Challenges, Risks and Opportunities 2024 (CRO)	Overview Report	A strategic view of the main challenges and opportunities in the local government operating context. It will include a focus on a key challenge, theme or recommendation - providing a deeper dive into the strengths, weaknesses and opportunities to promote learning and add value.	To support a move forward on 'wicked issues' through a focus on sharing learning (what went wrong - pitfalls/what went right – good practice), identifying principles, barriers and things to consider etc.					
	Service spotlight on homelessness services	Briefing	A focus on issues affecting individual council services.	Commission commentary on individual council services.					
	Council budget analysis	Briefing	Analysis of councils' overall budgets, budget gaps and proposed ways to meet the budget gap.	A separate, more timely council budget analysis - just after council budgets are set - drawing on analysis of agreed budgets alongside other sources to provide an overview of council budget pressures.					

Pipeline	Product Title	Product Type	Focus of the Product	Purpose of the Product	Reform	Inequalities	Finances	Environmental Sustainability	People and Communities
Pipeline	Child Poverty <b>Joint with AGS</b>	Performance Audit	Consider whether the interim targets for child poverty were met and progress towards the final targets. It will follow up on recommendations in our 2022 briefing paper. Future audit work is likely to assess councils' actions to reduce and prevent child poverty, as well as examine the Scottish Government's and its partners' progress with the national work to reduce and prevent child poverty, and the impact of that work.	To provide an assessment of progress towards meeting the SG's targets to reduce child poverty.					
Pipeline	School education/outcomes <b>Joint with AGS</b>	TBC	To follow up on our 2021 report and assess the impact of education reform.	To provide an update on education reform, spending and the impact on outcomes, and to follow-up on our previous recommendations.					
Pipeline	Early Learning and Childcare Outcomes <b>Joint with AGS</b>	Performance Audit	Third audit in a series, focusing on the impact of the expansion on outcomes.	To conclude on the cost of the expansion in funded ELC and the impact on outcomes for children and families.					
Pipeline	Regional economic development <b>Joint with AGS</b>	Performance Audit	Could focus on role of regional economic partnerships in driving regional opportunities, assess how funding and activity is being targeted to address inequality, or could focus on regional opportunities such as green industry.	To provide an assessment of support for/progress on regional economic growth					

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Pipeline	National Care Service <b>Joint with AGS</b>	Blog	Health and Social Care reform	To make an initial public comment on progress and the approach taken to the NCS.					
Q3 24-25	Community Justice <b>Joint with AGS</b>	Performance Audit	Pre-scoping ongoing to explore value in further work. There is a lot of planned change for most key audit themes - including partnership and governance (previously raised by PAC as of interest). The barriers to a shift from custodial sentences to community sentences is likely focus if any work goes ahead.	Shifting offenders from short-term prison sentences to community sentences has been a national aim of government for decades but no real progress has been made. This work could consider the barriers and make recommendations for improvement.					
Pipeline	Care Experienced People <b>Joint with AGS</b>	TBC	Potential audit work could focus on how the Scottish Government, councils and other public bodies are delivering improved outcomes for care experienced people, as set out in The Promise. Potential areas on interest are governance and accountability for delivering the promise, resources, partnership working and information and data to monitor progress with delivering The Promise and the impact on children and young people.	Potential audit work could set out specific barriers and enablers to progress in delivering The Promise and improving outcomes, and provide a high-level assessment of them. It could make recommendations to support improvement and share best practice, as well as increase the profile of The Promise.					