

Minutes of Meeting of the
Accounts Commission held in the
offices of Audit Scotland, 110
George Street, Edinburgh on
Wednesday 18 January 2006 at
10.30am.

PRESENT: A MacNish (Chair)
A Alexander
J Baillie
O Clarke
J Couper
A Faulds
K Geddes
I Low
P McKinlay
M Raj
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit
H Hall, Managing Director, Audit Services
D Pia, Director of Performance Audit (Local Government)
W F Magee, Secretary
R Nicol, Assistant Director Performance Audit (item 6)
C Brown, Best Value Audit Manager (item 6)
M Alcock, Portfolio Manager Performance Audit (item 8)
R Seidal, Project Officer, Performance Audit (item 8)

<u>Item No</u>	<u>Subject</u>
1.	Apologies
2.	Minutes
3.	Chairman's Introduction
4.	Deputy Auditor General
5.	Managing Director of Audit Services
6.	Best Value Audit of Argyll and Bute Council
7.	Best Value Audit of East Renfrewshire Council
8.	Review of Community Planning Partnerships
9.	Public Sector Pension Schemes in Scotland
10.	Future Meetings

1. Apologies

Apologies for absence were intimated on behalf of Alyson Leslie.

2. Minutes

The minutes of meetings of 14 and 21 December 2005 were submitted and approved subject to the addition of I Robertson to the sederunt.

3. Chairman's Introduction

The Chairman referred to a number of matters of current interest, including his participation in presentations by firms whose tenders will be considered by the Financial Audit and Assurance Committee and the Commission in the near future.

4. Deputy Auditor General

Caroline Gardner advised the Commission of a number of recent developments including –

- The imminent publication of the Glasgow City Council Best Value report
- Recent correspondence with the Chief Executive of Dundee City Council in connection with SPI publications.

5. Managing Director of Audit Services

Hugh Hall advised the Commission of a number of matters of current interest including the development of benchmarking activity in relation to the Efficient Government Initiative.

6. Best Value Audit of Argyll and Bute Council

There was submitted a report by the Secretary introducing the Controller of Audit's report on the Best Value audit of Argyll and Bute Council. The Controller of Audit's report was made to the Commission under section 102(1)(c) of the Local Government (Scotland) Act 1973. The Controller of Audit and members of the Best Value team answered questions from members. After discussion the Commission agreed to make findings as contained in the Appendix to these minutes.

7. Best Value Audit of East Renfrewshire Council

There was submitted and noted a note of meeting with East Renfrewshire Council representatives held on 20 December 2005 to follow up the Commission's findings on the report of the Best Value audit of that Council.

8. Review of Community Planning Partnerships

There was submitted a report by the Director of Performance Audit (Local Government) introducing the draft report of the review of Community Planning Partnerships study, a copy of which accompanied the report. The Director introduced the report and referred to a number of comments on the draft report which had been made by the Auditor General as this is a joint report with him. These comments related to

- How costs are expressed
- The role of elected members
- Examples of good performance indicators
- Increased emphasis on the evaluation framework.

The Commission welcomed these comments and in discussion a number of further points were made

- The usual process of involving study sponsors was not completed in this case for a number of reasons
- The focus of the report should be to support constructive improvement of the Community Planning process and outcomes
- It would be useful to identify the partnerships in the various categories of performance
- The treatment of costs in the report should be more explicitly explained
- There is a distinction between transactional costs and changes to front line costs as the result of Community Planning activity
- The ultimate aim is to measure the impact of Community Planning and the barriers to doing so should be explained in the report.

After considerable discussion the Commission agreed that

- i. the report should be adjusted in light of the comments by the Auditor General and the Commission;
- ii. the adjusted draft should be discussed with the Commission's study sponsors and the Auditor General, and
- iii. the report should be brought back to a full meeting of the Commission for approval.

9. Public Sector Pension Schemes in Scotland

There was submitted a report by the Deputy Auditor General and Controller of Audit referring to the Commission's decision in November 2005 that Audit Scotland should prepare a briefing paper on public sector pensions in the "How Government Works" series for the Accounts Commission and the Auditor General. The purpose of the paper is to provide background information about the main public sector pension schemes and the challenges they face. A draft paper accompanied her report. In discussion a number of points were made –

- Examples of actions being taken in the private sector would be useful
- Emphasis should be put on the scale of the issues and the need for early debate
- There should be further emphasis on risk evaluation
- The report should refer to the impact on tax payers and on service delivery.

Thereafter the Commission welcomed the draft report as a potential contribution to understanding and debate of public sector pension issues and agreed –

- i. that the paper should be further developed for approval as proposed in the Deputy Auditor General's report and,
- ii. that John Baillie and Jean Couper act as study sponsors for the report.

10. Future Meetings

It was agreed that future meetings of the Commission be held as follows –

- Strategy Seminar on 7/8 February 2006
- Additional Commission meeting to consider the Best Value report on Highland Council on 15 February 2006 which will also be the date of the next meeting of the Performance Audit Committee.

ACCOUNTS COMMISSION FOR SCOTLAND**BEST VALUE REPORT ON ARGYLL AND BUTE COUNCIL****FINDINGS**

1. The Commission accepts this report on the performance of Argyll and Bute Council's statutory duties to secure Best Value and to initiate and facilitate the Community Planning process. The Commission recognises that the report gives a broad picture of the Council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the Council.
2. We recognise the particular challenges faced by the Council because of its geographic remoteness and the diversity of its population settlements. However the Council has not fully grasped the opportunity to implement Best Value which would help it to address those challenges. It remains traditional in its approach to managing its business and needs clearer leadership and drive to follow through on its initiatives and to embed a culture of continuous improvement in the organisation for the benefit of the local population.
3. In order to develop that culture of continuous improvement the Council needs to address the improvement agenda set out in the report and pay particular attention to
 - Developing the corporate capacity of the Strategic Management Team to play a more effective role in promoting Best Value, for example by engaging external support
 - Developing and using an effective strategic service planning framework and an effective corporate performance management system to drive up performance
 - Developing and using a clear sustainable financial strategy, linking financial planning to corporate objectives and shifting resources to meet agreed priorities
 - Learning to recognise and spread the value of developments taking place within individual services to the organisation as a whole
 - Gaining a better understanding of what is happening in improving and modernising services in other organisations, including other councils.
4. The Commission looks forward to receiving an Improvement Plan from Argyll and Bute Council which is directed to developing a culture of continuous improvement and which is achievable and measurable.