

MEETING: 11 NOVEMBER 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 483rd meeting of the Accounts Commission held via online meeting on Thursday 7 October 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
 Andrew Burns
 Andrew Cowie
 Sheila Gunn
 Christine Lester
 Tim McKay
 Stephen Moore
 Sharon O'Connor
 Pauline Weetman
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Adam Bullough, Audit Manager, PABV (items 6 and 12)
 Aileen Campbell, Auditor, PABV (items 6 and 12)
 Yoshiko Gibo, Auditor, PABV (items 6 and 12)
 Pat Kenny, Director, Deloitte (items 6 and 12)
 Fiona Kordiak, Director Audit Services (item 16)
 Mark MacPherson, Senior Manager, PABV items 6, 12 and 13)
 Jillian Matthew, Senior Manager, PABV (item 13)
 Claire Richards, Senior Auditor, PABV (item 13)
 Karlyn Watt, Senior Manager, Deloitte (items 6 and 12)
 Nichola Williams, Senior Auditor, PABV (items 6 and 12)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 9 September 2021
5. Audit Scotland Board update
6. Best Value Assurance Report: South Ayrshire Council
7. Statutory Performance Information: 2021 Direction
8. Secretary's update report
9. Interim Chair's update report
10. Interim Controller of Audit update report
11. Any other business
12. Best Value Assurance Report: South Ayrshire Council (in private)
13. A National Care Service for Scotland: consultation – draft response (in private)
14. Draft publication: Community empowerment – Covid-19 update (in private)
15. Auditing Best Value: next steps (in private)
16. Meeting arrangements (in private)
17. Any other private business (in private)

1. Apologies for absence

It was noted that no apologies had been received.

2. Declarations of interest

Elma Murray declared an interest in items 6 and 12, as a former chief executive of a council neighbouring and working in partnership with South Ayrshire Council.

3. Order of business

It is proposed that items 12 to 17 be considered in private because:

- Item 12 requires the Commission to consider actions in relation to a report by the Interim Controller of Audit. The Commission is then obliged by statute to inform the appropriate council of its decisions, which the Commission does before making the decision public.
- Item 13 requires the Commission consider a draft response to a consultation which may include confidential policy matters.
- Item 14 proposes a draft publication which the Commission is to consider in private before publishing.
- Item 15 may require the Commission to consider confidential commercial and contractual matters.
- Item 16 requires the Commission to consider confidential commercial and contractual matters.
- Item 17 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

4. Minutes of meeting of 9 September 2021

The minutes of the meeting of 9 September 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 7, noted advice from the Secretary that the Commission had responded to both Scottish Government consultations and the responses had been shared with members.
- In relation to item 8 (first, third and fourth bullet points), noted advice from the Secretary that the Commission had responded to the relevant Scottish Government consultations and the responses had been shared with members.
- In relation to item 8 (second bullet point), noted advice from the Secretary that the proposed response to the Scottish Government consultation on the National Care Service was the subject of a paper at today's meeting.
- In relation to item 8 (sixth bullet point), noted advice from the Secretary that the matter would be considered by Audit Scotland's Equalities and Human Rights Steering Group.

Action: Secretary

- In relation to item 14 (fourth bullet point), noted advice from the Secretary that he would be discussing the matter with the Associate Director Audit Quality and Appointments, upon which he would report further to the Commission.

Action: Secretary

- In relation to item 14 (sixth bullet point), noted advice from the Interim Chair that she had been in discussion with the Auditor General about matters arising from the consultation with auditors on the draft planning guidance, which was to be signed off in advance of a conference of auditors in November.

5. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the business of the Audit Scotland Board.

During discussion, the Commission:

- Noted advice from the Interim Chair, in response to a query from Tim McKay in relation to item 9 of the minutes of Audit Scotland Board of 2 June 2021, on the latest position with the Board's commitment to public access to its meetings and business.
- Noted advice from the Interim Chair, in response to a query from Tim McKay in relation to item 14 of the agenda of the meeting of Audit Scotland Board of 22 September 2021, on her latest discussion with the Auditor General (as Audit Scotland's Accountable Officer) on the proposed review of the framework agreement between the Commission, Auditor General and Audit Scotland.

Following discussion, the Commission agreed to note the report.

6. Best Value Assurance Report: South Ayrshire Council

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's Best Value Assurance Report on South Ayrshire Council.

The Commission raised several questions and points of clarification from the Interim Controller of Audit and his team on his report in the following areas:

- Workforce planning (raised by Andrew Burns)
- Leadership capacity (Andrew Cowie)
- Community planning and partnership working (Tim McKay)
- Community empowerment (Geraldine Wooley)
- Performance information and reporting (Sophie Flemig)
- Education services (Sharon O'Connor)
- Progress since the previous report and the role of the annual audit in reporting (Pauline Weetman)
- Financial position and financial planning (Stephen Moore)
- Progress of the Integration Joint Board (Christine Lester)

- Climate change (Sheila Gunn)
- Housing (Sheila Gunn)
- Digital transformation and accessibility (Elma Murray)

Following discussion, the Commission agreed to consider in private how to proceed.

7. Statutory Performance Information: 2021 Direction

The Commission considered a report by the Secretary proposing a draft 2021 Statutory Performance Information (SPI) Direction to act as a basis for consultation with stakeholders with a view to subsequent approval and publication by the Commission in December 2021.

During discussion, the Commission

- Agreed that the following be considered by the Commission support team in the further drafting of the consultative draft of the Direction:
 - In the requirement to ensure easy access to performance information, making clearer reference to the use of different media and innovation in how they report and communicate on performance (points raised by Tim McKay, Christine Lester and Elma Murray)
 - Including reference to councils' approaches to mitigating climate change (Stephen Moore)
 - Better reflecting the current priorities of the Commission as set out in its Strategy (Elma Murray).
- Agreed that it consider, at an appropriate time in the future, how to assess progress by councils against the 2021 Direction as part of its consideration of the dynamic work programme.

Action: Secretary and Interim Director of PABV

- Agreed to discuss with the Improvement Service the scope for collaborating on supporting councils in their development of approaches to public performance reporting.

Action: Secretary

Following discussion, the Commission:

- Noted councils' progress against the requirements of the 2018 SPI Direction.
- Agreed that such progress was good albeit inconsistent across councils in some features, despite the particular challenges arising from the Covid-19 pandemic.
- Noted the outcome of informal consultation by the Secretary with the Local Government Benchmarking Framework (LGBF) Board and the Scottish Performance Management Forum.
- Agreed its overall approach and thus the terms of a proposed three-year Direction as set out in the report, to be applied first in the year ending 31 March 2023, subject to points raised in discussion (set out above) being considered by the Commission support team.

- Agreed that this forms the basis of formal consultation with stakeholders.
- Agreed to consider the results of this consultation and a draft Direction at its December 2021 meeting, with a view to publishing the new Direction shortly thereafter.
- Agreed that the Commission support, and as appropriate collaborate with, the LGBF Board in its encouragement of councils to make more use of LGBF information in the reporting of performance information to the public.

Actions: Secretary

8. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- Noted advice from the Secretary, in response to a query from Tim McKay, that the Commission would be provided with the response to the consultation by CIPFA on revisions to the Prudential and Treasury Management Codes (paragraph 16 of the report).
- Noted advice from the Interim Chair that on 3 November Sharon O'Connor would be briefing the Scottish Parliament's Education Committee on the performance audit *Improving outcomes for young people through school education* and on 1 December Sheila Gunn would be hosting along with the Improvement Service a joint event with local education leaders on exploring the conclusions and recommendations of the same report.

Action: Secretary

Following discussion, the Commission

- Agreed that members be given the opportunity to comment on the following consultations:
 - Scottish Government: its overarching approach to Scotland's first tax framework (paragraph 28)
 - Scottish Government: review of the National Strategy for Community Justice (paragraph 56).

Action: Secretary

- Noted that the Scottish Government consultation on the replacement of the Scottish Qualifications Authority and the reform of Education Scotland (paragraph 50) will be considered by the Commission at its November meeting.
- Agreed not to respond to the Scottish Government consultation on proposals for strengthening the Health and Social Care Standards (paragraph 39).
- Noted the report.

9. Interim Chair's update report

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

10. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

11. Any other business

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

The live stream of the meeting was stopped at this point.

12. Best Value Assurance Report: South Ayrshire Council (in private)

The Commission discussed how to proceed in relation to the Interim Controller of Audit's Best Value Assurance Report for South Ayrshire Council.

Following discussion, the Commission agreed to make findings to be published on 27 October.

13. A National Care Service for Scotland: consultation – draft response (in private)

The Commission considered a report by the Interim Director of PABV proposing arrangements for and the content of a response to the Scottish Government consultation on a new National Care Service for Scotland.

Following discussion, the Commission agreed:

- That a joint response to the consultation be submitted by the Accounts Commission, Auditor General for Scotland, and Audit Scotland.
- The terms of a draft response as the basis for further refinement, subject to the drafting team considering points raised in discussion.
- That a further draft be shared with a Commission sub-group comprising Elma Murray, Andrew Burns, Sophie Flemig, Christine Lester and Stephen Moore.
- That the Interim Chair be given delegated authority to approve the final consultation response in consultation with the Auditor General.

Actions: Interim Director of PABV

14. Draft publication: Community empowerment – Covid-19 update (in private)

The Commission considered a report by the Interim Director of PABV proposing a publication summarising the learning on the community response to the Covid-19 pandemic.

Following discussion, the Commission agreed:

- The terms of the draft publication, subject to the drafting team considering points raised in discussion in conjunction with the sponsors, Sophie Flemig and Geraldine Wooley.
- The approach for its publication and promotion.

15. Auditing Best Value: next steps (in private)

The Commission considered a report by the Secretary proposing the next steps for the development of the Commission's approach to auditing Best Value.

Following discussion, the Commission agreed:

- The proposed themes and workstreams for the Best Value Working Group (BVWG) in relation to auditing Best Value in councils and the associated timetable, as set out in the report.
- That the Commission's committee review sub-group be reconvened to discuss the status of the BVWG.

Actions: Secretary

16. Meeting arrangements (in private)

The Commission considered a report by the Secretary presenting the results of the second survey of members on future meeting arrangements, and proposals arising from the survey.

Following discussion, the Commission:

- Agreed to continue livestreaming formal meetings of the Commission.
- To further explore options for a 'hybrid' formal meeting, involving a combination of remote and in-person attendance, for the January 2022 meeting of the Commission.

Actions: Secretary

17. Any other private business (in private)

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

Close of meeting

The meeting closed at 3.30pm.