



The Scottish Parliament  
Pàrlamaid na h-Alba

# PUBLIC AUDIT COMMITTEE

## MEETING DETAILS

2<sup>nd</sup> Meeting 2016, Session 5

**Thursday 30 June 2016, 9am**

The David Livingstone Room (CR6)

## ADDITIONAL INFORMATION

**AGS report: CAP Futures programme**  
([link](#))

**AGS report: Changing models of  
health and social care** ([link](#))

**AGS report: Changing models of  
health and social care – supplement**  
([link](#))

## MEETING PAPERS

### Agenda

**Auditor General for Scotland briefing  
paper**

**Auditor General for Scotland briefing  
paper**

**Private paper**

**Private paper**

**Members' Bulletin**

## NOTICES

This is the last meeting of the Committee  
before the summer recess.



The Scottish Parliament  
Pàrlamaid na h-Alba

**PUBLIC AUDIT COMMITTEE**

**AGENDA**

**2nd Meeting, 2016 (Session 5)**

**Thursday 30 June 2016**

The Committee will meet at 9.00 am in the David Livingstone Room (CR6).

1. **Decision on taking business in private:** The Committee will decide whether to take items 4, 5 and 6 in private.

2. **Section 23 report - Common Agricultural Policy Futures programme: An update:** The Committee will take evidence on the Auditor General for Scotland's report entitled "Common Agricultural Policy Futures programme: An update" from—

Caroline Gardner, Auditor General for Scotland;

Mark Taylor, Assistant Director, Gemma Diamond, Senior Manager, and Morag Campsie, Project Manager, Audit Scotland.

3. **Section 23 report - Changing models of health and social care:** The Committee will take evidence on the Auditor General for Scotland's report entitled "Changing models of health and social care" from—

Caroline Gardner, Auditor General for Scotland;

Carol Calder, Senior Manager, Jillian Matthew, Project Manager, and Antony Clark, Assistant Director, Audit Scotland.

4. **Section 23 report - Common Agricultural Policy Futures programme: An update:** The Committee will consider the evidence received at agenda item 2 and take evidence from—

Caroline Gardner, Auditor General for Scotland;

Mark Taylor, Assistant Director, Gemma Diamond, Senior Manager, and Morag Campsie, Project Manager, Audit Scotland.

5. **Section 23 report - Changing models of health and social care:** The Committee will consider the evidence received at agenda item 3 and take evidence from—

Caroline Gardner, Auditor General for Scotland;

Carol Calder, Senior Manager, Jillian Matthew, Project Manager, and Antony Clark, Assistant Director, Audit Scotland.

6. **Work programme:** The Committee will consider its work programme.

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The papers for this meeting are as follows—

**Agenda item 2**

Auditor General for Scotland briefing paper

PA/S5/16/2/1

**Agenda Item 3**

Auditor General for Scotland briefing paper

PA/S5/16/2/2

**Agenda Items 4 and 5**

PRIVATE PAPER

PA/S5/16/2/3 (P)

**Agenda Item 6**

PRIVATE PAPER

PA/S5/16/2/4 (P)

**For information**

Members' Bulletin

PA/S5/16/2/5

**Public Audit Committee****2<sup>nd</sup> Meeting, 2016 (Session 5), Thursday 30 June 2016****REPORT BY THE AUDITOR GENERAL FOR SCOTLAND****COMMON AGRICULTURAL POLICY FUTURES PROGRAMME: AN UPDATE**

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1. This update report by the Auditor General on the Scottish Government's CAP Futures programme was published on 19 May 2016. It assesses the progress that the Scottish Government has made with delivering the programme up to April 2016. Part 1 of the report focuses on what has happened to date and Part 2 examines what has caused some of the problems that the programme has faced.
2. Key messages from the report are:
  - The Common Agricultural Policy Futures programme is a five-year business change and IT programme to deliver CAP reform. The Scottish Government is managing total programme costs within a budget of £178 million, of which £131 million has been spent to date. To stay within this budget, the Scottish Government has significantly reduced the scope of the programme and now aims only to deliver a system that is compliant with European Commission (EC) regulations, without all of the planned customer-focused enhancements and anticipated efficiencies. There is a risk that if the current level of spending is not reduced or system functionality improved, the programme could run out of money before a CAP-compliant system is in place. We do not expect the programme to deliver value for money.
  - The Scottish Government did not meet key milestones and ministerial targets for making payments to farmers. The system is working, with payments starting in December 2015, but it has made slow progress processing applications since. In March 2016, the Scottish Government's assessment was that making the required level of payments by the EC regulatory deadline of 30 June 2016 was at extreme risk. Farmers reported that the payment delays have had an adverse impact on cash flow with a knock-on effect on the rural economy. To help farmers receive payments more quickly, the Scottish Government established schemes to loan funds from the Scottish budget while claims are being processed. This introduces risk to the Scottish Government budget, including risk of duplicate or over-payments, and delays to other spending if the loans are not repaid when expected.
  - The new CAP delivers a complex range of reforms. The high-level framework is set by the EC, and the Scottish Government, in discussion with industry, designed national reforms and schemes within this. There is a significant risk that the Scottish Government will not deliver its aim to minimise financial penalties charged by the EC for non-compliance with regulations. The Scottish Government has not completed a detailed assessment of the risk of financial penalties to support decisions on prioritising scope. A range of financial penalties is possible; we estimate a potential range between £40 million and £125 million, subject to an assessment of the specific circumstances by the EC.
  - Programme governance has not been effective. Significant decisions were made outwith programme governance structures; strategic decisions took too long; and senior roles and responsibilities overlapped and did not operate as intended. The programme team

and the IT division did not work as one team, with a lack of trust and a blame culture hindering effective progress. There has been little accountability in the programme for IT delivery leading to ineffective challenge and oversight. Management failed to deal with conflicts of interest effectively; actions were taken but these were inadequate and the arrangements were not sufficient to ensure value for money.

3. We reported in [October 2014](#) and [October 2015](#) highlighting the increased costs and ongoing risks of the programme. The Auditor General also wrote to the Public Audit Committee in [April 2015](#) about progress to that point.

**Public Audit Committee****2<sup>nd</sup> Meeting, 2016 (Session 5), Thursday 30 June 2016****REPORT BY THE AUDITOR GENERAL FOR SCOTLAND****CHANGING MODELS OF HEALTH AND SOCIAL CARE**

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The Auditor General and Accounts Commission's report *Changing models of health and social care* was published on 10 March 2016. It assesses how NHS boards, councils and partnerships are transforming the services they deliver to meet the changing needs of the population. It also considers some of the main challenges to delivering the Scottish Government's 2020 Vision for health and social care, and the actions required to address them.

Key messages from the report are:

- The growing number of people with complex health and social care needs, particularly frail older people, together with continuing tight finances, means that current models of care are unsustainable. New models of care are needed. With the right services many people could avoid unnecessary admissions to hospital, or be discharged more quickly when admission is needed. This would improve the quality of care and make better use of the resources available.
- The Scottish Government has set out an ambitious vision for health and social care to respond to these challenges. There is widespread support for the 2020 Vision, which aims to enable everyone to live longer, healthier lives at home or in a homely setting. There is evidence that new approaches to health and care are being developed in parts of Scotland.
- The shift to new models of care is not happening fast enough to meet the growing need, and the new models of care that are in place are generally small-scale and are not widespread. The Scottish Government needs to provide stronger leadership by developing a clear framework to guide local development and consolidating evidence of what works. It needs to set measures of success by which progress can be monitored. It also needs to model how much investment is needed in new services and new ways of working, and whether this can be achieved within existing and planned resources.
- NHS boards and councils, working with integration authorities, can do more to facilitate change. This includes focusing funding on community-based models and workforce planning to support new models. They also need to have a better understanding of the needs of their local populations, and evaluate new models and share learning.

### Public Audit Committee Members Bulletin: 30 June 2016

The following table details new documents laid or published since the last Committee meeting which fall within the general remit of the Committee. Except in relation to reports from the Auditor General for Scotland, there is no requirement for the Committee to consider these documents, however Rule 6.7 of Standing Orders provides for the Committee to consider any such documents, if it so decides.

<b>Date Laid</b>	<b>Ref</b>	<b>Document</b>
20/05/2016	SG/2016/62	Construction Industry Training Board (CITB) Annual Report and Accounts 2015 for the year ended 31 December 2015
20/05/2016	SG/2016/63	Engineering Construction Industry Training Board – Report of the Trustees and Accounts for the year ended 31 December 2015
17/06/2016	SCJC/2016/01	Scottish Civil Justice Council Annual Report 2015/16
22/06/2016	SG/2016/97	Scottish Water Annual Report and Accounts 2015/16

### Forthcoming AGS reports

<b>Title</b>	<b>Anticipated publication date</b>
Higher education in Scotland's universities	Summer 2016
Supporting Scotland's economic growth: the role of the economic development agencies	Summer 2016
Maintaining Scotland's roads: Follow-up (joint AGS/AC)	Summer 2016
Scotland's colleges 2016	Summer 2016
NHS in Scotland 2016	October 2016

### Forthcoming Accounts Commission reports (for information)

<b>Title</b>	<b>Anticipated publication date</b>
Social work in Scotland	1 September 2016