



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

### **PUBLIC AUDIT COMMITTEE**

Wednesday 5 December 2012



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**PUBLIC AUDIT COMMITTEE**

**18<sup>th</sup> Meeting 2012, Session 4**

**CONVENER**

\*Iain Gray (East Lothian) (Lab)

**DEPUTY CONVENER**

\*Mary Scanlon (Highlands and Islands) (Con)

**COMMITTEE MEMBERS**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

\*James Dornan (Glasgow Cathcart) (SNP)

\*Mark Griffin (Central Scotland) (Lab)

\*Colin Keir (Edinburgh Western) (SNP)

Tavish Scott (Shetland Islands) (LD)

\*Sandra White (Glasgow Kelvin) (SNP)

\*attended

**CLERK TO THE COMMITTEE**

Roz Thomson

**LOCATION**

Committee Room 6



## Scottish Parliament

### Public Audit Committee

*Wednesday 5 December 2012*

[The Convener *opened the meeting at 10:00*]

### Decision on Taking Business in Private

**The Convener (Iain Gray):** Colleagues—it is 10 o'clock, so let us make a start. Welcome to the Public Audit Committee's 18th meeting in 2012. I ask everyone to ensure that their phones are switched off. We have received apologies from Tavish Scott.

Agenda item 1 is a decision on taking agenda item 6 in private to allow us to consider our future work programme. Does the committee agree to take item 6 in private?

**Members** *indicated agreement.*

## Section 23 Reports

### "Cardiology services"

10:00

**The Convener:** Agenda item 2 is consideration of the Scottish Government's formal response to the committee's report on the section 23 report "Cardiology services". We have to decide how to take the matter forward. I open up the discussion to members.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** Under "Health Practitioner and Patient Relationships" on page 5 of the response, I am not sure that the Government has answered the question adequately. Our report talked about the fact that deprived areas have fewer general practitioners than wealthier areas have. The Government has told us about various initiatives, but it has not addressed that particular issue.

**Mary Scanlon (Highlands and Islands) (Con):** That is a good point. When I read the response, I wrote down the words "Slightly flippant and dismissive", although that may be an exaggeration. The response talks a lot about what the Government is already doing. For example, paragraph 39 states:

"A healthy, balanced diet is essential for long term health."

I think we all knew that. I feel that the response does not give a direct answer to our questions but simply says, "This is what we are doing at the moment."

That said, paragraph 4 refers to the interim and final reports on evaluation of the performance of the keep well programme. I will certainly look forward to the interim report, which is due in spring 2013. Apart from that, I was, to be honest, slightly disappointed. Instead of being told about a range of things that the Government is already doing, might do or might consider doing, I would have preferred more direct answers.

**Sandra White (Glasgow Kelvin) (SNP):** I think that it is quite good that the Government has laid out what projects are on-going.

However, I am concerned about the deep-end practices, which are mentioned in paragraph 10 on page 5. I was shocked to read that those are

"100 general practices serving the most socio-economically deprived populations in Scotland (86 of which are in Glasgow)."

That is a shocking figure. I appreciate the answers that we have been given because they bring the

focus back to home. Can we get more in-depth analysis on the deep-end practices?

**The Convener:** Without wanting to jump ahead to agenda item 6, which we have agreed to take in private, I say that it may be worth reminding ourselves that Audit Scotland has said that its next report will be on health inequalities, and we expect that it will be published within the next week. Like Ms White, I think that we should take the opportunity to return to some of those issues, including the deep-end GPs and the concentration of areas of deprivation in and around Glasgow. There may be an opportunity to return to that almost immediately—at our next meeting.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** It is important to note some of the positive messages that are in the response. The covering letter from Derek Feeley reminds us about the reduction in chronic heart disease among the most deprived communities. I do not recall seeing that statistic during our journey through the study, so that message is encouraging.

I agree with colleagues about GP numbers, to which we might return, as the convener mentioned. Are GPs in the right places? I am encouraged by Mr Feeley's response, but I would like to see more progress.

Convener, I draw your attention to the response to recommendation 48, which is on page 6 of paper 1. I recollect that on the day of our visit—you were in the same group as I was—more rounded support for our GPs was requested. Do you remember that? I took it from that not that we expect our GPs to be the experts on everything but that we want them to have better or wider partnership arrangements with other agencies. The Government's response is perhaps a wee bit off the mark. I did not expect GPs to take on greater responsibilities; I want them to have access to more support services and so on.

On page 7, my attention was drawn to the access to local information to support self-management—ALISS—scheme, which seems to offer hope. That is where I draw a positive from the response. Paragraph 19 says that GPs will be able to access such information and support services through ALISS, of which I was not previously aware. I am quite encouraged by that scheme, which will be integrated with GP systems that are in place. From what I have seen of the GP support services and information technology systems that are available in practices, such integration will be pretty tricky, but the message is encouraging.

I still have concerns that there should be more progress on improving GP services in the most deprived communities, but I am encouraged by some of the work that is going on. Mr Feeley's

response gives us encouragement that progress is being made.

**The Convener:** It is right to say that the response to recommendation 50, rather than that to recommendation 48, gets more to the heart of the issue that we discussed on our day in Glasgow with GPs from deep-end practices. As Mr Coffey was, I was struck by the ALISS initiative, which seems to deal with some of what the GPs talked about. I note that that initiative is being rolled out not directly by the Scottish Government but by the Health and Social Care Alliance Scotland. At the risk of jumping ahead, I say that when we look at Audit Scotland's health inequalities report, it might be worth investigating that initiative and perhaps asking the Health and Social Care Alliance to provide detailed evidence. As Mr Coffey does, I think that the initiative goes to the heart of what the GPs were saying.

**Willie Coffey:** I agree.

**Mary Scanlon:** I agree with Willie Coffey that paragraph 17 drills down to answer the questions. My concern was that the ALISS programme had not been rolled out across Scotland, but I see that actions have been taken to roll it out.

I will give an example—I apologise for not giving it earlier. The first sentence of paragraph 11 highlights what I said earlier. It states:

"From the Scottish Government's point of view, the Deep End initiative has been encouraging and almost certainly good value for the resources we have put into it."

We were concerned that there was not enough teamwork and support for GPs, and we do not know whether the initiative has been

"almost certainly good value for the resources we have put into it."

That highlights the uncertainty. Let us be honest—there was a little criticism of the money that went into the keep well and deep-end initiatives. I wanted to put that on the record.

**The Convener:** On how we take matters forward, one option would be to add those on-going concerns to our consideration of the Scottish Government progress reports, such as the keep well programme's evaluation that Ms Scanlon referred to, where the interim report is due out early next year and the final report is due the following year. We could add that to the committee's list of topics on which we keep a watching brief.

Another option would be to pick up some of those points in our consideration of the health inequalities report. I take it from colleagues' comments that some of our questions have not been completely answered in the Scottish Government's response, but we might be able to

pick up those points in our next piece of work. Do members agree?

**Members** *indicated agreement.*

**The Convener:** Do we also agree to add the report on the keep well programme to the list of progress reports that we receive?

**Members** *indicated agreement.*

### **“Commonwealth Games 2014—Progress report 2: Planning for the delivery of the XXth Games”**

**The Convener:** Agenda item 3 is the section 23 report “Commonwealth Games 2014—Progress report 2: Planning for the delivery of the XXth Games”, on which a paper has been circulated to committee members. I open up the discussion for members’ comments and suggestions on whether we want simply to note the report or to pursue any points that it raises.

**James Dornan (Glasgow Cathcart) (SNP):** Having recently visited the Sir Chris Hoy velodrome and Glasgow Commonwealth games headquarters, I have to say that it certainly looks as if everything is going ahead nicely. From the report and from what I have seen myself, I think that we should just note the report.

**The Convener:** Were you on a bike there, Mr Dornan?

**James Dornan:** I do not want to say in public, and I certainly would not like to see any photos of that. The velodrome is very impressive and can be used in an incredible number of ways, including a lot of community use. On the day I visited, an international badminton championship was going on, so the velodrome will be well used.

**Willie Coffey:** It is perhaps worth drawing the committee’s attention to paragraph 9, which details the revised proposals for providing security in the light of the experience of the London Olympic games. I am pleased to see that the review is taking place. As part of those security considerations, I hope that account will be taken of how the public enter Hampden park. Whenever there is a new security presence, it can take considerably longer for the public to be admitted to the stadium. I had some experience of that recently at a Scottish league cup semi-final—

**The Convener:** That may have been mentioned on the record before.

**Willie Coffey:** It now takes far longer for the public to get into the stadium than was perhaps anticipated. I hope that the games organisers are cognisant of that and ensure that the public are told to arrive a good bit earlier. These days, you cannot turn up at the stadium with five minutes to go and expect to be in on time for the beginning of

the event. With that in mind, I am quite pleased to see some of the preparations that are under way.

**The Convener:** I notice that the new commercial partners that are listed in paragraph 3 include Atos, which has secured the contract for providing the timing and analysis and so on, which I think it also provided at the Olympic games. Earlier this week, there was a protest at the Glasgow Commonwealth games headquarters because of another part of that company’s involvement in the Department for Work and Pensions assessments. I wonder whether there is any merit in our writing to ask what consideration has been given to the potential additional security concerns, given the likelihood of continued demonstrations. Those who were involved in this week’s demonstration certainly expressed an intention to disrupt the games because of Atos’s involvement. Is there any merit in writing to ask what risk assessment has been made around that?

**James Dornan:** My only concern would be that, in doing so, we might simply highlight the issue more. We all have opinions on the work that Atos is doing for the DWP, but it was also a partner or sponsor of the Olympic games. I am not sure whether there would be any benefit from putting the issue back in the limelight. To be fair, some of the demonstrators at the headquarters last week have been involved in other demonstrations and, I am sure, will be involved in other things in the future.

10:15

**The Convener:** I think that that is true. I am in the hands of the committee; I do not have a strong view on the matter.

**Mary Scanlon:** Atos is a global information technology company and is under contract to the Department for Work and Pensions. It is fulfilling the contract as anyone else would. I am with James Dornan on the matter. If Atos were not doing the work, another company would be. I acknowledge and agree with what James Dornan said. If the security is right, it has to take account of whatever demonstrations there are on the day, and I have confidence that that will be done.

**The Convener:** I am happy to leave the matter there. Do members agree to note the progress report?

**Members** *indicated agreement.*

### **“Learning the lessons of public body mergers”**

**The Convener:** Item 4 is the section 23 report entitled “Learning the lessons of public body mergers”. We have a response from the Scottish

Government's accountable officer, Paul Gray, which responds to questions that we asked. I open up the discussion to members for comments.

**Mary Scanlon:** The questions were Tavish Scott's, but he is not here to say whether he is satisfied. The response seemed to me to be fairly comprehensive, and I hope that it satisfies Mr Scott.

**The Convener:** Are members content to note Paul Gray's response?

**Members** *indicated agreement.*

### **"Scotland's colleges—Current finances, future challenges"**

**The Convener:** Item 5 is a section 23 report entitled "Scotland's colleges—Current finances, future challenges". We asked for further information from the Scottish Government, particularly on the case for the regionalisation strategy. Members have the response.

We previously discussed the possibility of taking evidence on the progress of college mergers, and I think that it was suggested that it would be valuable to hear from colleges that have started or which have perhaps even completed the merging process. Their experience relates to our previous item, on public body mergers.

Does any member want to comment?

**Sandra White:** I would like to make a brief comment on an issue that I have raised not only in the committee, but in conversation. I am pleased that it is now in print—it is in the second paragraph of annex A of paper 4, which is on Audit Scotland's report. The issue has not been mentioned much. Annex A says that Audit Scotland's report

"makes clear the very significant growth in colleges' accumulated surpluses over the period since 2006/07".

We are talking about income and expenditure reserves going up from £98.9 million to £206.4 million. We never really hear that mentioned, so I am glad that it has been. The annex states:

"It is against this background that Merging partners are expected to contribute".

I have often wondered why the matter has not been raised, given that some colleges have huge reserves. Audit Scotland's report says that they are expected to contribute. I wanted to get that on the record, because I have raised the matter time and again in speaking to constituents—obviously, constituents go to see all members about the college situation—but we do not hear it raised very often. However, some colleges have huge reserves, as the Audit Scotland report points out.

**Mary Scanlon:** The Audit Scotland report says that some colleges have huge reserves and some are seriously struggling. I would not like to give the impression that every college has huge reserves; a few have, and one in particular has the largest percentage of the reserves.

First, my understanding is that the Education and Culture Committee is about to carry out an inquiry into regionalisation. I do not know the extent of that inquiry or whether it will look at the educational or the financial benefits related to economies of scale and shared services. I am sorry that I do not know enough about what it is doing, but I am apprehensive about our committee taking the issue a lot further. I do not want to duplicate that committee's work, so I seek the convener's advice on the matter.

Secondly, I want to return to the 24 per cent cut that is mentioned in the Auditor General's report. To be honest, the matter has been all round the houses, including the education minister and the First Minister. For my peace of mind, and because of all the debate, I want to write to Audit Scotland to seek clarity on whether the 24 per cent cut still stands or whether the cut is greater or less than that.

**James Dornan:** We would have to make it clear that we are asking about whether that 24 per cent cut still stands given the other monies that have been put into colleges.

**Mary Scanlon:** That is what is confusing, which is why I want clarity.

**James Dornan:** If the Education and Culture Committee is doing work on regionalisation, I agree with Mary Scanlon's point. I do not see why we should be doubling up on work at this stage.

**The Convener:** As I understand it, the Education and Culture Committee's position is that it intends to hold an evidence session with the Cabinet Secretary for Education and Lifelong Learning on regionalisation. However, the substantial work that it will be doing is on the Post-16 Education (Scotland) Bill, which is the statutory framework for that change.

We previously thought that there may be some value in our taking evidence on the process of regionalisation and the degree to which the cost-benefit analysis had been done, rather than on the educational value of regionalisation. Our interest is slightly different—it is more nuanced—from that of the Education and Culture Committee. There may still be some value in such evidence as a follow-up to the public bodies mergers work that we are doing—bearing it in mind that we will return to that work because our work programme includes hearing evidence from, for example, the police, once the single police force is in place. I am in the hands of the committee, but there may be value in



talking to some of the merged colleges with that emphasis rather than asking about whether regionalisation is the best thing for delivery of further education.

On the 24 per cent cut to the budget, I am very happy to write again to Audit Scotland, if Ms Scanlon and Mr Dornan think that is worthwhile. I take Mr Dornan's point that the question would be about the totality of the in-year and planned FE budget. However, I point out that after the Auditor General briefed us on the report, we asked her to provide more detail. She wrote to us and may feel that she has answered the question.

**Mark Griffin (Central Scotland) (Lab):** I agree with much of what the convener has said. If we were to stray into the educational benefits—otherwise—of college mergers, we would be straying into the Education and Culture Committee's remit. We have completed a body of work on learning the lessons of public body mergers, so it would be worthwhile to have the colleges in, given that the Auditor General has pointed out that she is unclear about the costs and benefits of the regionalisation process. It would be worth our while to follow the costs and the public pound and to do a bit of research into that process.

**Mary Scanlon:** I support that. Page 10 on paper 4 says:

"The Edinburgh College merger business plan assumes that that merger can deliver savings of £9 million annually by 2014-15"

and page 11 says that

"The Edinburgh College merger is estimated to cost around £14.6 million. Of that, around £8 million will come from the SFC/College Transformation Fund."

The conclusion mentions that

"the Cabinet Secretary for Education and Lifelong Learning ... asked the SFC to make efficiency savings of £18 million in 2013-14 and £33 million in 2014-15."

The Government believes that those savings are achievable and I would go along with that.

As long as we do not stray into areas that the Education and Culture Committee's inquiry is covering, there is potential not only to learn lessons from public sector mergers but—at this early stage of regionalisation—to learn lessons that would be helpful for other colleges.

**Colin Beattie:** I wonder whether it is premature for us to do anything further at this point. We are aware that the Auditor General will produce a follow-up report on college mergers early next year. By doing something now, would we not be just anticipating that? Should we wait for the report?

**James Dornan:** I was going to say that there would be merit in the work, given that we had agreed not to stray into areas that the Education and Culture Committee's inquiry is covering. However, I also see merit in Colin Beattie's point: would we be straying into territory that we will come to soon anyway?

**Willie Coffey:** We need to choose the most appropriate point for us to have a further look at the outturn figures. That is probably where our focus should be and, at that point, we could have colleges in to tell us about that. At the moment we are dealing with projected figures, so it is probably a wee bit early to do that work.

**The Convener:** I suggest that we link the education work with the follow-up work on the police. There will be a point next year when we will return to public sector mergers in general. We have already agreed that we will take evidence from the police and the Scottish Police Authority on how the merger of the police forces has worked out. I suggest that we look at some of the college mergers at that point, too. They will be further down the road and there may be a clearer picture of the course and the benefits. Is that a compromise that would resolve the question about timing? Do members agree to that approach?

**Members indicated agreement.**

**The Convener:** Before we move into private session, I have noticed that I should have asked the committee to consider items 6 and 7 in private. For the record, do members agree to hold in private item 6 on the work programme and item 7 on the Scotland Act 2012 correspondence?

**Members indicated agreement.**

10:28

*Meeting continued in private until 10:59.*



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