



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

### **PUBLIC AUDIT COMMITTEE**

Wednesday 27 March 2013

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**PUBLIC AUDIT COMMITTEE**  
**5<sup>th</sup> Meeting 2013, 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)

\*Bob Doris (Glasgow) (SNP)

\*James Dornan (Glasgow Cathcart) (SNP)

\*Mark Griffin (Central Scotland) (Lab)

\*Colin Keir (Edinburgh Western) (SNP)

Tavish Scott (Shetland Islands) (LD)

**COMMITTEE SUBSTITUTES**

Neil Bibby (West Scotland) (Lab)

Liam McArthur (Orkney Islands) (LD)

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

Liz Smith (Mid Scotland and Fife) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

John Baillie (Accounts Commission)

Antony Clark (Audit Scotland)

Caroline Gardner (Auditor General for Scotland)

**CLERK TO THE COMMITTEE**

Roz Thomson

**LOCATION**

Committee Room 5



## Scottish Parliament

### Public Audit Committee

*Wednesday 27 March 2013*

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

### Decision on Taking Business in Private

**The Convener (Iain Gray):** I welcome everyone to the fifth meeting of the Public Audit Committee in 2013 and ask everyone to make sure that their phones are off. We have received apologies from Tavish Scott, who is moving amendments at the Rural Affairs, Climate Change and Environment Committee this morning.

Our first item is a decision on whether to take item 6 in private. Is that agreed?

**Members** *indicated agreement.*

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** Is item 5 to be taken in private as well?

**The Convener:** Yes. We agreed previously to take item 5 in private.

## Section 23 Reports

### “Improving community planning in Scotland”

10:01

**The Convener:** Item 2 is a report from the Auditor General for Scotland and the Accounts Commission called “Improving community planning in Scotland”. To introduce the report, we have Caroline Gardner, who is the Auditor General; John Baillie, who is the chair of the Accounts Commission; and Antony Clark, who is the assistant director for best value, scrutiny and improvement at Audit Scotland. Welcome, everyone. The Auditor General will make a few introductory remarks.

**Caroline Gardner (Auditor General for Scotland):** As the committee knows, community planning is the process by which councils and other public bodies work together with communities, businesses and voluntary groups to plan and deliver better services and to improve the lives of people in Scotland. It was given a statutory basis by the Local Government in Scotland Act 2003.

There have been a number of changes to community planning arrangements over the past decade, including the introduction of single outcome agreements as partnership documents in 2009, and the review of community planning and single outcome agreements by the Scottish Government and the Convention of Scottish Local Authorities that took place last year. That review led to publication of “Community Planning Review—Statement of Ambition”, which sets out high expectations for community planning and puts it right at the core of public service reform.

Our joint report, which was published on 20 March 2013, is designed to make a constructive contribution to the debate about how community planning in Scotland can be improved. It draws on three recent audits of community planning partnerships in the Aberdeen City Council area, North Ayrshire and the Scottish Borders as well as on our wider audit work on partnerships over a number of years. We found that partnership working is generally well established throughout Scotland, with many examples of joint working initiatives that are making a difference for specific communities and groups. We have set out a range of those examples in our report and have highlighted the positive impact that effective partnership working can have.

However, 10 years after community planning was given a statutory basis, CPPs are not yet able to show that they have made a significant and

sustained impact on delivering improved outcomes throughout Scotland. The available data indicate mixed performance across a wide range of outcomes including the economy, health and community safety. One of the aims of community planning was to help to reduce social inequality, but stark differences in outcomes for different groups persist. The reasons for those inequalities are complex and deep rooted, and they are affected by many social, economic and environmental factors, but it is in those complex areas that CPPs can make a real difference if they focus their efforts and bring to bear the full weight of their combined resources, skills and expertise.

We think that single outcome agreements have not been clear enough about the improvement priorities that community planning aims to deliver for an area. CPPs need to ensure that their outcome agreements are true plans for improving the areas and communities that they serve. That will mean specifying much more clearly what will improve, how it will be done, by whom and when.

Community planning has tended to be seen as a council-driven exercise partly because of the way in which the community planning legislation was constructed, with councils as the lead agencies. The different accountability arrangements that apply to partners such as the national health service and Scottish Enterprise have also played a part. We found that, within CPP boards or executive groups, there is often little challenge by partners of each other's performance, even where there is clear evidence of underperformance and failure to achieve targets. In addition, the lack of clarity about the roles and responsibilities of elected members and non-executive representatives from the NHS has been a barrier to providing effective leadership and challenge, which has weakened CPP governance.

On what needs to happen next, we believe that the renewed focus on community planning provides a clear opportunity to deliver a step change in performance. That will require at national and local levels sustained leadership that is significantly stronger than we have seen to date. Our audit work showed that CPPs are responding positively to that challenge, but it is still early days.

Community planning needs to become a truly shared enterprise. CPPs need to start acting as true leadership boards by setting ambitious programmes for change and by holding people to account for their performance. That will require more effective engagement and participation by partners and better holding to account by the Scottish Government of health boards and other public bodies for their contribution to community planning.

There is a risk that wide-ranging reforms of public services in Scotland could create tensions

between national and local priorities for change. The Government has a key role to play by ensuring joined-up approaches to reform across government and by streamlining and aligning policy guidance and performance management arrangements in different parts of the public sector. For example, further work is needed to clarify how practical aspects of the community planning review and health and social care integration should operate.

The report makes a number of recommendations that are directed at CPPs, the Scottish Government and the national community planning group. Before we answer the committee's questions, John Baillie will say a few words about how he sees those recommendations being taken forward.

**John Baillie (Accounts Commission):** We have identified 21 recommendations in our report, but the agenda for improvement can be grouped under three main headings. The first group is on leadership and impact. In other words, it is about ensuring that community planning is seen as a shared enterprise across the public sector, and that the people who are in key leadership positions have the skills and confidence to lead and drive the improvements that are needed.

The second group is on governance. That is about clarifying and strengthening CPP governance arrangements so that all those who are involved are clear about their roles and responsibilities and can genuinely and effectively hold individuals to account for their performance.

The third group is on use of resources and preventative measures and is about developing preventative approaches to service delivery and ensuring that best use is made of scarce public resources.

The national community planning group will consider our report at its next meeting, which will be in the near future. It has made it clear that it wants to use our report to inform discussions about the agenda for change and improvement for community planning, which is a welcome development. There is clear momentum, but it is important that that momentum be maintained and, if necessary, developed.

**The Convener:** Given that it is 10 years since CPPs were given a statutory basis, the report seems to be quite damning about the impact that they have had. The second paragraph lists four ways in which CPPs should add value, which are:

"providing a local framework for joint working ... building a culture of cooperation and trust ... improving public services"

and

"making the best use of public money."

Have CPPs done any of those four things?

**John Baillie:** It seems to me that progress over the past 10 years has not been good. There have been pockets of initiative and of activity being successfully delivered—some of which are listed in our report—but it is fair to say that community planning partnerships as a cohesive and coherent exercise have not been as effective as they should have been. That is a fairly clear outcome.

**Caroline Gardner:** On the four specific points in paragraph 2 to which the convener drew attention, our view is that CPPs have probably made more progress on the first two than they have on the second two.

The report makes the point that in some ways, the focus that has been placed on building trust and relationships has, so far, got in the way of people genuinely holding one another to account for the contribution that they are making to the partnership's objectives. An acid test of the effectiveness of CPPs would be whether they are able to demonstrate that they are moving their money, staff and other resources towards the priorities that they have agreed for their areas, but we are not seeing much of that so far.

**The Convener:** Mr Baillie said that there are examples of good practice. Some examples of good partnership working are listed in paragraph 21. Are any of those driven by community planning partnerships or are they driven by other partnerships, for example, alcohol intervention teams?

**John Baillie:** The point that I was making rather badly was that there have been local initiatives along the lines of the example that the convener cites, but no cohesive performance by community planning partnerships.

**The Convener:** Is the framework salvageable at all? There have been recent initiatives to improve the performance of CPPs—for example, the “Community Planning Review—Statement of Ambition”. Is there any chance of turning the framework around?

**John Baillie:** That would be conditional on strong and sustained leadership in CPPs and across the public sector generally to lead and to drive the exercise: I stress the word “sustained”. There has to be that will. We can achieve most things with will and it is a question of will and of priorities. At the moment the Government is putting a lot of emphasis and initiative into the exercise and if that continues I can see all sorts of things developing in a positive way. I will come back to the role of scrutiny later.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** I am trying to get my head round the methodology in the report. It is

ostensibly based on three recent audits, but paragraph 7 states:

“The report is also based on our wider audit work on partnerships over a number of years.”

There is not much information about those three audits in the document. I presume that the issues that you found in those three audits reflected exactly what you found in past years.

**John Baillie:** Yes. There were several joint reports between the Accounts Commission and the Auditor General for Scotland prior to the three audits, which largely confirmed similar findings about an accountability deficit in the community planning partnership as well as the other things that we have covered. To a greater or lesser extent, the three audits confirmed what the earlier work indicated. Perhaps Caroline Gardner wants to add to that.

**Caroline Gardner:** I was going to ask Antony Clark to give us more information about the three recent partnership audits that were carried out.

**Antony Clark (Audit Scotland):** You are right that the national report draws on the three local audit reports and the previous audit work that we undertook. We were conscious that there was a risk of generalising about 32 CPPs from three CPP audits, and we were careful to ensure that the national report reflects the evidence that we found in the previous national performance audit reports.

To answer Mr Gray's earlier question, the three local audit reports demonstrated some evidence of CPPs driving and leading change. In the specific examples in paragraph 21 there are three examples of joint working that were led by the community planning partnership boards in Aberdeen, North Ayrshire and the Scottish Borders. The Cheviot project, the community safety activity and the community healthcare work in Aberdeen are all examples of a community planning partnership driving change at local level.

**Colin Beattie:** From paragraph 7, it appears that you drew on work from the period 2006 up to the report. It also appears to make it clear that audits of different aspects have thrown up the issues. I do not find much by way of specific reference to the three audits that have just been completed in the report; it is very much a general report. I am a bit uneasy about the period that is referred to and the narrowness of the outcome of the three audits that you have just undertaken.

10:15

**Antony Clark:** We have published specific reports on three community planning partnerships. For each CPP—in Aberdeen, North Ayrshire and Scottish Borders—there is a detailed report that

contains the evidence base and our findings, so there is a specific and broad evidence base for what we found in respect of Aberdeen, North Ayrshire and Scottish Borders.

In the national report, we have sought to identify common themes and issues from across those three CPPs that draw on and reflect findings that we arrived at in previous CPP audit work. You are quite right that the world of community planning has changed over time, but there have been common themes in our findings over several years, including difficulties with conflicting accountability arrangements. We have commonly found that CPPs have not been as good as one might have liked in their performance management, and we have commonly found difficulties with aspects of public sector performance reporting. Those issues are reflected in previous audit reports, the local audit reports and the national key messages document.

**Colin Beattie:** Have you seen any indication that the findings have been acted on?

**Antony Clark:** Yes—I think that there is clear evidence of improvement over time. Our initial community planning report indicated that many CPPs were in the early stages of developing their plans, strategies and planning arrangements and our follow-up report demonstrated that much progress had been made on strengthening those planning arrangements.

Our report on the role of CPPs in economic development, which we published in 2011, showed that the quality of the information that CPPs were gathering to assess performance had moved on, although it was still not perfect. The picture has been improving over time.

**Colin Beattie:** Are the primary issues really at local level? You have indicated that the Scottish Government is driving matters much more effectively now than was perhaps the case in past years. Is that sufficient, or is local engagement still inadequate and will not rise to that?

**John Baillie:** I will start; we may all have a bite at answering that question.

There is a clear need for local involvement and true local participation. As Caroline Gardner mentioned earlier, one of the biggest single issues is the building of trust and confidence among members of CPP boards in order that they can work properly and effectively together. The next stage of that process is proper accountability. The report refers to an “accountability deficit”; there is a lack of proper holding to account of each member of a CPP by his or her peers. That governance is essential if community planning is to continue to develop.

Allocation of resources will be a local issue. How can members of a CPP board operate with confidence and take decisions if they cannot allocate to CPP activity the resources that they should have at their beck and call? That is a much bigger issue, but it is nonetheless a local issue because each CPP area has its own local needs and priorities. Indeed, determining what those priorities are also needs to be done, as there are far too many priorities in each CPP. As the report says,

“everything has seemed to be a priority, meaning that nothing has been a priority.”

It is very much the case that local emphasis is needed. It exists, but there is a need to up the game.

**Caroline Gardner:** I agree with that. Some progress has been made over 10 years, but the report aims to identify the barriers to making community planning the central part of public service reform that the Government envisages it being. Some of those barriers exist at local level and are about the extent to which partners understand their role and are prepared to hold each other to account by challenging each other's performance, or they may relate to the ability to move resources to deal with agreed priorities. Some of the challenges exist at national level, in that the Government needs to clarify how things such as community planning sit with health and social care integration and other aspects of the reform agenda.

In paragraph 78, we have identified the five current barriers to progress, and those lead into our recommendations. They apply to CPPs and to the Scottish Government in differing amounts, depending on the obstacles.

**Willie Coffey:** I want to spring to the defence of the community planning partnerships. I do not see the report as a damning report; I see it as a very helpful report at this stage in the life of the community planning partnerships. We have to remember that the process even pre-dates devolution. There were five years of planning right up to when the 2003 act came in. I remember being a member of East Ayrshire Council from 1999 on, when the then 10-year plan came into being. I thought then that it was incredibly challenging, but incredibly worth while.

We should not say that nothing has been achieved just because of the governance issues, which we always pick up at this committee. There is a clear message from Audit Scotland and the Accounts Commission that improvements can be made in governance and we have to consider how we can evidence improvements within the community. Let us not assume that that means that nothing has been achieved and that the



process is not “salvageable”, as you said, convener.

A lot of good work has been done, which predated my party's being in charge at East Ayrshire Council. It is definitely a challenging task. As usual, Audit Scotland and the Accounts Commission have put their finger on the areas for improvement. The message has been a common one at this committee; it is about governance, data gathering and understanding what is happening in the community. The councillors, non-execs, public and volunteers who contribute to the whole process need to understand better what their roles are.

The report uses the phrase, “accountability deficit.” I could sign up to what you said about that. When I was around the table with all the participants, I would think to myself, “Who's accountable to whom here? What happens if nothing good comes of this? Who's het for it?” The report has pointed the finger at what needs to be strengthened. I see from your recommendations and statement of actions that that issue really is being picked up by the Convention of Scottish Local Authorities and the councils. I am hopeful that we can move the process on much better.

To echo some of the comments that the committee has made in the past, I would say that we want better data gathering and more local data that are relevant to the community, which the community can understand and which it can see some benefit in. I do not know whether that means bringing back targets so that we can see percentages going up and down in the areas in which we are interested. I do not know whether that is the way to go.

The message today is that after 10 years of the CPPs, much good work has been done, but we can always improve.

**The Convener:** I am not sure that there was a question there. Do panel members want to respond?

**John Baillie:** This is, of course, a joint report that has been produced with the Auditor General. I do not disagree with the general thrust of what Willie Coffey said. What we are saying is that so far there have been lots of isolated incidences of work being done enthusiastically and sometimes inspirationally, but the collective picture is that there is a long way to go, and that to get there we need all the things that we suggest, such as strong leadership. I will not belabour that.

**Caroline Gardner:** The other thing that is different is the scale of the financial challenge that faces public services. We know that we will for the foreseeable future have very tight financial resources in Scotland. Community planning is seen by the Government as being a key part of

that and a key way of shifting to prevention, from responding to problems. In order to achieve that, the recommendations that we have made really need to be put into effect locally by the 32 CPPs and by the Government and the other national bodies that are involved.

**Willie Coffey:** Communities will need some help with how we measure things and how we know whether we are making a difference. It would be very helpful if it was possible for the Accounts Commission or Audit Scotland to offer some kind of template—as the Auditor General does in many of her reports—for the CPPs about how to articulate and gather evidence and to form a view as to whether things are being improved.

**John Baillie:** I could not agree more. As you know, all three parties have been banging on about performance measurement and performance information for many years. Just as councils have now moved to a wider, deeper and more consistent benchmarking project, I can see great scope for something similar in CPPs. As ever, the difficulty with benchmarking is in measuring outcomes and effectiveness properly. Some of those are very soft things to measure.

**Mark Griffin (Central Scotland) (Lab):** When the committee discussed the previous report on the role of CPPs in economic development, a lot of our focus and attention fell on the role of location directors. I know that the minister has written to local government on that, but has that role been clarified and have the staff turnover issues in that respect been addressed?

**Caroline Gardner:** Guidance has been issued to location directors in recognition of the good deal of variation in how they have been carrying out their roles. I am not sure that we know how the guidance is being put into effect, whether we are seeing more consistency in the role, whether that consistency is in line with the guidance or whether the staff turnover issue has settled down. Antony Clark will pick up that question, then John Baillie will comment.

**Antony Clark:** I do not think that we have evidence on turnover rates for location directors, but it is obviously a challenge, given how much Scottish Government people move around. As Caroline Gardner has pointed out, location directors have received clearer messages on the important role that they can and should play as a bridge between CPPs and the Scottish Government.

**John Baillie:** It is fair to say that the Scottish Government has recognised the very important role that location directors can play. I sense that more attention is being given to ensuring consistent performance and that location directors

are giving a more consistent message to CPPs, but time will tell.

**Mark Griffin:** Given that a lot of the responsibility in CPPs seems to lie with the local authority, and given the location director's key role in redressing that balance, scrutinising the partners around the table and encouraging scrutiny between partners, it would be good if the Government could maintain that pressure.

**John Baillie:** I agree. I cannot stress enough the importance of self-evaluation in the boardroom, and of anything that helps to achieve that and consistent measurement across the 32 CPPs. The location directors have a key role to play in that.

**Caroline Gardner:** The location directors' other key role is in ensuring that the bridge that they act as works in both directions. They should not only be looking at the partnership's operation but should be feeding back to Government the things that it does that might be getting in the way of, or could help, progress. For example, they could examine the consistency of different policy directions to ensure that they are joined up and pointing the same way. Again, that brings us back to the clear expectation that the Government has now set for the location directors, but how well the role is being played is an issue that we would like to keep an eye on and in which the committee might have an interest.

**Bob Doris (Glasgow) (SNP):** I really hope that I have a question at the end of this, but I feel the need to make a few comments. Having sat for four or five years on a local government committee that analysed single outcome agreements, frameworks and so on, I have been through all this before.

I would call the report predictable rather than damning. If a national Government tries to encourage community planning by setting out broad themes and asking local authorities and CPPs to play a central role in their own single outcome agreements and if authorities and the CPPs set their own themes, when does the planning happen at a local level? On the one hand, we have national imposition of community planning themes and, on the other, we have local authorities imposing community planning themes on the community. Is there any evidence of communities planning their own priorities? In any case, how would we measure that?

Of course, that is where the contradiction lies. You want central accountability from the Scottish Government and democratic local government accountability from each of our councils while at the same time wanting to liberate local communities to set their own priorities. There is an inherent conflict in all of that.

What percentage of the resources that are allocated to local communities should be free of themes imposed by a local authority, a central community planning partnership or the Scottish Government? Is that something that we can audit? Although that might not be the best value for the taxpayer, it might mean that we have proper community empowerment, which would have other benefits. How can we follow the pound trail, as it were, and audit real local community planning rather than what the Government or councils tell communities to do?

10:30

**The Convener:** That is definitely a question.

**Bob Doris:** I got there in the end.

**John Baillie:** That is a very good question. It is about the ability to reconcile national priorities with local ones and give those due weight. As we know, most of the bodies within the CPP do their own work locally to engage with local people and find out their needs, so plenty of local needs are being identified. Part of the question is what part the CPP plays in dealing with those local needs. Is there an additional factor, or an issue that is not covered, that should be injected into the CPP plan? That is a basic question about CPPs that I have always had, along with everyone here. What is the X factor? What do CPPs add that individual bodies do not, and how is that measured? Those are complex issues.

The general point that I want to make is that the reconciliation of national and local is built in to the SOAs. Sometimes sandpaper is needed at the edges, as it were, to ensure that everything fits smoothly. Something has to give at some point, whether that is a particular and peculiar local need or a national need. It is a difficult question. That is not a good answer, but I am not sure that a good answer is possible.

**Caroline Gardner:** It is a great question, but there is no single answer. One of the bonuses of the statement of ambition is that it reflects the positive dialogue between the Scottish Government and the 32 CPPs, via COSLA, about what those national priorities ought to be. There is a focus on the issues that were identified by the Christie commission and the Government's response, which gives us that line of sight. What becomes trickier are the real questions such as what matters to a community and how it might want to tackle its problems and be engaged in the process of solving them. We hear jargon such as "community assets", but how we let the community both contribute to solving problems and build its own resilience in doing that is a really good question. The forthcoming community

empowerment and renewal bill will be a key part of the answer.

We found from our work that each of the partners is good at consulting communities, to varying degrees across Scotland, but that the partnership itself has not got quite the right sense of how it can engage in ways that do not duplicate all of that but add to it and make the most of communities' ability to really be a part of the process.

**Bob Doris:** Governments and local authorities need to let go of control a little. That started to happen with single outcome agreements when we looked at frameworks that had a whole raft of aspirations within them. Local authorities were asked to select the ones that most suited their local needs and implement those in a way that best fitted them, so there was a great deal of flexibility and ring fencing was lifted to a huge degree.

There also has to be a letting go of power by COSLA and local authorities. When they set priorities, understandably they want to see them implemented—or, some would say, imposed—at a local level. Just because local authorities are in control does not make it local community planning; the involvement of the community makes it local community planning. My question is: how can we measure money spent at local level that has not been directed towards a set aim from the community planning partnership but where the community planning partnership identifies funds, says to local communities that there are a number of themes and actually does some co-production with them?

That sounds great; in fact, the entire report sounds great, but everything becomes woolly and vague and it cannot be audited. What can we audit at a local level? The question is whether, in a year or two, you will be able to come back to the committee and identify how much of the huge community planning budget was spent on priorities that were set by the community rather than by the institutions of the local authority and the community planning partnership. Will you be able to identify that that figure used to be £20 million but is now £100 million; and to identify which local authorities or partnerships are better at doing that work? Is there any monitoring of that type of spend?

**Antony Clark:** I can answer the question in a non-accountant way. We are optimistic that in future years we will get a better handle on the resources that partners are directing towards their agreed priorities. The report is critical of the extent to which CPPs understand how much of their mainstream resources or dedicated joint funding resources are directed to agreed priorities. There is a real sense that CPPs recognise that they must

get better at that and want to ensure that their new SOAs are much clearer about their priorities and the resources—people, buildings and money—that are directed towards them. In future audits, we want to check whether CPPs are making progress in that area and also to form some harder-edged judgments about whether CPPs deliver value for money, which was difficult for us to do in the three early audits.

You made a point about community engagement. We have seen some exciting examples of CPPs doing visioning with local communities to understand the priorities of local people, but that is not a straightforward thing to do. People have differing views about what the priorities should be and CPPs have found it difficult to translate some of those competing views into clear priorities that reflect the needs of specific communities.

**Bob Doris:** Does the report seek to estimate how much money was spent in local communities following that sort of process compared with the overall spend? I suspect that we might find that it is a tiny percentage of the overall spend. If we compare that between the 32 local authority areas, we might be able to identify where the good and weak practice is. Has any of that been done in the report?

**Antony Clark:** In the local reports, we looked at the money that CPPs were confident was being directed towards partnership working and agreed local outcomes. That tended to be through specific funding streams that were made available from the Scottish Government such as change funds and so on. There were some other projects that were jointly funded. The financial information that was available through the CPPs was very partial, largely because of the point that I made earlier that CPPs are very much in the early stages of aligning their service planning with their financial planning. They must get a lot better in that area.

**Caroline Gardner:** As the report says, one of the sources of evidence is the three early audits that we carried out jointly in Aberdeen, North Ayrshire and the Scottish Borders. We are now in the process of evaluating those and considering how we can develop that approach to cover the whole of Scotland. One thing that we would like to pick up is the balance of national, local and community-based priorities and how that reflects the way in which money, staff and other resources are used on the ground. That is where priorities become real. We do not see much of that in the report, but it is something that community planning partnerships must focus on in the future.

**John Baillie:** The question that goes to the core of what we are trying to do is whether CPPs bring anything that individual partners do not. If CPPs do not bring anything significant, why are we

bothering? That is the core of the matter, and if such things cannot be measured, identified and seen, that would be a significant problem. We hope that, as time goes on and things become more obvious to us, it will become easier to spot them using the right measurements.

**James Dornan (Glasgow Cathcart) (SNP):** Some of my questions have been touched on by my colleague Bob Doris. I am interested in the Auditor General's comments about the cosy relationship between some of the partners. I noticed the same thing when I was a local councillor. There was a mix of silo working plus cosy relationships, which did not seem to benefit the people whom the partners were there to benefit in the first place.

Paragraph 5 mentions the statement of ambition, and the fourth point out of five—to which the other four points all lead—highlights the crux of the matter, which is the requirement to achieve

“better outcomes for communities, such as better health and lower crime”.

Given that, as the Public Audit Committee, we are interested in value for money, our priority—to come back to Bob Doris's question—is surely to ensure that all the money that has been spent and all the time and effort that have been put in are enabling us to achieve the outcomes that have been set out.

You mentioned some good examples, but do you have any examples of CPPs that are building sustained relationships with the local community and taking into account community concerns as their number 1 priority in the work that they do?

**Caroline Gardner:** I will kick off on that question and I will then pass it over to my colleagues. You are right. I did not use the word “cosy”, but we think that one of the problems is that the focus has been on the need to build relationships, trust and confidence rather than on the ability to challenge people when they are not fulfilling their commitments, performing to meet their agreed targets or putting resources into the pot. We point to the shared and agreed outcomes, which—as you say—is what this is all about.

The ability to demonstrate that resources are being moved away from the work that each of the partners does individually towards the shared things that they have agreed to do will be an acid test that demonstrates whether community planning is working, and it will be critical to the ability to make progress on those outcomes. Some things, such as the different accountability arrangements for the councils and health boards, get in the way of that, and national bodies such as Scottish Enterprise make it trickier rather than easier to achieve, but we need to see that it is happening.

I ask John Baillie and Antony Clark to pick up the question about good community engagement from their experience of working more closely with the partnerships.

**Antony Clark:** Several paragraphs in the report summarise our judgment on the extent to which CPPs can demonstrate effective community engagement, which largely echoes what Caroline Gardner said earlier. We see many examples of individual partners and CPPs carrying out effective consultation. Most of the CPPs would probably argue that the single outcome agreements broadly reflect the issues that matter to local people, such as crime, education, the need to improve health and so on.

However, it is clear that, if the CPPs are going to deliver on the statement of ambition, they need to be much more precise about what, in practical terms, will change in communities around health, education, crime and disorder, and they need to get much better at gathering evidence to show that the things that they are doing are making a difference to people's lives. There is quite a big stretch agenda for community planning partnerships in that regard if they are to do the things that Mr Dornan would want them to do.

**James Dornan:** You mentioned a couple of examples of best practice. Are there any such examples relating to relationships that could be spread out further? Every CPP has different priorities and needs, but surely there must be something, almost like a template, to inform engagement with the different partners and the local community.

**Antony Clark:** There is already a raft of good practice relating to community consultation and engagement, but one of the challenges is that people do not necessarily follow it. One of the improvement agenda items that we set out in the report concerns the need for community planning partnerships to work as a collective community and get better at sharing and trading with and learning from each other. That seems to us to be an important aspect of the improvement agenda.

**Mary Scanlon (Highlands and Islands) (Con):** First, I should say that community planning is supported by all the parties in the Parliament and it always has been since 1999, so there is nothing party political about it. It is fair to say that we all want it to work.

Paragraph 2 of the report mentions “improving public services” and

“making the best use of public money”.

Throughout the report, you mention inequalities, which the committee looked at quite recently.

Exhibit 1 suggests that there has been no shortage of efforts to make community planning

work. Despite what some of my colleagues have said, paragraph 53 states that the previous three audit reports noted that progress has not been good, highlighting weak management and so on.

Exhibit 1 shows the developments in recent years. In 2007 we had the concordat; in 2009 single outcome agreements were prepared as CPP documents; in 2011 there was the Christie commission, which we all welcomed; and in 2012 a statement of ambition was agreed.

The middle paragraph on page 20 of Audit Scotland's report states:

"The Scottish Government needs to clearly articulate its expectations of effective community engagement by CPPs in its forthcoming Community Empowerment and Renewal Bill legislation."

There is cross-party support. Mr Baillie has said that progress has not been good and that management has been weak and so on. We have had various initiatives over the years. I do not know about the community empowerment and renewal bill. Does it provide an opportunity? You ask the Government to articulate its views—has it already done that? Is that bill the answer to things not working?

10:45

**Caroline Gardner:** The bill is part of the answer; I will ask my colleagues to pick up the specifics of the bill and what we know about it so far.

I refer you to paragraph 78, which is on the previous page from the one that you quoted, in which we set out the five things that we think everybody involved—the Scottish Government, the partnerships and the partners—needs to focus on if we are to get beyond the commitment and relationship building to partnerships really making a difference.

That paragraph concerns the barriers that we have identified through all the work that we have done on the subject over the years. Getting those elements right and building on the opportunity of the statement of ambition and the renewed commitment from everyone who is engaged will be key to making the commitment a reality. It feels as if this is an important opportunity to do that.

**John Baillie:** I agree that there is an opportunity for the bill to address some of the issues. An example of that might be a new duty on all partners to work together to achieve better outcomes and allocate resources better. The issue is how to achieve that—if it can be achieved—in legislation. I cannot answer that question but, happily, I might at least be able to pose the question.

Another example might be guidance to health and social care partnerships. I am not clear about whether that should be under legislation. An issue is how CPPs can hold those partnerships to account. What happens when a health and social care partnership's priorities differ from those of a CPP?

**Mary Scanlon:** You have conveniently brought me to my second point, which relates to paragraphs 12 and 13. Mr Baillie has said that, too often, everything has seemed to be a priority, which has meant that nothing is a priority. Paragraph 13 states:

"Individual partner organisations have not been routinely or robustly held to account ... As a result, there are no consequences for not participating ... Nor are the incentives sufficient to change behaviours."

What needs to be done, perhaps in the proposed bill, to deal with the issues that are raised in paragraph 13? What sanctions, if you like, need to be able to be imposed?

**John Baillie:** I will respond first, and I am sure that my colleagues will also want to contribute. The first step is to determine the extent to which legislation is needed or whether it is needed. As you know better than I do, there are many other ways to achieve the aims. The issue certainly must be addressed. How are such potential anomalies resolved? That might start with Government guidance, but legislation might ultimately be needed.

We talk about the accountability deficit, and the example that has been given is only part of that. As Caroline Gardner said, the approach starts with building trust among colleagues around the table. A lot of that has been done, but we must up that game and get people to agree to common priorities and probably a reduced number of priorities. People need to understand their roles and responsibilities and, behind that, information and a management system must be put in place to allow each partner to hold everyone else to account. The incentives that are designed for that need much closer examination. The sanctions that are needed might require a lot of discussion, too.

I have described what needs to be done. Legislation might be part of the answer. Intrinsically, I always see legislation as a last resort rather than a first resort. Nonetheless, perhaps clarification from the appropriate authority in appropriate guidance would provide a start.

**Antony Clark:** I wonder if I might briefly explain the Scottish Government's thinking on the role of the community empowerment and renewal bill and the community planning review. The Scottish Government has been clear that it sees the bill as an opportunity to enact legislation that may support improvements to community planning. Our

report is clear that one unintended consequence of the 2003 act was that placing local authorities as the bodies that had to initiate, lead and maintain community planning sent a signal that it is a council thing rather than something that belongs to all partners.

The thinking in Government, I think, is that it should use the community empowerment and renewal bill to identify a community duty on all the partners to participate in community planning, which will be framed very much around the point that John Baillie made. The duty will probably cover participating in community planning, allocating resources for it and demonstrating that improved outcomes are being delivered. The notion is that the duty should bind all the partners more effectively together and make community planning more of a shared enterprise than it has been in the past.

You asked about accountability. I am very much of Mr Baillie's school of thought on that. Legislation is not necessarily the answer. Things can be done within the current accountability models to hold community planning partners to account more effectively. In the report, we make it clear that there are moves in Government to clarify its expectations of the NHS, Scottish Enterprise and others. Changes in legislation are not needed for that.

**Mary Scanlon:** I accept what you say. It is just that there have been quite a few initiatives from the Scottish Executive and the Scottish Government. As I said, we all support community planning, but it is disappointing that progress has not been good.

**John Baillie:** When the Government of the day introduced the best value duty on councils, the reports that we produced initially were less than complimentary. As word spread that councils were being held to account in a public and direct way, performance started to improve until, when we got to the current stage, councils improved quite significantly. That is what happened through best value. There were all sorts of other things, but nonetheless best value had a contribution to make. In the same way, the very action of having external scrutiny will pass the word round that partners have to up their game.

**Mary Scanlon:** I do not think that people in the public sector particularly like invitations to this committee, so if we are harsh enough, maybe the situation will continue to improve. That is good, as that is what we are here for.

My final question is on paragraph 60. In the difficult financial times that the Auditor General mentioned, I found it particularly disappointing to read:

"Our more recent audit of the role of CPPs in economic development found that five years on many of the problems identified in 2006 persisted."

Did you highlight that area because it is particularly poor or because of the difficult times that we are in?

I also have a question on the last sentence in paragraph 65. Will you clarify why you said this because, to me, it is quite a strong statement? You said:

"Overall, Scottish Government public service reform developments do not appear to be well 'joined up' when viewed from a local perspective."

Again, I hope that the forthcoming bill will make a difference, but will you tell us why you put that in? It seems to be a more general comment rather than one that relates only to community planning partnerships.

**Caroline Gardner:** On your first point about economic development, we picked that area because it was the subject of a specific performance audit in 2011, which looked at the way in which community planning partnerships were contributing to economic development. I cannot say much more about that, because it was before I took up my role, but it was a specific drill-down in that area of importance for Scotland as a whole and for local communities, and we found that there had been little progress.

The wider comment goes back to the question about how we make community planning as central as the Government and the community planning partners say that they want it to be in driving what happens at a local level. To return to the example of the integration of health and social care, everybody agrees that that is important to make the best use of the money that we spend on those services and to ensure that they are as good as they can be for the people who need them. However, that is being taken forward in separate legislation with a focus on health boards and the partnerships that they will have underneath them, alongside community planning.

The Government is clear that community planning partnerships should be the umbrella for setting outcomes for the partnership area and for driving actions of local players, including those in health and social care. In that area and in others, such as police and fire reform and the further education reform agenda, the Government has more to do in articulating how things join up and in ensuring that the accountability regimes and performance management support that joined-up picture. That is not to say that that is not possible.

**Mary Scanlon:** So it was a general comment that goes wider than the CPPs and that relates to reform in further education, police, fire and so on. It was a general statement that the Scottish

Government's reform development does not seem to be joined up.

**Caroline Gardner:** The issue is how all those things fit with community planning.

**Mary Scanlon:** I understand.

**Caroline Gardner:** The statement of ambition is really clear, and that should be the overarching vehicle. Partnerships tell us that it is not always clear to them how things join up at local level.

**Colin Keir (Edinburgh Western) (SNP):** Some of my questions have been answered in the responses to Mary Scanlon and James Dornan. There is something interesting that keeps springing up at me, however, and it is anecdotal, from my local authority days. It relates to paragraph 38, which is introduced by the comment:

"Community planning has been seen as a council-driven exercise in which partners participate but do not lead or drive change".

That goes down even to the level of deciding what the priorities are. Mr Clark alluded to the fact that, without clear leadership, a silo mentality can creep into some things that are called partnerships. It seems that shared leadership can be difficult. I do not want to imply that some person must take overall charge, but is there a way to tighten that band, as it were? Unless there is a degree of leadership in the partnership, it is a bit like the old phrase, "A camel is a horse designed by committee." At the moment, partnerships seem to be council led, yet nobody seems to think that they are genuinely council led. How do you get over that problem?

When I was in local government, there were concerns involving frictions between the local authority and the NHS. That is where the main problems arose. I did not find as much difficulty in areas such as economic development. NHS-council relations at partnership level appeared to be fractious at times and, as a result, some things were not done locally; indeed, certain things still have not been done after five or six years.

**John Baillie:** Perhaps I could start on that, and I am sure that my colleagues will wish to contribute, too. I begin by going back to some of the things that we have already said about the need for clearer priorities. Let us take a local plan, but call it an action plan, rather than a local plan. The first questions are to establish what we are trying to do and what our priorities are. We should limit them, but ensure that everybody round the table agrees with them.

In future, we need to consider much more carefully who will do what, when they will do it, how we will measure it, how we will know success when we see it, how we will monitor it and what

we do with the person or group of people concerned if they do not deliver. We need much more specific plans that start to nail the detail. As members have said, the devil is in the detail. If each partnership does that for itself, some kind of natural direction will presumably evolve from that. A detailed action plan would be a start and would perhaps be part of the answer.

11:00

**Caroline Gardner:** To add to John Baillie's answer, I return to the accountability and performance management arrangements for all the partners round the table. We recognise that a health board and its chief executive have informal accountability to a community planning partnership for the commitments that they have made on what matters to a community, such as health inequalities and any number of things.

A health board also has a direct and formal line of accountability to the Scottish Government and the Cabinet Secretary for Health and Wellbeing for delivering the health improvement, efficiency and governance, access and treatment—HEAT—targets that have been agreed for the health board. If there is tension between the two sets of commitments, it can often be felt locally that a health board's commitments to the Scottish Government take priority over commitments to a community planning partnership.

There is no way of saying whether that feeling is right but, when there is tension, the clarity of accountability and performance management becomes important, so that everybody understands what takes priority and who can expect what of the people who are involved in a partnership. At the moment, that sometimes looks blurred, which undermines partners' ability to challenge one another when progress is not being made as planned.

**Colin Keir:** It is all very well for us to look for legislation but, as someone said earlier, if the present legislation is up to speed, our problem is that people are so into their own organisations that it is difficult for them to agree on how they wish to act. We are getting a little close to other committees' remits, but that brings in the accountability point.

**John Baillie:** What is needed is a culture change as much as anything. I hate that term, but a different way of thinking is needed.

**Antony Clark:** We make the point in the report that, although community planning has tended to be seen as a local authority-driven exercise, that is changing. When we did the audit work, the evidence was that community planning was being seen as much more of a shared enterprise, partly because the statement of ambition made it clear

that people wanted that and because clearer signals were being sent to other parts of the public sector about the important role that it can and should play in community planning.

**Colin Keir:** I remember that, in years gone by, the word “secrecy” was used quite a lot. However, having spoken to some local authority colleagues, I believe that the process is definitely getting better.

**The Convener:** If nobody else has questions, I will follow up those points by asking the Accounts Commission, Audit Scotland and the Auditor General about their role in plugging the accountability deficit. You have undertaken the three audits that have been referred to in the report and today’s evidence. What are your plans? I presume that you do not intend to audit every CPP every year, but do you intend to audit more CPPs more frequently, to audit the performance that we have talked about?

**John Baillie:** The national CPP group will look at our report shortly and will address capacity building—it is doing that already. A big issue in relation to that is governance and accountability.

We have plans laid to audit a number of CPPs in the next year. When that next batch is complete, we will look at it. In other such work—such as the work on best value in councils, to which I referred—we have found that, as time goes on and people read what we have picked up in reports, they start to improve without any further prompt on that front. Nonetheless, it is important to have the prompt of external scrutiny and, equally, the prompt of internal scrutiny, which is just as effective and is more effective when done properly.

**The Convener:** So that is now part of your regular cycle of performance audits.

**John Baillie:** That is right.

**Caroline Gardner:** Where we have got to so far provides a great example of how the public audit arrangements in Scotland can work flexibly to do audits across public bodies. That respects on the one hand local government’s separate democratic place and on the other hand the public money that flows through to all the bodies that are involved.

As part of the evaluation to which we referred, we will need to return to the question about where the accountability works in practice. That is unfinished business. The community empowerment and renewal bill might help with that, but there are wider questions that are not yet resolved.

**The Convener:** Thank you very much. We are doing quite well for time and we will take a comfort break.

11:04

*Meeting suspended.*

11:11

*On resuming—*

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

**The Convener:** Agenda item 3 is follow-up correspondence to the section 23 report “Commonwealth Games 2014 Progress report 2”. The correspondence followed an issue raised by Mark Griffin. The response was circulated and I note that we will get a further update from the Scottish Government in November 2013.

Does anyone want to comment or raise anything on the correspondence?

**Mary Scanlon:** Yes, I do. I am sorry that I cannot find my paper, but I have so many papers today. From memory, our first question was: from where does the Scottish Government intend to source the additional £37.7 million required to fund the additional security budget? The answer, which was something like, “We will continue to exert cost control, blah blah blah”, did not tell us what we asked for, so I wondered whether we could get clarity on that issue.

**Bob Doris:** Unless I read the correspondence wrongly, it goes on to say that any additional monies will be part of the 2014-15 funding settlement. I could be wrong, but my interpretation was that the Scottish Government will exert cost control and that the remainder will be found from the 2014-15 budget settlement during the normal process.

**The Convener:** Does that help at all, Mary?

**Mary Scanlon:** So we will see the additional budget requirements in next year’s budget. That is mentioned in the next answer.

**The Convener:** Yes.

**Mary Scanlon:** I would have thought that it would have been easier just to have given the answer, but there you are.

**Bob Doris:** I am just showing that I have read my papers.

**Mary Scanlon:** I read mine, too.

**The Convener:** We are most impressed, Mr Doris.

Do members agree to note the correspondence?

**Members indicated agreement.**



**“NHS financial performance 2011-12”  
(Correspondence)**

**The Convener:** Agenda item 4 is correspondence from the Scottish Government on the section 23 report “NHS financial performance 2011-12”, following a question raised by Mary Scanlon about capital maintenance backlogs.

Does anyone want to raise anything on the correspondence?

**Mary Scanlon:** The main issue that I asked about was whether the backlog maintenance that we highlighted came from the capital or the revenue budget. The cabinet secretary said in a debate that it came from the capital budget, but I am pleased to see clarification in the third paragraph of the correspondence, which states:

“Backlog maintenance is addressed through both the capital and revenue allocations made to NHS Boards.”

That was the main issue on which I wanted clarity, and the correspondence makes it much clearer.

**Bob Doris:** The response also says that some of the backlog maintenance will be dealt with through the non-profit distributing hub project. In my constituency, in a region in my local area, that means two new-build health centres—Woodside health centre and Maryhill health centre—costing many millions of pounds. I am sure that my constituents will be grateful for that new service.

11:15

**Willie Coffey:** I recall the committee's discussion about the £1 billion backlog issue. The correspondence with Derek Feeley, which is in paper PA/S4/13/5/5, includes a table that shows that the backlog in the high-risk category is £161 million—that is on the fifth page of our paper. I do not dismiss the importance of the other categorisations, but the extent of the problem is not a £1 billion backlog, as reported widely in the media; it is £161 million, which is about a tenth of that. I also recall that, at the time, it was not clear what assets were earmarked for disposal. That is clearer now, as the correspondence covers that issue, too.

My attention was briefly drawn to the figures for the various health boards in annex 2 of the letter from Derek Feeley. Some of those figures do not add up. In particular, the NHS Ayrshire and Arran line is incorrect—the sub-total should be £63.3 million, not £93.3 million. That makes the problem a wee bit better, in a sense, because the actual figure is £30 million less than is indicated in the report. I do not know why the figure is wrong, but it is to our benefit.

**The Convener:** Thank you, Mr Coffey. You have not only read the papers, but added up the sums.

**Willie Coffey:** The sums do not add up particularly well. That cannot be explained by the table showing the assets that are held for sale, which is in annex 3. However, although the figures are incorrect, that is to our advantage, in that it lessens the extent of the problem.

**Mary Scanlon:** The figure of £1 billion is actually in annex 2. I think that it came down to about £0.75 billion, because some of the backlog maintenance related to assets that were fit for disposal. I think that Colin Beattie raised that point.

When we talked about the figure of £250 million, that was in the high-risk category. The high-risk figure is £252 million, the figure for significant risk is £289 million, for medium risk it is £272 million and for low risk it is £194 million. The total is more than £1 billion. Therefore, when we talked about high risk, we were not talking about the full extent of the risk. For my part, I was talking about the high-risk category, because that related to the urgent repairs that could affect clinical care and patient health.

**The Convener:** Do members agree to note the correspondence?

**Members indicated agreement.**

**The Convener:** We will now continue in private, so I ask any members of the press or public to leave the room.

11:18

*Meeting continued in private until 12:46.*



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