



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

PUBLIC AUDIT COMMITTEE

Wednesday 11 December 2013

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PUBLIC AUDIT COMMITTEE

17th Meeting 2013, Session 4

CONVENER

*Hugh Henry (Renfrewshire South) (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)

*Colin Keir (Edinburgh Western) (SNP)

*Ken Macintosh (Eastwood) (Lab)

*Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

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

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 5

Scottish Parliament

Public Audit Committee

Wednesday 11 December 2013

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

Decision on Taking Business in Private

The Convener (Hugh Henry): Good morning and welcome to the 17th meeting in 2013 of the Public Audit Committee. I ask that all electronic devices be switched off. We have apologies from James Dornan. Christina McKelvie will attend, but is caught up in a significant traffic issue on the way through from Glasgow, as is Ken Macintosh. They will join us later.

Agenda item 1 is a decision on taking in private items 5 and 6 at today's meeting, and on considering in private at future meetings a proposed new format for the Scottish Government's major capital projects update. Does the committee agree to take those items in private?

Members *indicated agreement.*

Section 23 Reports

"Commonwealth Games 2014 Progress Report 2: Planning for the delivery of the XXth games"

10:01

The Convener: Agenda item 2 is a section 23 report. Members have an update from the Scottish Government on issues that were raised in the Auditor General for Scotland's report "Commonwealth Games 2014 Progress Report 2: Planning for the delivery of the XXth games".

I have to say that what we are reading is very encouraging. The games are a huge undertaking and all the partners have worked well together, from the Scottish Government down to the implementation team, which is doing a terrific job. I give all credit to Glasgow City Council, which has pulled out all the stops. Anyone who has been in and around the east end of Glasgow recently will have seen that the infrastructure is absolutely fantastic and the facilities are outstanding. Everyone involved is to be commended.

I am sure that there will be a slight niggle here or there—you never have a major event without something like that—but on the whole it has been a tremendous achievement.

Mary Scanlon (Highlands and Islands) (Con): I agree totally. I associate myself with your comments, convener.

We should ask for updates on the security issue. The second-last paragraph of the Scottish Government update, which is annex A of paper 1, says that 13 private security companies have been contracted. Paragraph 3.9 of the Commonwealth Games Federation co-ordination commission's report, which is paper 2, is on security. A significant amount—was it £90 million?—was allocated to Police Scotland in the early days. Paragraph 3.9 says:

"There is going to be a short-fall in security guarding requirements and ... partners are now engaged in high-level discussions on how that can be redressed by a different workforce mix than was previously envisaged."

There were issues regarding security at the Olympic games in London and I know that everything is being done to ensure that we do not face the same problems. However, that seems to be one of the niggles—as you put it, convener—that needs to be addressed. Could we have an update on that?

The Convener: Yes. That would be worth asking for. Security is a sensitive issue, and we remember the arguments and disputes that broke out at the beginning of the Olympics. Thankfully,

the games all went smoothly. We need to make sure that security is in place.

There is always a background security issue that becomes attached to any major public project. For many years, the police have had concerns about some of the smaller, more local security companies, such as those involved in the guarding of housing association or housing development building sites or, indeed, sites for range of projects. We hope that the police are able to have an influence on how contracts are awarded, but this is a bigger issue than that. We can write to the Scottish Government, to ask for clarification and to be kept up to date on progress.

Tavish Scott (Shetland Islands) (LD): I echo the point about security. The budget is £90 million, of which it would be helpful to have a breakdown. I presume that that is available, given that the submission was made and the Government—no doubt sensibly—accepted it.

The update to the committee from the Scottish Government, which is not dated, mentions in the section on public transport enhancement plans that the games organisers

“are currently waiting for First ScotRail to ... submit their costed train plans to Transport Scotland.”

Those were due at the end of November and we are now in December, so I assume that that submission has been made. However, it might be helpful for the committee to be told whether that work is under way.

The Convener: Okay. We can ask about that.

Bob Doris (Glasgow) (SNP): Following on from Mary Scanlon’s point on security, I see that, immediately after the part that she quoted, the report from the co-ordination commission says that the issues should be resolved imminently—“before Christmas”. In any letter that we write, it might be worth asking the Government to write back and update us once they are resolved, otherwise we could end up sending two letters. If we send a letter now, it might write back in January saying that the matter will be resolved in two weeks’ time. We could say in our letter that we note that the issues are to be resolved imminently and ask the Government to write back to us as soon as they are resolved. We could also ask for a budget breakdown—Tavish Scott makes a reasonable point about that. We do not want to have to send two pieces of correspondence.

The Convener: I am sure that the clerks will draft something appropriate.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I see from the papers that we are heading for a fantastic games for Scotland. An issue that caught the attention of the Public Audit Committee in the past was progress at Hampden, on which

the Scottish Government’s paper comments that the organisers expect to get decisions on all the planning applications by the end of the year. Will we receive any further updates on progress between now and the Commonwealth games, or is this it until the games, which we look forward to, begin?

The Convener: I suspect that we will not get any more progress reports, as all the attention must now be on delivery. All the major milestones have been reached and the targets have been achieved, although we are still to receive a wee bit of clarification on one or two things. Generally, there is not much more for us to hear. Audit Scotland has confirmed that it will provide a final performance report on the games after the event.

Colin Keir (Edinburgh Western) (SNP): That was an issue for me, too. What is being done at Hampden—the improvements to the ground, the installation of the track and all the rest of it—is key to the showpiece events of the games. As far as I am aware, however, the method that is being used has not been used before to produce an international track of that standard, and it would have been interesting if we could have got an idea of just how things are progressing and whether there have been any problems.

The Convener: We must be realistic and consider the role that Audit Scotland would play in that. I think that that is not for Audit Scotland, but for the organising committee, the city council and others, including the Scottish Football Association. We are not a body with responsibility for managing or supervising the delivery of the games, and we have done what we needed to do in terms of the broader financial perspectives and management of resources. Audit Scotland has played its role and the rest will be considered thereafter.

We will seek the clarification that has been requested. Other than that, we note the report and wish everyone well for what I am sure will be a hugely successful games that will put Scotland on the map.

“Housing in Scotland”

The Convener: Item 3 is a section 23 report entitled “Housing in Scotland”. We have received a very positive response from the Scottish Government. It has accepted and welcomed much of what is in the report, and it has given an indication of how it intends to proceed. Do members have any thoughts or comments?

Willie Coffey: The response is one of the most detailed from the Scottish Government that I recall. Members can see that it agreed with, I think, 15 out of 15 of Audit Scotland’s recommendations. It agreed partially with one recommendation, but there is an explanation

about the basis for that. I was therefore quite pleased with the response and the level of detail that was provided to members on the questions that we raised.

Mary Scanlon: I agree. I thought that the response was thorough.

The Convener: Okay. A number of options are open to us. We can note the response, refer it to the Infrastructure and Capital Investment Committee, or invite further written or oral evidence from the Scottish Government or relevant stakeholders. I am not sure that there is much to be gained from the third option. Do members think that there is anything that the Infrastructure and Capital Investment Committee could do? We could note the response and refer it to that committee for its interest.

Ken Macintosh (Eastwood) (Lab): Given the level of detail and information in the response, it would be worth doing that, particularly as the Auditor General has highlighted a number of issues to do with definitions and how we monitor information. I think that the Infrastructure and Capital Investment Committee would find the response very useful.

The Convener: Okay. So we note the response and will refer it to the Infrastructure and Capital Investment Committee.

Members *indicated agreement.*

“Managing early departures from the Scottish public sector”

The Convener: Item 4 is the section 23 report entitled “Managing early departures from the Scottish public sector”. Committee members have correspondence from the Scottish Government, and a further letter came in from Sir Peter Housden, which was circulated to members this morning, I think. That letter states that he plans

“to consult public bodies on revised arrangements in early 2014, to enable the new procedures to be adopted and operative for the financial year 2014/15.”

Do members have any thoughts or comments?

Ken Macintosh: The Scottish Government's letter is welcome, and there is a welcome change of tone from Sir Peter Housden. He starts off with an apology. I am delighted that he takes that note rather than that in the previous, rather abrupt, offhand and dismissive letter to the committee, which prompted our concern.

I raised a number of issues. The particular issue here is about what Sir Peter Housden calls “Settlement Agreements”—it is interesting how a name can be changed; it is the Sellafeld scenario. There is clearly a huge step forward. There has been an enormous increase in the use of

compromise or settlement agreements in recent years. The figure involved amounts to well over £50 million over the past few years.

It is interesting that the Government is consulting bodies such as public corporations—Scottish Water, David MacBrayne Ltd and Scottish Canals, for example—that are not within the Auditor General for Scotland's remit. That is welcome and interesting. I would welcome the Auditor General's views on what it means for us, or maybe the committee clerk could advise us on that at some point. It is clear that those bodies are not normally within our remit. However, given the public money that is involved, it is important that the Government consults them and that they inform it about the use of settlement agreements.

This morning, we received a new note from Sir Peter Housden that states that he plans to consult public bodies early in the new year. What is not quite clear from the initial letter is what will happen to the information. It is important that the public bodies are consulted and that the Government is informed of the use of the agreements, but it does not seem to be clear whether the information will be collected or collated centrally, whether it will be forwarded to us or anybody else, or whether it will be presented for public inspection.

It is not the job of the Public Audit Committee nor, for that matter, central Government to micromanage individual decisions, but the Government should be seeing whether there is increased use of such agreements, and I would have thought that we would wish to monitor that. I am concerned by the increased use of settlement agreements over a number of years. Their use has risen against the tide of our trying to control public spending, and that has taken up ever greater sums of public money.

It is not clear from Sir Peter's letter, so perhaps we should write back to him to ask—that could coincide with responses to the consultation being received—what the Government will do with that information and whether it will be gathered together centrally. Once central Government gets the information, we could obtain it through a freedom of information request, but I do not think that we should be obliged to do that. There should be greater transparency. I think that we should ask Sir Peter what he intends to do and whether he intends to pass the information straight to the committee as a matter of course so that we can keep an eye on the situation.

10:15

Bob Doris: Ken Macintosh's comments are helpful.

Sir Peter's tone is positive. He does indeed apologise for not making himself sufficiently clear

in earlier correspondence. It is welcome that he puts that on the record.

10:18

Meeting continued in private until 10:52.

In relation to the gathering together of the information, he states in paragraph 4(c) of his letter that each public body should report on the use of settlement agreements

“in their annual reports or otherwise as appropriate.”

In other words, public bodies will have to report publicly on the matter, so I do not think that we will need to FOI the information. However, Mr Macintosh makes a reasonable point when he says that the information should be collated for ease of reference. We might want to ask the Scottish Government about that. My interpretation of paragraph 4(c) is that the information will be publicly available, so there will be no need to FOI it, but I could be wrong about that. We could always seek clarification.

Mary Scanlon: This is one of the issues that Bob Black said he was quite concerned about at the final committee meeting that he attended as Auditor General, although I do not remember the full extent of his concern.

We are talking about many things—settlement agreements, compromise agreements, voluntary resignations and standard severance. I hope that I have got this right, but I think that Bob Black was concerned not only about the extent to which settlement agreements are used and the money involved, but about the fact that many of the people concerned are re-employed a few days later. I know anecdotally from friends that, at an organisation that is going through a lot of change this year—I will not say which one—there have been significant severance agreements only for the people concerned to get a new job with a new title. In other words, they have received a huge package on the Friday and started a new job on the Monday. I do not know whether it is within our remit to look into that, but I think that Bob Black’s concern was not restricted simply to severance agreements, but was also about the re-employment of people a few days later.

The Convener: We can ask the Auditor General for clarification on that point and ask whether Audit Scotland is doing any more specific work on the issue. Ken Macintosh suggested that we should ask Sir Peter Housden how the information will be collated and made available. Aside from that, do members agree to note the response?

Members *indicated agreement.*

The Convener: That takes us to agenda item 5, so we will move into private session.

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