

Agenda

Thursday 12 September 2024 10.00am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
513th meeting of the Accounts Commission

1. **Apologies for absence**
 2. **Declaration of connections**
 3. **Order of business**
The Chair seeks approval of business, including proposing taking items 9 to 15 in private for the reasons set out on the agenda.
-

Business requiring decisions in public

4. **Minutes and matters arising from previous meeting** Secretary
-

Business for discussion in public

5. **Best Value report: Clackmannanshire Council** Controller of Audit
-

Business for information in public

6. **Local government policy update report** Policy Manager
 7. **Chair's update** Chair
-

Any other public business

8. **Any other public business** Chair
The Chair will advise if there is any other public business to be considered by the Commission.
-

Business for information in private

9. **Controller of Audit update report** Controller of Audit
-

Business for discussion in private

- | | |
|---|-------------------------------|
| 10. Best Value report: Clackmannanshire Council
[Item to be taken in private as it requires the Commission to consider actions in response to a statutory report.] | Controller of Audit |
| 11. Sector-led transformation in councils: draft briefing
[Item to be taken in private as it requires the Commission to consider a draft publication in private before publishing.] | Audit Director, PABV |
| 12. Guidance on planning 2024/25 annual audits
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Director of Quality & Support |
| 13. Statutory Performance Information Direction: draft Direction
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Secretary and Policy Manager |
| 14. Q1 Corporate performance report
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Director of Corporate Support |
-

Any other private business

- 15. Any other private business**
[Item may be required if there are any confidential matters that require to be discussed out with the public domain.]
-

Close of meeting

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 12 September 2024

Purpose

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

Recommendations

2. The Commission is asked to:
 - Approve the attached draft minute of its previous meeting.
 - Consider any matters arising from the draft minute.

Minutes

3. The minute of the previous meeting is in Appendix 1.
4. Members should note that the action tracker – available to members via SharePoint and shared with them monthly – provides updates on progress from previous meetings.

Minutes

Thursday 8 August 2024, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh, and
online via Microsoft Teams

512th meeting of the Accounts Commission

Present:

Jo Armstrong (Chair)
Malcolm Bell
Nichola Brown
Andrew Burns
Andrew Cowie
Carol Evans
Jennifer Henderson
Angela Leitch (online)
Christine Lester
Ruth MacLeod
Mike Neilson (online)
Derek Yule

In attendance:

Blyth Deans, Interim Secretary to the Accounts Commission
Helena Gray, Controller of Audit
Antony Clark, Executive Director of Performance Audit and Best Value (items 12 and 13)
Gary Devlin, Partner, Azets (item 6 and 11)
Joe Chapman, Policy Manager to Accounts Commission (item 7)
Jillian Matthew, Senior Manager, PABV (item 12)
Ray Buist, Audit Manager, PABV (item 12)
Aileen Campbell, Senior Auditor, PABV (item 12)
Nathalie Cornish, Auditor, PABV (item 12)
Lucy Jones, Audit Manager, PABV (item 13)

1. Apologies for absence

There were no apologies for absence noted.

2. Declaration of connections

Jo Armstrong declared a connection with items 6 and 11, through her role on the board of Hub West Scotland, which is involved in procurement for projects for Renfrewshire Council. Jo proposed, and members agreed, that she recuses herself from discussion on those items, which she would instead observe from the public gallery. Andrew Burns, as deputy chair, would act as chair for those items on the agenda.

No other connections were declared.

3. Order of business

It was agreed that the following items be considered in private:

Items 10 to 14, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

The Commission considered a report by Blyth Deans, Interim Secretary, presenting the minutes of the meetings of May and June, including a summary of actions arising from the minutes. With no comments, the minutes were approved as a correct record.

5. Minutes and matters arising from May Committee meetings

The Commission considered a report by Blyth Deans, Interim Secretary, presenting the minutes of the Committee meetings in May 2024, including a summary of actions arising from the minutes. With no comments, the minutes were approved as a correct record.

6. Renfrewshire Council – Dargavel – statutory follow-up report

The Commission considered the Controller of Audit's statutory follow-up report on Renfrewshire Council regarding Dargavel.

Helena Gray, Controller of Audit, introduced the report, explaining the background and the scope. Helena also introduced the appointed auditor, Gary Devlin of Azets, and thanked the auditors for their work.

The subsequent discussion was structured according to the following themes:

- Community engagement – including:
 - The Council's overall approach to community engagement and specifically in relation to the extension of the primary school
 - How the council is addressing the concerns and differences of opinion within the community
 - The community's response to the council's recent engagement
 - Aspects of transparency around how different options are considered and how decisions are made
- Wider impacts on service provision – including:
 - How the conclusion was reached about there being no evidence of an impact, and what specifically this related to
 - How the costs arising from the errors that were made are being covered and accounted for
 - Future monitoring of how the council reports the financial impact in budgets and financial planning
- Governance and scrutiny

- Arrangements in place for learning lessons from the issues raised in the reports regarding Dargavel
- The role and involvement of political leaders and other elected members in working with senior officers
- Ensuring sustained improvement in the council's organisational culture
- Performance and accountability
 - The nature of the supplementary report produced by David Bowles
 - Reasons for the lack of a contemporaneous written record of the council's actions in reviewing its handling of planning issues
 - The likely timescales for seeing outcomes from the council's action plan

Following discussion, the Commission agreed to decide in private how it wishes to respond to the report.

7. Local Government policy update report

The Commission considered a report by Joe Chapman, Policy Manager, providing an update on significant recent activity relating to local government.

During discussion,

- Joe updated members regarding engagement statistics for recent reports, on an extension to the deadline for the call for views on the National Care Service Bill amendments, and on upcoming Committee appearances by members and staff.
- Members asked if inquiries could be made as to the methodology for the Sunday Times analysis of the relative performance of services in different council areas. Joe agreed to look into this.

Action: Policy Manager

- Members praised the quality of the draft responses to the calls for views. It was suggested that the response regarding the financial position of Integration Joint Boards could be a joint response with the Auditor General. Joe agreed to consider this with Audit Scotland colleagues.

Action: Policy Manager

- Members asked about the Commission's view regarding the trend in real-terms pay for local government workers, as had been raised in negotiations over an agreement for 2024/25. Joe advised that it was not for the Commission to comment on claims made by parties to those negotiations.

Following discussion, the Commission noted the report and agreed to the recommendations regarding responses to consultations.

8. Chair's update report

The Commission considered an update by the Chair, Jo Armstrong, on recent and upcoming activity.

- Jo Armstrong updated members that the recruitment for a new Audit Scotland Board Chair was now live and agreed to update members appropriately once a candidate had been appointed.
- Jo highlighted the importance of the session later in the day with Audit Scotland Executive Team members, focusing on Audit Modernisation.

Following discussion, the Commission noted the update.

9. Any other public business

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

10. Controller of Audit's update report

The Commission considered a written and verbal update by Helena Gray, Controller of Audit, on recent and upcoming activity, which included the following:

- Helena advised members that she was invited to join a session at the Solace conference to discuss the future Best Value work being carried out on transformation and to join a panel discussion on workforce in Local Government more generally. Whilst the Best Value work on transformation has yet to be presented to the Commission it was agreed with the Chair this would be a good opportunity to raise the profile of the work with Council Chief Executives and share any early messages / findings, with the caveat that this is very much work in progress and hasn't been discussed by the full Commission.
- Helena joined a quarterly meeting of all the Local Government sector leads from firms and Audit Scotland. It provided a platform to share intelligence on transformation as the focus for year 3 BV work the planning guidance for all auditors is developed. Additionally, it provided an opportunity to share some feedback from the informal engagement on the Statutory Performance Information (SPI) Direction and get auditors perspectives on the initial thinking which will be presented to the full commission in September.
- Helena provided an update on outstanding audits and the presentation of unaudited accounts, confirming it is expected all Local Government audits for 22/23 will be completed by end of August. Additionally, it was confirmed 23/24 audits are now well underway and the first of these has been published (Aberdeen City).

Following discussion, the Commission noted the update.

11. Renfrewshire Council – Dargavel – statutory follow-up report

The Commission considered its response to the Controller of Audit's statutory follow-up report on Renfrewshire Council regarding Dargavel.

During discussion, the Commission agreed to make findings, which would be drafted by the Deputy Chair and Interim Secretary and shared with members for comment and with the Controller of Audit for fact-checking. The findings would then be signed off by the Deputy Chair, prior to publication on 20 August.

The Commission agreed that the findings would be focused on the following points:

- Community engagement – welcoming the increase in activity undertaken by the council, and emphasising that continuing engagement must be meaningful and robust
- Transparency – making clear the need for the council to be fully transparent in its decision making and in its budget monitoring and financial planning
- Leadership – welcoming the leadership development programme but highlighting the need to ensure the council's political leaders are able to fulfil their scrutiny role
- Culture and behaviour change – encouraging a focus on this and ensuring there is sustained change and improvement.

It was also agreed that the findings would acknowledge the forthcoming Best Value report on Renfrewshire Council as well as the ongoing annual audit work and reporting.

The Commission also approved the proposed publication arrangements set out in the paper.

12. Alcohol and drug services joint performance audit: draft report

The Commission considered a draft of the report on the joint performance audit on alcohol and drug services.

During discussion,

- Antony Clark highlighted issues of leadership, governance, availability and use of data, and partnership working. Jillian Matthew added that the scope of the report is mostly focused on treatment services, with only limited ability to cover the broad area of prevention.
- Christine Lester and Andrew Cowie, as sponsors, praised the audit team for their work, emphasised the important and difficult nature of the subject matter, and highlighted the use of 'must' rather than 'should' in recommendations as a deliberate choice to be more assertive.
- It was suggested there could be stronger messaging in relation to vaping. Meanwhile, the report was praised for summarising the ways in which the current system is seen as failing to meet people's needs and that urgent action and a whole-system approach are needed in order to reduce deaths.
- The high proportion of recommendations addressed to the Scottish Government was queried, as to whether this struck the right balance. Antony explained that some of

those are really to all partners, and said this could be adapted to ensure it is shown more clearly.

- A question was asked about the impact of plans for a National Care Service on the current bureaucratic structures and the complexity they bring. Antony acknowledged the proposition that reformed local and new national bodies will have more power and control, and pointed out this was a matter for Parliament to consider.
- A link was made between the draft response to the call for views on the proposed amendments to the National Care Service Bill, and the challenges faced by Alcohol and Drug Partnerships. Antony will discuss this with the Commission Chair.

Action: Executive Director of PABV

- It was suggested that more could be done to show the links and common themes between Commission reports, such as between this and the IJB report. Antony suggested this could be considered as part of discussion at the Strategy Seminar.

After discussion, the Commission:

- Approved the draft report
- Agreed to delegate to the sponsors approval of any required final amendments resulting from the Commission's considerations
- Agreed the proposed publication arrangements.

13. Local government financial bulletin 2023/24: scope

The Commission considered a paper by Antony Clark, Executive Director of Performance Audit and Best Value, on the proposed scope of the Local government financial bulletin 2023/24.

During discussion,

- Antony explained the evolution of the approach and the revised scope of the Financial bulletin, given that the budgets briefing now covers current-year budget-setting. He emphasised the value of the report being based on audit evidence.
- Antony suggested a blog may be produced that explains how the different outputs in the local government reporting programme fit together and complement each other.

After discussion, the Commission:

- Agreed the proposed governance arrangements set out in paragraph 5 of the paper.
- Agreed the scope of the financial bulletin 2023/24 as set out in paragraph 7.

14. Any other private business

The Chair, having advised that there was no further business, closed the meeting.

Close of meeting

The meeting closed at 13.15.

Best Value in Clackmannanshire Council

Controller of Audit

Item 5
Meeting date: 12 September 2024

Purpose

1. This report introduces the Controller of Audit's report on Best Value in Clackmannanshire Council for the Commission's consideration, alongside the associated publication arrangements.

Recommendations

2. The Commission is invited to:
 - Consider the Controller of Audit's report.
 - Approve the proposed publication arrangements.
 - Decide how it wishes to proceed.

Background

3. The report draws the Commission's attention to the findings set out in Clackmannanshire Council's 2022/23 Annual Audit Report (AAR) on how effectively the council demonstrates Best Value through continuous improvement in how it delivers its strategic priorities.
4. Best Value audit work is fully integrated into annual financial audit work to increase its impact and efficiency and reduce the scrutiny burden on councils. Best Value work is reported in AARs and also includes follow-up and thematic Best Value work, providing judgements on the pace and depth of continuous improvements and service performance. This work provides the Commission with the opportunity to offer a national overview of key aspects of Best Value, as well as supporting accountability and improvement within individual councils to generate greater impact from the Best Value audit work.
5. The theme chosen by the Commission for its annual Best Value thematic work for 2022/23 was Leadership of the development of new strategic priorities. The Commission published a national thematic report on leadership of strategic priorities, drawing on the findings of Best Value thematic work across all 32 councils, in July 2024.
6. At least once during the current five-year audit appointment the Controller of Audit is required to report to the Commission on Best Value in each council. These reports are based on the Best Value audit findings reported in AARs. They replace the Best Value Assurance Reports that were published on all councils between 2017 and 2022.
7. Both the AAR and the Best Value thematic work for Clackmannanshire Council were presented to the council on 29 August 2024.

The Controller of Audit's report

8. This report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - The accounts of local authorities audited under the Act;
 - Any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - The performance by a local authority of their statutory duties in relation to best value and community planning.
10. The Controller of Audit Report was sent to Clackmannanshire Council on 4 September 2024, the same date it was issued to the Commission. The council has been advised that it is obliged to supply a copy of the report and the AAR on which it is based to each member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the council it is effectively in the public domain.

Procedure

11. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
12. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
13. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the AAR, with a focus on Best Value. This is done in the public part of the Commission meeting.
14. The Commission will then consider in private how it wishes to proceed. Subsequently, the Commission is obliged to inform the council of its decision shortly after the Commission meeting, which the Commission does before making the decision public.
15. The Commission asks the council for a meeting, preferably in the period between the Commission publishing findings and the council considering them, to do the following:
 - for Commission members to hear what the council thinks of their findings
 - to discuss what the council will do with the findings
 - to confirm any next steps
 - to review the audit process.

16. The council is required by statute to do the following:

- consider the findings of the Commission within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the meeting, indicating that it is to consider the findings of the Commission and describing the nature of those findings (at least seven clear days before the meeting)
- after the council has met, notify the Commission of any decisions made, and publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the council's decision.

Publication arrangements

17. The main communications outputs for each of the new Best Value reports currently include:

- Short animation – key messages for local communities from the annual audit report
- News release – based on the Account Commission's findings, including a quote from the Chair of the Accounts Commission
- Social media – detailed list of key groups to tag within each council area, including community councils, tenant groups, third sector and local third sector interfaces.

18. In addition, we will carry out the following communications and engagement:

- Local media – advance engagement to increase the potential for interviews
- Third sector interfaces – provide materials and support to share across their contacts
- Ongoing engagement with the local council.

19. The main audiences for our communications are:

- Council and council staff
- Local communities, and third sector groups
- Local and specialist media
- COSLA and the Improvement Service
- Other councils – to share best practice.

Conclusion

20. The Commission is invited to:

- consider the Controller of Audit's report on Best Value in Clackmannanshire Council
- approve the proposed publication arrangements
- decide in private how it wishes to proceed.

Best Value

Clackmannanshire Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
September 2024

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Key facts

61 Square miles

51,800 Population

2,695 Headcount (from draft Annual Accounts 22/23)

18 Elected members
(8 SNP, 5 Labour, 3 Conservative, 1 Green, 1 Independent - SNP administration)

£22m Savings required by 2026/27

£154m Net revenue budget 2022/23 (Plus Housing Revenue Account (HRA) gross revenue expenditure of £17.2 million)

£33.2m Capital budget 2022/23 (general fund plus HRA)

Controller of Audit Report

- 1.** This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 annual audit which reported in August 2024. Appendix 1 includes the 2022/23 Annual Audit Report (AAR), and Appendix 2 includes a link to the Best Value Statutory Guidance.
- 2.** Best Value audit work is now reported through the annual audit at each council and includes detailed work focusing on a Scotland-wide theme. The theme for the 2022/23 audit year concerns councils' Leadership of the development of new local strategic priorities.
- 3.** The council has an effective Best Value framework and has a clear understanding of areas where it needs to improve. It has made good progress with the actions resulting from the 2018 Best Value Assurance Report (BVAR) and the 2019 BVAR progress report.
- 4.** The council has set a clear vision with revised priorities that include inequalities and climate change. The vision has been informed by its communities and is supported by an updated performance management framework.
- 5.** The council has replaced its four-year corporate plan with an annual Be the Future statement of priorities. It agreed its priorities for 2023/24 in October 2023. These are set within three themes that are consistent with the community planning partnership's local outcome improvement plan (LOIP). It uses its business and operational plans to align services to these priorities. It is updating its service, workforce and digital transformation plans.
- 6.** Auditors recommended that the council should agree its strategic priorities before the start of each financial year to ensure any changes can be built into business plans. The council completed this action in February 2024 ahead of the start of the 2024/25 financial year.
- 7.** Councillors and officers worked collaboratively to agree the council's priorities and budget. There is a positive working relationship between administration and opposition parties. Cross-party working is evident across priority areas including tackling inequalities and climate change. Auditors also noted that the council has good working relations with its community planning partners.
- 8.** The council approved an interim workforce strategy in September 2023 aligned to its transformation programme. It commissioned a capacity and skills audit in 2022. This identified the risk of significant points of failure through the council's use of small teams. It highlighted a need to invest in service-based

workforce planning across all areas to identify skills requirements and career pathways. This is currently being progressed.

9. Previous annual audit reports have also highlighted significant capacity challenges within the council's finance team. The finance team continues to be stretched and has recently operated with ongoing long-term absences. This has contributed to the late production of the annual report and accounts. It is important that the council urgently addresses its financial capacity. The council is undertaking an organisational review of its corporate services including the size and structure of its finance team. Auditors will continue to monitor progress.

10. The workforce strategy also identifies leadership development as a key challenge. The council aims to provide development opportunities for all managers through its leadership programme. It provided training for elected members following the May 2022 local government elections and plans to agree individual development plans for members by 30 September 2024.

The leadership (both political and officer) has been effective in setting clear priorities; it now needs to ensure it has the capacity and capability to deliver them.

11. The council has revised its decision-making framework following the local government elections in May 2022. The aim was to streamline scrutiny and decision-making and to increase the participation of elected members. The review introduced new governance arrangements around strategic priorities including a Be the Future Transformation Board, a Climate Emergency Board and a Children and Young People's Board. The council is embedding its revised decision-making framework. It has recently undertaken a self-assessment and skills audit of its Audit and Scrutiny Committee and identified areas for improvement. Auditors will continue to monitor the council's progress.

12. The council achieved financial balance in 2022/23. It has delivered previously identified savings but savings options and opportunities for service redesign are becoming more limited. The council has budgeted one-off measures that include using reserves and service concession flexibilities to balance its 2023/24 budget. This is not financially sustainable in the medium to longer-term and the council needs to take urgent action to address this.

13. At the time of agreeing the 2023/24 budget, the council set out indicative financial plans for the following years. It projected a funding gap of £11.6 million for 2024/25, increasing to £21.9 million in 2026/27. The council addressed the 2024/25 gap through £5.4 million savings and £6.3 million from reserves.. The council provides regular budget updates to members which include its medium-term financial position. However it does not have a medium-to-long-term financial strategy. This is important to set out how the council will ensure its financial sustainability, including financial projections, plans to address budget gaps and scenario planning.

14. Since 2021/22 the council has revised down the minimum level of uncommitted reserves through its annual review of its reserves strategy from 3 per cent, to 2.4 per cent to 2 per cent in 2023/24. The level of uncommitted reserves (£3.29 million) as of 31 March 2023 was at the lower end agreed in its reserves strategy.

The council should urgently develop a medium-term financial strategy to set out how it intends to achieve financial sustainability.

15. The council has made progress in developing its transformation planning over the year. It has clear governance and has agreed a new model of resourcing in March 2023. The 2019-25 Digital Strategy is a key enabler of its “Be The Future” transformation plan. The council needs to develop the projects within the transformation programme aligned to its development of a medium-term financial strategy. It should include greater detail about individual projects and develop a benefits realisation tracker to monitor progress.

It is critical that the council develops detailed plans at pace, with robust benefits realisation tools to demonstrate that it is achieving its intended outcomes.

16. The council uses its Clackmannanshire Improvement Model to drive improvement. Before the pandemic, it undertook an annual whole council assessment and it plans to re-introduce this over 2024/25. It also undertakes service-specific self-assessments, for example in social services and education which also involve independent validation.

17. The council has appropriate arrangements to report its performance publicly and to comply with the Accounts Commission’s Statutory Performance Information Direction. The council’s performance reporting for its business plans (2022/23) covers a range of indicators aligned to its corporate plan. These include key organisational performance measures, financial, customer and people indicators, and improvement actions.

18. The comparative performance of Clackmannanshire Council’s services has declined over time. From the latest available Local Government Benchmarking Data (LGBF), 44 per cent of Clackmannanshire Council’s LGBF indicators are in the top two quartiles for Scottish councils compared to 50 per cent in the respective base years¹. The council reported that it is making progress with its improvement actions for 2022/23 in all of its three directorates, but almost half of its Place Directorate actions were not expected to meet their target, with resource and capacity constraints being a contributing factor.

19. The 2018 and 2019 Best Value audit work identified sickness absence as an issue, with the council ranking as the worst performing Scottish council for both teacher and non-teacher sickness absence according to LGBF data. The council has taken measures to understand and manage sickness absence, but its performance remains poor and is worse than the Scottish average.

20. The council’s capital plan closely aligns to its priorities. It sets out planned investment of £236 million over a 20-year period. This includes increased investment in its initial stages in line with its priorities for children and young people and health and wellbeing.

¹ The LGBF covers over one hundred indicators and base years range from 2007 to 2019 depending upon when each indicator was introduced.

21. The council has significantly underspent its capital programme in recent years. It recognises the need for additional investment to offset cost inflation and has recruited a Transformation and Capital senior manager to help address this.

The council should review its capital budget setting and monitoring arrangements to ensure it sets realistic budgets with clear timelines and a clear linkage to council priorities.

22. The 2019 BVAR follow-up report said that the council recognised it needed to better engage the public over its priorities. It has made progress in this area and its budget process now includes a detailed four-phase community engagement programme. It also uses Citizen's Space as a central portal on its website for all of its consultations. Recent consultations include the climate change strategy and the LOIP.

23. The 2017-27 Local Outcomes Improvement Plan (LOIP) identifies community empowerment as a strategic priority and provides supporting outcomes and improvement measures. The council has subjected £3 million in projects to participatory budgeting (PB). These include its well-being hub, improvements to the learning estate and active travel. The PB projects amount to around two per cent of the council's net revenue budget, exceeding the COSLA ambition for councils to subject at least one per cent of net expenditure to PB.

24. The council has made limited use of formal community asset transfers, with only two assets transferred in the last three years. However, it has facilitated approximately 16 long leases to community bodies over the last 10 years.

25. The council and LOIP priorities include a joint commitment to tackle inequalities resulting from poverty and socio-economic disadvantage. Good examples of joint actions undertaken by the council and its partners include the Family Wellbeing Partnership, the Stirling & Clackmannanshire City Region Deal community wealth building initiatives, and a multi-agency rapid intervention service model.

26. The council's Equality Impact Assessments (EQIA) include socio-economic considerations. The council also has a clear focus on human rights in its education services regarding the needs of children and young people, and through its strategic commissioning plan for the Clackmannanshire and Stirling Health and Social Care Partnership.

27. The council has a comprehensive climate change strategy with ambitious targets. The council provides clear governance through its Climate Emergency Board and it involves communities in key decisions. It is developing detailed actions plans to support the strategy. It is essential that the council is transparent about any challenges that arise in achieving its climate targets.

Appendix 1: 2022/23 Annual Audit Report

2022/23 Annual Audit Report

This report summarises the findings from the 2022/23 annual audit of Clackmannanshire Council.

This Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts.
- conclusions on the council's performance in meeting its Best Value duties.
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.

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AAR cover
image**

**2022/23 Annual Audit Report [add hyperlink]
[Clackmannanshire Council]**

[Month of publication] 2024

Appendix 2: Best Value

[The Local Government in Scotland Act 2003](#) introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development.
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value

Clackmannanshire Council



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Purpose

1. This regular report provides updates on notable recent activity relating to local government. Similar updates are provided through the Weekly Digest, sent to members by Audit Scotland's Communications Team and available via the [members' SharePoint site](#).

Recommendations

2. The Commission is invited to:
 - Note this report and consider any implications for its work programme
 - Agree the recommendations regarding responding to consultations.

Recent publications and engagement

3. Below are details of the media coverage, download statistics and social media engagement for publications issued recently by the Commission.
 - [Integration Joint Boards' Finance and performance 2024](#) (25 Jul 2024)
 - Update: 887 downloads by the end of July; a further 682 in August – 1,569 in total.
 - See the previous edition of this report for full details.
 - [Blog: Benchmarking and good public performance reporting matter](#) (1 Aug 2024)
 - 380 views in August. *Comparison: 300 views of Leadership blog in first 3 weeks.*
 - 1,850 views and 125 engagements including 75 link clicks on social media.
 - [Accounts Commission Annual Report 2023/24](#) (8 Aug 2024)
 - 270 downloads in August. *Comparison: 180 downloads of 22/23 AR in first month.*
 - 1,900 views, 650 video views and 160 engagements including 80 link clicks.
 - [Renfrewshire Council: Update report on for Dargavel](#) (20 Aug 2024)
 - Media: *online:* [BBC News](#), [STV News](#), [Daily Record](#), [Clyde 1 radio](#), [Renfrewshire Gazette](#); *print:* [Scotsman](#), [Paisley Daily Express](#)
 - Also pre-publication: [STV News](#), [Daily Record](#), [Glasgow Times](#), [Paisley Express](#)
 - Broadcast: BBC Good Morning Scotland, BBC Reporting Scotland, STV News
 - Social (*first 24 hours*): 2,650 views, 550 video views, 200 engagements including 110 link clicks, 11 shares; notable posts: STV News, TES Scotland, Neil Bibby MSP
 - Downloads: 250 in August. *Comparison: first report – 440 in first 2 weeks.*

- **Tackling digital exclusion** (22 Aug 2024)
 - Media: *online*: [STV News](#), [Evening Standard](#), [Herald](#), [Independent](#); [Digit News](#), [FutureScot](#), [Holyrood](#), [Public Finance](#), [Scottish Housing News](#), [Third Force News](#); *print*: [Daily Record](#), [Herald](#), [Metro](#), [Scotsman](#), [The Sun](#)
 - Broadcast: BBC Good Morning Scotland, BBC Reporting Scotland, STV News; BBC Radio Scotland phone-in discussion; Glasgow Go Radio
 - Responses from Scot Gov, Labour, Lib Dems, Citizens Advice, COSLA, SCVO
 - Social (*pre- and first 24 hours*): 13,500 views, 2,500 video views, 500 engagements incl. 150 link clicks, 60 shares; notable posts/shares: Good Things Foundation, Scottish Human Rights Commission, Scottish Library and Information Council, Lucy Mulvagh (Alliance), Paul O’Kane MSP, Sarah Davidson (Carnegie), Tom Hunter
 - Downloads: 670 in August. *Comparison: Adult MH report – 1,340 in first 18 days.*
- 4. Quarterly download statistics for Commission publications are also provided, to supplement the usual monthly data. The next quarterly update, covering the period up to the end of September 2024, will be provided in the November edition of this report.

Media and Parliamentary monitoring

- 5. In addition to coverage of the above reports, previous publications by the Commission continue to be referenced in news articles:
 - The [Local government budgets 2024/25](#) briefing was referenced in stories about the costs of [fixing potholes in Glasgow](#) and of [road repairs in Dumfries and Galloway](#).
 - The [IJBs Finance and Performance 2024](#) report was mentioned in a story reporting a councillor’s claim that [‘People are suffering because health services are being cut’](#).
 - Falkirk Council referred to the [Commission’s Best Value report](#) when launching its budget consultation, saying [it had ‘taken on board’ criticism](#) of previous engagement.
- 6. A number of submissions to Parliamentary pre-budget scrutiny calls for views are also referencing recent Commission publications, particularly the IJBs report.

Local and Scottish government finance issues

- 7. Members of Unison have rejected the improved pay offer from COSLA, raising once again the prospect of strike action by council staff, including waste and recycling workers in 13 council areas and education and early years staff at five councils. Areas that could be affected by Unison strike action include Glasgow, North and South Lanarkshire and the Lothians, but not Edinburgh. Members of the GMB union voted to accept the offer, while Unite was due to give its response shortly after this report was issued.
- 8. The improved offer – an increase of £1,292 per year or 3.6 per cent, whichever is greater – was made by COSLA in early August after the Scottish Government said it would provide additional funding, and came in response to all three unions announcing dates for strike action in mid-August, after rejecting the previous offer of 3.2%. The unions had suspended that action while they considered the new offer, but they say members unhappy that their pay offer is not in line with the 5.5% offered to other public service workers across the UK.

9. Less than 24 hours after the improved offer was made, the Scottish Government announced emergency spending controls, including a freeze on non-essential spending and public sector recruitment, in order to fund pay deals including (but not only) for local government. Finance Secretary Shona Robison said this was due to the UK Government's decision to use savings, rather than additional funding or borrowing, to fund public sector pay deals, reducing the Barnett funding made available to Scotland for the same purpose.
10. On 3 September, Ms Robison made a statement to the Scottish Parliament with further information on planned spending reductions, which totalled just over £500 million, alongside a drawdown of up to £460 million of ScotWind revenue. [Full details of the spending cuts are provided in a letter to the Finance and Public Administration Committee](#). Announcements of interest to the Commission or that relate to or have an impact on local government include:
- “Agreement with Local Government that they can draw on existing programmes to fund the pay deal” – this is understood to include deferring spend on flood risk management, delaying expansion of free school meals, and suspending provision of digital devices, all of which were reported in advance but were not specified in the published information.
 - £23.7 million reduction in spending on sustainable and active travel projects, in addition to the ending of the pilot programme to remove peak fares on ScotRail trains.
 - £18.8 million of savings on mental health including “mainstreaming elements of the Distress Brief Interventions programme, student mental health measures and additional Mental Health Officer funding, and reprofiling the Changing Places Toilets fund”.
 - £13.6 million of savings in social care including “non-staff spending on the delivery of the National Care Service, maintaining Multi-Disciplinary Team funding at prior year levels, and slower-than-expected uptake of the reopened Independent Living Fund”.
11. Ms Robison's announcement came after criticism from the Scottish Fiscal Commission, which said that while UK Government decisions were a factor, the Scottish Government's own choices are to blame for [“much of the pressure” facing the country's finances](#) and “narrow its room for manoeuvre”, highlighting the council tax freeze, social security and pay deals. The SFC also echoed the Fraser of Allander Institute's message that the Scottish Government [must be more transparent about public sector pay](#), or risk more spending cuts.
12. Meanwhile it was reported that [council tax bills are likely to surge next year](#) as the Scottish Government will not require councils to freeze rates, which may lead to some councils imposing large increases to help close budget gaps and compensate for any shortfall resulting from this year's freeze. The Scottish Government is understood to be seeking alternative sources of revenue rather than introducing further income tax increases.
13. Councils in Scotland's three largest cities have each moved forward with their plans for introducing a Visitor Levy. Councillors in [Edinburgh](#) approved the introduction of the ‘tourist tax’, which it's hoped will raise up to £50 million a year, to be spent on street cleaning, culture and housing projects; a consultation will be carried out in the autumn. Officers in [Aberdeen](#) have been given the go-ahead to develop and consult on plans for the levy over the coming months, while an outline of a proposed scheme is to be produced for [Glasgow](#).
14. A public consultation exercise has revealed what residents in Edinburgh think the city's council should do to [save money in its 2025-26 budget](#). The public were asked to suggest ideas in the face of £110 million of cuts to the capital's services in the next five years – and

scrapping low traffic neighbourhoods and active travel projects topped the list. The council said it was the largest-ever response to a budget engagement process and the feedback has been shared with services but warned it was “not a representative sample of residents”.

Policy area updates

Health and social care

15. [New figures for drug deaths in Scotland](#) showed that the number of people who died due to drug misuse rose by 12% to 1,172 in 2023. This rise reverses a fall in 2022, but is the second lowest number of drug deaths in Scotland since 2017. Scotland continues to have the highest per-capita rate of drug deaths in Europe at 277 deaths per million people aged 15-64 – 2.7 times as high as the 2022 figures for England and Northern Ireland, 2.1 times as high as in Wales that year, and also far higher than any other country in Europe.

Housing and homelessness

- 16.** The Scottish Housing Regulator confirmed that ten of Scotland’s 32 councils either are suffering or are at heightened risk of suffering [systemic failure in the services provided to people who are homeless](#). The regulator says it is already in discussion with City of Edinburgh Council and Glasgow City Council, and has warned eight others that they must “continue best efforts” to meet their statutory obligations, including offering temporary accommodation when they assess a person or household as unintentionally homeless. Meanwhile, 24 councils have admitted breaching the Unsuitable Accommodation Order, designed to ensure people have access to decent living accommodation.
- 17.** More than 500 council homes and private properties in Aberdeen affected by reinforced autoclaved aerated concrete (RAAC) are [to be demolished and rebuilt](#) at an expected cost of more than £150 million. Discussions between Aberdeen City Council and the Scottish Government about funding are ongoing. Councillors approved the plan – over alternative options of demolition without rebuilding, and removing RAAC and refurbishing the homes – as it was judged to be the quickest and most cost-effective solution. Homeowners have called for more financial and mental health support during the relocation process.

Education, children and young people

- 18.** Students across Scotland received their exam results on 6 August, with statistics showing that pass rates have fallen slightly – back to or just below pre-pandemic levels – and the poverty-related attainment gap has widened across all school qualifications. This year marked the return of full coursework assessment following disruption during the pandemic. The gap between Higher A-C pass rates for pupils from the most affluent and most deprived areas of the country stood at 17.2 percentage points, up from 16 points last year and 16.9 points in 2019. The gap has also increased for National 5s and Advanced Highers.
- 19.** Glasgow City Council has admitted that plans to cut 450 teachers from the city’s schools [“may have a detrimental impact on the poorest children and young people”](#) and that “there may be a potential impact on support for young people with additional support needs”. The comments are made in an Equality Impact Assessment which was signed off five months after the teacher cuts were confirmed. Meanwhile, members of the EIS teaching union in Glasgow are to be balloted for industrial action including strikes, in protest at the plans.

- 20.** At the same time, an [investigation by TES Scotland](#) into recruitment challenges in Scottish secondary schools has found that councils requested hundreds more probationer teachers to fill posts in 2024-25 (1,700) than were allocated through the Scottish Government's Teacher Induction Scheme (1,100). TES says this shortage is leading to subjects being cut from the curriculum. TES also investigated the contrasting problem in primary schools, where teachers – of whom there is an oversupply – cannot secure long-term, steady work.

Communities and infrastructure

- 21.** Fife and Angus councils are among those actively reducing their estate to raise money in the light of more staff working from home long-term. In [Fife](#), demolition is already underway on the six-storey Rothesay House in Glenrothes, while thirty other buildings – including former primary schools, community centres, public toilets, shops and a pub – are vacant, with surveys of other offices this year finding they are dramatically under-used. Meanwhile, [Angus Council](#) has put its Angus House headquarters in Forfar on the market for lease or sale, after surveys showed just half of it is being used, with heating and lighting already having been turned off in parts of the building to reduce the £400,000 running costs.

Government administration

- 22.** The leader of City of Edinburgh Council, Cammy Day, called for Scotland to follow the example of England and [devolve powers from central government to the regions](#). Cllr Day wants to see the capital link up with neighbouring councils on issues such as housing, transport and economic growth, based on the Greater Manchester model. However, during a panel discussion at the Scottish Parliament's Festival of Politics, COSLA Vice-President Cllr Steven Heddle said there is ["no real enthusiasm" in local government](#) in Scotland for elected regional mayors, raising concerns about an additional layer of government.
- 23.** The UK Government is set to give the Scotland Office expanded powers including turning it into a 'spending department', potentially [allowing it to bypass Holyrood](#) and provide funding directly to councils projects including those aimed at reducing poverty and creating jobs. It's believed the money allocated to the Scotland Office will come from funds previously paid to the EU and distributed to member states through European structural funds, some of which the Scottish Government has been accused of failing to spend.
- 24.** John Alexander stepped down as the leader of Dundee City Council and as a councillor, to take up a new job in the private sector and to spend more time with his family. Mr Alexander became council leader in 2017, at the age of 29. He was replaced by Mark Flynn, who is the father of current SNP Westminster leader, Stephen Flynn.

Scottish Parliament updates

- 25.** The Local Government, Housing and Planning Committee received a response from Ivan McKee, Minister for Public Finance, to following its request for updates regarding the Local Governance Review and the review of the Community Empowerment (Scotland) Act.
- 26.** The Minister stated that an analysis of responses to the Democracy Matters consultation will be published "after recess", following consideration by the Scottish Government and COSLA. At this point, the two parties will also publish a joint statement outlining next steps for Democracy Matters and provide an update on progress to develop place-specific single authority models. The Minister added that the findings of the review of the Community Empowerment Act will be published "later in 2024".

- 27.** Shona Robison wrote to the Finance and Public Administration Committee on 23 August with updates on budget-related issues. In the letter she advised the Committee about her planned statement to Parliament in early September setting out in detail “the scale of the fiscal pressures” and the action that the Scottish Government is taking to address them.
- 28.** Ms Robison also informed the Committee that she will *not* now be publishing a Medium Term Financial Strategy (MTFS) alongside the 2025-26 Budget as previously planned, due to the UK Government’s intention to produce a spending review in 2025; the Scottish Government’s MTFS will now be published “in good time ahead of Budget 2026-27”. Meanwhile Ms Robison proposed – and the Committee agreed – that the Scottish Budget is to be published on 4 December 2024.

Other updates

- 29.** COSLA has announced that it has made a new, above-inflation pay offer for teachers in Scotland. The offer is a 4.27% increase at all pay points for 12 months from 1 August 2024. COSLA says the offer is at the “absolute limit of affordability in the extremely challenging financial context”, and uses local authority budgets as well as additional funding from the Scottish Government. Teaching unions will now consider the offer and how to respond.
- 30.** The LGiU published the following briefings of relevance to Scotland:
- [How do you make a local economy great?](#)
 - [Shaky foundations? The state of Scottish housing in 2024](#)
 - [Delivering decontaminated land to housing: A case study](#)
 - [Digital exclusion and poverty: how local gov around the world is tackling the challenge](#)
- 31.** The Scottish Parliament Information Centre (SPICe) recently published a [research briefing on the Education \(Scotland\) Bill](#), and the following blogs of relevance to local government:
- [How is Scotland Performing?](#)
 - [Progress on the plan to reduce child poverty](#)
 - [Filling in fiscal cracks...again](#)

Consultations

- 32.** The following responses to Scottish Parliament calls for views have been submitted:
- [Education \(Scotland\) Bill](#)
 - [Health, Social Care and Sport Committee pre-budget scrutiny 2025-26: Financial position of Integration Joint Boards](#)
 - [Local Government, Housing and Planning Committee pre-budget scrutiny 2025-26](#)
- 33.** The links above are to SharePoint; the responses will also shortly be published [on the Audit Scotland website](#) and/or via the relevant page on the Parliament website.
- 34.** The response to the call for views on the draft amendments to the National Care Service (Scotland) Bill is currently being finalised following comments from members, and will be submitted before the deadline of 20 September, and published shortly afterwards.
- 35.** No new relevant consultations or calls for views have recently been opened. The Policy Manager will advise verbally of any changes or updates.

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission.

Engagement and Commission business

2. The engagements and work in the period of 1 August to 31 August have been as follows:

Audit Scotland engagement

- 9 August - Regular meeting with the Auditor General for Scotland
- 15 August – Extraordinary Audit Scotland REMCO meeting.
- 15 August - Regular meeting with Antony Clark, Executive Director, Performance Audit and Best Value
- 29 August – LGHP Committee preparation session for September appearances with Derek Yule (Accounts Commission Member), Lucy Jones (PABV Audit Manager) Joe Chapman (Policy Manager), Sarah Watters (secretary) and Joanna Mansell (Communications Advisor)
- Regular meetings with Vicki Bibby, Chief Operating Officer.
- Regular meetings with Helena Gray, Controller of Audit

Commission business

- Regular meetings with Sarah Watters, Secretary to the Commission
- Regular meetings with Jack Nixon, Executive Assistant to the Commission
- Regular meetings with Joe Chapman, Policy Manager, Accounts Commission.
- 22 August – SPI working group with PABV Colleagues and Accounts Commission Members.

External Engagement

- 5 August – Solace Conference preparation session with other panel members
- 15 August – Meeting with Theresa Shearer (Enable Chief Executive) & Stephen Boyle (AGS)

Forthcoming activities

3. My forthcoming engagement activities include:

- Preparation for attendance at Local Government Housing & Planning Committee meetings on 3rd and 24th September with Derek Yule and PABV Colleagues
- Preparation for attending Solace conference as a panel member on Financial Sustainability

Conclusion

4. The Commission is invited to:

- Note this report and enquire about any areas of interest.