

Agenda

Thursday 6 February 2025 10.00am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
518th meeting of the Accounts Commission

1. Apologies for absence
2. Declaration of connections

Business requiring decisions in public

3. Order of business
The Chair seeks approval of business including taking items 10 to 16 in private for the reasons set out on the agenda.
4. Minutes and matters arising from previous meeting Secretary 10:05

Business for discussion in public

5. Best Value: Fife Council Controller of Audit 10:10
(followed by 5-minute break)
6. Local government policy update report Policy Manager 11:30
7. Chair's update Chair 11:40
8. Scottish Budget 2025/26 briefing Executive Director of PABV 11:50
9. Any other public business Chair 12:15
The Chair will advise if there is any other public business to be considered by the Commission.

Break for lunch 12:15

Business for discussion in private

10. Controller of Audit's update Controller of Audit 13:00
[Item to be taken in private as it requires the Commission to consider confidential policy matters.]

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| 11. Best Value: Fife Council [Item to be taken in private as it requires the Commission to consider actions in response to a statutory report.] | Controller of Audit | 13:10 |
| 12. IJB Financial Bulletin 2023/24: draft output [Item to be taken in private as it requires the Commission to consider a draft publication in private before publishing.] <i>(followed by 5-minute break)</i> | Executive Director of PABV | 13:45 |
| 13. Improving care experience: Delivering the Promise: scope [Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Executive Director of PABV | 14:20 |
| 14. Commission meeting arrangements and local engagement options [Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Secretary | 14:40 |
| 15. Chief Operating Officer update [Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Chief Operating Officer | 15:00 |
| 16. Any other private business The Chair will advise if there is any other private business to be considered by the Commission. | Chair | 15:10 |

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| Close of meeting | 15:15 |
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Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 6 February 2025

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 16 January 2025, 10.00am

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

517th meeting of the Accounts Commission

Present:

Jo Armstrong (Chair)
Malcolm Bell
Andrew Burns
Andrew Cowie
Carol Evans
Jennifer Henderson
Angela Leitch (Items 1-8)
Christine Lester
Ruth MacLeod
Mike Neilson
Derek Yule

In attendance:

Sarah Watters, Secretary to the Commission
Helena Gray, Controller of Audit
Rob Jones, Auditor, EY (Items 5 and 10)
Grace Scanlin, Auditor, EY (Items 5 and 10)
Joe Chapman, Policy Manager to the Accounts Commission (Item 6)
Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) (Item 11)
Blyth Deans, Audit Director, PABV (Item 11)
Martin McLauchlan, Senior Manager, PABV (Item 11)
Lucy Jones, Audit Manager, PABV (Item 11)
Vicki Bibby, Chief Operating Officer (Item 14)

1. Apologies for absence

Apologies had been received from Nichola Brown, Angela Leitch gave apologies for items 9 to 15.

2. Declaration of connections

No connections were declared.

3. Order of business

It was agreed that items 9 to 15 would be considered in private, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

The Commission considered a report by Sarah Watters, Secretary, presenting the minutes of the meetings of December's meeting.

Sarah summarised the matters arising and updated members that Action 24/044 (Audit Delivery) is covered within the Controller of Audit's update report at today's meeting and can be considered closed.

Regarding minutes, Malcolm Bell raised an amendment to item 2 to clarify that his son worked at Aberdeen City Council for only part of the time that the fraud occurred.

With no further comments, the minutes were approved as a correct record subject to one minor amendment to item 2.

5. Best Value: East Renfrewshire Council

The Commission considered the Controller of Audit's report on Best Value in East Renfrewshire Council. Following an introduction by Helena Gray, the discussion was structured according to the following themes:

- Financial sustainability, including:
 - The Council's 2024-2030 revenue plan, and assurances that it includes three-year budget planning.
 - £15 million from service concessions being used to balance the budget, alignment between capital and revenue budget strategies, and the reserves policy.
 - Use of reserves to balance budgets, current level of reserves – 2.3% of the council's annual budget – and governance in place to scrutinise budget setting and affordability.
- Budgets, including:
 - The council's use of budget scenario planning, based on data and forecasts, as an example of good practice that might be useful to share.
 - Timeliness of budget monitoring reports, with the council's cautionary approach to reduce the risk of unexpected overspends often leading to underspends.
 - Impact of IJB budgets on council budgets, with a close relationship, management of financial risks, agreed savings and plans for use of reserves, and consideration of tighter eligibility criteria to reduce spending on services where necessary.
- Transformation, including:
 - Level of detail available on transformation projects, and clarity about progress; the council's early digital transformation efforts make recent work appear slower.
 - Handheld devices and the degree to which they are truly innovative; the devices improve productivity, though financial savings have not been demonstrated.

- Cross-party collaboration in the context of the small size of the council and recent elections, with strong relationships between elected members, long-term goals at the forefront of planning, and concerns raised and addressed consistently.
- Sharing knowledge and practice with other councils, particularly within regional or ‘family’ groups, and with community planning partners.
- The council's 2045 Net Zero target, its honesty about its achievability, and recording and scrutiny of progress through regular reports and action plans.
- Performance, including:
 - The council's performance compared to similar councils, with consistent strong performance – ranking in the top one or two in some areas and above average in others.
 - Whether using budget cuts and service eligibility criteria in social care to balance the budget aligns with service users' expectations – this is monitored at IJB level.
- Workforce, including:
 - Concern about low rates of responses to employee engagement surveys, whether there are plans to address this, and whether there has been a positive response from employees in areas such as the wellbeing programme.
 - The council's approach to employee wellbeing surveys, including questions asked and the timing in relation to busy periods of the year for employees.
 - The importance of metrics on employee levels and turnover as evidence of the wellbeing programme's effectiveness; these are reported annually to the council's audit and scrutiny committee, with a drop in absence rates for 2023/24.
 - Reasons why only 14% of employees can benefit from hybrid working, including differing definitions of hybrid work and requirements for staff to attend offices two days per week; feedback is being considered under the council's People strategy.

Commission members agreed that it was a positive report overall, highlighting cross-party working and pre-emptive budget savings as particularly positive.

The Chair thanked the Controller of Audit and the audit team for their hard work.

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

6. 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.

Joe highlighted a few key issues:

- Activity is expected to increase in the coming weeks as councils set their budgets.
- The Aberdeen City Council report was well covered both locally and nationally, albeit with modest engagement on social media.

- The SPICe briefing on the Local Government settlement as part of the Scottish budget is recommended reading, while the Improvement Service Annual Report is an interesting read with lots to explore.
- Members can expect a draft response to the Scottish Government’s Equality and Human Rights Mainstreaming Strategy consultation soon, for comment by the end of January.
- The consultation on local authorities’ general power of competence closes at the end of March and includes a lot of detail which refers heavily to current provisions.
- The UK Government has launched a consultation on reform of local audit in England, a link to which will be shared with Commission members. Sarah Watters will work with Audit Scotland colleagues to produce a strategic response on behalf of the Commission.

During discussion, the following points were raised:

- Members were disappointed by the findings of the Scottish Household Survey, noting a 10% drop in public perceptions of councils’ performance over recent years.
- Regarding the general power of competence consultation, members asked whether there was scope for round tables which might allow Commission members to take part in or observe. The Secretary will discuss with the Local Government division of the Scottish Government to ask what involvement Commission members might have.

Action: Secretary to the Commission

- Members noted Falkirk Council's decision not to proceed with a reduction to core learning hours in 2025/26 and expressed interest in hearing any impact from this.

Following discussion, the Commission noted the report.

7. Chair’s update report

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

During the discussion,

- The Chair confirmed that as part of the Commission’s response to last month’s report on serious fraud at Aberdeen City Council, she has now written to all Council Chief Executives to highlight lessons learned from this case, copying heads of finance and appointed auditors. This letter was also published on Audit Scotland’s website.
- The Chair signposted her future attendance at the Directors of Finance meeting on 7 February, where she will hear their views on the Local Government Financial Bulletin and the upcoming Budget Briefing.
- The Chair also noted her future attendance at the Improvement Service (IS) Board on 21 March to discuss the recently reviewed Joint Working Agreement between the Commission and the IS. It will also provide an opportunity to discuss the Commission’s forward work programme.

Following discussion, the Commission noted the update.

8. Any other public business

The Chair advised there was no other business and closed the public part of the meeting.

9. Controller of Audit's update report

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

- A stock take on Best Value is underway, with surveys sent to Council Chief Executives along with auditors to gather their views. A follow up survey will be issued to Commission members later this week, and Helena offered to have one-to-one conversations with members if they wish.

Action: Controller of Audit

- Helena has been in regular contact with the auditor for Clackmannanshire Council. There is no progress on recommendations from the Clackmannanshire BV report to note, but she will continue to keep the Chair updated on this. Members requested an update at February's meeting.

Action: Controller of Audit

- In relation to strategic scrutiny co-ordination, meetings have been held with scrutiny key partners and stakeholders, discussing medium to long term strategic issues, and a refresh of Local Area Networks (LANs). A paper will be circulated via correspondence and a fuller update will be brought to the Commission, likely before the summer.
- Members asked for an update on East Dunbartonshire Council, and whether there are any areas of concern. Helena is arranging a call with the council's Director of Finance but noted that no concerns were highlighted within the 2022/23 audit.

Following discussion, the Commission noted the report.

10. Best Value: East Renfrewshire Council

The Commission considered its response to the Controller of Audit's report on a significant fraud case in relation to council tax refunds at Aberdeen City Council. Members agreed to issue findings in response to the report, with a draft to be circulated to members.

The Commission members discussed a number of points, which are included within the findings within the published report.

After consideration, the Commission:

- Approved the proposed publication arrangements
- Delegated to the Secretary and Chair to produce the findings for publication on 6 February.

Local government financial bulletin 2023/24 – draft report

The Commission considered a draft report presented by Alison Cumming, Executive Director of Performance Audit and Best Value (PABV). Alison thanked the audit team for their hard work, in particular Lucy Jones who is moving to a different policy area and has produced considerable insights on the bulletins over the last few years.

Alison highlighted several points:

- The team is continually working to refine these reports in order to find the best way to provide information with a balance between data analysis and commentary. Alison also explained that the IJB 2023/24 financial bulletin (to be considered next month) will have a different format, and the team is keen to gain members' feedback on this.
- Further refinement to the key messages is underway, identifying key trends from outputs such as transformation. An accompanying blog is planned.
- The Chair will lead media engagements on this report, and both she and Derek Yule will attend the Local Government, Housing and Planning Committee on 4 February to give evidence on the report.
- Work on the 2025/26 budget briefing is underway, with the Local Government Overview team looking at budget setting, and what actions councils are taking to secure a balanced budget.
- Alison thanked the Chair and Commission sponsors for their review and comments over the holiday period, and requested that the Commission delegates final approval of the content of the report to them.

During the discussion, the following points were raised:

- Commission members were positive about the report, recognising the challenges in collecting data from councils which created a tight turnaround. Engagement needs to be taken forward to improve this, as the information provided is valuable.
- The Commission highlighted the importance of drawing clear links between analysis carried out in developing the Financial Bulletin and work that is planned as part of the Budget Briefing 2025/26, with particular focus on councils' reserves.
- Assurance that the figures have been shared with Scottish Government and confidence that these will stand up to scrutiny. In recent years, the figures produced have been politically "contested."

Following discussion, the Commission:

- approved the draft Local government financial bulletin
- agreed to delegate final approval of the content of the report to sponsors
- noted the publication arrangements for the report and an accompanying blog.

Jo also thanked Lucy for her contribution to the Commission's local government reporting and wished her well in her new role within Audit Scotland.

11. Commission intervention options – discussion paper

Sarah introduced the paper, which set out options which seek to give the Commission further ways in which to use its statutory powers. Sarah raised a number of points to note:

- This item links to a paper on meeting options which will be presented at February's meeting.
- The Finance Secretary, Shona Robison, writes to councils after every report, so it is clear Ministers are aware of the work of the Accounts Commission.
- This paper is for discussion only today to allow a strategy of preferred options to be developed

During the discussion, the following points were raised:

- Amendments to some aspects of the wording in the paper were requested, including the addition of ethical purpose, trust and confidence, and prioritising outcomes over simply raising the Commission's profile.
- Some Commission members expressed that hearings should not always be viewed as a negative; some have experienced them directly driving council improvement.
- The criteria for holding a hearing is a useful starting point for agreeing on the process. Members debated whether holding hearings on positive examples had merit but conceded that costs and resources meant this would not be sustainable.
- The Commission felt that a combination of the options included within the paper would be beneficial, and the Secretary will use this discussion to refine the options and produce a strategy for approval.

Following review and discussion, the Commission agreed that the Secretary produce a final intervention strategy for consideration at a future meeting.

12. Commission business risk register – quarterly review

Sarah presented the risk register for review by the Commission.

During the discussion, the following points were raised:

- Division of risks into those which must be actively managed, and those which have achieved target risk score and must be monitored.
- Risk four has been updated to refer to the general public, in response to a previous query about the wording.
- The addition of risk 12 which captures discussions on cyber security which members had previously felt was missing. This includes the introduction of training for Commission members which it is hoped will soon be available.
- Members expressed that some risks seem to lack tangible action, and responsibility falls mainly to the Chair and the Secretary. Whilst the Chair felt that ultimately this is correct, a review of this position will be undertaken in future and the Secretary will discuss this with the Chief Operating Officer.

- The next review of the register will take place at the strategy seminar in March and there is an opportunity to take a deep dive into a particular area.

Following discussion, the Commission:

- Noted the considerations of the risk management working group and the changes proposed
- Noted the risk scores and controls
- Agreed the wording and scores for new risk AC12 (IT/Cyber/Information Security)
- Noted that the next quarterly review will take place in March 2025

13. Chief Operating Officer update

The Commission considered a verbal update by Vicki Bibby, Chief Operating Officer.

Vicki provided updates on the following areas:

- The Audit Scotland budget has been submitted to the Scottish Commission for Public Audit, who asked further questions relating to National Insurance, and why Audit Modernisation seeks ring-fenced funding instead of being funded via fees. Audit Scotland has provided a rationale and this will be revisited in future years.
- The Commission had previously been updated on the increase of audit fees, and it has been agreed as part of the budget process that the fee increase will be 1.9% in recognition of growing financial strain on the public sector. Fees letters will be sent out by the end of January fees.
- The appointment of the new Audit Scotland Board member will be announced on 22 January, followed by the announcement of who has been appointed into the Board apprentice position at the end of the month.

During the discussion, the following points were raised:

- The minimal risk of the budget not being approved and the impact this will have following the issue of fees letters. Vicki confirmed that a caveat will be included in the letter to cover this.

Following discussion, the Commission noted the update.

15. Any other private business

The Chair highlighted that whilst her main update report is taken in public, there may be items that she wishes to provide updates on in private. She will make use of the private AOB section to do so, as needed. The Chair updated on the following topics of note:

- Her recent meeting with Ellen Leaver, lead Scottish Government sponsor. Ellen was updated that member appraisals are taking place and is keen that the Commission members have a positive session with the Cabinet Secretary at the meeting next month. The Commission members are asked to send topics and thoughts for consideration in advance.

Action: Secretary to the Commission

Other items:

- The Commission's role in scrutinising new taxes levied at local authority level had been raised with Jo recently. In relation to the Visitor Levy, Councils are expected to be transparent in how they intend to allocate any monies generated and the public should be included in these discussions- there should be evidence of this during the annual audit.

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

Close of meeting

The meeting closed at 13:55

Accounts Commission Action Tracker
As at: 29 January 2025



| Action No. | Date | Action | Action by | Assigned to | Timescale | Progress | RAG Status | Date complete |
|------------|-----------|--|---------------------|---------------|-----------|--|-------------|---------------|
| 25/004 | 16-Jan-25 | Cabinet Secretary visit Secretary to gather topics and questions from members for consideration | Secretary | Sarah Watters | Feb-25 | Email sent to members on 27 Jan asking for topics for consideration | In progress | |
| 25/003 | 16-Jan-25 | Clackmannanshire update Controller of Audit to provide an update on Clackmannanshire Council's implementation of recommendations | Controller of Audit | Helena Gray | Feb-25 | Helena met with Clacks' Chief Exec and will provide an update at February's meeting | In progress | |
| 25/002 | 16-Jan-25 | BV stock take survey Controller of Audit to issue a survey to Commission Members | Controller of Audit | Helena Gray | Jan-25 | Circulated to members on 17 January 2025 | Complete | 17/01/2025 |
| 25/001 | 16-Jan-25 | General power of competence consultation Secretary to discuss with SG's local government division what involvement Commission members could / should have with the consultation. | Secretary | Sarah Watters | Mar-25 | Secretary has started work with Audit Scotland colleagues and will provide updates as required | In progress | |

Purpose

1. This report introduces the Controller of Audit's report on Best Value in Fife 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 Fife Council's 2023/24 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 2023/24 is Workforce Innovation.
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. The AAR and the Best Value thematic report for Fife Council were presented to the council's Standards, Audit and Risk Committee on 30 September 2024 and 25 November 2024 respectively.

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's report was sent to Fife Council on 29 January 2025, 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 decide in private how it wishes to proceed. The Commission is obliged to inform the council of this decision shortly after the Commission meeting – this is done by the Secretary on the Commission's behalf – before making its decision public.
15. The Commission asks the council for a meeting, preferably in the period between the Commission publishing its report and full council considering it, to do the following:
 - to discuss what the council thinks of the Commission's decision and its findings (if applicable), and what the council will do in response to the Commission's report
 - to confirm any next steps, and review the audit process.

16. The council is required to do the following:

- consider any 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 report is due to be published on 25 February 2025, with the previous day being held for any media interviews. It is anticipated that the Chair will front the media for this report.

18. 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.

19. 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.

20. 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

21. The Commission is invited to:

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

Best Value

Fife Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit

February 2025

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Key facts

512 Square miles

371,340 Population

**Approx
15,750** Workforce (FTE)

75 Elected members.
19 Labour, 34 SNP, 13 Liberal Democrat, 8 Conservative & Unionist,
1 Independent.
(Labour minority administration)

£46.5m Cumulative funding gap forecast for three years to 2027/28

£1,024.4m Net revenue expenditure 2023/24

£242m Capital investment 2023/24

Controller of Audit report

Introduction

1. This report is made by the Controller of Audit to the Accounts Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in September 2024. [Appendix 1](#) includes links to the 2022/23 and 2023/24 Annual Audit Reports (AAR) and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.

2. The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation.

Pace of continuous improvement

3. Fife Council (the council) shows a commitment to best value principles, although the pace and depth of improvement has been difficult to assess due to a period of significant change which has included:

- a review of the council's organisational structure
- refresh of the Plan for Fife 2024-2027
- development of three-year service change plans
- a review of decentralisation and area committee roles, and
- a review of the approach to elected member training and development.

4. All initiatives were completed in 2023/24 except for work on service change plans, something which had been the subject of a recommendation in the Best Value Assurance Report (BVAR) in 2018 (paragraph 7).

5. The council now needs to focus on delivery of improvement and ongoing change necessary for the realisation of its priorities and the sustainability of its services. Effective financial management and scrutiny will be increasingly important as will greater transparency around the way the council plans to use reserves, make savings and transform services.

Best Value Assurance Report follow-up

6. There has been ongoing management activity to address outstanding recommendations from the 2018 BVAR. One recommendation, relating to the roll out of the education attainment improvement methodology, was marked as complete in 2022/23, and another relating to Delivery Board plans was marked as complete in 2023/24.

7. Progress has been made with the two remaining recommendations relating to the redesign of health and social care, and the development of service level plans. The transformation of health and social care is a key priority for the council. The council has moved to a three-year planning horizon to help ensure service change programme initiatives focus on redesign and transformation. Directorate and service visions have been developed and work is underway to identify the change required to make those visions a reality. The council aims to have agreed and settled change plans in place by the end of March 2025.

Leadership

8. The Local Government elections held in May 2022 resulted in a change in council leadership from a joint administration to a minority Labour administration with Labour, Liberal Democrat and Conservative councillors voting together to introduce a cabinet style governance approach.

9. A new chief executive was appointed in July 2023 and changes were also made to the council's organisation structure and senior leadership team. A new Place Directorate was established, the Education and Children's Services Directorate was remodelled to establish a focused Education Directorate and a 'reset' Communities Directorate, including Children's Services and Criminal Justice.

10. Each council directorate is headed by an Executive Director who, together with the Chief Executive and the Director of Health and Social Care, collectively form the Council Executive Team (CET). The CET is supported by a senior leadership team which is a mature team comprising officers with many years of experience, who are skilled leaders and professionals.

11. The council has committed within its Annual Governance Statement to further develop the leadership skills and capacity of officers during 2024/25 to ensure there is effective leadership to respond successfully to changing demands and risks.

12. A revised approach to member development, including mandatory training was agreed. This focused on extending requirements to complete relevant training before sitting on relevant Board/Committees, and the scope of training areas designated as mandatory. The auditor concluded that the revised approach provides elected members with the information and platform to continue to discharge their responsibilities effectively.

13. Effective working relationships continue to exist between senior officers and elected members with positions of responsibility. Various structures promote collaborative working including a formal area committee work programme, ward meetings, elected member workshops, development of Local Community Plans, and directing spend of decentralised budgets.

14. In 2022/23 the auditor concluded that the council has in place appropriate arrangements to demonstrate best value in each of the areas covered by the 2022/23 best value thematic report on leadership.

15. There has been continuity of the vision for 'A Fairer Fife' throughout the period of change at the council, with a commitment from members and officers to the existing Plan for Fife (the combined community planning partnership and council local outcome improvement plan).

16. Recovery and renewal priorities in the Plan for Fife include reducing inequality and addressing climate change. Methods for consulting and involving citizens were found to be appropriate.

Community engagement

17. The council has embedded a culture of community engagement where engagement is a continuous process within services instead of being used for specific consultation purposes only. The council gives citizens a greater say in budgeting through participatory budgeting and has developed consultation and participation tools including a Local Development Plan, Place Plans and a Fife People's Panel.

18. The council has a robust and well-established policy framework in place to support community asset transfers (CATs) and 12 assets to date have been transferred. The 2023/24 annual report showed that two community asset transfers were successful in the year. The council has recognised that further work is required to encourage and support community groups to manage and own assets through CATs.

Effectiveness of performance reporting

19. In 2022/23 the auditor made recommendations for the improvement of performance reporting to ensure fuller compliance with statutory requirements and to better demonstrate the pace and depth of improvement at the council.

20. The council undertook significant work to strengthen performance reporting in 2023/24. An annual best value self-assessment was introduced setting out how the council is delivering on its best value responsibilities, further detail is provided in para 26. Improvements were also made to the presentation and availability of performance information for internal management and external publication.

21. The council intends to further develop the performance information made available online with a focus on improving the way plans, performance, project delivery, evidence of impact, and community news are linked.

22. The auditor is now satisfied that the council has made proper arrangements for preparing and publishing statutory performance information although the success of recent changes cannot be fully evaluated until a full cycle of service annual reporting has been completed.

Reported performance

23. The council undertakes a 'Fife Strategic Assessment' every three years. The assessment tracks nine performance indicators that are intended to provoke discussion on whether the council is doing the right things and approaching them in the right way. The August 2024 report shows the trends and the gap between most and least deprived areas worsening for almost all outcomes tracked, including life expectancy and school attainment.

24. The Local Government Benchmarking Framework (LGBF) data available for the council shows that around 60 per cent of the indicators have improved over time (indicator base year to Dec 2024). However, for key service areas such as children's services and adult social work the proportion of indicators showing improvement is much lower at 50 percent and 27 percent respectively. Only around 20% of indicators for these service areas are above average.

25. The council have identified that in overall terms around 40 per cent of LGBF indicators have improved relative to the family group and Scotland averages, with:

- Signs of slowing improvement in aspects of finance, children's services and adult social care but that these are in line with national trends and increased pressure / demand. Other declines in relation to child poverty, education, business start-ups and recycling, for example, are being explored further alongside other data / assessments.
- Areas where performance has improved and/or are performing better than the Scotland average which include aspects of financial sustainability, economic development, procurement, housing management and climate change.

26. The council's new annual corporate best value self-assessment includes 16 Best Value Performance Indicators (BVPIs) which help to assess how well the council is doing in delivering best value. The BVPIs are drawn from a range of best value themes including workforce, asset management, financial management, equalities, customer responsiveness, digital and climate. Assessing performance against target for 2023/24 shows 9 of the core set of 16 best value indicators have a green RAG status, 3 are amber and 4 are red.

Workforce planning to deliver the council's vision

27. The best value thematic review of workforce innovation in 2023/24 found that the council works collaboratively with partners and has appropriate arrangements in place for building future capacity. A range of innovative schemes and initiatives have been developed across services to help produce a resilient workforce.

28. The council has a clear and comprehensive workforce strategy 'Our People Matter 2022-2025' (OPM) which supports the achievement of the Plan for Fife. Following the refresh of the Plan for Fife in 2023/24 work has started on the refresh of Our People Matter 2025-2028 and this was reported to Cabinet Committee in September 2024.

29. The refreshed OPM will reflect latest challenges facing the council and already incorporated in three-year budgets and the medium-term financial strategy. The refresh of the strategy will include development of a Corporate People Plan (to supplement service plans) to clearly set out the actions that are required to be taken at a corporate level to address the current and future gaps in workforce capacity and capability.

30. Appropriate arrangements are in place to enable the delivery of the council's digital strategy. However, work is still required in developing the leadership and culture of the organisation which will drive digital change and progress. A key challenge for the council is the creation of capacity within its workforce to enable the review, exploration and development of digital opportunities. If the council is to fully exploit and explore new opportunities, particularly in the emergence of data-driven approaches and AI and automation, this needs to be addressed.

31. There is a well-established blended office and home working approach with a strong culture of support for employee wellbeing and a team focus. However, most services operate through front line staff for whom a blended working approach is not currently possible. The council intends to explore flexible working opportunities for front line staff and develop productivity measures for each of the council's workstyles.

32. The council has developed a suite of performance indicators which directly link to the success measures within the OPM strategy, and which are reported in the OPM annual reports. Auditors have recommended that the council reviews the timeliness of workforce performance reporting, and a delayed report was considered by the Cabinet Committee on 12th September 2024.

Financial management and sustainability

33. There is a three-year approach to budget setting and the council has a Medium-Term Financial Strategy (MTFS) which is regularly updated. In recent years the council has managed its budget without needing to make significant savings. The auditors concluded that the council has appropriate arrangements in place for financial management and the use of resources.

34. The use of one-off financial flexibilities and the receipt of additional non-recurring Scottish Government funding in 2022/23 enabled a contribution of £26.6 million to usable reserves. The overall usable reserves increased to £238.7 million at 31 March 2023. Significant levels of reserves were utilised in 2023/24 with overall usable reserves declining by £57.4 million to £181.3 million.

35. The uncommitted General Fund balance at the end of 2023/24 was £13.6 million. This represents 1.3 per cent of budgeted net revenue expenditure which is below the council's rolling three-year target of 2 per cent. Key financial information is shown for recent years in Exhibit 1 below.

Exhibit 1

Fife Council – key financial information for 2022/23, 2023/24 and 2024/25

2022/23

2023/24

2024/25

| Budget Setting | (£m) | (£m) | (£m) |
|--|-------------|-------------|-----------------|
| Budget gap | 1.5 | 11.5 | 8.2 |
| Planned to be met via: | | | |
| - Savings / increase in fees and charges | - | - | 0.8 |
| - Use of reserves | 0 | 1.6 | 0 |
| - Council Tax Increase & additional funding | 5.2 (3%) | 11.1 (5%) | 9.3 |
| Available for investment | 3.7 | 1.2 | 1.9 |
| Reserves position at year end | | | |
| Total usable reserves carried forward | 238.7 | 181.3 | <i>Forecast</i> |
| Of which General Fund | 216.1 | 157.3 | <i>105.5</i> |
| Uncommitted General Fund balance | 37 | 13.6 | <i>11.8</i> |
| Source: Fife Council committee papers and accounts | | | |

36. There was no planned use of reserves to close a budget gap for 2024/25 when the budget was set, but recognition of a significant balance of earmarked reserves. Investment decisions made at that time fell to be met from in year funding and the use of reserves. The expected use of earmarked and committed reserves is reported separately.

37. Since the 2024/25 budget was set the council have encountered increased financial pressures and an overspend against service budgets is forecast. At the time the auditors reported in September 2024, a General Fund overspend of £16.7 million was forecast. A proposal to de-commit balances was presented to Cabinet in September 2024 and Executive Directors were tasked to plan and implement corrective / mitigating actions to bring costs down to a more sustainable level in 2024/25.

38. The latest budget monitoring report in January 2025 shows an improved forecast with General Fund overspend reducing to £10.7 million for 2024/25. The report also provides an update on the planned and agreed use of committed and earmarked reserves which is forecast to be £41.2 million for 2024/25. This would leave the overall General Fund Balance at £105.5 million with the uncommitted balance at £5.6 million. The council agreed to decommit £6.2 million of earmarked reserves in order to increase the uncommitted balances to £11.8 million, closer to the policy minimum.

39. Health and social care is a service area under particular pressure, having overspent significantly in 2023/24 and with the council's allocation of the Health and Social Care Partnership's overspend in excess of £11 million forecast for 2024/25. The council recognise that a partnership approach is required to mitigate the level of financial risk emerging, and monthly meetings with senior finance staff across the partnership have been implemented to allow for greater scrutiny of financial controls, financial management and any further significant movements in budget.

40. The council's Medium Term Financial Strategy, updated in September 2024, reported an indicative budget gap of £16.8 million for 2025/26, rising to a cumulative £30.6 million for 2026/27 and £46.5 million for 2027/28.

41. The council acknowledges that the use of reserves to close budget gaps is not sustainable, and that significant change and difficult decisions will need to be made. As set out in paragraph 7 work is ongoing to bring forward change proposals. The council will need to ensure that it has mechanisms in place to enable these difficult decisions to be made.

Housing Revenue Account

42. The councils Housing Revenue Account (HRA), the account used to record landlord costs for council housing, remains under financial pressure with £2.1 million of reserves utilised in 2023/24. The closing balance on the HRA (which forms part of the General Fund and total usable reserves in Exhibit 1) reduced to £5.3 million at 31 March 2024 following planned and agreed use of reserves.

43. Increased cost pressures on the HRA also resulted in a reduced contribution from revenue to support the capital programme for the second year in a row. If this pattern continues, then borrowing will increase further which could impact affordability of the HRA capital programme in the longer-term.

Delivery of the capital programme

44. The council has developed a Capital Strategy and has a 10-year rolling capital programme that is reviewed every two years. The Capital Investment Plan 2023-33 was approved by the Council in June 2023 and work has begun on a review of the Capital Strategy which will ensure it is in line with the refreshed Plan for Fife.

45. The council's capital investment plan is ambitious with increased investment in recent years. However, slippage in the delivery of the capital programme has also increased to £89 million, or 27 percent of planned investment, in 2023/24. Slippage is particularly high in relation to Affordable Housing Programmes, due to inflation and cost increases, resulting in delays in project start dates of some large projects.

46. The council is compliant with applicable regulations and codes relating to capital investment and treasury management and is aware of the potential affordability challenges which may arise in future years if costs continue to rise ahead of funding.

Appendix 1.

2022/23 and 2023/24 Annual Audit Reports

2022/23 and 2023/24 Annual Audit Reports

These reports summarise the findings from the 2022/23 and 2023/24 annual audits of

Each 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.

[LINKS TO BE ADDED FOR PUBLICATION]

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



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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

Recent publications

3. Below are details of media coverage and engagement for recent Commission publications.
 - **The 2024/25 audit of Aberdeen City Council: Council tax refunds – a significant fraud** (9 January 2025)
 - **Broadcast:** BBC Good Morning Scotland, BBC Breakfast, BBC Reporting Scotland, STV News main bulletins (North region), local radio.
 - **Online:** BBC News, STV News, Daily Record, Herald, National, Scotsman, Times, Press and Journal, Evening Express, LocalGov, The MJ, Public Finance and more.
 - Coverage focused on the key messages in the report and news release, including why the fraud happened and the lessons for other councils to learn. There was some, but less, coverage on the distribution of the outstanding funds.
 - Social media: 1,450 views, 50 link clicks, 8 shares. Most shares were by our direct connections on LinkedIn; minimal engagement elsewhere or with news outlet posts.
 - Downloads: 1,100 in the first two weeks. *Comparisons: Dargavel first report 440, Edinburgh best value 310 and Digital exclusion 675 in similar periods.*
 - **Local government financial bulletin 2023/24** (28 January 2025)
 - *Published after this report was produced; details provided by colleagues via email and included in next month's report*
 - **Sustainable transport: Reducing car use** (30 January 2025)
 - *Published after this report was produced; details provided by colleagues via email and included in next month's report*

4. Quarterly download statistics for Commission publications are also provided, to supplement the usual monthly data. The latest quarterly update, covering the period up to the end of December 2024, is provided in the Appendix to this report.

Media and Parliamentary monitoring

5. Recent references to the Accounts Commission and its reports include the following:
 - Finance and Local Government Secretary Shona Robison made several references to the Commission during her Budget Scrutiny evidence session with the Local Government, Housing and Planning Committee on 21 January.
 - Similarly, during [Finance Questions](#) in the Scottish Parliament chamber on 15 January, Ms Robison referred three times to the Commission's findings that the Scottish Government provided a real-terms funding increase to local government in three successive years up to 2024/25.
6. The Local Government in Scotland Overview 2023 was [cited by South Ayrshire Council](#) (albeit attributed to Audit Scotland) in defending its claim that “an increasing portion of council budgets is ring-fenced”. Although more recent publications by the Commission and others have shown that the proportion of funding that is formally ring-fenced has reduced, the council referred to directed funding, as well as the conflicting views of Scottish and local governments as to what constitutes ring-fenced or directed funding.

Local and Scottish government finance issues

7. At the time of writing it was still unclear how local government will be supported in meeting the costs of increased employer national insurance contributions. COSLA and the Scottish Government [jointly wrote to the Chancellor](#) on 3 January, backed by a number of public sector and voluntary organisations including the STUC and SCVO, raising concerns about the impact and to seek clarity on funding. Finance Secretary Shona Robison reiterated this call before and during her evidence session with the Local Government committee.
8. Communications colleagues provided a response on behalf of the Commission – albeit reported as being from Audit Scotland – regarding the circumstances surrounding [Perth and Kinross Council's decision to remove a vacant director role](#), following criticism of an apparent lack of documentation about the decision-making process. The response stated that the matter will be considered as part of the 2024/25 annual audit.
9. Recent coverage of issues arising from councils' budget proposals include:
 - [Angus](#): Residents have been warned it would take a 15% rise in council tax to meet a £9.5 million shortfall in 2025/26 without other measures being taken. The council is considering other options and [asking residents how they would close the gap](#). However, the director of finance has highlighted that increases in service charges, for example – which have been capped at 20% for 2025/26 – can only bring in relatively small sums.
 - [Perth and Kinross](#): More than 300 people, backed by local opposition MSPs, took part in a protest against proposed library closures, which they say are “short-sighted” given the importance of libraries as community hubs. Culture PK, which runs the libraries on the council's behalf, welcomed engagement from local people on how to maintain provision

within budget constraints, while an SNP councillor said “additional funding” from the Scottish Government and the council tax could help protect library services. A petition containing 5,600 signatures was later handed in to council headquarters.

- [West Lothian](#): More than two thirds of community centres have rejected plans to change the way they operate as part of a bid by the council to cut costs. Council officers had proposed that centre management committees take ownership of the venues through community asset transfers, or pay increased fees for their use, with other options also presented in a consultation. Council leader Lawrence Fitzpatrick insisted the plans were necessary due to budget cuts and the authority was not looking to close the centres, contrary to what other councillors described as ‘misinformation’ circulating online.
- [Comhairle nan Eilean Siar](#) says it needs to find about £4 million to help it balance its budget for the coming year – around double the £2 million figure given in an earlier assessment – and that it cannot keep making cuts to services. Council leader Paul Steele said a funding increase in the draft Scottish Budget was “very welcome”, but the additional uncommitted funding for the Comhairle is “again simply not enough to deliver our services to the public at their current level”.

The above is a small sample of recent news stories. The Commission Support Team has been collating a range of coverage on each council [in the members’ SharePoint site](#), as well as a [full list of budget consultation links and budget-setting dates](#).

10. The City of Edinburgh Council has approved plans for a 5% visitor levy to be introduced with effect from 24 July 2026. The council hopes to raise around £50 million a year from the tax, which must be directed towards services and facilities used by visitors. The levy will apply to the first five nights of any stay in the city, and could apply to bookings made from May 2025. However, the Scottish Tourism Alliance has threatened to seek a judicial review of the decision to approve the levy, which could significantly delay its implementation.

Policy area updates

Health and social care

11. The Scottish Government confirmed it has scrapped its plan to create a National Care Service (NCS). Social Care Minister Maree Todd announced in Parliament that Ministers intends to remove Part 1 from the NCS Bill, which contained the proposed structural changes. The Bill will still proceed with the remaining provisions, including Anne’s Law, an enhanced right to breaks for unpaid carers, and new information sharing arrangements. In place of the planned NCS Board, a non-statutory NCS advisory board will be established, with an independent chair, which is expected to hold its first meeting as early as March.
12. Ms Todd also announced the following:
 - A review of current legislation to identify ways to enhance integration governance
 - Proceeding with embedding ethical commissioning approaches
 - Consideration of enhancements to workforce planning
 - Support for Highland as it transitions to an Integration Joint Board model.

Education

13. The Scottish Government says it is still considering legislation to set a minimum number of weekly school hours, despite opposition from councils and an agreement with COSLA to freeze learning hours for the coming year. The [results of a consultation](#) carried out in 2023 were finally released in January, showing that 61% of 496 respondents overall agreed that minimum learning hours should be set in law – although most of the organisations, including almost all of the councils, which responded were opposed. The consultation also set out a proposed number and definition of learning hours, with similarly mixed responses.
14. More than 180,000 pupils in Scotland were [absent for at least 10% of the school year](#) – one day per fortnight – in 2023/24. According to data obtained by the Scottish Conservatives, about 72,000 pupils missed at least 20% of the year, equating to a day each week. These numbers are understated, however, as three councils did not respond to the FOI requests. The Scottish Government said the attendance rate across the entire country over the last year stood at 90.3% – down around three per cent since pre-Covid levels.

Housing and homelessness

15. Councils in Scotland [breached their duty to provide temporary accommodation](#) to homeless people in nearly 8,000 cases in 2023/24 – 18 times more than the previous year. Three quarters of breaches were in Glasgow. The SHR says demands on some local authorities “now exceed their capacity to respond” and are the result of a “systemic failure,” which the chief executive of the SHR has said requires a “systemic intervention” that is [“beyond the scope”](#) of the organisation’s regulatory powers.
16. In evidence to City of Edinburgh Council’s policy and sustainability committee in support of the visitor levy, [tenants union Living Rent](#) highlighted the loss of housing to the short term let industry while hotels were used to provide homeless accommodation. Living Rent said more than 1,000 homeless people are living in hotels while homes are being used by tourists, and described it as “shameful” that tourist industry workers cannot afford to rent homes in a city that benefits from welcoming so many visitors.

Communities

17. Figures obtained by the Scottish Greens showed [42 libraries closed in Scotland](#) between 2014 and 2024, with many more set to close within months. The Greens highlighted the range of support that libraries provide and said they must be saved to protect “the heart and soul of communities.” They also cited the impact of community action in reversing some proposed cuts. Councils are legally required to ensure adequate library facilities are available to all residents, but many say they have had to close facilities due to budget constraints and in response to declining use as people access information in new ways.
18. A study by Glasgow Caledonian University found that residents affected by or at risk of flooding are being [“let down by chaotic responses”](#) from councils and other agencies, leaving them underprepared and frustrated. Researchers warned attempts to create “progressive” flood policies in Scotland were falling short in practice and risked worsening inequalities and weakening community defences. They called for “adequate funding to support both proactive and reactive community climate-change engagement actions.”

Other updates

- 19.** The Convener of the Local Government committee has written to each of the councils that have declared a housing emergency seeking updates on their current position. The committee wants to know what actions the councils are taking to tackle the emergency, how they measure progress and what progress is being made. In particular the committee is interested in whether measures have been taken, where relevant, to reduce numbers of property voids or empty homes, or to increase the acquisition of properties. The requests are part of the committee’s inquiry into housing, and responses are due by 14 February.
- 20.** The Chief Executive of the Improvement Service, Sarah Gadsden, wrote to the Local Government committee about [provision of training to councillors on the Code of Conduct](#). The letter followed evidence to the committee by the Ethical Standards Commissioner (ESC), Ian Bruce, who referred to “hotspots across the country where councillor-on-councillor complaints are very prevalent.” Ms Gadsden said “a high volume of such complaints is an indicator of ineffective working relationships between councillors, which the Accounts Commission has identified as a barrier to good governance and achieving Best Value”, and offered to collaborate with the ESC on support for councils.
- 21.** Other recent publications of relevance to local government in Scotland are listed below.
- [LGIU – Reflections on local government: past, present and future](#)
 - [LGIU – Getting it right for all children in Aberdeenshire - Jim Savege's insights](#)
 - [LGIU – How the Get Britain Working paper can help address local economic inactivity](#)
 - [SPICe – Scottish Gov’t responses to pre-Budget scrutiny: all smiles, no substance?](#)
 - [SPICe – National Care Service Update: September 2024 – January 2025](#)

Consultations

- 22.** Below are updates and recommendations regarding recently-opened consultations.
- [Scottish Government Equality & Human Rights Mainstreaming Strategy](#) (*closed 5 Feb*)
Comments were sought from members by the end of January. A number of members responded and the response was subsequently finalised and submitted. A copy of the response will be available shortly [via the Audit Scotland website](#).
 - [Local audit reform: a strategy for overhauling local audit in England](#) (*closed 29 Jan*)
A draft response was reviewed by the Chair and Deputy Chair and a finalised response was subsequently submitted. Members can [view the response via SharePoint](#).
 - [Local authority - General Power of Competence](#) (*closing 28 March*)
The Secretary has started to work with Audit Scotland colleagues on scoping of an Audit Scotland and/or Accounts Commission response. At the last meeting, the Secretary mentioned a [useful paper by SOLAR](#), the local government legal professional network.
- 23.** The Policy Manager will advise verbally of any changes or updates.

Appendix: Quarterly publication statistics, January to December 2024

The table below shows the number of downloads of reports, or page views of blogs and web content, for the last four quarters, for outputs published in 2024.

| Publication | Date | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | TOTAL |
|---------------------------------------|--------|---------|---------|---------|---------|-------|
| Best Value: Scottish Borders | 28 Nov | | | | 560 | 560 |
| Alcohol and drug services | 31 Oct | | | | 2,281 | 2,281 |
| Best Value: City of Edinburgh | 24 Oct | | | | 647 | 647 |
| AC role in supporting reform (blog) | 17 Oct | | | | 277 | 277 |
| Transformation in councils | 01 Oct | | | | 2,178 | 2,178 |
| Best Value: Clackmannanshire | 27 Sep | | | 149 | 278 | 427 |
| Tackling digital exclusion | 22 Aug | | | 1,248 | 1,232 | 2,480 |
| S102 Renfrewshire: Dargavel update | 20 Aug | | | 323 | 102 | 425 |
| Commission annual report 2023/24 | 08 Aug | | | 304 | 104 | 408 |
| Benchmarking and reporting (blog) | 01 Aug | | | 455 | 176 | 631 |
| IJBs finance and performance (web) | 25 Jul | | | 2,431 | 1,140 | 3,571 |
| IJBs finance and performance 2024 | 25 Jul | | | 1,982 | 1,003 | 2,985 |
| The important role of a CFO (blog) | 16 Jul | | | 328 | 79 | 407 |
| BV thematic (briefing & blog) | 11 Jul | | | 804 | 348 | 1,152 |
| Local government budgets briefing | 15 May | | 1,240 | 572 | 803 | 2,615 |
| Best Value: Falkirk | 2 May | | 426 | 173 | 105 | 704 |
| Best Value: Moray | 28 Mar | 564 | 649 | 203 | 167 | 1,583 |
| Best Value: Orkney Islands | 30 Jan | 393 | 168 | 139 | 137 | 837 |
| S102 Renfrewshire: Dargavel | 18 Jan | 638 | 156 | 248 | 109 | 1,151 |
| Local gov. financial bulletin 2022/23 | 16 Jan | 1,376 | 762 | 810 | 907 | 3,855 |
| Best Value: Dumfries and Galloway | 11 Jan | 429 | 145 | 125 | 151 | 850 |

Analysis

- The Alcohol & drugs services and Transformation reports both had a very high number of early downloads, while the Digital exclusion and IJBs reports continued to perform well. The Controller of Audit's LinkedIn post on IJBs also had good engagement.
- As expected, there was an uptick in the rate of downloads of the Financial bulletin and the Budgets briefing as we moved towards the 2025/26 budget setting period.
- Among 'older' publications, the Adult mental health report (Sep 2023) registered another 1,500 downloads and the Local government overview 2023 (May 2023) had another 970 (both more than the previous quarter), bringing the total for each to around 8,500.

Purpose

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

Engagement and Commission business

2. Details of my engagements and work since the start of January are as follows:

Audit Scotland engagement

- Regular meetings with Meeting with Stephen Boyle, Auditor General for Scotland
- Regular meetings with Vicki Bibby, Chief Operating Officer.
- Regular meetings with Helena Gray, Controller of Audit
- Regular meetings with Alison Cumming, Executive Director of Performance Audit and Best Value
- 28 January – Audit Scotland Board meeting, which included the new non-executive director Patrick Bartlett, and Board Apprentice Dr Catherine Maclean

Commission business

- Regular meetings with Sarah Watters, Secretary to the Commission, Lee Ovens, Executive Assistant and Joe Chapman, Policy Manager.
- 16 January – Accounts Commission meeting and members forum.
- 27 January – Media day for Local Government Financial Bulletin, including interviews for BBC, STV, BBC Orkney and local radio.
- 28 January – interview with GMS regarding the Local Government Financial Bulletin
- 30 January – Prep session with Communications team for the Local Government, Housing and Planning Committee evidence session on 04 February
- 30 January - Accounts Commission prep session with Andrew Burns, Sarah Watters, and Lee Ovens.

External Engagement

- 30 January – COSLA Innovating, Developing and Transforming Special Interest Group.

Forthcoming activities

3. My forthcoming engagement activities include:
 - 04 February – Local Government, Housing and Planning Committee evidence session on the Local Government Financial Bulletin.

- 06 February – Accounts Commission meeting
- 06 February – Meeting with Vicky Bibby, Chief Operating Officer, Stephen Boyle, Auditor General for Scotland and Colin Crosby, this is a catch-up meeting to discuss Board matters
- 07 February – Directors of Finance engagement
- 18 February – Introductory meeting with Patrick Bartlett, Non-executive Director of AS Board
- 24 February – Quarterly meeting with Ellen Leaver, Scottish Government
- Commission Member Appraisals – across February and March 2025

Conclusion

4. The Commission is invited to:

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

2025/26 Scottish Budget briefing

Executive Director of Performance Audit and Best Value

Purpose

1. This briefing sets out the key points arising from the 2025/26 Scottish Budget, including those with implications for local government. It aims to support the Accounts Commission's wider consideration of the links between the budget and its work programme.

Recommendations

2. The Accounts Commission is invited to note the briefing.

Background

3. The 2025/26 Scottish Budget was announced 4 December 2024. This budget followed the UK Government's Autumn Budget in October 2024, which saw significant increases to the Scottish Government's funding for 2024/25 (an additional £1.5 billion) and 2025/26 (an additional £3.4 billion).

Conclusion

4. Overall, the local government budget increases in real terms compared to the budget for 2024/25. COSLA welcomed the increased funding in the 2025/26 settlement but has stated that this will not resolve the long-standing financial pressures faced by local government.
5. The Accounts Commission's Financial Bulletin 2023/24 highlighted the financial pressures on councils in recent years. Local government finances have been boosted by the 2025/26 budget, but some areas of uncertainty – such as the impact of employer national insurance contributions – remain.
6. The budget process is currently ongoing, with the stage 1 debate taking place 4 February, 2025. Whilst the Scottish Government does not have a majority in Parliament, the Scottish Labour Party has recently indicated that it plans to abstain on the Budget Bill, which means the bill is expected to pass in February 2025 and receive royal assent in March 2025. The public finances team will continue to monitor the progress of the budget through parliament. We will update the Accounts Commission of any significant changes through the Local Government Policy Update Report.
7. The Accounts Commission's budget briefing will publish in early summer this year. This will analyse the Local Government settlement for 2025/26 and its impact on councils' own budget setting.

Scottish Budget 2025/26

Briefing for the Accounts Commission

Introduction

1. The 2025/26 budget was announced on 4 December 2024, following the announcement of the UK Budget on 30 October 2024. The Stage 1 debate was held on 4 February 2025. At the time of writing, the budget is expected to pass due to the abstention of the Scottish Labour Party and there remains the possibility that the Scottish Government may announce further changes to the budget during its parliamentary passage as it continues to seek the support of opposition parties.

2. This budget briefing:

- sets out the key messages included in the 2025/26 Scottish Budget pertaining to local government, and
- links these to the Accounts Commission's work programme.

3. The Accounts Commission's local government Financial Bulletin 2023/24 was published on 28 January 2025. It covers local government spending in 2023/24. This budget briefing considers the upcoming 2025/26 financial year.

4. Please note that the financial bulletin uses 2023/24 as the baseline year for its real terms changes calculations, whereas, like the planned Accounts Commission council budget briefing 2025/26, this briefing uses 2024/25 as the baseline. This means that the real terms figures presented here will differ from those in the bulletin.

5. The way the Scottish Government presents previous years' figures has changed for the 2025/26 budget. This year's budget compares the 2025/26 budget figures to the 2024/25 Autumn Budget Revision. While this helps understand how budgets change in year, this poses challenges for local government because it routinely receives lots of transfers in year (for example from the Education and Skills portfolio) and we would expect similar changes to happen in 2025/26. These transfers are not included in the original budget and therefore skew the analysis. For example, using the Autumn Budget Revision figure for 2024/25 suggests the General Revenue Grant (GRG) will fall by 3.5 per cent in real terms, whereas using the original 2024/25 budget figure would show an increase in the GRG of 9.9 per cent in real terms.

6. In this briefing, in order to produce meaningful year-on-year funding trends, we compare the draft 2024/25 funding position for local government (as presented in the 2024/25 budget) to the draft 2025/25

funding position, which excludes transfers to the local government portfolio made at the 2024/25 Autumn Budget Revision. This ensures that we are comparing the two years on a like-for-like basis.

7. As a result, the figures we use here for 2024/25 will not match the figures given in the 2025/26 budget document. Please see [Appendix A – Changes to the presentation of the Scottish Budget](#) for more information.

Context

8. The UK Autumn Budget on 30 October 2024 led to additional funding being allocated to the Scottish Government through the Barnett formula. The UK Government stated that the Scottish Government will receive an additional £1.5 billion in 2024/25 and an additional £3.4 billion in 2025/26.

9. The [Scottish Fiscal Commission \(SFC\)](#) note that despite the increase in the UK Government Block Grant, the real terms growth in total resource funding is relatively low – 0.8 per cent. This is mostly explained by a deterioration of the income tax net position because forecasts for income tax revenues in the UK have increased relatively more than forecasts for Scotland. The SFC also report that, after accounting for social security spending, there will be a real terms fall in resource funding for public services of 0.3 per cent between 2024/25 and 2025/26.

10. Further funding from the UK Government is expected to support the cost of public sector employer National Insurance Contributions (see [paragraph 25](#) below). The level of funding has not yet been confirmed and may not be sufficient to cover the total additional cost to the public sector payroll due to Scotland having a relatively larger and better paid public sector workforce.

11. The medium-term position for public finances remains unclear, however more information is expected in 2025 following the announcement of the UK Spending Review in June, and subsequent publications of the Scottish Government's Medium-Term Financial Strategy and new Fiscal Sustainability Delivery Plan.

Budget changes

12. Audit Scotland's analysis of Local Government funding is included at [Exhibit 1](#). The core funding to local government has increased by £947 million (7.7 per cent) in real terms. Reductions in funding transferred from other portfolios however means the overall increase in funding to local government is £802 million (5.8 per cent).

13. In total, funding relating to revenue (both core funding and transfers from other portfolios) has increased by 5.1 per cent in real terms, while capital has increased by 19 per cent in real terms.

Exhibit 1**Budget for local government**

Local Government funding has increased in real terms

| (figures in £ million) | Cash terms | | | | Real terms | |
|--|---------------|------------------|--------------|--------------|------------|--------------|
| | 2024/25 | 2025/26 | £ change | % change | £ change | % change |
| General Revenue Grant (including baselined specific grants) | 8,404 | 9,458 | 1,054 | 12.5% | 834 | 9.9% |
| Non-Domestic Rates Income | 3,068 | 3,114 | 46 | 1.5% | -27 | -0.9% |
| <i>Total GRG & NDR</i> | <i>11,472</i> | <i>12,572</i> | <i>1,100</i> | <i>9.6%</i> | <i>807</i> | <i>7.0%</i> |
| Specific resource grants after baselining | 239 | 247.4 | 8 | 3.5% | 3 | 1.1% |
| Support for capital | 477 | 556 | 79 | 16.6% | 66 | 13.8% |
| Specific capital grants | 121 | 196.1 | 75 | 62.1% | 71 | 58.3% |
| Core Funding to Local Government | 12,309 | 13,571.9 | 1,263 | 10.3% | 947 | 7.7% |
| Revenue funding in other portfolios to be transferred to LG | 1,534 | 1,438 | -96 | -6.2% | -129 | -8.4% |
| Capital funding in other portfolios to be transferred to LG | 40 | 25 | -15 | -37.5% | -16 | -39.0% |
| Total Local Government Settlement in the finance circular | 13,883 | 15,035.2 | 1,152 | 8.3% | 802 | 5.8% |
| <i>Of which:</i> | | | | | | |
| <i>Resource</i> | <i>13,245</i> | <i>14,258.10</i> | <i>1,013</i> | <i>7.6%</i> | <i>681</i> | <i>5.1%</i> |
| <i>Capital</i> | <i>638</i> | <i>777.1</i> | <i>139</i> | <i>21.8%</i> | <i>121</i> | <i>19.0%</i> |

Source: Audit Scotland analysis of the 2024/25 and 2025/26 budgets. Real terms in 2024/25 prices

Real terms increase for resource

14. There is a continuation in 2024/25 of the shift to general revenue grant, with increases of 9.9 per cent, compared to smaller increases (1.1 percent) in specific grants. Together, total General Revenue Grant (GRG) and Non-domestic rates (NDR) income has grown by 7 per cent.

15. Revenue funding from other portfolios drops from £1.53 billion in the 2024/25 budget to £1.44 billion in the 2025/26 budget, an 8.4 per cent real terms drop. Please see [Appendix B - Total Revenue Funding within other Portfolios](#) for the full list of revenue funding from other portfolios, and how this has changed since the 2024/25 budget.

16. Within this difference, we would highlight the following:

- New funding - £152 million has been added to revenue funding from other portfolios, including £33 million for Children’s social care workforce development, £25.7 million for Early Learning and Childcare (ELC) Private and Third Sector Pay, and £28 million extra funding for Additional Support for Learning.
- Movement from ringfenced to general funding – some funding that was previously ringfenced, e.g. Living Wage for social care, is now included in the GRG.
- Flat cash funding in some areas - £1 billion of funding from other portfolios has been held flat in cash terms in 2025/26, which is equivalent to a 2.3 per cent real terms drop compared to the 2024/25 budget.

Real terms increase in capital – but still a drop on 2023/24

17. The Scottish Government budget shows a real terms increase in capital funding of 12 per cent, driven by a 7.6 per cent real terms increase in the capital Block Grant. Further the Scottish Government plans to borrow the maximum possible in 2025/26, and use £326 million of ScotWind proceeds to support capital investment for the first time.

18. This increased capital spending is feeding through to Local Government capital budgets. The 2025/26 budget shows a 19 per cent real terms increase in total capital for local government, compared to the 2024/25 budget. However, since the total local government capital budget has fallen from £826 million in the 2023/24 budget to £777 million in the 2025/26 budget, this remains lower in both cash and real terms than two years ago.

Views on the budget

Scottish Government

19. In her [budget statement](#), the Cabinet Secretary for Finance and Local Government described the settlement for local government as ‘a second record funding settlement’, and noted that, ‘while it will be for councils to

make their own decisions, with record funding, there is no reason for big increases in Council Tax next year.’

COSLA

20. The Scottish Parliament Information Centre (SPICe) [commented in December](#) that “perhaps the most striking aspect of this year’s budget has been the relatively positive response from COSLA and the degree to which there is a general agreement between local government and Scottish Government on what the figures show.”

21. COSLA published its [Budget Reality](#) document following the budget. This includes analysis suggesting that existing commitments erode the value of the increase between the 2024/25 and 2025/26 budgets as summarised in [Exhibit 2](#).

Exhibit 2

COSLA budget reality analysis

| £ million | Revenue | Capital |
|---------------------------|---------|---------|
| Funding for 2025/26 | 14,258 | 777.1 |
| Funding for 2024/25 | 13,389* | 638 |
| Cash increase | 869 | 139 |
| SG Commitments 2024/25 | 309 | - |
| Commitments for 2025/26 | 271 | 91 |
| Total committed funding | 580 | 91 |
| Total uncommitted funding | 289 | 48 |

* This includes the total revenue funding in Exhibit 1 above, plus the £144 million Council Tax freeze funding

Source: Audit Scotland analysis of COSLA figures

22. [COSLA](#) welcomed the increased funding but said ‘it will take more than a single year’s settlement to restore the financial position of local authorities.’

23. Further [COSLA analysis](#) concluded that the 2025/26 Budget was a difficult budget for Local Government which “will not resolve the long-standing acute financial pressures being felt by Local Government.”

What the budget means for the Commission's work programme

24. We have reviewed the budget to identify changes relevant to the Accounts Commission's confirmed work programme. Our findings are summarised in [Exhibit 3](#) below.

Exhibit 3

Relevant developments from the 2025/26 budget for the Accounts Commission's wider work programme

| Product | Developments related to the 2025/26 budget |
|--|---|
| Sustainable Transport (24/25) | Support for Active and Sustainable Travel shows a drop from £200 million in the 2024/25 budget, to £164.8 million in the 2025/26 budget. The Scottish Government note 'This maintains the Active and Sustainable Travel programme delivered in 2024/25, as amended at the fiscal statement in September 2024'. |
| Additional support for learning (24/25) | The 2025/26 budget includes £43 million in funding for Additional Support for Learning for Local Government, up from £15 million in the 2024/25 budget. |
| Building Community Resilience to Flooding (25/26) | The budget notes that £15 million of additional capital will be invested in flood resilience activity, complementing the support provided through the Adaptation Scotland programme. The Flood Risk Management budget line increases from £0.5 million in the 2024/25 budget to £15.9 million in 2025/26. |
| Integration finance and performance bulletins and blogs 2025 | <p>In the 2025/26 budget, the budget line Social Care Support within the Health and Social Care portfolio is £658.5 million. This is compared to £905.3 million in the 2024/25 budget (when the budget line was described as Social Care Support and NCS Delivery).</p> <p>The Scottish Government comment on this budget line in the Level 4 budget tables that 'in 2025-26 a further £376.5 million of funding is added to the Local Government core settlement, including additional budget to uplift pay for adult social care staff to £12.60 per hour and additional investment in Free Personal Nursing Care.'</p> <p>The National Care Service is not mentioned within the 2025/26 budget document.</p> |
| Best Value Thematic Report: workforce innovation | A pay policy was published alongside the budget. This set out a 9 per cent pay envelope covering 2025-26 to 2027-28. The pay policy notes that the pay metrics set out in the Public Sector Pay Policy apply to all public sector workforces across Scotland including NHS Scotland, firefighters and police officers, teachers, and further education workers. Previously, the pay policy was only a 'reference point' for teachers and other major public sector workforce groups. The main local government pay award is out with the scope of Public Sector Pay Policy as Ministers have no direct role in negotiations which are undertaken through the Scottish Joint Council. |

| Product | Developments related to the 2025/26 budget |
|--|---|
| Care Experienced Children & Young People (25/26) | The Care Experience - Whole Family Wellbeing budget line has increased from £84.2 million in the 2024/25 budget to £87.2 million in the 2025/26 budget. As set out in Appendix B of this document, the local government funding for the Whole Family Wellbeing fund is flat in cash terms. |
| Best Value Thematic Report: Transformation (26/27) | <p>The 2025/26 budget includes £30 million for a proposed spend to save fund. No further information is available in the budget documents about the detail of these plans. SPICe has commented that “it is hard to see how £30 million will really shift the dial” on reform.</p> <p>Further to the budget, a Public Service Reform (PSR) update was published on 21 December 2024. This sets out plans for a PSR Summit and Strategy in 2025 and gave updates on the Local Governance Review:</p> <ul style="list-style-type: none"> • Single Authority Models: Meetings have been held with councils, Health Boards and Integration Joint Boards in Western Isles, Orkney and Argyll and Bute to explore proposals for deeper integration of key services. • Democracy Matters: working with the Democracy Matters Steering Group, the Scottish Government are developing models for community governance which deliver on the ambitions expressed in the process findings report. Scottish Government plan to enact any required legislation early in the next Parliament. <p>Scottish Government set out that both these workstreams will proceed ‘at pace’ through 2025.</p> |
| Delayed discharges (25/26) | The 2025/26 budget sets out that ‘this budget includes £200 million to reduce waiting lists and to help support reduction of delayed discharge.’ The PSR update includes more information on prevention and care in the community and plans for a Population Health Framework to be published jointly with Public Health Scotland and COSLA in Spring 2025. |

Key developments for local government

Employer National Insurance Contributions

25. The 2025/26 budget does not include any specific funding to cover the costs of increased employer national insurance contributions. COSLA [has estimated that](#) the additional direct costs to local government will be approximately £265 million annually. There will also be additional costs for commissioned services in the third and independent sector (such as some adult social care services), which are estimated at £85 million annually. In the absence of additional, specific funding to cover these increased costs, councils will need to fund them from the existing settlement for 2025/26.

26. Chancellor Rachel Reeves has stated that public sector bodies will receive funding from HM Treasury to cover the increased costs incurred by the changes, and it has been reported that the Scottish Government will

receive £300 million of Barnett consequentials arising from the increased expenditure in England. However, the public sector in Scotland is proportionally larger and better paid than in England, which means this funding may not entirely offset the increased costs to the Scottish public sector. A [recent joint letter from the First Minister and the President of COSLA](#) has estimated that the total cost to public service provision (covering both the public sector and commissioned services from the third and private sector) could be more than £700 million and calls on the Chancellor to fully cover these costs and extend this cover to the full range of organisations delivering public services.

Council tax

27. The 2025/26 budget contains no provision for a continuation of the council tax freeze implemented in 2024/25, and individual councils will be able to set their own rates of council tax for the financial year. A [survey by the Local Government Information Unit](#) of Scottish councils conducted in November 2024 found that more than 80 per cent of respondents were planning an increase of 5 per cent or greater for 2025/26.

28. In the 2024/25 budget as announced, councils received £144 million of additional funding to freeze council tax at existing levels. In February 2024, an additional £62.7 million was offered to councils, and the £144 million figure was also uplifted to £147 million.

29. The Scottish Government has not explicitly provided additional funding to councils in 2025/26 to account for the fact that council tax was frozen last year. If this funding has not been baselined, councils will need to fund the resultant shortfall in income either from their existing settlement for 2025/26, or by increasing council tax.

Non-domestic rates (NDR)

30. The Scottish Government announced several measures relating to non-domestic rates in the 2025/26 budget:

- The Basic Property Rate will be frozen at 49.8p. The Intermediate and Higher Property Rates will be uprated by inflation.
- A 40 per cent relief in 2025/26 for properties in the hospitality sector which are liable for the Basic Property Rate. Scottish Government has chosen to not replicate the UK Government's rates reliefs for 2025/26, which covers hospitality, leisure and retail properties.
- The continuation of 100 per cent rates relief for properties in the hospitality sector in island communities
- The continuation of all other existing non-domestic rates reliefs.
- The cancellation of the planned Public Health Supplement for large retailers due to UK Government increases in employer national insurance contribution rates.

Appendix A – Changes to the presentation of the Scottish Budget

31. For the 2025/26 budget the Scottish Government has changed the way it presents budget data. In previous years, the draft budget allocations for the coming financial year were presented alongside the draft allocations for the previous two financial years. For the 2025/26 budget, the Scottish Government has instead presented its draft figures for 2025/26 alongside the latest funding position (post-autumn budget revision) for 2024/25, and the provisional outturn for 2023/24.

32. This change has particularly significant implications for the presentation of the local government funding settlement. A proportion of funding for local government (see our analysis in Appendix B) sits in other portfolios at the time of the draft budget. These are then transferred to the local government portfolio during the financial year at the autumn and spring budget revisions. This means the overall funding position for local government increases over the course of the financial year.

33. This change in presentation means that there are challenges in comparing the budget figures given for local government in 2025/26 to the 2024/25 figures presented alongside them in the 2025/26 budget. This is because the 2024/25 figures now include funding that has been transferred to the local government portfolio following the autumn budget revision in September 2024. This has increased the local government funding position in 2024/25 compared to the figures presented in the draft 2024/25 budget. An overview of the differences in figures for the 2024/25 local government funding settlement between the 2024/25 and 2025/26 draft budgets is provided below in Exhibit 4.

Exhibit 4**Differences in the 2024/25 local government funding settlement**

Data changes mean that the figures used for 2024/25 are very different

| Figures in £m | 2024/25 figures in draft budget, December 2023 | 2024/25 figures in draft budget, December 2024 |
|--|---|---|
| General Revenue Grant | 8,403.9 | 10,034.8 |
| Non-Domestic Rates | 3,068.0 | 3,068.0 |
| General Capital Grant | 476.9 | 538.4 |
| Specific Resource Grants | 238.8 | 263.3 |
| Specific Capital Grants | 121.1 | 97.2 |
| Local Government Advice and Policy | 3.3 | 3.3 |
| Funding held for agreement of Council Tax Freeze | 144.0 | - |
| Total Local Government | 12,456.0 | 14,005.0 |
| <i>Of which:</i> | | |
| <i>Resource</i> | <i>11,858</i> | <i>13,369.4</i> |
| <i>Capital</i> | <i>598</i> | <i>635.6</i> |

Source: 2024/25 and 2025/26 Scottish Budgets

Appendix B - Total Revenue Funding within other Portfolios

| Figures in £ million | 2024/25 | 2025/26 | Change 24/25 to 25/26 (real) |
|---|---------|---------|------------------------------|
| Children's Social Care Workforce Development | 0.0 | 33.0 | - |
| Early Learning and Childcare (ELC) Private and Third Sector Pay | 0.0 | 25.7 | - |
| Additional Support for Learning | 15.0 | 43.0 | 180.0% |
| Free School Meals Intervention | 22.0 | 37.0 | 64.3% |
| Building Standards Fees | -1.5 | -2.1 | 36.7% |
| School Workforce | 145.5 | 186.5 | 25.2% |
| Discretionary Housing Payments | 92.7 | 99.2 | 4.5% |
| Local Government Attainment Grants | 10.5 | 10.6 | -1.4% |
| Removal of Music Tuition Charges | 12.0 | 12.0 | -2.3% |
| Scottish Welfare Fund | 40.9 | 40.9 | -2.3% |
| Self-Directed Support | 3.7 | 3.7 | -2.3% |
| Care at Home | 124.0 | 124.0 | -2.3% |
| Carer's Act | 60.5 | 60.5 | -2.3% |
| Teachers Pay | 242.0 | 242.0 | -2.3% |
| Appropriate Adults | 1.0 | 1.0 | -2.3% |
| Rapid Rehousing Transition Plans | 8.0 | 8.0 | -2.3% |
| Removal of Curriculum Charges | 8.0 | 8.0 | -2.3% |
| School Counselling | 4.0 | 4.0 | -2.3% |
| Whole Family Wellbeing Fund | 32.0 | 32.0 | -2.3% |
| School Clothing Grant | 13.9 | 13.9 | -2.3% |

| Figures in £ million | 2024/25 | 2025/26 | Change 24/25 to 25/26 (real) |
|---|----------------|----------------|------------------------------|
| Tobacco Related Issues | 1.3 | 1.3 | -2.3% |
| Homelessness Prevention Fund | 30.5 | 30.5 | -2.3% |
| Additional Adult Social Workers | 22.0 | 22.0 | -2.3% |
| Educational Psychologists | -0.9 | -0.9 | -2.3% |
| Sensory Impairment | 0.3 | 0.3 | -2.3% |
| Health and Social Care | 257.2 | 257.2 | -2.3% |
| Free School Meals (Holiday Provision) | 21.8 | 21.8 | -2.3% |
| Health, Social Care and Mental Health | 120.0 | 120.0 | -2.3% |
| Scottish Disability Assistance – Child Disability Payment | 3.5 | 3.2 | -10.7% |
| Living Wage* | 230.0 | 0.0 | -100.0% |
| 2024-25 Free Personal and Nursing Care* | 11.5 | 0.0 | -100.0% |
| National Trauma Training* | 1.6 | 0.0 | -100.0% |
| Customer First Digital Public Services* | 1.4 | 0.0 | -100.0% |
| Total Revenue Funding within other Portfolios | 1,534.4 | 1,438.3 | -8.4% |

Source: Audit Scotland analysis of 2024/25 and 2025/26 budget documents

Note: * These budget lines have been baselined into the GRG for 2025/26, with the values for this provided in the Budget document table 4.12. Real terms in 2024/25 prices.