

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.
 - **[Local government in Scotland: Financial bulletin 2023/24](#)** (28 January 2025)
 - *Broadcast:* Interview with Jo Armstrong on BBC Good Morning Scotland (GMS), also featured on BBC Breakfast, STV News and local radio.
 - *Online:* BBC News, STV News, Daily Mail, Sun, The I, Times, Glasgow Times, Press and Journal, Scottish Housing News, Tes, The MJ.
 - Coverage focused on key messages around budget challenges and debt; there was limited focus on the need for councils to work with communities.
 - *Downloads:* 565 in first four days; 1,161 as at end of February.
 - *Social:* 4,300 views, 2,150 video views, 250 engagements including 135 link clicks. Notable shares by Peter MacMahon (ex-ITV Borders) and Improvement Service. The report also attracted a large number of 'impressions' (quick views) on YouTube.
 - **[Sustainable transport: Reducing car use](#)** (30 January 2025)
 - *Broadcast:* Audit team interviews on BBC GMS, STV News and local radio.
 - *Online:* BBC News, STV News, Sky News, Daily Record, Herald, Scotsman, Metro, Sun, Telegraph, The I, Times, various other national and local news sites, Holyrood, and leader comments in the Daily Record and The Times.
 - Coverage emphasised findings around minimal progress in reducing car use with the 2030 national target unlikely to be met.
 - *Downloads:* 1,249 in first two days; 2,003 as at end of February.

- *Social*: 30,400 views, 4,700 video views, 1,300 engagements incl. 40 comments and 425 link clicks. Notable shares by Monica Lennon (Lab MSP), Conor Matchett and Alistair Grant (political journalists) and a wide range of campaign groups.
- **Best Value in East Renfrewshire Council** (6 February 2025)
 - *Coverage*: No interviews, but coverage in local media, The Herald and specialist publications, and included in the Local Government Information Unit (LGIU) Daily News email. Coverage included the council being an example for others to follow.
 - *Downloads*: 672 in February.
 - *Social (first 24 hours)*: 10,600 views, 190 engagements including 50 link clicks. Posts by the council and Cllr Jon Molyneux (Glasgow) attracted much attention.
- **Housing Benefit overpayments 2018/19 to 2021/22: A thematic study** (20 Feb 2025)
 - *Coverage*: None – no news release. *Social media*: 550 views, 40 engagements, 25 link clicks. Engagement was mostly by Audit Scotland or by Commission members.
 - *Downloads*: 143 in first nine days.
- **Best Value in Fife Council** (25 February 2025)
 - *Coverage*: Interviews for STV News and That’s TV Scotland, and coverage via local media, STV News website, Daily Record, Herald, Mail and specialist publications. The council issued a response, refuting some of the Commission’s findings.
 - *Downloads*: 283 in first 4 days.
 - *Social (first 24 hours)*: 1,050 views, 140 video views, 60 engagements including 25 link clicks. Shared by the Improvement Service. Also posted on X/Twitter by a handful of local and industry media outlets but with limited reach – as is common.
- **Additional support for learning** (27 February 2025)
 - *Broadcast*: Interviews by the Auditor General for Good Morning Scotland, Reporting Scotland and STV News, plus a local case study on local radio.
 - *Online*: [BBC News](#) including interviews with parents and teaching unions, plus STV News, Herald, Scotsman, Sun, Times, various local news sites, Holyrood and Tes.
 - Coverage drew links between the report’s findings and attainment gap statistics.
 - *Downloads*: 1,795 in first two days.
 - *Social*: 45,600 views, 11,600 video views, 2,100 engagements including 210 link clicks. Notable shares by a handful of opposition MSPs, Mandy Rhodes (Holyrood), Improvement Service, and the Children and Young People’s Commissioner.
- **Integration Joint Boards financial bulletin 2023/24** (6 March 2025)
 - *Published after this report was produced; details provided by Communications colleagues via email and included in next month’s report.*

Media and Parliamentary monitoring

4. Recent references to the Accounts Commission and its reports include the following:

- The Local Government, Housing and Planning Committee took evidence from Jo Armstrong, Derek Yule, Blyth Deans and Martin McLauchlan on the Local government financial bulletin – see the [Official Report](#) and [a summary provided by Newsdirect](#).
- Commission member Malcolm Bell joined the Auditor General and Audit Scotland staff in giving evidence to the Public Audit Committee on the Sustainable transport report. See the [Official Report](#) and the [Newsdirect summary](#).
- The Commission was referenced during the [Stage 1 debate on the Budget bill](#) on 4 February, by Mark Griffin (Labour) and Alexander Stewart (Conservative), both of whom summarised messages from across Audit Scotland and Accounts Commission reports, including about the challenges and “uncertain futures” faced by councils.
- In [Finance Questions on 5 February](#), Public Finance Minister Ivan McKee was asked for his response to the Financial bulletin. He said:

“I welcome the Accounts Commission’s independent confirmation that the local government settlement increased in real terms in 2024/25 and in 2025/26. I share the Commission’s view that the transformation of front-line services must be progressed at pace by all public bodies, including local authorities, and that any transformation must be taken forward in partnership with local communities.”

- In the [debate on the Local Government Finance Order](#) on 27 February, Alexander Stewart referred to the Financial bulletin, highlighting that more than a third of councils made unplanned use of their reserves in 2023/24 to manage budget pressures, and more than half of councils do not have a long-term financial plan in place.
- Earlier, the Commission was referenced in a debate on [‘Investing in public services through the Scottish Budget’](#) on 28 January – by Alex Cole-Hamilton (Liberal Democrats) in relation to challenges faced in social care, and by Pam Duncan-Glancy (Labour) who referenced the Financial bulletin published that day.
- Meanwhile, the Sustainable transport report was cited in [First Minister’s Questions \(FMQs\) on 30 January](#), when Sue Webber (Conservative) asked whether John Swinney believed the 2030 target was achievable. And Scottish Labour leader Anas Sarwar quoted from the Additional support for learning report at [FMQs on 27 February](#), linking it to statistics released earlier that week showing a widening of the attainment gap.

Local authority budgets

5. All councils have set their budgets for 2025/26. Key points include:

- At least ten councils increasing council tax by 10% or more. Increases range from 6% in South Lanarkshire to 15% in Orkney. The average rise is 9.5%.
- Many councils emphasising capital investment particularly in climate change mitigation and ‘community resilience’, as well as roads, schools and other infrastructure.

- Some councils also linking their decisions to the outcomes of their public consultation, with some commentary on residents' willingness to pay more to maintain services.
 - Aberdeenshire, Moray and Perth and Kinross among the councils to have halted or scaled back proposed library closures in response to opposition from communities. Other councils have also reversed some planned service cuts, such as in education.
 - Widespread reporting of "inflation-busting" council tax increases by councils, some of which acknowledges freezes and caps in previous years and/or financial challenges. [It was reported](#) that large rises could be in anticipation of a 'pre-election freeze' next year.
6. Members can view a [full list of council tax increases](#) with links to more information on each council's budget as well as to their pre-budget public consultation activities. Full analysis will be made in the Local government budgets 2025/26 briefing, to be published in May 2025. Throughout the budget-setting period, the Commission Support Team has also been collating a range of coverage on each council [in the members' SharePoint site](#), which continues to be updated and will remain available to members for reference.
 7. The Budget Bill was passed by the Scottish Parliament on 25 February, following Stage 2 consideration by the Finance and Public Administration Committee on 18 February. The Local Government Finance Order was agreed on 27 February. As expected, the Greens, Liberal Democrats and Alba voted with the SNP in favour of the Budget, while Labour abstained and the Conservatives voted against.
 8. Earlier, during the Stage 1 debate on the Budget, Ms Robison announced that the Scottish Government would provide £144 million of additional funding to councils to help offset the cost of increased employer national insurance contributions – around 60% of the £240 million that COSLA estimates the changes will directly cost local authorities. This is in line with the proportion of the overall cost estimated by the Scottish Government which the UK Government is funding through the Barnett formula.
 9. Ms Robison said this equated to a 5% council tax rise and should help avoid big increases. In response, COSLA highlighted the "difficult decisions" councils would have to make in order to cover the estimated £96 million shortfall, which it said equated to a 3.3% council tax rise. COSLA also pointed out that no additional money had been provided for commissioned services – such as adult social care, which it said faces a bill of £85 million.

Other local and Scottish government finance issues

10. The Scottish Government and COSLA announced a new [joint programme of engagement on reform of council tax](#). This will include independent analysis and modelling of alternative scenarios and reforms, followed by public consultation and engagement events later this year seeking views on how to make the system fairer, culminating in a Parliamentary debate on findings and proposed reforms. However, any changes will likely require legislation which is highly unlikely to be passed before next year's election.
11. The Scottish Government has launched a [consultation on a potential cruise ship levy](#) which councils could be given powers to implement. The consultation, which closes on 30 May 2025, seeks views on the benefits and problems such a levy could bring, potential impacts (positive and negative), and practical questions about how it could best work.

12. [The Times reported](#) that some councils in Scotland are spending as much as half of their council tax revenue on private finance initiative (PFI) contracts, which stopped being entered into almost two decades ago. It is estimated that such contracts – for the building, refurbishing or maintaining of schools or other facilities – will cost the Scottish public sector more than £1.1 billion in 2025/26, with nearly £13 billion still to be paid. Figures revealed by SNP MSP and Finance committee convener Kenneth Gibson show ten authorities pay more than a third of council tax revenue on the contracts, including two that pay more than half.
13. In England, a record [30 local authorities have been granted “exceptional financial support”](#) packages from the UK Government, enabling them to take out capital loans to fund revenue spending, with the debt to be paid down over time through service reductions and disposal of assets. The councils, all of which were experiencing “unmanageable” financial pressures, are able to borrow a collective total of £1.5 billion, while some can also increase council tax by more than the usual limits. However, the government has imposed conditions preventing councils in receipt of this support from selling “community and heritage assets”.
14. Meanwhile the National Audit Office (NAO) published a [report on local government financial sustainability](#) in England, warning council finances are becoming unsustainable due to rising demand, delays to reform of the funding system, and reduced investment in prevention. While funding rose by 4% between 2015/16 and 2023/24, funding per person fell by 1%, and did not keep pace with demand. The NAO says almost half of councils in England risk falling into bankruptcy if they do not address a £4.6 billion deficit amassed under a scheme in which they could use “a statutory override” to temporarily keep debts relating to special educational needs and disabilities off their balance sheets until the end of 2025/26.

Policy area updates

15. The Bill that had been due to introduce the National Care Service has [finally undergone Stage 2 of the legislative process](#). Following the announcement in January that the Scottish Government was dropping its plans for structural changes, Part 1 of the original Bill and the associated Schedules – which contained those changes – have been removed from what is now to be called the Care Reform (Scotland) Bill. Meanwhile, some other aspects of the Bill have been expanded, to incorporate more of the intended provisions in relation to Anne’s Law, information standards and information sharing, and the establishment of a National Social Work Agency, in primary legislation rather than subsequent regulations.
16. East Renfrewshire Council has [delayed its plans to introduce charges](#) for non-residential social care, following opposition from local campaigners. The council’s cabinet had backed the proposal, but the decision was subjected to further scrutiny and the full council agreed to defer the charges until April 2026. The resulting loss of income will be covered using a £2.2 million underspend in the council’s budget for 2024/25. New impact assessments will now be carried out, as well as financial assessments to assess who would need to pay.

Other updates

17. Finance Secretary Shona Robison has confirmed to the Finance and Public Administration Committee (FPAC) that the Scottish Government intends to publish its next Medium-Term Financial Strategy on 29 May 2025, alongside a Fiscal Sustainability Delivery Plan.

- 18.** The Convener of the Public Audit Committee (PAC) has written to the conveners of the Equalities, Local Government and Social Justice committees to highlight key issues arising from its scrutiny of the Digital Exclusion joint performance audit report. The letter states the PAC's support for a number of the report's findings and recommendations.
- 19.** Other recent publications of relevance to local government in Scotland are listed below.
- Scottish Parliament – [Scottish Government must provide fiscal and economic clarity, says Finance Committee](#); see also [Budget Scrutiny report](#) and [Government response](#)
 - Scottish Parliament - [Child Poverty Act focused minds but greater collaboration needed finds Holyrood Committee](#); see also [full post-legislative scrutiny report](#)
 - Scottish Parliament Information Centre (SPICe): [The 2025-26 Budget in 10 charts](#)
 - SPICe: [As another Budget Bill is about to pass...what comes next?](#)
 - SPICe: [How is Scotland Performing?](#)
 - LGIU – [Key takeaways of LGIU's Chief Executive Knowledge Exchange 2025](#)
 - LGIU – [The outlook for UK living standards, wages and local economies in 2025](#)
 - LGIU – [UK Poverty 2025 – the JRF's essential guide to understanding poverty in the UK](#)
 - LGIU – [Planning for net zero: how will sustainable energy impact local communities?](#)
 - Institute for Fiscal Studies (IFS) – [The IFS Scottish Budget Report – 2025–26](#)
 - IFS – [Scottish Government should grasp the nettle of council tax reform](#)
 - IFS – [Scottish Government and councils need long-term plan for schools system](#)
 - Improvement Service (IS) – [Improvement Service turns 20 – our journey and impact](#)
 - IS – [National Community Planning Self-Assessment Overview report published](#)
 - IS – [First Planning Improvement Action Plans published](#)
 - COSLA – [COSLA writes to Scotland's care experienced children and young people](#)
 - COSLA – [Social care roundtable on Employer National Insurance Contributions](#)

Consultations

- 20.** There have been a few consultations opened recently on topics relevant to the Commission and its work. These include Scottish Government consultations on:
- [Climate change duties - draft statutory guidance for public bodies](#)
 - [Draft Just Transition Plan for Transport](#)
 - [Potential cruise ship levy](#)
- 21.** Consideration of whether to respond to these is at an early stage. The Commission Support Team is liaising with Audit Scotland colleagues and will keep members informed. The Policy Manager will advise verbally of any changes or updates.
- 22.** The consultation on a Local Authority General Power of Competence is covered in a separate agenda item at today's meeting.