

Agenda

Thursday 13 March 2025, 11.15am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
519th meeting of the Accounts Commission

Public session

- | | | |
|---|---------------------|-------|
| 1. Apologies for absence | | 11:15 |
| 2. Declaration of connections | | |
| 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 | 11:20 |
| 5. Best Value: Argyll and Bute Council | Controller of Audit | 11:25 |
| 6. Local government policy update | Policy Manager | 12:30 |
| 7. Chair's update | Chair | 12:40 |
| 8. Any other public business
The Chair will advise if there is any other public business to be considered by the Commission. | Chair | 12:50 |
| <i>Break for lunch</i> | | 12:55 |

Private session

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| 9. Controller of Audit's update
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Controller of Audit | 13:40 |
| 10. Best Value: Argyll and Bute Council
[Item to be taken in private as it requires the Commission to consider actions in response to a statutory report.] | Controller of Audit | 13:50 |

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| <p>11. Diversity, equality and inclusion strategy and mainstreaming equalities progress report 2023-2025
 [Item to be taken in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Director of Innovation & Transformation and Head of Organisational Improvement</p> | <p>14:20</p> |
| <p>12. Commission equalities monitoring proposals
 [Item to be taken in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Head of HR, Head of Organisational Improvement, and Secretary</p> | <p>14:40</p> |
| <p>13. General Power of Competence consultation: Proposed Commission response
 [Item to be taken in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Secretary</p> | <p>15:00</p> |
| <p>14. Chief Operating Officer update
 [Item to be taken in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Chief Operating Officer</p> | <p>15:15</p> |
| <p>15. Any other private business
 The Chair will advise if there is any other private business to be considered by the Commission.</p> | <p>Chair</p> | <p>15:25</p> |

Close of meeting 15:30

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 13 March 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 6 February 2025, 10.00am

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

518th meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters, Secretary to the Commission
Helena Gray, Controller of Audit (online)
Karen Jones, Auditor, Azets (online, items 5 and 11)
Joe Chapman, Policy Manager to the Accounts Commission (item 6)
Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) (online, items 8, 12 and 13)
Richard Robinson, Audit Director, PABV (online, item 8)
Thomas Charman, Senior Auditor, PABV (online, item 8)
Carol Calder, Audit Director, PABV (online, item 12)
Kathrine Sibbald, Senior Manager, PABV (online, item 12)
Christopher Lewis, Senior Auditor, PABV (online, item 12)
Claudia Alsius Coll, Auditor, PABV (online, item 12)
Mark MacPherson, Audit Director, PABV (online, item 13)
Tricia Meldrum, Senior Manager, PABV (online, item 13)
Claire Tennyson, Audit Manager, PABV (online, item 13)
Vicki Bibby, Chief Operating Officer (item 15)

1. Apologies for absence

No apologies were received.

2. Declaration of connections

Jo Armstrong declared a connection via Hub West with Alan Paul, Head of Property Services at Fife Council (items 5 and 11), and a connection via Wheatley Group with Jackie Brock at The Promise (item 13). Both have no direct working connection.

3. Order of business

It was agreed that items 10 to 16 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 December meeting.

Sarah summarised the matters arising. Regarding the minutes, the following amendments were suggested in advance of today's meeting:

- Specifying online attendees within the minutes
- A clarification to item 9 which incorrectly stated that there was no progress on Clackmannanshire's implementation of recommendations but should have said that the Controller of Audit did not have an update on progress.
- An amendment to item 10 which incorrectly referenced Aberdeen instead of East Renfrewshire Council
- A request to capture an action in relation to Local Government Benchmarking Framework service user indicators and the exploration of unmet need.

With no further comments, the minutes were approved as a correct record subject to the amendments above being made.

5. Best Value in Fife Council

The Commission considered the Controller of Audit's report on Best Value in Fife Council. Following an introduction by Helena Gray, in which she thanked Karen Jones and the Azets audit team, the discussion was structured according to the following themes:

- Finances, including:
 - How the council has achieved a positive outturn position without the need for significant savings.
 - Future planning including medium-term financial strategies, and use of reserves, including current position of committed, earmarked and uncommitted funds
 - Arrangements for managing significant financial risks from demand-led Integration Joint Board (IJB)

- Tenant engagement in relation to addressing financial gaps in the Housing Revenue Account.
- Performance, including:
 - Mixed picture with improvement in some areas but comparatively poor performance in others and widening gaps between the least and most deprived areas.
 - Progress by the council in implementing its new performance management framework.
 - Activity and performance in relation to community engagement.
- Transformation, including:
 - Relative lack of significant savings, efficiencies, and innovation up to now, and whether the council has capacity and capability to drive necessary transformation
 - Capacity in relation to digital transformation including leadership and skills development.
- Leadership, including:
 - Programme of mandatory training and development for elected members
 - Positive cross-party engagement and working relationships.
- Workforce, including:
 - Positive approach to staff development such as through ‘Grow Your Own,’ and potential to share this good practice with other councils
 - Challenges of tracking benefits, performance metrics, and delays in reporting
 - Approaches to blended/hybrid working, and levels of employee engagement.
- Other areas, including:
 - Means of addressing potential cyber risks from ‘Use Your Own Device’ policy
 - Fraud – assessing risks and consideration of controls (with reference to the Aberdeen City Council s102 report)

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:

- The Official Report (transcript) from the Local Government, Housing and Planning Committee on 4 February, at which Jo Armstrong and Derek Yule gave evidence

alongside Blyth Deans and Martin McLauchlan, is now available and will be shared with Commission members shortly.

- A few reports had been published since the report was produced, so more information will follow on engagement for those reports including the Financial Bulletin, Sustainable Transport and East Renfrewshire. There is also an evidence session with the Public Audit Committee on Sustainable Transport in late February.

During discussion, the following points were raised:

- Updates on the Scottish Government's intention to enhance integration governance after dropping its plans for the National Care Service – no further information is available at this time, but Audit Scotland colleagues will be monitoring this.
- The Scottish Housing Regulator's message that homelessness issues are systemic and beyond their scope, so a national level policy response is required.
- Discussion between the Local Government Committee, the Ethical Standards Commissioner, and the Improvement Service regarding relations between and complaints about councillors, and how any trends will be monitored.

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, Jo highlighted the following,

- Attendance at Audit Scotland's Board meeting on 28 January, which was attended by Audit Scotland Board's new Non-executive Director Patrick Bartlett, along with Board Apprentice Dr Catherine Maclean.
- Recent attendance at COSLA's Special Interest Group, noting their positive reception to the Accounts Commission, and feedback which will feed into the March Strategy Seminar.
- Evidence at the Local Government, Housing and Planning Committee on 4 February alongside Derek Yule, Blyth Deans and Martin McLauchlan. Jo commented that Derek's background and expertise was particularly valuable in the session.
- Andrew Burns and Andrew Cowie met with Aberdeen City Council earlier in the week, following the fraud Section 102 report published in January and the meeting had been constructive.
- Upcoming attendance at the Directors of Finance Section meeting on Friday 7 February, accompanied by Blyth Deans.

Following discussion, the Commission noted the update.

8. Scottish Budget Briefing

The Commission considered a briefing by Alison Cumming, Executive Director of Performance Audit and Best Value (PABV), who asked that the Commission give feedback on how they want to engage on the Scottish Budget, and whether the format of reporting works for them.

Richard Robinson highlighted some points of note:

- This analysis will feed into the local government budgets briefing in spring and will be shared with Audit Scotland's audit teams.
- The UK Government's Autumn Budget in October 2024 resulted in a 3.8% real terms increase in overall funding for the Scottish Government (SG). However, due to issues and variations in relation to tax, the actual increase in funding available to the Scottish Government is closer to 0.8% in real terms.
- The Spring Budget Revision showed how the additional £1.5 billion received by SG for 2024/25 has been utilised, including eliminating the need to draw down on ScotWind funding as intended and reducing required borrowing.
- As part of budget negotiations, SG has announced £16.7 million of further measures for the 2025/26 financial year, including funding for a £2 bus fare cap pilot and an extension to free school meal eligibility in some areas.
- SG has announced £144 million of additional funding for councils to cover increased employer National Insurance costs. However, this amount will not fully cover the costs; similarly, Barnett funding received from the UK Government will not fully cover costs due to the size of the public sector workforce in Scotland.
- Capital funding for local government has increased by 19% in real terms between 2024/25 and 2025/26. However, despite this increase, the total capital allocation for local government in 2025/26 remains lower than in previous years.

During discussion, the following points were raised:

- The Chair acknowledged the fast turnaround of this and other budget briefing material, in response to the Commission's prior request for more prompt information.
- Changes to budget presentation, to provide more realistic comparisons with previous years, taking into account in-year transfers and revisions, and the complexities due to some local government funding being transferred from a number of policy portfolios within the Scottish Government.
- Future analysis required to understand how business rates variations impact grant allocations for individual councils.
- Expectations in relation to the UK Spending Review in June and how SG will respond to it, including whether and when it will provide a three-year settlement framework and with what level of detail.

- Potential for better medium-term planning to reduce large in-year funding changes, and difficulties in predicting what additional funding – anticipated or not – will come through to local government, creating challenges in presentation and planning.
- Update on the mechanism for providing the £30 million of grant funding for ‘reform’ or spend-to-save. Tom Charman advised that the audit team has had sight of the funding application form but the implications for local government are unclear.
- The impact of the 2024/25 council tax freeze and whether the funding from SG is baselined in 2025/26 – this was intended but can be difficult to trace in budget documents. Also noting that any council tax increases in 2025/26 are from the 2023/24 level, so the freeze reduced the council tax base.
- Information on likely council tax increases – Richard advised that information on that was not part of the Scottish budget analysis, but noted the Finance Secretary had indicated that the £144 million for National Insurance costs was equivalent to a 5% council tax increase and encouraged councils to avoid large increases.

Following discussion, the Commission noted the briefing.

9. Any other public business

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

10. Controller of Audit’s update report

The Commission considered an update by Helena Gray, Controller of Audit, on recent and upcoming activity.

In addition to the information in the paper Helena highlighted some points of note including bringing Highland Council’s Best Value report forward to April (with East Lothian moving to June) and East Lothian Council’s appointment of a new Chief Executive, Laurence Rockey, who is currently Director of the Scotland Office.

A number of points were discussed including around audit delays and capacity within some finance teams, the importance of the CoA’s meetings with council Chief Executives, and consideration of future engagement with IJB Chief Finance Officers.

Following discussion, the Commission noted the report.

11. Best Value in Fife Council

The Commission considered its response to the Controller of Audit’s report on Best Value in Fife Council. Members agreed to issue findings in response to the report, with a draft to be circulated to members.

The Commission members discussed several points, which are included within the findings of 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 25 February.

12. IJB Financial Bulletin 2023/24: draft output

The Commission considered a draft report presented by Alison Cumming, Executive Director of PABV. Alison highlighted several points:

- This is a new form of output, designed to improve transparency and understanding of pressures on IJBs, and the team are hoping to use this format on other products. It will be expanded to include performance and outcome data later in the year, which is a joint output with the Auditor General for Scotland (AGS) and will allow effective demonstration of key performance indicators.
- The published product may differ slightly to what is presented today, and the team is looking to create an easily downloadable format for particular audiences, and to produce a user guide for the Power BI platform.
- The reference to the National Care Service in the draft blog will be updated in line with the latest government position.

During the discussion, the following points were raised:

- The sponsors and other Commission members were positive about what they felt is a valuable, user-friendly tool, and thanked the team for their work.
- The Commission found value in the inclusion of strategic risks, and the use of charts which they found particularly effective. They also liked that some non-monetary data also provided a clear message – such as the turnover in IJB Chief Officers and Chief Finance Officers, especially when compared to councils.
- Commission members suggested several areas that would add value to future outputs, including population data, and reserves. They also asked that key messages be disseminated from the data provided and suggested using this format to present the next Local Government Financial Bulletin in 2026.

Following discussion, the Commission:

- approved the draft IJB financial bulletin output and blog
- agreed to delegate final approval of any final amendments to the content of the bulletin to the audit sponsors
- noted the publication arrangements for the financial bulletin and blog.

13. Improving care experience: Delivering the Promise: scope

Alison Cumming introduced the paper, which provided an update on the audit team's work to scope a performance audit on Improving care experience: Delivering the Promise, a joint output with the Auditor General for Scotland.

Alison commented that the audit is timely, at the halfway point in the implementation period for The Promise, the target date for which is 2030, with substantial work still to be done. Alison explained that the audit does not intend to repeat the work of other organisations who are reporting on progress against The Promise, but will seek to assess the identified areas of risk in more detail, and compliment wider progress reporting.

An audit advisory group has been established involving a range of stakeholders, and next steps include bringing a draft report in August, with a plan to publish in October.

During the discussion, the following points were raised:

- Reassurance that despite making a change from a briefing to a performance audit, there will not be a delay in the timeline. The importance of not delaying the audit timings was noted, as this would ensure that the work can have impact before any further advances in this area, and well ahead of the Scottish Parliament election period.
- Membership of the audit's advisory group, which includes Scottish Government, COSLA, The Promise Scotland, Who Cares? Scotland, Care Inspectorate, Social Work Scotland, Police Scotland, and the Chair of the Local Government Programme Board for The Promise.
- The role of Who Cares? Scotland as a link with care experienced children and young people (CECYP), their involvement throughout scoping, and consideration of who might supplement Who Cares? Scotland's knowledge. Related to this, the need to reflect the voices of lived experience for the report to have credibility and impact.
- The importance of tracking spending and impact, including specifically for The Promise as well as earmarked funding such as the £500 million Whole Family Wellbeing Fund, although it was acknowledged that available data has limitations. Similarly, whether there is sufficient evidence to assess work in individual local authorities.
- The definition of care-experienced for the purposes of the audit, particularly in relation disabled and non-disabled people in residential care. Alison noted the recent Scottish Government consultation on this issue and agreed to provide clarity on this.

Action: Executive Director of PABV

Following review and discussion, the Commission:

- Agreed the audit scope for the performance audit on Improving care experience: Delivering the Promise, inclusive of the Issues and Investigations (I&I) matrix and audit flyer
- Agreed the approach to considering emerging messages for the audit work
- Noted and agreed the proposed timings of the audit work, including plans to bring a draft report to the Accounts Commission meeting in August 2025.

14. Meeting arrangements and local engagement options

Sarah presented the paper, which set out options and potential costs for various arrangements for Commission meetings including online or in other locations and options for wider stakeholder engagement

During the discussion, the following points were raised:

- The question of who should attend meetings with councils following statutory reports was debated, with concerns raised about having too many attendees. A number of options were supported by individual members, but no clear consensus was reached. The Commission Support Team will give further consideration to this and update members accordingly.

Action: Secretary to the Commission

- The need to maximise efficiency, with virtual meetings acknowledged as a way to save time and money. While all members said they value face to face meetings as enabling full discussion and building relationships, most also recognised the benefits of holding two or three meetings virtually each year. August, as well as January and February, were highlighted as appropriate meetings to hold online.
- Some technical issues around online meetings, however the Secretary advised that the Support Team has identified solutions to these such as using different functionality within Microsoft Teams, which would also have the benefit of streamlining public access to observe the meetings.
- Maximising the value of meetings with councils following statutory reports by potentially incorporating additional engagement opportunities with other stakeholders, such as IJBs and partners. The discussion highlighted the importance of clear objectives and goals for engagement.
- Whilst most members were broadly supportive of some online meetings, they asked for a deeper dive into what engagement opportunities any savings could enable before they could reach an agreement.

Action: Secretary to the Commission

After discussion, the Commission requested further information to allow a decision to be reached regarding the proposed online meeting arrangements, as well as more clarity in relation to the aims of engagement.

15. Chief Operating Officer update

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

Vicki provided updates on the following areas:

- Future of Public Audit Model project, giving assurance around the sequencing of engagement and decision making with the Commission. Decisions will be made by the Commission, working closely with the Secretary who will be part of the operational board. A fuller discussion will be brought to the Commission in March along with a timeline to signal dates when Commission approval will be needed.

- Confirmation that the Audit Scotland budget, including the Accounts Commission budget, for 2025/26 has been approved. This included specific funding for the Audit Modernisation Project.

Following discussion, the Commission noted the update.

16. Any other private business

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

Close of meeting

The meeting closed at 16.00

Accounts Commission Action Tracker
As at: 21 February 2025



Action No.	Date	Action	Action by	Assigned to	Timescale	Progress	RAG Status	Date complete
25/008	06-Feb-25	AC Meeting arrangements Deep dive into meeting arrangements, and what engagement opportunities might be enabled by virtual meetings	Secretary	Sarah Watters	Apr-25		In progress	
25/007	06-Feb-25	Attendees at Best Value/statutory report follow up meetings Support team to further consider options related to CofA attendance at meetings, and attendee numbers, including auditors.	Secretary	Sarah Watters	Apr-25		In progress	
25/006	06-Feb-25	Disabled and residential care AC members requested a definition of care-experienced for the purposes of the audit, particularly in relation disabled and non-disabled people in residential care	Executive Director of PABV	Alison Cumming	Mar-25	Definition shared with members	Complete	21/02/2025

Purpose

1. This report introduces the Controller of Audit's report on Best Value in Argyll and Bute 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 Argyll and Bute 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 Argyll and Bute Council were both presented to the council's Audit and Scrutiny Committee on 17 December 2024.

The Controller of Audit's report

8. This report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - The accounts of local authorities audited under the Act.
 - Any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - The performance by a local authority of their statutory duties in relation to best value and community planning.
10. The Controller of Audit's report was sent to Argyll and Bute on 5 March 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 3 April 2025, with the previous day being held for any media interviews. It is anticipated that the Deputy 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 Argyll and Bute Council
- approve the proposed publication arrangements
- decide in private how it wishes to proceed.

Best Value

Argyll and Bute Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
March 2025

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key facts

2667 Square miles

87810 Population

4679 Workforce (3911 FTE)

36

Elected members:
12 SNP, 9 Conservative, 9 Independent, 4 Liberal Democrats, 1 Labour, and 1 Green Party
(Coalition administration excluding 9 Conservative and 4 Independent councillors)

£28.6

Cumulative revenue budget gap, five years 2025/26 – 2029/30

£284.5m

Net revenue budget/expenditure 2023/24

£33.2m

Capital budget 2023/24

Controller of Audit report

Introduction

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in December 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. Argyll and Bute Council (the council) has made good progress with previous improvement recommendations and remains committed to the principles of best value. A change in political leadership at the council in 2024 has led to a period of policy review. It will be important for this review to be completed on a timely basis and for plans to remain aligned.

Best Value Assurance Report (BVAR) follow-up

4. The last full BVAR was published in May 2020 following work undertaken before the Covid-19 pandemic. The Accounts Commission welcomed the progress made by the council since a series of statutory Commission reports in October 2013, July 2014, and December 2015. In particular, the Accounts Commission welcomed the significantly improved relationships amongst elected members and between members and officers, providing a sound basis for tackling future challenges.
5. The May 2020 report did find, however, that the council was not yet in a position to demonstrate the achievement of all aspects of best value. In some key areas the pace of improvement had been slow and there was limited evidence of the council using performance information to drive improvement.
6. In total there were seven recommendations made across a number of areas including transformation, performance reporting, engagement with staff and communities, elected member training and assessing the contribution of economic development activity.

7. A Best Value Improvement Action Plan was agreed, with updates on progress taken to the Audit and Scrutiny Committee. Reports demonstrated good progress in 2021/22 with all improvement actions marked as complete in March 2023.

Leadership thematic review

8. Following the local government local elections in May 2022 officers and elected members worked effectively to agree a new approach to strategic planning and performance reporting. An updated Corporate Plan 2023-2027 was approved. This set out a continued commitment to the vision of a 'successful, vibrant Argyll and Bute with a growing population and thriving economy'.

9. An Annual Business Plan underpins the Corporate Plan which sets out actions for all services and demonstrates how they align with Corporate Plan priorities and the Local Outcomes Improvement Plan. An annual progress report on the business plan is taken to the council.

10. The council's priorities include a focus on reducing inequalities and ensuring the council distributes its resources fairly and equitably. Tackling climate change is also a priority for the council with a climate action plan setting out how it will support the Scottish Government's climate change targets.

11. Following the change in political leadership in April 2024, the corporate plan, along with other policy documents and the performance improvement framework, have been going through a process of review (scheduled for completion by March 2025).

Community engagement

12. The council carries out regular satisfaction surveys through its customer service centre and has also committed to develop eight locality action plans due for publication July 2025. Annual budget consultations are undertaken and considered as part of budget setting. In 2023/24 the council trialled the use of a budget simulator tool in its consultation process which received approximately 400 responses. In 2024/25 the council received 261 responses.

13. The council has established a Community Engagement Strategy Group to develop a community engagement framework and tools for use in engagement activities. This is due in early 2025.

Effectiveness of performance reporting

14. The council's Annual Report forms a key part of its public performance reporting duties. The 2023/24 report was taken to committee in December 2024 and approved by the council on 27 February 2025. The report was not available to the auditors at the time they produced their annual audit report.

- 15.** The council's annual report sets out performance against corporate plan priorities and is based on information gathered in more detailed service annual performance reviews (not published).
- 16.** The council's corporate plan is supplemented by an annual business plan and progress against the business plan is reported to committee and noted by the council on an annual basis.
- 17.** There are also well-established arrangements for reporting at area committee level with Quarterly Area Committee Performance Reports for the council's four administrative areas. Each of the Area Committee performance reports link with and assess corporate outcomes laid out in the corporate plan, showing clear links to overall strategy.
- 18.** The auditor has, however, identified scope for the improved use of key performance indicators linked to targets in the council's plans and reports, and the council is actively taking this forward. The auditor has also highlighted the ongoing development activity on a new corporate improvement plan (originally due in the autumn 2024). The previous corporate improvement plan ended in 2022.
- 19.** The corporate improvement plan will identify corporate thematic improvements. Evidence for needed improvement will come from a range of sources including audits, self-assessment activities, feedback from employees or customers, previous improvement activity undertaken through accredited bodies and benchmarking.
- 20.** The council has committed to a review of its approach to self-assessment including how it uses the Local Government Benchmarking Framework (LGBF) indicators.

Reported performance

- 21.** The council's annual report 2023/24 includes a review of its performance via seven high-level Corporate Outcomes and a series of 47 Corporate Outcome Indicators (COIs). Of the 47 COI indicators 26 were assessed as On Track / Above Target / No Target with Improving Performance, and 21 were classed as Off Track / Under Target / No Data.
- 22.** Corporate Outcome 'Children and young people have the best possible start' is the best performing with 75% (6 of 8) of indicators on track. Corporate Outcome 'Education, skills and training maximise opportunities for all' is the worst performer with 14% (1 of 7) on track.
- 23.** A review of the LGBF performance indicators shows that 64 of 107 available indicators had improved since the base year. Performance was improved or maintained, as compared to last year, in the areas tackling climate change, financial sustainability, satisfaction, culture and leisure services, corporate services, economic development and environmental services. Performance declined as compared to last year, in the areas of

children's services and adult and social work services. The council compares positively when compared to family group members.

Workforce planning

24. The council has recently introduced a Strategic Workforce Plan for 2024-28 which is clearly aligned to the Council's 'People Strategy 2024-28. Both are based upon the Connect for Success model established within the council's Corporate Plan. Both documents have annual delivery plans, with the first intelligence due in March 2025.

25. At operational level, workforce planning reviews are performed (and feed into a Workforce Planning Risk Matrix) at the managerial level. This ongoing process enables operational managers to highlight potential workforce planning risks. The Workforce Planning Risk Matrix highlights key concerns and suggestions and is informed by workforce data, adopting a Red/Amber/Green status for categories. The matrix has been shared with other councils as an example of good practice in workforce planning.

26. The council is developing the capability of its workforce and is implementing modern agile work policies to enhance the capacity and skills of its workforce. The Agile Workforce plan is still in an early phase of implementation and the intention is to monitor and review it alongside the Hybrid and Flexible Working policy on an annual basis. Therefore, the effectiveness of these arrangements in changing the workforce trend cannot be fully determined.

27. Quarterly 'Health of the Organisation' reports are used to monitor and inform workforce planning, with a specific section in the report relating to the delivery of the 'Workforce Plan' and any associated actions. These contain key metrics and quantitative statistics for the chosen department/directorate compared to the Council as a whole, including payroll data, age profiling, staff turnover, employment type.

28. There remains a risk that the ongoing review of council priorities could impact workforce planning. The council should ensure that regular reviews and monitoring of workforce plans are performed so it is consistently aligned with its overall strategy.

29. The council released a Hybrid and Flexible Work policy in 2023/24. Feedback was gathered from Trade union and employee discussions and a first-year review of the policy is ongoing (originally scheduled for release in December 2024).

30. Recent workforce trends show an increase in temporary and agency staff, now making up about 16% of the workforce. Around 60% of these temporary staff leave before their contracts end. A high turnover and reliance on agency recruitment may lead to higher costs and reduced quality of services. To address this, the 'Agile Workforce Plan' aims to

introduce more hybrid and flexible working arrangements and promote more permanent positions across the organisation.

31. The council introduced initiatives such as 'Growing Our Own' to assist with recruitment and to support a pipeline of talent into the workforce. It includes development via Work Experience, Student Sponsorship, Trainees, Apprenticeships etc.

32. The council participates in joint training and service delivery alongside other local government bodies in Scotland.

Financial management and sustainability

33. The auditors concluded that the council has effective financial planning, with budget monitoring and reporting arrangements in place and a Medium-Term Financial Plan (MTFP) for the four-year period 2025/26 to 2029/30.

34. The auditor's review of previously issued MTFPs at the council provides assurance that forecasts are based on prudent assumptions including the council's latest understanding of future government funding arrangements, local revenue assumptions, service demand and other costs pressures.

35. The council has a good track record of delivering planned savings with 92% and 98% of savings delivered in 2022/23 and 2023/24. Around 73% of new savings approved for 2023/24 were recurring and 27% one off.

36. Overall budget underspends of £7.9 million and £4.9 million (before ear marking adjustments) were reported, for 2022/23 and 2023/24, with significant underspends on loans fund budgets. However, there was a £1 million overspend on services in 2023/24 due in part to unanticipated weather-related incident costs of £0.8 million.

37. Loans fund underspends were achieved after the application of Scottish Government financial flexibilities enabling the reprofiling of debt repayments on service concession arrangements. Flexibilities were applied in 2023/24 with a one-off retrospective gain / cost deferral of £36 million and an in-year gain / cost deferral of £4.8 million. The council applied £5.4 million of the retrospective amount to cover principal repayments in 2022/23, earmarking the remaining £30.6 million for capital investment in priorities for Argyll and Bute. There was also a one-off gain of £0.9 million in 2023/24 from the early redemption of external borrowing.

38. Following earmarking adjustments, the council drew on £9.7 million of General Fund balances in 2022/23 before contributing £29.4 million to increase them in 2023/24. The uncommitted General Fund balance increased by £1.4 million to £8.3 million in 2023/24, remaining above the councils 2 per cent policy intention. Key financial information is included in Exhibit 1 below.

Exhibit 1**Argyll and Bute Council – key financial information**

Budget setting	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Budget gap	2.2	13.1	10.2
Planned to be met via:			
- Savings	3	9.5	4.6
- Increase in fees and charges	0.4 (3%)	0.8 (6%)	0.4
- Use of / (contribution to) reserves	(2.8)	0	1.2
- Increase in Council Tax income	1.6 (3%)	2.8 (5%)	4 (second homes)
Actual			
Savings delivered	92%	98%	-
Reserves			
Total usable reserves carried forward	93.8	121.7	
General Fund	86.4	115.7	
Earmarked	79.5	107.4	
Uncommitted	6.9	8.3	

Source: Council accounts and committee papers

39. After additional funding to support a council tax freeze, and the application of £2 million of reduced employer pension contributions, there remained a £10.2 million budget gap for 2024/25. This gap was closed and a balanced budget set after the approval of £4.6 million of savings; £4 million of additional income from council tax increases on second homes; £0.4 million additional income from increased fees and charges; and the use £1.2 million reserves.

40. The council took advantage of the latest positive valuation of Strathclyde pension fund and elected to pay reduced employer pension contributions in 2024/25 and 2025/26. Of the £13.75 million reduced contributions they approved the use of £6 million to support budgets at £2 million a year for three years including 2026/27, with the balance being earmarked to support the capital plan and spend to save initiatives.

41. The 2024/25 revenue budget monitoring report for the end of October 2024 forecast an overspend on services of £4.6 million. Although £2 million of this relates to health and social care and would fall to be met by the IJB from reserve balances, and £0.8 million would fall to be funded by Crown Estate funding. The narrative to the report also indicates a potential underspend on the loans fund which is not quantified.

42. Budget estimates after the revised assumptions in October 2024 give an anticipated in-year budget gap of £9.1 million for 2025/26, and a cumulative budget gap of £28.6 million by the end of 2029/30, based upon

a 'midrange' scenario. The council's 'worst case' scenario highlights a potential £93.2 million cumulative budget gap by the end of 2029/30.

43. While the council has managed to make savings in the past it does not have a dedicated savings plan document, these are only drawn up at an operational level and do not feed in to aggregated savings plans. The council should look to take a more strategic approach to considering a range of savings options to ensure effective monitoring of savings and to support councillors and officers to continue working together to make difficult decisions.

Delivery of the capital programme

44. The council experienced significant slippage on the delivery of its capital programme in 2022/23. Whilst there was over delivery of £4.7 million against the £33.2 million 2023/24 programme, cumulative slippage remained at £23.1 million at the 31 March 2024.

45. The council reports that elements of capital slippage can be attributed to incorrect profiling of spend as opposed to delays in the programme. The auditors concluded that there were no significant weaknesses in arrangements.

46. General Capital Grant received from the Scottish Government has fallen by £3.4 million from the £12.3 million received in 2019-20, impacting the council's capital programme. When the capital programme for 2024/25 was set a cumulative three-year gap of £29.8 million was closed by the deferral of £11.6 million of expenditure and the use of earmarked reserves. In total £18.4 million of prudential borrowing was included in the financing for the three years to 2026/27.

Levels of debt / capital financing requirement

47. The council's Capital Financing Requirement increased from £291.8 million to £332.4 million in 2023/24 due to the use of financial flexibilities and the write back of historic amounts relating to service concession arrangement debt. There had been a reduction in the capital financing requirement of £15.3 million in 2022/23.

Appendix 1

2022/23 and 2023/24 Annual Audit Reports

These reports summarise the findings from the 2022/23 and 2023/24 annual audits of Argyll and Bute Council.

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.

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[2022/23 Annual
Audit Report
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Appendix 2

Best Value Statutory Guidance

[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

Argyll and Bute Council



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Purpose

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

Recommendations

2. The Commission is invited to:
 - Note this report and consider any implications for its work programme

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.

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
- 18 February – Introductory meeting with Patrick Bartlett, Non-executive Director of Audit Scotland Board
- 18 February – meeting with Tricia Meldrum, Jillian Matthew, Sarah Watters and Joe Chapman regarding the Audit Scotland Youth Advisory Group
- 25 February – Introductory meeting with Dr Catherine Maclean, Apprentice of Audit Scotland Board
- 04 March – Audit Scotland Board and Remuneration Committee meetings
- 04 March – Audit Scotland Audit Committee Risk Deep Dive session

Commission business

- Regular meetings with Sarah Watters, Secretary to the Commission, Lee Ovens, Executive Assistant and Joe Chapman, Policy Manager.
- 13 February – Member Appraisals: Andrew Burns, Angela Leitch, Jennifer Henderson, and Ruth Macleod
- 18 February – East Renfrewshire Council Best Value follow up visit, with Jennifer Henderson, Sarah Watters, and joined by Grace Scanlin from EY
- 28 March – Comms and Engagement Strategy Seminar
- 06 March - Accounts Commission prep session with Andrew Burns, Sarah Watters, Joe Chapman, Lee Ovens and Callum Aitken.

External Engagement

- 07 February – attended Directors of Finance Section with Blyth Deans (note of meeting shared with Commission members)
- 17 February - Public Service Reform Summit (organised by Ivan McKee MSP, and attended by Auditor General too)
- 24 February – Quarterly meeting with Ellen Leaver, Scottish Government
- 05 March – Transformation Programme discussion with Solace Chair and Deputy Chair, and Andrew Burns

Forthcoming activities

3. My forthcoming engagement activities include:

- 12 March – Accounts Commission Strategy Seminar
- 13 March – Accounts Commission meeting
- 21 March – Improvement Service Board (following review of the Strategic Alliance in 2024)
- 01 April – Audit Scotland Board meeting
- 01 April – Audit Scotland Board Strategic Session
- 02 April – Best Value follow up meeting with Fife Council, accompanied by Carol Evans, Malcolm Bell, Nichola Brown, and Karen Jones from Azets
- 03 April – Joint Work Programme Discussion with Stephen Boyle and the PABV Work Programme team
- April 2025 – Commission Member Appraisals

Conclusion

4. The Commission is invited to:

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