

Agenda

Thursday 14 May 2026 10:00am

Audit Scotland office, 102 West Port, Edinburgh
and online via Microsoft Teams
532nd meeting of the Accounts Commission

Public session

1. Apologies for absence	Chair	10:00
2. Declaration of connections		
3. Order of business The Chair seeks approval of business including taking items 9 to 17 in private for the reasons set out on the agenda.		
4. Minutes and matters arising from previous meetings	Director for the Commission	10:05
5. Best Value: Angus Council	Controller of Audit	10:10
6. Local government policy update	Policy Manager	11:15
7. Chair's update	Chair	11:25
8. Any other public business The Chair will advise if there is any other public business to be considered by the Commission.	Chair	11:35
<i>Break</i>		11:35

Private session

9. Controller of Audit's update (<i>including strategic scrutiny update</i>) [Item to be in private as it requires the Commission to consider confidential policy matters.]	Controller of Audit	11:50
10. Best Value: Angus Council [Item to be in private as it requires the Commission to consider actions in response to a statutory report.]	Controller of Audit	12:05
11. Local government budgets 2026/27 – draft budget bulletin [Item to be in private as it requires the Commission to consider a draft of a forthcoming publication.]	Executive Director of Performance Audit and Best Value	12:30
12. Digital leadership and collaboration in local government – proposed scope [Item to be in private as it requires the Commission to consider the nature of forthcoming audit work.]	Executive Director of Performance Audit and Best Value	12:55

Lunch

13:15

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| <p>13. Year 5 Best Value theme: Data and information management – proposed scope
 [Item to be in private as it requires the Commission to consider the nature of forthcoming audit work.]</p> | <p>Controller of Audit</p> | <p>13:55</p> |
| <p>14. Quality of Public Audit in Scotland – draft annual report 2026
 [Item to be in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Director of Audit
Quality and
Appointments</p> | <p>14:15</p> |
| <p>15. Future Public Audit Model – Code of Audit Practice
 [Item to be in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Director of Quality
and Support</p> | <p>14:30</p> |
| <p>16. Chief Operating Officer’s update
 [Item to be in private as it requires the Commission to consider confidential policy matters.]</p> | <p>Chief Operating
Officer</p> | <p>14:45</p> |
| <p>17. 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>14:55</p> |

Close of meeting

15:00

Minutes

Thursday 12 March 2026 10:00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via Microsoft Teams
530th meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters – Director for the Accounts Commission
Helena Gray – Controller of Audit
Joe Chapman – Policy Manager for the Commission
Alison Cumming – Executive Director of Performance Audit and Best Value
Vicki Bibby – Chief Operating Officer
Mark Stocks – Partner & Head of Public Sector Audit, Grant Thornton (*items 5 and 11*)
Stuart Kenny – Director, Deloitte (*items 6 and 12*)
Owen Smith - Director, Audit Quality & Appointments (*Item 13*)
Jonny Steen – Incoming Director, Audit Quality & Appointments (*Item 13*)
John Gilchrist – Senior Manager, Audit Quality & Appointments (*Item 13*)

1. Apologies for absence

There were no apologies received or required from members.

2. Declarations of connections

Derek Yule and Malcolm Bell declared connections to items 5 and 11- Derek in his capacity as former Head of Finance of Aberdeenshire Council from 2001 to 2011, and Malcolm as a resident of Aberdeenshire. Having taken advice from the Director for the Commission and Ethics Partner in advance of the meeting it was agreed that neither were required to recuse themselves from today's discussions.

Angela Leitch and Derek Yule declared connections to items 6 and 12- Angela in her capacity as former Chief Executive of Clackmannanshire Council from 2009 to 2011, and Derek as a resident of Clackmannanshire. Having taken advice from the Director and Ethics Partner in advance of the meeting it was agreed that neither were required to recuse themselves from today's discussions.

Angela Leitch, Carol Evans, Jennifer Henderson and Malcolm Bell declared connections to item 13 due to their roles within audited bodies. Having taken advice from the Director and Ethics Partner, they did not consider their respective connections material and therefore would remain in the meeting and participate in the discussion of these items.

3. Order of business

It was agreed that items 10 to 15 would be considered in private, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

The minutes of February's meeting were agreed as an accurate reflection, and the minutes were approved as final. Sarah Watters, Director for the Commission, provided the following updates on actions:

- Commission's diversity & equality data – an update was shared with members following February's meeting
- Scottish Government's (SG) Additional Support for Learning review – members will be updated when information becomes available, likely by the end of March
- Recently published health & social care performance data – the Commission's communications group will meet by mid-April to discuss and progress the Commission's desire to maintain public and sector awareness.

5. Best Value: Aberdeenshire Council

The Commission considered the Controller of Audit's Best Value report on Aberdeenshire Council. The discussion explored the following themes:

- Transformation:
 - Progress – slow and complex to date. Council has moved towards a director-led programme with a project management office supporting, feeding into a programme board.
 - Transformation reserves – suspended whilst challenges of IJB were addressed, now lifted as IJB situation has improved. Auditors are content that this was an appropriate approach.
 - Governance – council is well governed, and leaders respond well to challenges. Programmes are well-run and progressing but attention required on transformation programme.

- Elected members oversight – members receive 6-monthly reports on transformation, intention to move to quarterly. Additionally, Strategic Change Board reports go to full council for review. Quality of reporting including success and progress measures could be improved.
- Changes to services – language around changes vs. cuts can vary, therefore difficult to quantify. Council is quick to respond to challenges and work with partners to deliver what is needed and scrutinise service redesigns to improve.
- Ambition of planning – stronger reporting is needed to clarify intended financial and non-financial benefits, enabling elected members to determine whether plans are ambitious and foresee impact on medium-term financial planning.
- Social care – council is proactive, identifying and addressing its budget shortfall. Changing demographics need to drive transformation. Strategic reviews of community hospitals and schools are taking place, given the potential impact of changing numbers related to over-65s and school age children.
- Impact assessment – officers are required to produce integrated impact assessments as part of their work. Reviews show this does happen, but evidence of discussion is lacking in minutes.
- Office rationalisation – progress is slow despite an embedded hybrid working and the workforce thematic recommendation that councils review their estates and requirements. Council is exploring options, but this is challenging.
- Finances:
 - Financial planning – auditors comfortable the council is taking appropriate decisions and actions as needed. 2026/27 budget is balanced, with additional funds earmarked for the Integration Joint Board (IJB). Budget gap is large, but council demonstrates commitment to addressing audit recommendations in its budget.
 - Savings – tracked via annual over- vs. under-spend figures. £21m of £28m target achieved, transformation progress caused under-delivery but the council made further savings in other areas. 2026/27 budget ensures all savings are identifiable.
 - Reserves – reserves are low but sufficient to survive a shock, further stress testing needed. Council has previously drawn on reserves but successfully increased reserves by £2m this year.
 - Capital – approach to assessing affordability of borrowing has been strengthened. Peterhead community campus is a key focus, and a strategy has been developed for this.
 - Transformation agenda and savings challenging but not unusual in the sector. Track record of community engagement.
 - Ness energy from waste contract – supplier has withdrawn. Additional costs of £2m per year to interim supplier but currently no other negative impact on balance sheet.
- Leadership and governance:
 - Cross party relations – political changes have not impacted decision making and officers have not reported any difficulties working with the administration

- Internal audit – seven areas of limited assurance identified, fairly common areas across the sector, causing no significant concerns. The council and its audit committee respond to issues and take appropriate actions as needed.
- Partnership working:
 - Joint services - council has several key partnerships and joint services which is positive but must now focus on those which can help it make more significant transformation of services.

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

6. Section 102 report: Clackmannanshire and Stirling IJB

The Commission considered the Controller of Audit's Section 102 report on securing a section 95 (s95) officer at Clackmannanshire and Stirling Integration Joint Board (IJB), produced following the 2024/25 audit of the IJB. The discussion explored the following themes:

- Governance and risk management:
 - Cover arrangement – interim Chair raised the lack of a s95 officer at IJB's meeting in November 2025. Legal requirement for the role was noted, but no issue with the cover arrangement was identified. No evidence provided that discussions were held about arrangements in the event recruitment was unsuccessful. Formal process for legal advice has since been implemented.
 - Internal audit (IA) reliance – external auditors do review all IA reports as part of the audit process, but do not place reliance on them – this is Deloitte's standard practice.
 - Member scrutiny – level of challenge is typically proportionate. Members believed the internal support arrangements were sufficient whilst recruitment was underway. As the report states, there had been challenges in recruitment, and the Commission noted that this reflected the situation nationally.
 - Impact on partner organisations was minimal, as Chief Financial Officers (CFOs) had been heavily involved with IJB's work and shared the workload during this time. IJB finance team consists of two people, so workload had minimal day to day impact.
 - Protecting institutional knowledge – scheme of delegation is explicit about the importance of the s95 role and the need for cover in their absence. IJB chair rotates bi-annually.
- Leadership, collaboration and workforce
 - Lessons learned – opportunity for IJB and wider sector to reflect, particularly in light of significant turnover. Not aware of plans for a specific lessons learned exercise on this issue, but auditor is aware of reviews underway in other areas of the IJB.
 - Governance – separate governance and finance committees set up, IJB review the annual assurance statement in February, and two of the three partner bodies have agreed to an updated integration scheme. The governance in place whilst the s95

officer role was unfilled will be reviewed as part of the 2025/26 annual audit, due in late 2026.

- Recruitment update – CFO role was filled in December 2025, and recruitment is ongoing to fill the Chief Officer role on a permanent basis.
- Conflicts of interest – none identified, and as the CFOs had been heavily involved with the IJB's finance team before the s95 officer departed it was unlikely any would have come up, however the interim Chief Officer would have identified and managed had this occurred.
- 3 body partnership – no clear advantage or disadvantage identified by the auditor in having 3 partner bodies, however reflection on the support arrangements noted a positive working relationship between all three.
- Financial management:
 - Reserves management – IJB is in breach of its reserves policy, having no unearmarked reserves at the end of 2024/25. Auditors note this is common across IJBs and councils alike.

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

7. Local government policy update

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

Joe highlighted the following areas of interest:

- UK Government special education needs and disabilities (SEND) funding – consequential funding for Scotland has been set out for 2026/27 and 2028/29
- SG review of additional support needs – Janie MacManus's report was published today and will be shared with members
- Teachers' strikes – EIS union has said a draft agreement is due to be discussed and ratified by COSLA this week. No further details are available
- Local Government Benchmarking Framework – national overview report on 2024/25 council performance published earlier this week.

The following points were raised during discussion:

- West Lothian Council's decision to stop broadcasting meetings – projected savings likely include administration costs. Broadcast numbers are low, and the meeting will still be open to in-person attendance and the council will maintain communication with the public in other ways.
- Write-off of council tax arrears – members highlighted that this relates to debt going back three decades, so the figure is

proportionately small. It was suggested that this is looked at as part of the next financial bulletin report.

Action: Executive Director of Performance Audit and Best Value

- UK Government's SEND provision reform white paper – one member expressed interest in the paper and conclusions within, and the potential learnings to be taken from teacher recruitment and retention.
- Rural community sustainability – strong theme across today's policy update, and a theme for the Commission to ensure is reflected adequately across their work programme.

Following discussion, the Commission noted the report.

8. Chair's update

The Commission considered an update by the Chair, Jo Armstrong, on recent and upcoming activity. Jo highlighted the following items of note:

- Recent meeting with the COSLA President and Vice President, where key discussion points including the 2026/27 local government settlement, Verity House Agreement, Commission's work programme, current consultation on the Code of Audit Practice and the Solace/IS-led work in relation to self-evaluation
- Recent meeting with Ellen Leaver, Acting Director within Scottish Government's (SG) Local Government division.

During discussion, the following points were raised:

- Members requested an update following the risk deep dive session at the Audit Scotland Board.

Action: Chair of the Commission

- Members requested a reflection on Deloitte's State of the State event, which Jo, Helena, and Sarah will attend later today

Action: Director for the Commission and Controller of Audit

9. Any other public business

There being no other public business, the Chair closed the public session of the meeting.

10. Controller of Audit's update

The Commission considered an update by Helena Gray, Controller of Audit (CoA), on recent and upcoming activity, including the following:

- Scrutiny Coordination Group – survey of members in 2025 found the group felt there is overlap with the Strategic Public Sector Scrutiny Network (SPSSN). A formal proposal to remove duplication and overlap will be brought to May's Commission meeting alongside the planned update on scrutiny co-ordination.

- 2023/24 audit delivery – two outstanding audits are expected to sign off in April
- 2024/25 audit delivery
 - Two councils and one pension fund have signed off their accounts since the last update
 - Auditors are considering the impact that the fire in central Glasgow might have on balance sheets
 - Two further audits are on track to sign off next week
 - One council continues to experience significant challenges, progress is being made in response to a number of queries, Helena suggested that escalation is not required yet whilst this work is ongoing.

During discussion, the following points were raised:

- Members expressed concern regarding further slippage of 2023/24 sign-off dates – requested an update, and stressed the need to use the Response Framework as intended

Action: Controller of Audit

- Self-evaluation – Helena and Sarah met with Solace and the Improvement Service (IS) leads and audit directors recently, to discuss the piloting of the new approach but more detail is still required. Members remain supportive of self-evaluation and how it supports continuous improvement.

11. Best Value: Aberdeenshire Council

The Commission considered its response to the Controller of Audit's report on Best Value in Aberdeenshire Council. Members agreed to issue findings in response to the report, to be drafted by the Director and the Chair and circulated to members next week.

Commission members discussed and agreed upon a number of points, which will be included within the findings in the published report.

12. Section 102 report: Clackmannanshire and Stirling IJB

The Commission considered its response to the Controller of Audit's section 102 report on Clackmannanshire and Stirling IJB. Members agreed to issue findings in response to the report, to be drafted by the Director and the Chair and circulated to members next week.

Commission members discussed and agreed upon a number of points, which will be included within the findings in the published report.

13. Future Public Audit Model: Phase 3 governance arrangements and draft Procurement Strategy

The Commission considered the Future Public Audit Model's report on governance arrangements and the draft Procurement Strategy, by Owen

Smith (interim Director), Jonny Steen (incoming Director) and John Gilchrist (Senior Manager)), Audit Quality and Appointments (AQA).

Following discussion, the Commission:

- Noted the governance arrangements
- Agreed the draft principles set out in the report

14. Chief Operating Officer's update

Vicki Bibby, Chief Operating Officer, delivered a verbal update to the Commission.

During discussion, the following points were raised:

- Code of Audit Practice consultation – constructive session with audit firms, with positive feedback PAC and Scottish Commission for Public Audit are supportive of proposals in the draft Code and will respond to consultation.
- Parliamentary engagement – aware of likely turnover regardless of the election results. Utilise good working relationships to keep engagement happening through what is likely to be significant change.

15. Any other private business

There being no further business, the meeting closed at 2.25pm

Close of business

Minutes

Thursday 16 April 2026 11:15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via Microsoft Teams
531st meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters – Director for the Accounts Commission
Helena Gray – Controller of Audit
Joe Chapman – Policy Manager for the Commission
Vicki Bibby – Chief Operating Officer
Kathrine Sibbald – Senior Manager, Performance Audit and Best Value (PABV) (*item 6*)
Emma Brown – Senior Auditor, PABV (*item 6*)
Cornilius Chikwama – Audit Director, PABV (*item 7*)
Ashleigh Madjitey – Audit Manager, PABV (*item 7*)

1. Apologies for absence

Apologies were received from Angela Leitch.

2. Declarations of connections

Jo Armstrong declared a connection to item 7, in her capacity as Chair of Wheatley Group. Having sought advice from the Ethics Partner, it was agreed that Jo recuse herself from all discussions on item 7 and that Andrew Burns will deputise as chair during this item.

Jo also informed the Commission that Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) also has a connection with item 7, which is instead being presented by other members of the PABV team. (Alison is incidentally not in attendance for this meeting.)

Derek Yule declared a connection to item 5, as a resident of Clackmannanshire. He did not believe the connection to be material and therefore would remain in the meeting for this item.

3. Local government policy update

The Commission considered a report by Joe Chapman, Policy Manager for the Commission, which provided an update on recent major publications relating to local government (LG).

Joe advised that a briefing is being prepared on party election manifestos as they relate to LG and will be shared with members later this month.

The following points were raised during discussion:

- Scottish Government's recent additional support for learning review – depth of review was constrained by time, incoming government will decide how to take the recommendations forward.
- Commission suggested a future review of government strategies and plans to analyse which have progressed and whether further scrutiny is needed.

Following discussion, the Commission noted the report.

4. Chair's update

The Commission considered an update by the Chair, Jo Armstrong, on recent and upcoming activity. Jo highlighted the following items of note:

- Deloitte "State of the State" report launch event –
 - Compared to the rest of the UK, Scotland shows higher trust in its government (SG), and higher satisfaction levels with local services. Satisfaction with health services in Scotland has decreased in recent years and is now lower than local services.
 - The Director-General for Exchequer, Strategy and Performance Shona Riach presented alongside Mairi Spowage from Fraser of Allander, and Heather Thomson from the Data Lab. Views from the panel ranged from being optimistic about opportunities to frustration about the pace of change. The need for change in risk appetite within the public sector was an overarching theme.
- Meeting with Kenneth Hogg, the new Director General of Communities and External Affairs – discussed public service reform, and the Commission and local government's respective roles in this area. Jo also gave Kenneth an update on the Commission's Response Framework and the escalation process within it, where the Commission has concerns about audit delivery.
- Commission Best Value report follow-up visits to Shetland and North Lanarkshire councils both took place recently. Jo recorded the Commission's thanks to both councils for the visits that were arranged alongside the follow-up meetings and noted that both councils expressed that they value the Commission's work.

Following discussion, the Commission noted the report.

5. Controller of Audit's update (*including audit delivery update*)

The Commission considered an update by Helena Gray, Controller of Audit (CoA), on recent and upcoming activity, including the following:

- 2023/24 outstanding audits
 - Two councils have indicated their intention to hold special council meetings in April to sign off their accounts
 - Helena has notified both councils of the intention to bring section 102 reports to the Commission in due course regarding the delays to both audits.
- 2024/25 outstanding audits
 - One further council has signed off its accounts this week
 - Another is committed to undertaking a significant proportion of work this month with the intention to take the final accounts to its audit committee in October. Helena will meet with the auditor later in the month to discuss progress and next steps.

During discussion, the following points were raised:

- Members welcomed the decision to bring s102 reports on the 2023/24 audit delays in the two councils, noting that this follows the escalation process set out within the Commission's Response Framework.
- The Commission agreed with the CoA recommendation not to escalate further any of the outstanding 24/25 audits at this stage.

Following discussion, the Commission noted the report.

6. Delivering for the future: Transformation – draft Best Value thematic report

The Commission considered a report by Helena Gray, Controller of Audit, which sets out the draft national Best Value thematic report and case study supplement.

During discussion, the following points were raised:

- Members welcomed the report and the intention, later in the year, to make use of a web format to display case study information more effectively.
- Savings to be delivered through transformation – difficult to estimate, there will invariably be inconsistencies across councils in relation to the way they attribute savings to particular programmes, achievability and realisation.
- Use of the term 'innovation' – only used in quoting principles from the Commission's 2024 report on transformation; the audit team

noted this wasn't a specific audit question, but the case studies are intended to demonstrate the range of approaches taken.

- Case studies – presented as illustrative examples of practice as opposed to best practice or exemplars. Members would like to see more detail across these. It was acknowledged that these are intentionally brief and intended to act as 'can-openers' to encourage readers to access links and read further. Balance needed between what could be included and what needs to be included for the intended purpose.
- Transformation plans – some councils are further along in the process than others, members keen to consider how to encourage sharing good practice with those who are slower to progress. Audit team stated that the emphasis was on sector-led initiatives and not explicit advice from the Commission.
- A number of suggested amendments were made and will be reviewed by the team in conjunction with the sponsor, including:
 - Equality Impact Assessments – quantifiable data on how many were completed, and how many of those were sufficiently useful
 - Including 'transformation' in the title, currently omitted due to perceived challenge from stakeholders on this term
 - Inclusion of a consolidated 'expectations' single page instead of 'what needs to happen' chapter endings.

Following discussion, the Commission:

- Agreed to delegate final approval of the content of the report and case study supplement to the sponsor, Jennifer Henderson
- Approved the proposed publication arrangements for the report

7. Housing performance audit – proposed scope

Cornilius Chikwama, Audit Director PABV, presented the proposed scope of a joint audit with the Auditor General on Housing in Scotland.

During discussion, a number of points were raised:

- Effectiveness and impact – it was suggested this is summarised throughout the document rather than all together on page 9
- 110,000 new affordable homes target – members questioned whether this was future proofed beyond 2032, given projections for demographics in future years. Shelter and the Scottish Federation of Housing Associations have completed their own projections which suggest this target will not be sufficient.
- Use of existing housing infrastructure - will be dependent on condition, council capacity and resource, as well as legislation and guidelines. Ongoing evaluation will be essential in coming years.
- Case studies – members felt there is a lack of rural representation in the case studies, though the team felt that one council is largely rural. The case studies were selected from councils deemed by

the Scottish Housing Regulator (SHR) to be at risk of systemic failure, hence the inclusion of two similarly large city councils. It was suggested by the team that issues within rural councils could be addressed in the wider scope of the work

- Housing ‘emergency’ – some councils may steer clear of using this term (which could be politicised) but may, in fact be in crisis so the audit team has used data from SHR and other bodies to analyse statistics around temporary accommodation and homelessness
- ‘More Homes Scotland’ remit – explore opportunity to influence the outcomes for this new body and make clear recommendations to it
- Human rights approach is key – need to address inequalities throughout the scope of this work.

Following discussion, the Commission approved the report and arrangements set out within.

8. Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report 2024/25

The Commission considered a report by Sarah Watters, Director for the Commission, and Joe Chapman, Policy Manager for the Commission.

Several points were raised during discussion, including:

- Within the new SPI Direction, councils are encouraged to use LGBF data as a primary data source alongside local measures
- Members would like to hear more on emerging themes from this year’s data and whether / how local authorities are using the tool to identify areas for improvement work, including Peer Collaborative Improvement
- LGBF data will be of great use to future audits, for example education where there is a comprehensive range of input, output and outcome indicators
- Most of the indicators in the LGBF use data from existing returns and the sector-led work on the Local Government Data Platform aims to reduce duplication and drive efficiency in this area
- The Director for the Commission will ask members for areas they would like to discuss with LGBF Board members at the August Commission meeting.

Action: Director for the Commission

Following discussion, the Commission noted the contents of the report.

9. Strategy Seminar review

The Commission considered a report by Sarah Watters, Director for the Commission, and Joe Chapman, Policy Manager for the Commission, summarising key decisions and actions from the Commission’s Strategy

Seminar on 11 March 2026. This was prepared in conjunction with PABV colleagues who will be involved in many of the follow-up actions.

By way of introduction, Jo said that the poll undertaken following the strategy seminar by PABV had captured members' views on priorities for the 2027/28 work programme, but it will now be necessary for Alison's team to look at the overall coherence of the programme and to develop proposals for consideration by the Commission.

Several points were raised during discussion, including:

- Some members would welcome a change of venue for future seminars, with separate breakout spaces.
- The use of tools such as Menti was welcomed
- It was suggested that there be more member involvement with shaping the agenda for future Strategy Seminars (although Sarah did clarify that the Chair and Deputy Chair are involved)
- Members would like one seminar per year to include a focus on the Commission's strategy and its explicit links to the Work Programme

Following discussion, the Commission noted the contents of the report.

10. Chief Operating Officer's update

Vicki Bibby, Chief Operating Officer, delivered a verbal update to the Commission, including:

- Future Public Audit Model - consultation had been very successful during Phases 1 and 2 of the project. Phase 3 is progressing well and informed by engagement with firms.
- AI – Vicki assured members that this was a focus for Executive Team (ET). UK Treasury has encouraged that audit should not be a barrier to growth and innovation. ET discussing AI position in the coming weeks with a particular focus on risk appetite.
- The setting up of the Local Audit Office in England is delayed but an update will be provided to members at an appropriate point.

Action: Director for the Commission

- Quality of Public Audit in Scotland draft report is being discussed by ET later this month, before it comes to the Commission in May.

11. Any other private business

There being no further business, the meeting closed at 13.25

Close of meeting

Accounts Commission Action Tracker
As at: 6 May 2026

Action No.	Date	Action	Action for	Assigned to	Timescale	Progress	Status	Date complete
26/012	16-Apr-26	Update on Local Audit Office Director to liaise with Executive Director of Audit Services and Controller of Audit regarding the delivery of an update on the Local Audit Office at a future Commission meeting	Director for the Commission	Sarah Watters	May-26	Director in discussion with Controller of Audit about most appropriate timing for the update	In progress	
26/011	16-Apr-26	LGBF Board discussion Director for the Commission to ask members for areas they would like to discuss with LGBF Board members at the August Commission meeting.	Director for the Commission	Sarah Watters	Aug-26	A reminder will be sent to members during late July/early Aug	In progress	
26/010	12-Mar-26	Update on outstanding audits Controller of Audit to provide a full breakdown of the status of each outstanding audit, as required by the Response Framework, at the April Commission meeting	Controller of Audit	Helena Gray	Apr-26	Update in Controller of Audit's update for the April meeting	Complete	08/04/2026
26/009	12-Mar-26	Deloitte's State of the State event Members requested a reflection on Deloitte's State of the State event, which Jo, Helena, and Sarah attended	Controller of Audit and Director for the Commission	Helena Gray/Sarah Watters	Apr-26	Update and reflection to be provided as part of the Chair's update at the April meeting	Complete	16/04/2026
26/008	12-Mar-26	Risk deep dive session Members requested an update following the risk deep dive session at the Audit Scotland Board.	Chair of the Commission	Jo Armstrong	Apr-26	Update to be provided to members on the day of the April meeting	Complete	16/04/2026
26/007	12-Mar-26	Write-off of council tax arrears Members suggested that this is looked at as part of the next financial bulletin report.	Executive Director of PABV	Alison Cumming	Dec-26	LG Finance team within PABV have noted this and will look into this issue as part of work on the Financial bulletin	Closed	06/04/2026

Best Value: Angus Council

Item 5

Meeting date:
14 May 2026

Director for the Accounts Commission

Purpose

1. This paper introduces the Controller of Audit's report on Best Value in Angus Council, which has been produced following the 2024/25 audit of the council. The paper outlines the process to be followed, including publication arrangements.

Recommendations

2. The Commission is invited to:

- consider the Controller of Audit's Best Value report
- note the process to be followed in relation to the report
- decide how it wishes to proceed
- approve the proposed publication arrangements.

Background

3. At least once during the current five-year audit appointment, the Controller of Audit (CoA) 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 Annual Audit Reports (AARs), prepared by independent external auditors. The CoA's report draws the Commission's attention to how effectively a 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 and is reported in AARs. It also includes follow-up and Best Value work on a particular theme agreed annually, providing judgements on the pace and depth of continuous improvements and service performance.

5. The theme to be looked at as part of 2024/25 audits was transformation and how councils are redesigning and delivering services to achieve planned outcomes. The CoA's report also draws on this work.

6. The Best Value thematic report for Angus Council and the AAR were presented to the council's Scrutiny and Audit Committee on 16 September 2025 and 23 September 2025 respectively.

The Controller of Audit's report

7. The report on Best Value in Angus Council is made by the CoA under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).

8. 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.

9. A copy of the CoA's report was sent to the Chief Executive of Angus Council on 06 May 2026 (the same day it was issued to Accounts Commission members). The council has been advised of its obligations to supply a copy of the report and the AAR on which it is based to each council member and to make additional copies available for public inspection. Once the CoA's report is sent to the council, it is effectively in the public domain.

Process

10. The Commission will consider the CoA's report during the public session of its meeting. Members of the audit team will be present and will be available to answer questions on the evidence and judgements presented in the AAR, with a focus on Best Value.

11. The Commission will then decide, in private, how it wishes to proceed. The legislation provides that, on receipt of a CoA report, the Commission may do (in any order) all, any, or none of the following:

- direct the CoA 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. The Commission is obliged to inform the council of its decision on how it will proceed shortly after the Commission meeting – this is done on its behalf by the Director for the Accounts Commission – before making its decision public.

14. If the Commission chooses to make findings, the council is required by statute to do the following:

- consider the findings of the Commission at a meeting of the full council within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the council 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.

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:

- 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
- confirm any next steps and review the audit process.

Publication arrangements

16. The report is due to be published on 04 June 2026, with the previous day being held for any media interviews. It is planned that Andrew Burns will front the media for this report.

17. Communications outputs for the Best Value report will be prepared including a news release and social media. A range of communications and engagement work will be undertaken with local and national media and stakeholders, as appropriate.

Conclusion

18. The Commission is invited to consider the recommendations set out at [paragraph 2](#) of this report.

Best Value

Angus Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
May 2026

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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

842	Square miles
114,810	Population (mid-2024)
7.7%	Proportion of all data zones in Angus that are within the 20 per cent most deprived in Scotland, according to Scottish Index of Multiple Deprivation (2020)
4,014	Workforce (FTE)
28	Elected members 11 Scottish National Party, 8 Independent, 8 Conservative, 1 Labour (Independent, Conservative and Labour coalition administration)
£24.5m	General Fund budget deficit projected over 2026/27 to 2028/29 under the most-likely planning scenario
£302.6m	General Fund net revenue expenditure 2024/25 (from Annual Accounts 2024/25)
£46.1m	Capital expenditure 2024/25 (£37.5m General Fund & £8.6m Housing Revenue Account)

Controller of Audit report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23, 2023/24, and 2024/25 annual audits of the council, with the latter reported in September 2025. [Appendix 1](#) includes links to the 2022/23, 2023/24, and 2024/25 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. The theme for 2024/25 was transformation and how councils are redesigning and delivering services to achieve planned outcomes.

Pace of continuous improvement

3. The council has responded well to previous audit recommendations and made substantial progress on most areas identified for improvement by auditors, while maintaining existing areas of strength.

4. The council has continued to deliver savings through its well-established Change Programme and has recently broadened its scope to include more longer-term enabling, innovation and investment projects. However, significant financial pressures remain, and the council has highlighted that further savings will be challenging. Meanwhile, the council has been reliant on reserves to balance its budget, which is not sustainable.

Best Value Assurance Report (BVAR) follow-up

5. The council received a full BVAR in 2022. The Commission noted the council's impressive pace of improvement since previous Best Value reports in 2010 and 2016, strong leadership by elected members, and a good track record of collaboration with partners. The report recognised the significant financial savings delivered through the council's Change Programme, while noting that increasing financial pressures meant that even more radical change was required.

6. The BVAR set out a number of areas for improvement. These included improving the council's performance management framework and engaging more fully with communities.

7. Since the BVAR, the council has addressed these areas by:

- Agreeing a new and enhanced performance management framework in December 2024, which was embedded during 2025/26.
- Implementing the Engage Angus online tool to support improved community engagement. The tool was used effectively for budget consultation in 2025/26.

8. As set out in paragraphs 43-44 of this report, the council has continued to deliver savings through its Change Programme, but in common with other councils, significant financial pressures remain.

Vision, leadership and governance

9. The council has effective governance arrangements and a clear vision and priorities. Auditors have reported that the council is well run, with elected members collaborating across political lines and working well with officers.

Vision, strategy, and priorities

10. The Council Plan for 2023-28 sets out a clear vision and priorities for Angus and identifies success measures to monitor progress against these. It is aligned with financial, workforce and asset plans and was informed by ongoing engagement with communities and partners. When communicating the Council Plan to the public, the council set out a clear message about the need to make difficult decisions to achieve its vision and priorities.

11. The Council Plan priorities are closely aligned with those in the Community Planning Partnership's Community Plan for 2022-30. The Community Plan was informed by engagement with partners and reflects a shift to a preventative approach. It has a strong focus on inequalities, which is also reflected in the Council Plan.

12. For 2025/26, the council has combined a number of key strategies into a single Delivery Plan. This incorporates the council's Change Plan, Financial Plan, Service Plan, and a Workforce Plan update, providing a single point of reference.

Leadership

13. Auditors have reported positively on leadership at the council, noting that elected members work well with officers and collaboratively with each other to make difficult decisions and to achieve priorities. Elected members provide appropriate challenge and scrutiny while maintaining professional and constructive relationships.

14. The council experienced a change in administration in April 2025, with a new leader and depute leader appointed as part of this. In addition, a

proposed new senior officer structure was presented to Full Council in October 2025 and is now being implemented.. Auditors will assess whether the council continues to have effective leadership and governance arrangements following these changes in upcoming annual audit work for 2025/26.

Governance

15. In their 2024/25 annual audit report, auditors noted that the council's governance arrangements are generally effective.

16. Internal audits carried out in 2023/24 highlighted areas for improvement in the council's arrangements for risk management and IT business continuity. The 2024/25 annual audit report notes that improvement actions were delayed due to resourcing issues (at the council and its risk management partner) and other ongoing work. However, new timelines were put in place, with all risk management actions addressed by the end of 2025.

Citizen and community engagement

17. The 2022 BVAR noted that the council recognised it needed to engage more effectively with communities and that it did not yet have a council-wide approach for doing so. It did not consult the public specifically on its Council Plan or on the Community Planning Partnership's Community Plan, though these were informed by wider ongoing engagement and feedback from partners, staff and elected members on local needs. The council also did not consult the public on its budgets for 2023/24 or 2024/25.

18. The council's Engage Angus online platform went live in September 2023 and has supported improved community engagement. The council used the platform effectively for public consultation on its 2025/26 plans and budget, for example.

19. There was a total of 832 submitted forms across two stages of consultation – a greater level of engagement than any previous budget consultation. First stage responses saw broad support for the Council Plan priorities. The second stage asked respondents to propose ways to close the projected £9.5 million budget gap using the four methods open to the council, namely: reducing expenditure, increasing council tax, increasing fees and charges, and using reserves. Detailed results were presented to members for consideration.

20. In their 2022/23 leadership review, auditors recommended that the council further develop its approach to equality impact assessments to ensure consistency. In 2024/25 audit work on transformation, auditors reported a robust process was now in place, with comprehensive documentation of the consultation undertaken to understand impacts and inform plans.

Effectiveness of performance reporting

21. Auditors concluded the council has appropriate performance management arrangements in place to monitor and report progress against council priorities through the Performance Led Council (PLED) programme.

22. The PLED programme is underpinned by a Performance Management Framework, which was approved in December 2024 and embedded during 2025/26. The framework includes improved controls in relation to review, scrutiny and escalation of performance matters. Arrangements include a PLED Council Board (chaired by the Chief Executive) and a Performance Review Group (chaired by the Director of Finance), which provides scrutiny on internal performance, outward looking service provision and the Change Programme. The council plans to review the framework annually. Auditors will monitor the framework's effectiveness in the 2025/26 annual audit report.

23. The council presents an annual performance report to the Scrutiny and Audit Committee in September each year. It includes commentary on 70 performance indicators grouped under council priorities. The council reports on short-term progress (over 12 months), long-term progress (over a four-year period) and performance against target. A Local Government Benchmarking Framework (LGBF) Annual Overview Report is also presented to the Scrutiny and Audit Committee in June each year.

Reported performance

Council performance reporting

24. The 2024/25 annual performance report was presented to the Scrutiny and Audit Committee in September 2025. It highlights progress against the indicators and strategic priorities set out in the Council Plan.

25. Performance indicators show a mixed picture:

- Short term – 32 improving, five no change and 27 declining (six no data)
- Long term – 36 improving, two no change and 27 declining (five no data)
- Performance against target - 29 Green, five Amber and 24 Red. A further nine are data only and three categorised as unknown.

26. The annual performance report highlights the council's strongest improvements and its most notable areas of decline. Key improvements include the growth in services available on the council's website and the increase in the share of P1, P4 and P7 pupils achieving the expected Curriculum for Excellence level in literacy. Areas of decline include the

average number of working days lost to teacher sickness absence and the proportion of the Change Programme savings target achieved.

LGBF performance

27. An overview of movements on all LGBF indicators as of March 2026 is shown in Exhibit 1 alongside the averages for all Scottish councils.

Performance remains mixed. Of the 108 LGBF indicators, 53 (49 per cent) have improved since the base year, 6 (6 per cent) have remained the same, and 49 (45 per cent) have worsened.

28. The service areas with the highest proportion of indicators improving since base year were tackling climate change (100 per cent), financial sustainability (67 per cent) and children's services (59 per cent). In contrast, the areas with the highest proportion of indicators declining were adult social work services (73 per cent), culture and leisure services (63 per cent) and corporate services (57 per cent).

29. Performance against LGBF indicators in comparison to other councils has weakened, with 50 per cent of indicators in the top two quartiles in the base year compared to 38 per cent in the top two quartiles in the most recently published data. Nationally, the council ranks 30th out of 32 councils for indicators in the top two quartiles. It performs below the family group average for both area-based and population-based comparisons for this measure.

Exhibit 1 Angus Council – LGBF indicator summary March 2026

Council movements are shown alongside Scotland averages in brackets.

	Cost indicators	Performance indicators	Satisfaction indicators	All indicators
	%	%	%	%
Movement in last year				
- Improved	40 (51)	53 (43)	18 (24)	47 (42)
- Stayed the same	15 (9)	16 (23)	0 (9)	15 (19)
- Declined	45 (40)	30 (35)	82 (68)	38 (39)
Movement since base year				
- Improved	40 (55)	57 (65)	9 (7)	49 (57)
- Stayed the same	0 (1)	8 (6)	0 (2)	6 (5)
- Declined	60 (44)	35 (29)	91 (90)	45 (38)
Indicators in the top two quartiles				
- Most recent year	45	32	64	38

- Base year	60	47	45	50
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1. Scotland average movements are shown in brackets
2. 2010/11 is the base year for the majority of LGBF indicators, but this varies for measures introduced later.

Source: LGBF as of 2 April 2026

Workforce planning

30. The 2023/24 Best Value thematic review focused on workforce innovation. The council has made good progress in implementing most recommendations, however the auditors' recommendation to undertake a council-wide skills audit is planned to commence in May 2026.

Workforce planning

31. The council's Workforce Plan 2023–28 aligns with the Council Plan and corporate priorities and recognises the need to reshape and further reduce the workforce in light of ongoing financial pressures.

32. In the 2023/24 workforce thematic review, auditors noted that progress reporting on the workforce plan lacked sufficient detail. This has since improved through strengthened monitoring under the new Performance Management Framework, as reported in the 2024/25 annual audit report.

33. Auditors also identified service level recording and reporting on workforce planning as an area of improvement in the 2023/24 workforce review. In the 2024/25 annual audit report, auditors reported good progress on this, with improved transparency and accountability on what actions are being taken and what progress is being made. The council will continue to monitor progress under the Performance Management Framework.

Workforce development

34. The council has a proactive approach to developing future skills and capacity, with multiple initiatives to support young people and address succession risks linked to an ageing workforce. Initiatives include a £2 million investment in modern and graduate apprenticeships and employability programmes that provide clear pathways into employment. Additionally, the council has fostered effective relationships with Aberdeen and Dundee universities to address capacity issues in social work. A prior recommendation to complete a council-wide skills audit remains outstanding but is planned to commence in May 2026.

Digital and data

35. The 2023/24 workforce thematic review identified that the council's Digital Strategy needed updating to reflect the Council Plan and strategic priorities. The 2023/24 workforce review also noted that the council

needed to understand the impacts of its digital strategies and plans, through appropriate governance and oversight arrangements.

36. The council approved its new Digital Strategy in December 2024, alongside a new Data Strategy. The council also updated the Terms of Reference of its Digital Strategy Board to improve governance and oversight.

Flexible working

37. The council has a well-established agile working strategy. The council has also proactively managed its estate to align to its workforce arrangements, delivering £3.68 million in revenue savings, £1.33 million in capital receipts, and emissions savings of 298 tonnes of carbon reduction through the Agile Working and Estate Rationalisation programme.

Transformation

38. The council has a clear plan for transformation and has demonstrated its commitment to transforming services, including through collaboration with partners. It now needs to ensure its plans are sufficiently ambitious in light of financial challenges and that it can deliver its planned savings.

Change Programme

39. The council has a well-established Change Programme, which it introduced in 2014 to improve the delivery of services and to save money. For the five years to 2024/25, the programme focused on addressing funding gaps. In 2025/26, the council widened its scope to include more longer-term enabling, innovation and investment projects.

40. At the time of the 2024/25 transformation review, the Change Programme included 46 projects, linked to strategic priorities. These included a kerbside recycling review, a property estate review, and a purchase to pay project.

41. The council held workshops in May 2025 to generate ideas for change projects for 2026/27 onwards, which partners also attended. It intends to implement a phased approach to support more radical change, built on understanding and addressing the needs of citizens.

Financial impacts of transformation

42. The council has a well-developed approach to identifying and reporting the financial benefits of the Change Programme and has a good track record of delivering against its savings targets. Elected member decisions on savings proposals through the Change Programme resulted in £5.2 million savings in 2024/25. This was 81.9 per cent of target savings, a decline from 97.6 per cent in 2022/23 and the lowest percentage since monitoring began in 2018/19. The council recognises that it needs to update its approach to change project selection, planning and delivery to address this.

43. The 2024/25 audit work on transformation reports that the council anticipated savings of £6.2 million from its Change Programme over 2025/26 to 2027/28. This was against a budget gap for the same period of £24.0 million. The council acknowledges that its Change Programme will not bridge the full funding gap and that other measures will be required.

Programme management

44. The council has strong arrangements to oversee the Change Programme. This includes robust officer-led governance through a Change Board. This is chaired by the chief executive with membership comprising the corporate leadership team, reflecting strong ownership of the Change Programme from senior officers.

45. While the council has strong officer-led oversight arrangements, there is scope for it to improve how it reports to elected members and the public on the Change Programme. Reporting has tended to focus on financial outcomes, with less information on non-financial benefits. The council has developed a new approach to benefits management, with the intention of enhancing its reporting during 2025/26.

Partnership working

46. The council has a good track record of working collaboratively with partners. Of the 46 projects in the Change Programme at the time of 2024/25 audit work, around one third involved partners and eight were jointly funded. This included jointly-funded work between the council, Angus Health and Social Care Partnership, and ANGUSalive (the Angus culture, sport and leisure trust) to deliver a prevention and proactive care programme, focusing on physical activity and other non-medical interventions.

47. More widely, the council has engaged in shared services, notably with partners in Tayside. For example, Tayside Contracts delivers a range of catering, construction, fleet and facilities managements services through a joint committee established by Angus, Dundee City, and Perth and Kinross councils. It is Scotland's largest and longest-running local authority shared service, with 3,200 posts delivering services to more than 400,000 residents on behalf of the three councils. Other examples include the Tay Cities Region Deal, joint waste services with Dundee City Council, a shared internal audit function, and a partnership agreement for out-of-hours social work.

Financial management and sustainability

48. The council has delivered significant savings with the help of its Change Programme. It has also used reserves to balance its budget, which has contributed to a decline in usable reserves since 2022/23. The council recognises that this is not sustainable.

49. Key financial information for the council is included in Exhibit 2.

Exhibit 2

Angus Council – key financial information

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget setting				
Budget gap	13.9	26.1	15.6	13.6
Planned to be met via:				
• Savings and flexibilities	6.8	13.6	6.3	2.4
• Use of reserves	4.8	8.5	6.1	3.8
• Additional council tax / funding	2.3	4.0	3.2	7.4
Actual				
• Savings delivered	6.6	12.4	5.2	-
Reserves				
Use of / (contribution to) reserves	4.8	8.5	6.1	-
Total usable reserves carried forward:	81.2	68.8	51.9	-
• General Fund				
○ Earmarked	68.7	59.8	44.6	-
○ Uncommitted	2.5	1.0	0.1	-
• Housing Revenue Account	4.2	4.4	3.8	-
• Capital and other	5.8	3.6	3.5	-

Note 1: The earmarked general fund balance includes a contingency to address any significant one-off issues. This had a balance of £5.5 million at 31 March 2025.

Source: Angus Council 2024/25 annual accounts and Angus Council papers

Financial management

50. Overall, the council has sound arrangements for financial management. In their 2024/25 annual audit report, auditors noted that the council has an experienced finance team, appropriate budget setting and monitoring arrangements and no significant financial control weaknesses.

51. The council reported an underspend of £5.5 million on the general fund in 2024/25. The most significant element of this was pre-paid and ring-fenced grants, for which the amount not spent in 2024/25 is carried forward to be spent in future years.

Delivery of the capital programme

52. Total general fund capital expenditure in 2024/25 was £37.5 million against a final budget of £47.2 million. Slippage occurred across services, with the most significant element relating to Monifieth Learning Campus, which reported an underspend of £6.7 million due to activities planned for 2024/25 not being completed until 2025/26.

53. The council also underspent by £3.7 million on its housing revenue account capital budget for 2024/25, having revised this down from £13.8 million to £12.3 million during the year. The most significant area of underspend (£1.5 million) related to energy saving / towards zero carbon programmes. The council reported that this resulted from a combination of contractor resource being diverted to non-council property upgrades and a focus on upgrading homes in rural areas, which is more complex.

Financial sustainability

54. The council's Medium-Term Budget Strategy for 2025/26 to 2027/28 (dating from December 2024) forecast a funding shortfall of approximately £24.0 million over the three-year strategy period. An update to the strategy in December 2025 projected a slight increase to £24.5 million over 2026/27 to 2028/29. The council envisages closing £15 million of the shortfall through council tax increases and strategic use of reserves. This leaves a gap of £9.5 million to be addressed through budget savings.

55. The council has a good record on making savings. It reported in the 2025/26 Delivery Plan that its Change Programme had helped save £98 million from the core budget over the last 12 years. The council has highlighted that the scale of savings already delivered will make delivery of further savings more difficult and more time consuming. While 81.9 per cent of planned Change Programme savings were achieved in 2024/25, this is the lowest proportion since monitoring began in 2018/19. The council recognises the need to address this.

56. The council has plans in place to make savings of £6.2 million through its Change Programme over 2025/26 to 2027/28 and a reserves strategy to manage use of reserves should the required level of savings not be made. It recognises that it will need to identify further savings through its Change Programme to address the forecast funding shortfall.

57. Combined with delivering savings, the council has used its reserves to address shortfalls which has resulted in a decrease in usable reserves from £81.2 million at 31 March 2023 to £51.9 million at 31 March 2025. This follows a steady increase up to 31 March 2023.

58. In setting the 2025/26 revenue budget the council agreed a 4-year reserves strategy to reduce reliance on reserves. The council's 2025/26 budget included a planned use of reserves of £3.8 million to help address a £13.6 million shortfall.

59. Level of reserves held is a key measure of financial health. Continued use of reserves to balance the budget risks the financial sustainability of the council. The council manages reserves within its reserves policy but recognises this as a significant risk in the context of continuing to deliver statutory services. It will therefore be essential that the council urgently identifies sustainable measures to address its financial position, including finding recurring savings and delivering more radical change through its Change Programme and through partnership working.

Appendix 1

Annual Audit Reports

These reports summarise the findings from the 2022/23, 2023/24 and 2024/25 annual audits of Angus 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.

Insert AAR cover image	2022/23 Annual Audit Report Angus Council October 2023	Insert AAR cover image	2023/24 Annual Audit Report Angus Council September 2024
Insert AAR cover image	2024/25 Annual Audit Report Angus Council September 2025		

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

Angus Council



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Local government policy update

Item 6

Meeting date:
14 May 2026

Policy Manager for the Commission

Purpose

1. This regular report provides an overview of significant recent activity relating to the Accounts Commission and local government. This report complements the [weekly news updates](#) by highlighting key issues. A version of each monthly report is shared directly with local government stakeholders for information and posted on the Commission's website.

Recommendations

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

Media and Parliamentary monitoring

3. The Commission was mentioned in an analysis by BBC News of [whether parties were "being upfront about Scotland's finances"](#) in their election manifestos. The article noted the warning in the Integration Joint Boards finance bulletin that "radical change" is needed in health and social care due to a widening gap between demands and available funding.

Scottish election

4. The Scottish Parliament election was held on 7 May 2026 – before the Commission meeting but after this report was produced. Ahead of the election, members received a [briefing on the six main party manifestos](#), summarising the statements and commitments made on local government funding, overall tax and spending, and the Commission's areas of focus. And the Local Government Information Unit (LGIU) looked at [how the manifestos met COSLA's demands regarding local government finance](#).

5. Ten days before the election, the Institute for Fiscal Studies published an [overview analysis looking across the six manifestos](#). It highlighted the contrasts between the parties' visions but concluded that none had properly acknowledged the already challenging fiscal position facing the next government, even before any additional spending commitments.

6. Meanwhile, [polling by the Chartered Institute of Taxation \(CIOT\)](#) has found some misunderstanding of Holyrood's tax powers, mainly around whether taxes are controlled solely or partially by the Scottish Parliament. Eighty-five per cent of people agreed that better information about tax powers is needed, while the CIOT is calling for the system to be simplified and for greater understanding of the impact of income tax divergence.

Local government finance issues

7. The issue of council tax reform received some attention during the election campaign. [The SNP explained its current position](#) of a need to build consensus about solutions, while the leader of the Scottish Trades Union Congress, Roz Foyer, [said she will invite leaders of all main political parties to a summit](#), after the election, on replacing the current system.

8. Some media outlets reported on how councils are using new powers to charge unlimited council tax premiums on second homes. For example, [Midlothian Council has set varying rates depending on the length of ownership](#). However, [City of Edinburgh Council has delayed implementing a 300 per cent premium](#) – in other words, charging four times the normal rate – reverting to a double rate for 2026/27 (the same as in 2025/26) while it carries out further engagement. And [a group of second-home owners in the Highlands](#) is seeking a six-month delay to introduction of the same premium there, which they say is unfair.

9. The Courier reported on [warnings by Angus Council's assistant chief executive about financial sustainability risks](#) as part of the latest update to its strategic risk register. The update noted recent budget gaps, demand pressures on services, comparatively low council tax income (despite large rises over the last two years), reducing scope for savings, and the impact of the challenges facing public finances. The Commission is considering a Best Value report on Angus Council at today's meeting.

10. It was reported that [Glasgow City Council is owed around £88.8 million in unpaid business rates](#) for the four years to 2024/25 – about six per cent of the total billed. The shortfall for 2024/25 is relatively large at £30 million, partly because of less time for recovery and partly because of tightened eligibility for Empty Property Relief, meaning more businesses are due to pay. The issue has received attention after the Union Street fire, which is believed to have started in premises for which rates were unpaid.

11. A new [Duties and Powers Portal](#) has been published, bringing together hundreds of council duties and powers, explaining what councils must do, and what they can do, and the legislation that underpins them. The portal, [developed as part of the Solace and Improvement Service Transformation Programme](#), is designed to support councils, partners and the public by providing greater clarity around local government responsibilities, helping to inform conversations about capacity, funding, accountability and service demand. The current release focuses on statutory duties and key powers across service areas, with more information to be added in future versions.

Policy area updates

Education, children and young people

12. In mid-March, the Scottish Government published an [evaluation of outcomes from expansion of funded early learning and childcare](#). It found positive signs in relation to sector capacity, service quality and take-up,

parent satisfaction, and parental employment. However, it found no or mixed evidence of progress in children’s development outcomes, closing of the poverty-related gap in those outcomes, or family wellbeing. These findings are set against the context of the pandemic and the cost-of-living crisis that might otherwise have led to declining outcomes.

13. [Opposition to Argyll and Bute Council’s decision](#) to locate a new Mull school campus at Tobermory – and the way the council consulted with the community – has continued, despite an application for judicial review of the process having been refused at the Court of Session. While a ‘split-site’ solution is the most popular, the council says this is not affordable under the current rules of the Learning Estate Improvement Programme (LEIP), which only offers funding on a ‘like-for-like’ basis. Campaigners have highlighted the case of the [Barra and Vatersay campus in the Western Isles](#), which has been removed from the LEIP and will instead be supported directly by Scottish Government capital funding.

14. [Parents and pupils in Moray have staged a protest](#) after the council was the latest to change its free school transport rule from two miles to three miles for secondary pupils, in line with statutory guidance. Those affected say they have watched buses pick up pupils from just outside the three-mile radius, then turn back, and that the walking route identified by the council for those no longer eligible for transport is not safe.

15. Aberdeen City Council and the Health and Social Care Partnership have [unveiled a new approach to supporting neurodivergent children](#). The authorities are collaborating on a ‘test of change’, starting in August, that will represent a shift from diagnosis-based to needs-based support, with a new assessment and diagnosis pathway allowing for earlier intervention. They aim to relieve some of the strain on specialist diagnostic services, reduce waiting times and improve education and family outcomes.

Health and social care

16. [Figures from Public Health Scotland](#) (PHS) show the previous Scottish Government missed its target to eradicate long waits for NHS treatment, but did make significant progress towards the end of the last Parliament:

- As at 31 March 2026, there were just under 34,000 ongoing waits of more than a year for inpatient, outpatient or day case treatment – down by 10,000 in a month, and from 100,000 in March 2025.
- The overall number of ongoing waits also decreased by just over one per cent in March, and by about 11 per cent in the past year. About 570,000 people – one in ten – were on at least one list.
- Attendances and admissions in March were the highest since the before the pandemic. Fifty-nine per cent of outpatient waits and 54 per cent of admissions were completed within 12 weeks (against national standards of 95 per cent and 100 per cent respectively).

17. The human impact of delayed discharges was highlighted by figures that showed [more than 500 people a year have died while waiting to get out of hospital](#). But Donald Macaskill, chief executive of industry body Scottish Care, believes [the annual figure is closer to 4,000](#). Data from PHS shows 55,500 additional days were spent in hospital in February due to delayed discharge, with nearly 2,000 beds occupied on average each day.

Housing and homelessness

18. The latest Scottish Government statistics show [housing starts and completions have continued to decline in Scotland](#), with 17,300 homes completed and 15,000 homes started across all sectors in 2025. This represents annual decreases of 13 per cent and 6 per cent respectively and continues a sustained downward trend in activity to record low levels in both the private and social housing sectors. Industry bodies warned about the impact of the current “crisis”, but the Scottish Government said its planned investment and creation of More Homes Scotland would help speed up house-building in the next Parliament.

Infrastructure, communities and climate change

19. Western Isles councillors have agreed that [Scottish ministers should retain current powers](#) for deciding on applications for large onshore energy projects, as the Comhairle’s planning service lacks capacity for more work. The Scottish Government was consulting on whether to raise the current 50MW threshold to 100MW in line with England and Wales. The Comhairle says it will continue to be an influential statutory consultee on applications, and that other island councils are taking a similar view.

20. Parents in North Lanarkshire [said they had been “blindsided”](#) by plans to close the ice rink at the Time Capsule in Coatbridge, which would leave young athletes having to travel long distances for skating or ice hockey. The council has earmarked £2.6 million of investment in the Time Capsule, and is considering closing the rink and replacing it with padel courts and soft play, which officers say would ensure the centre’s viability after an 8.6 per cent drop in footfall in 2025/26. A decision on the future of the centre has been deferred to full council on 25 June.

21. It was revealed that Aberdeen City Council [spent around £14 million on a fleet of hydrogen buses](#) that are now set to be ditched in favour of electric vehicles (EVs). The council has been working with BP, with funding from the Scottish and UK Governments, on a joint venture to create a ‘Hydrogen Hub’. However, the buses have been out of use for over a year due to refuelling issues, and lower demand and higher running costs prompted the council to switch to EVs for public transport.

22. East Lothian Council is to spend £6 million on the next stage of plans for the [controversial Musselburgh flood protection scheme](#), even though it is not certain to go ahead. The scheme is currently subject to a public local inquiry, after receiving more than 500 objections. However, the council says it must be “shovel-ready” to meet deadlines for Scottish Government funding, which is set to cover 80 per cent of the cost.

23. Meanwhile, Perth and Kinross Council has been given the go-ahead for a [£15 million flood protection scheme at south Kinross](#), after objections from two landowners were overruled by a Scottish Government planning reporter following a hearing. The Scottish Government is also covering 80 per cent of the total capital cost of this project, which has been delayed by around two years as a result of the appeal.

Other updates

24. In a significant change from previous projections, the National Records of Scotland (NRS) says [Scotland's population is expected to fall](#) between 2033 and 2049, due to migration being lower than previously predicted.

- While deaths have outnumbered births since 2015 and will continue to do so, the NRS had previously expected migration to more than compensate for this over the next two decades.
- However, it now expects Scotland's population to fall by 1.3 per cent – about 70,000 people – between 2024 and 2049. In contrast, the UK's population is set to grow by 4.5 per cent (though that growth will slow down) over that period.
- The number of people aged 75 and over is projected to increase by over 300,000 in the 25-year period, while the numbers of children and of young adults will each fall by around 160,000.

25. Meanwhile, the [Health Foundation published an analysis](#) of recent official UK-wide data regarding healthy life expectancy (HLE).

- Over the decade 2012-14 to 2022-24, HLE in the UK fell by about two years, to 60.7 years for males and 60.9 years for females
- HLE in Scotland has long been below the UK average, and was at 59.4 years for females and 59.1 years for males in 2022-24
- Life expectancy itself has remained broadly stable, which indicates that worsening self-reported health is a key driver of falling HLE
- Inequalities in HLE between affluent and deprived areas have widened, with a gap of around 20 years between the most and least deprived deciles (tenths of the population) in England
- The UK was one of only five out of 21 high-income countries that saw HLE fall in the 2010s, and it had the second-steepest decline. Of those 21 countries, only the US now has a lower HLE.

26. South Lanarkshire Council is set to join Aberdeenshire, Dundee City and Falkirk councils in [publishing a new online climate data dashboard](#) showing how the area is progressing towards net zero by 2045. The 'Climate View Dashboard' is an interactive tool tracking where emissions come from locally and what actions are being taken to reduce them. It is part of the [Scottish Climate Intelligence Service](#), delivered in partnership

by the Edinburgh Climate Change Institute and the Improvement Service (IS), jointly funded by Scottish Government and councils. The IS recently shared [the latest update on the programme](#).

27. Meanwhile the IS has also recently produced an [updated version of its interactive child poverty data map](#), and published a brief review of [West Lothian Council's Child Poverty data dashboard project](#).

28. Recent publications and updates of possible interest to members (besides those referenced earlier in this report) are listed below:

- Scottish Government and Scottish election:
 - BBC News: [Has the SNP delivered on its promises at Holyrood?](#)
 - Fraser of Allander: [Setting the scene: Scotland on the eve of the 2026 election](#)
 - IFS: [What does this election mean for Scotland's future?](#)
 - Fraser of Allander: [2026 Scottish election event: do the promises and plans add up?](#)
- Scottish local government and democracy:
 - LGIU: [Holyrood election 2026 and the future of local government: Scotland's local government finance](#) (by Jonathan Belford, Chair of CIPFA Scotland local authorities directors of finance section)
 - LGIU: [Lessons from the Scottish islands: Governance, community and change](#)
 - LGIU: [Interview with Jim Savege: an embedded community by default](#) (Chief Executive of Aberdeenshire Council)
 - LGIU: [COSLA's Spring Conference and the future of public service workforce](#)
 - COSLA: [Summary of COSLA Spring Conference](#)
- Education, children and young people
 - LGIU: [Holyrood election 2026 and the future of local government: education, children and young people](#)
 - LGIU: [Additional support for learning and SEND reform – implications for Scotland](#)
 - LGIU: [What can we learn from SEND in other countries?](#)
- Health and social care
 - Fraser of Allander: [Projecting future demand for adult social care in Scotland: what's possible – and what isn't \(yet\)](#)
 - Nuffield Trust: [Health and care performance and promises: the track record for Scotland's 2026 election](#)

- Poverty and inequality:
 - IFS: [Public policy and inequalities: lessons for policymakers from the IFS Deaton Review](#)
 - IFS: [From evidence to action: what six years of research tells us about challenging inequalities](#)
 - Fraser of Allander: [From proposals to progress: Improving lives for people with learning disabilities in Scotland](#)
- COSLA white papers:
 - [Strengthening local democracy in Scotland: A case for action and a plan for change](#)
 - [National approach to tackling poverty](#)
 - [Prevention focus in social care](#)
 - [Future of school-age learning](#)
 - [Tackling the housing emergency](#)
 - [Leisure and sport: an investment in wellbeing](#)
 - [Local government's role in economic development](#)

Conclusion

29. The Commission is invited to note this report and consider any implications for its work programme.

Chair's update

Item 7Meeting date:
14 May 2026Chair of the Accounts Commission

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission since the Commission met last and upcoming engagement before the next meeting.

Engagement and Commission business

Commission business

- Regular meetings with Sarah Watters (Director for the Commission), Helena Gray (Controller of Audit) and Lee Ovens (Executive Assistant)
- 7 May – Prep meeting for the May Accounts Commission meeting, with Andrew Burns (Deputy Chair) and the Commission Support Team
- 12 May – Clackmannanshire & Stirling Integration Joint Board section 102 report follow-up visit
- Annual appraisal meetings with members

Audit Scotland engagement

- Regular meetings with Stephen Boyle (Auditor General) and Vicki Bibby (Chief Operating Officer)
- 05 May – Audit Scotland Audit Committee and Remuneration & Human Resources Committee (RemCo) meetings
- 07 May – Future Public Audit Model phase 3 discussion with Commission Sounding Board

Forthcoming activities

- Regular meetings with Sarah Watters, Helena Gray and Lee Ovens
- Regular meetings with Alison Cumming (Executive Director of Performance Audit and Best Value), Vicki Bibby and Stephen Boyle
- 19 May – Work programme discussion with Alison Cumming
- 19 May – Bi-monthly meeting with Catriona MacKean (Deputy Director for Local Government, Scottish Government)

- 20 May – Commission members' social media training
- 26 May – Audit Scotland Board meeting
- 04 June – Strategy Seminar follow up with Sarah Watters, Blyth Deans (Audit Director) and Fiona Lees (Senior Auditor)
- 09 June – Audit Scotland Board meeting

Conclusion

2. The Commission is invited to:

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