

Agenda

Thursday 10 April 2025, 10.00am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
520th meeting of the Accounts Commission

Public session

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| 1. Apologies for absence | | 10:00 |
| 2. Declaration of connections | | |
| 3. Order of business
The Chair seeks approval of business including taking items 10 to 15 in private for the reasons set out on the agenda. | | |
| 4. Minutes and matters arising from previous meeting | Secretary | 10:05 |
| 5. Best Value: The Highland Council | Controller of Audit | 10:10 |
| 6. Local government policy update report | Policy Manager | 11:15 |
| 7. Chair's update
<i>followed by a 10-minute break</i> | Chair | 11:25 |
| 8. LGBF National Benchmarking Overview Report
<i>with LGBF Board members</i> | Secretary | 11:45 |
| 9. Any other public business
The Chair will advise if there is any other public business to be considered by the Commission. | Chair | 12:45 |
| <i>Break for lunch</i> | | 12:45 |

Private session

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| 10. Controller of Audit's update
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Controller of Audit | 13:30 |
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| 11. Best Value: The Highland Council
[Item to be taken in private as it requires the Commission to consider actions in response to a statutory report.] | Controller of Audit | 13:40 |
| 12. Delayed discharges performance audit: Scope
[Item to be taken in private as it requires the Commission to consider the nature of forthcoming audit work.] | Executive Director of PABV | 14:10 |
| 13. Audit Scotland Q3 corporate performance report
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Chief Operating Officer | 14:40 |
| 14. Chief Operating Officer update
[Item to be taken in private as it requires the Commission to consider confidential policy matters.] | Chief Operating Officer | 14:50 |
| 15. Any other private business
The Chair will advise if there is any other private business to be considered by the Commission. | Chair | 15:00 |

Close of meeting 15:00

Members' forum: Solace 15:15

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 10 April 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 13 March 2025, 10.00am

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

519th meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters, Secretary to the Commission
Helena Gray, Controller of Audit
Joe Chapman, Policy Manager to the Accounts Commission (Item 6)
Mark Outterside, Director, Forvis Mazars (Items 5 and 10)
Jillian Matthew, Senior Manager, PABV (Item 11)
Gemma Diamond, Director of Innovation and Transformation (Items 11 and 12)
Susan Burgess, Head of Human Resources (Items 11 and 12)
Vicki Bibby, Chief Operating Officer (Item 14)

1. Apologies for absence

Apologies had been received from Angela Leitch.

2. Declaration of connections

No connections were declared.

3. Order of business

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

4. Minutes and matters arising from previous meetings

The Commission considered a report by Sarah Watters, Secretary, presenting the minutes and actions from February's meeting.

Nichola Brown had been incorrectly noted as an apology at the meeting, and it was agreed that this would be amended.

The minutes were approved as a correct record subject to this correction.

5. Best Value: Argyll and Bute Council

The Commission considered the Controller of Audit's report on Best Value in Argyll and Bute Council. Following an introduction by Helena Gray, the discussion covered the following themes and main points:

Finances:

- The council's track record of delivering planned savings, and the need for a strategic savings plan to address long-term challenges and improve monitoring and oversight
- Ownership of financial challenges at senior levels, making use of established frameworks to ensure strong cross-party working relationships
- Monitoring of dormant bank accounts as recommended by the auditor in 2024.

Performance:

- The council's commitment to update its corporate improvement plan in late spring, addressing areas of performance which require improvement
- The council's current approach to performance monitoring, with multiple plans and strategies, and the need for this to be more cohesive and integrated.

Transformation:

- Examples of innovation such as the use of drones to deliver school lunches, and how the council has embraced hybrid and remote working
- Evidence that the council is 'ahead of the game' as an early adopter of technology, driven in part by the geography of the council area
- Whether the council has a 'transformation programme' or if transformation is integrated across its activities.

Leadership:

- Balancing the time and resource required for developing the corporate improvement plan, whilst continuing to implement existing planning, to prevent disruption
- The effectiveness of the current administration and senior leadership, working well together with no significant issues reported.

Workforce:

- Work underway to reduce high numbers of temporary contracts and create a wide range of permanent positions instead, with a smaller pool of agency staff
- The council's intention to carry out a review of remote and flexible working, and whether this might include the impact on employee wellbeing and development
- Potential to share outcomes of the 'Grow Your Own' initiative with other councils.

Community engagement:

- Use of the council's innovative budget simulator, which was high for 2023/24 budget-setting but declined sharply for 2024/25 and was not made available for 2025/26
- Other community engagement activities such as satisfaction surveys, and where leadership and accountability for community engagement lies within the council
- Potential for focus on community asset transfers in future audit reports.

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.

The discussion highlighted a few key issues:

- The contrast between the overall real-terms growth and the per-capita decline in local government funding in England, and whether these metrics could be replicated in the Commission's audit work. Jo Armstrong asked for this to be discussed with the Executive Director of Performance Audit and Best Value.

Action: Policy Manager to the Commission

- The shortfall between the costs for local government of changes in employer National Insurance contributions, and the funding provided for it by the Scottish Government, and how this shortfall will be covered in council budgets.
- East Renfrewshire Council's decision to delay the introduction of charges for non-residential social care services pending further consideration, and using underspend from the previous financial year to cover the costs.

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 that she and Andrew Burns had met Des Murray and Pippa Milne, chair and vice-chair of Solace, who will be joining the Commission for a forum session in April.
- Jo noted that wider stakeholder engagement is underway on the work programme.

Following discussion, the Commission noted the update.

8. Any other public business

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

9. Controller of Audit's update report

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

- Clackmannanshire Council has committed to develop a medium-term financial strategy by the end of May – slightly later than the Commission had requested, as the council had focused resources on developing and agreeing the 2025/26 budget. The council still has capacity challenges in the finance team, but recruitment is being prioritised.
- Clackmannanshire Council is also working with Stirling and Falkirk councils regarding options for transformation and partnership working.
- The refreshed approach to scrutiny coordination has had overwhelming support from scrutiny partners, with the next meeting of the Scrutiny Coordination Group planned for late April. Progress with this was welcomed by Commission members.
- Glasgow City Council has appointed Brodies to conduct an independent investigation on the restructure of the Chief Executive's Office, which was discussed at a special meeting of the council earlier this week. Auditors and Helena are monitoring this.

10. Best Value: Argyll and Bute Council

The Commission considered its response to the Controller of Audit's report on Best Value in Argyll and Bute Council. Members agreed to issue findings in response to the report, with findings to be drafted by the Secretary and Chair and circulated to members.

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

11. Diversity, equality and inclusion strategy and mainstreaming equalities progress report 2023-2025

The Commission considered a report by Gemma Diamond, Director of Innovation and Transformation and Michelle Borland, Head of Organisational Improvement, which

introduced the diversity, equality and inclusion (DEI) strategy for 2025-2029 and a progress report on mainstreaming equality for 2023-2025.

During discussion, a number of points were raised:

- Commission members would like to see ‘SMART’ (specific, measurable, achievable, realistic and time-bound) objectives for monitoring and delivery. Gemma explained that the strategy is underpinned by an operational delivery plan with specific actions and target outcomes, with baseline data used to set targets for the next four years.
- A number of suggestions were made for additions or amendments to the strategy, including:
 - More detail in the evidence and data used as the rationale for the strategy and the outcomes
 - Further emphasis on issues relating to socio-economic inequalities
 - Regarding employee information, monitoring of retention by reporting leavers data and exit interview outcomes, and senior managers advocating the benefits of collecting and using the data
 - Consideration of the content and positioning of the ‘Purpose’ section.

Gemma agreed to work with the project team to look at making these changes.

Action: Director of Innovation and Transformation

- Gemma and Jillian explained the internal and external audiences for the strategy, the intention to set out ambitions and areas of focus, and work being done to further incorporate DEI considerations into audit work, particularly in annual audits.
- Gemma asked Commission members to share their thoughts on both reports via email following the Commission meeting, and agreed that final versions of the reports will be shared by correspondence after any agreed amendments are made.

After consideration, the Commission:

- Approved the DEI strategy for 2025-2029 subject to any agreed amendments.
- Approved the mainstreaming equality report 2023-2025 subject to any agreed amendments.

12. Commission equalities monitoring proposals

The Commission considered a report by Susan Burgess, Head of HR, Michelle Borland, Head of Organisational Improvement, and Sarah Watters, Secretary to the Accounts Commission, which proposes that diversity and equality data for Accounts Commission members is collected.

Sarah explained that the paper built on discussions by the Commission in 2024 and the team has worked closely with HR to ensure deliverable recommendations are proposed.

During discussion, a number of points were raised:

- Clarification that iTrent captures data on protected characteristics, socio-economic and carer status, and location details, and is able to manage board-type roles separately.
- Equalities data about Commission members collected by Scottish Government's Public Appointments team in recruitment cannot be subsequently with Audit Scotland.
- Discussion about whether the proposed data collection for the Commission could be used as an exemplar to encourage broader efforts to monitor diversity and inclusion in public appointments across Scotland.
- The Commission members supported the proposition, agreeing to capture any data deemed important.

After consideration, the Commission:

- Noted the rationale for this work
- Agreed to the anonymous collection of diversity and equality data for reporting
- Agreed that iTrent is the preferred method of data collection

13. General Power of Competence consultation: Proposed Commission response

The Commission considered a report by Sarah Watters, Secretary to the Accounts Commission, on a proposed Accounts Commission position in relation to the Scottish Government's consultation on a Local Authority General Power of Competence (GPC).

During discussion, a number of points were raised:

- Audit Scotland's Executive Team has discussed a response from Audit Scotland, to which the Commission response is aligned, and will respond to some technical areas which are not appropriate for the Commission to comment on.
- Members discussed the consultation proposals and questions and the rationale for a GPC in the context of existing local government powers in Scotland and potential future reforms.
- Derek Yule and Sarah recently attended a roundtable on the subject, the slides for which are available to members. Derek or Malcolm Bell – depending on availability – will attend a forthcoming event.

After consideration, the Commission:

- Noted the contents of the report
- Agreed that the Chair and Secretary to the Accounts Commission be delegated to submit a response to the Scottish Government's current consultation on the introduction of a GPC, aligned to that of Audit Scotland.

15. Chief Operating Officer update

The Commission considered a verbal update by Vicki Bibby, Chief Operating Officer. Vicki provided updates on the following areas:

- Vicki explained the work underway on the Future Public Audit Model (FPAM) and Audit Modernisation projects, and the differences and relationships between these and Public Audit in Scotland (PAIS). PAIS is a joint strategy for how the three public audit entities will secure public audit, while FPAM and audit modernisation are about transforming and modernising how audit is delivered. Vicki said the Executive Team has been mapping out timelines for delivering change, and the interdependencies.
- The Audit Scotland Q3 corporate performance report is due to come to the Accounts Commission in April. Given the time lag, an up-to-date position on audit delivery will supplement the report, either in the covering report or verbally at the next meeting.
- Vicki is working with Jo Armstrong and Sarah Watters to plan the next joint Commission and Audit Scotland Board session, as part of the commitments made in the Partnership Working Framework.

16. Any other private business

The Chair provided a further update on her recent meeting with the chair and vice chair of Solace ahead of their visit to the Commission in April. They discussed the Commission's potential work in the areas of community planning partnerships and integration joint boards, and expect to have a fruitful discussion at the next meeting.

The Commission reflected on their meeting with the Cabinet Secretary ahead of today's Accounts Commission meeting, agreeing that it felt both constructive and positive.

There being no further business, the Chair closed the meeting at 2.45pm.

Accounts Commission Action Tracker
As at: 2 April 2025



Action No.	Date	Action	Action by	Assigned to	Timescale	Progress	RAG Status	Date complete
25/010	13-Mar-25	Diversity, equality and inclusion (DEI) strategy Director of Innovation & Transformation to work with DEI strategy project team on changes suggested by Commission members.	Director of Innovation & Transformation	Gemma Diamond	Mar-25	Draft strategy amended prior to being considered by Audit Scotland Board.	Complete	21/03/2025
25/009	13-Mar-25	Local government funding per capita Policy Manager to discuss with Executive Director of PABV regarding whether local government finance analysis could include per-capita metrics, similar to NAO reports on councils in England.	Policy Manager	Joe Chapman	Apr-25	Discussion ongoing with PABV colleagues regarding consideration for inclusion in a future report	In progress	

Purpose

1. This report introduces the Controller of Audit's report on Best Value in The Highland 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 The Highland 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 Best Value thematic report and the AAR for The Highland Council were presented to the council's Standards, Audit and Risk Committee on 26 September 2024 and 28 November 2024 respectively.

The Controller of Audit's report

8. This report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - The accounts of local authorities audited under the Act;
 - Any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - The performance by a local authority of their statutory duties in relation to best value and community planning.
10. The Controller of Audit's report was sent to The Highland Council on 2 April 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 24 April 2025, with the previous day being held for any media interviews. It is anticipated that the Chair will front the media for this report.

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

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

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

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

20. The main audiences for our communications are:

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

Conclusion

21. The Commission is invited to:

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

Best Value

The Highland Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
April 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

9,906 Square miles

236,330 Population

8,200 Workforce (FTE)

74 **Elected members**
 Scottish National Party 21, Highland Independent 16, Scottish Liberal Democrats 15, Highland Alliance 8, Conservative and Unionist 6, Scottish Green Party 4, Labour Party 2, Alba Party 1, Non-Aligned 1. (Scottish National Party and the Highland Independent Group administration)

£13m Forecast cumulative budget gap for two years 2026/27 and 2027/28 (March 2025).

£730m Net revenue budget/expenditure 2023/24

£192m 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 November 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. The Highland Council has made good progress on the improvement actions identified in the last Best Value Assurance Report in 2020. Subsequent Best Value thematic reports in relation to leadership and workforce have also been well received by the council with improvement actions agreed and progressing.

4. There have been significant management changes at the council in recent years with a new chief executive appointed in 2023 and an organisational restructure in 2024. New plans have been introduced, and the council now needs to move forward at pace with the delivery of its priorities.

Best Value Assurance Report (BVAR) follow-up

5. The council received a Best Value Assurance Report in 2020 which concluded that progress since the previous BVAR in 2010 was disappointing and the pace of change needed to improve.

Recommendations were made in a number of areas including:

- Improving staff engagement with transformation and ensuring expectations around delivery of savings were understood.
- Increased use of family grouping data, benchmarking, and targets to enhance performance reporting.

- Sharing performance management practices across teams to support more effective self-assessment and a culture of continuous improvement.
- The need for ongoing review and monitoring of arrangements.
- Need for the Community Planning Partnership (CPP) to deliver on locality action plans.
- Member training and involvement in the performance management process.

6. Four recommendations remained outstanding at the start of 2022/23 and have subsequently been closed.

Leadership review

7. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The auditors concluded that the council had a clear and well-articulated strategic vision, embedded across the organisation through the service planning process.

8. Following the May 2022 elections, a joint administration was formed between the Scottish National Party (SNP) and the Highland Independent Group. The council's 'Our Future Highland' programme sets out the council's vision, and key strategic priorities for 2022 to 2027. The council's vision for the future is one of maximising social, economic and partnership opportunities and resources to improve the quality of life for people in the Highlands.

9. The Performance Plan 2022-2027 provides the framework required to deliver and monitor the council's strategic programme and includes its commitments, associated targets, and measurements.

10. Following the appointment of a new chief executive in September 2023, and the approval of a senior management restructure in March 2024, a number of plans and policies have been refreshed to help deliver the council's strategic priorities.

11. A new Operational Delivery Plan 2024-27 was approved by the council in May 2024 and effective delivery and monitoring of the plan will be key to driving future improvement.

12. The delivery plan is organised under six portfolio themes, each of which has identified workstreams, programmes and projects with performance plan targets. The plan also sets out how savings and other measures will close the budget gap identified in the council's medium-term financial plan.

- 13.** The council engaged effectively with citizens when developing its priorities to ensure the key concerns of citizens are captured in its strategic plans.
- 14.** The council has agreed equality outcomes with partners and is raising awareness of taking a rights-based approach. The auditor found scope for improved consistency in the application and publication of Equality Impact and Fairer Scotland Assessments, something that the council has subsequently addressed.
- 15.** Environmental sustainability is considered a priority, and the council has set a target of a carbon neutral Inverness and a low carbon Highlands by 2025. Several initiatives are in place to support this including the creation of the Inverness and Cromarty Firth Green Freeport.
- 16.** The Digital Strategy 2022-27 recognises that digital needs are to become integral to services and there are plans in place to address digital exclusion. The council is working to ensure that the digital infrastructure is upgraded to connect premises across Highland.

Community planning and empowerment

- 17.** The council and its community planning partners have clear ambitions in relation to community engagement for the Highland area but recognise that more work is needed to deliver on these.
- 18.** Additional resources were committed to progress the work of the CPP and a revised Highland Outcome Improvement Plan was approved in June 2024 with improved links to the council's delivery plan.
- 19.** A review of area committees has been undertaken, and area place plans for each committee area are under development. These plans will set out the shared priorities for each community and should assist in targeting specific strands of funding.
- 20.** The council's approach to participatory budgeting continues to evolve. Some local committees have directly devolved local car park income to the community councils/community trusts to allocate local funds and a participatory budgeting approach has been adopted as part of the whole family wellbeing programme. There remains scope for improving community awareness of participatory budgeting.
- 21.** Since the introduction of the Community Empowerment Act in 2017, the council has agreed to 48 community asset transfers across Highland. A community loan fund, managed by the council's loan company, Highland Opportunity (Investment) Limited, now provides loan support for organisations who require investment linked to transferred assets.
- 22.** The council is committed to a community wealth building approach to economic development and issued a new strategy in September 2024.

The council recognises that effective partnership working will be essential to its delivery.

Effectiveness of performance reporting

23. The council has an established performance management framework and regularly reports on its performance against the strategic priority outcomes outlined in the council's performance plan.

24. The Annual Corporate Performance Report forms a key part of the council's overall performance management arrangements and meets the council's statutory duty on Public Performance Reporting. There are also quarterly performance reports which go to strategic committees. The council makes good use of performance indicators, and targets have been set for all but two performance indicators.

25. Reports provide analysis of the council's progress against the five key strategic priority outcomes set out in its Performance Plan. The council's new Operational Delivery Plan will form an integral part of performance reporting at all levels going forward.

Reported performance

26. The council's Annual Corporate Performance Report 2023/24 was presented to full council in September 2024. It included a review of 71 local performance indicators with 31 assessed as 'On target', 14 as 'Some slippage', eight as 'No significant progress' and 18 where no data was yet available.

27. The corporate performance report also provided an update on corporate actions associated with strategic priority outcomes. Of the 53 actions, 16 were assessed as 'Complete', 22 were as 'On target', 14 as 'Some slippage', and one as 'No significant progress'.

28. Following consideration of its Corporate Performance Report, the council published a report on its Statutory Performance Indicators, Benchmarking and Best Value for 2023/24 in March 2025. The council has identified 81 indicators used in its Performance Plan for 2023/24 with 50 drawn from local indicators and 31 from Local Government Benchmarking Framework (LGBF) indicators. The council categorises 34 of the 81 performance indicators as Key Performance Indicators (KPIs).

29. Information on 11 of the performance indicators (seven of which are also KPIs) is not yet available, with delays to the publication of some LGBF indicators primarily related to education and children's services, but the council's reported performance for the 70 available for 2023/24 is summarised as:

- 79 per cent (55/70) were performing on target or within the performance threshold (43 green and 12 amber), and

- 21 per cent (15/70) of the targets had not been achieved (red).

30. This compares to the previous year when 77 per cent were on target or within threshold, while 23 per cent were not achieving target as reported. When information on the 11 delayed indicators became available for 2022/23 (all education indicators) five were green, five amber and one red.

Workforce planning

31. 'Workforce Innovation: How councils are responding to workforce challenges' was the subject of Best Value thematic work in The Highland Council in 2023/24.

32. The auditor found the council has a large number of plans and supporting documents which reflect the council's ambitions around developing a future workforce, but plans were not fully aligned or easily accessed together in one place. There was no council-wide workforce data being reported and the impact of the council's workforce planning approach had not yet been fully assessed. In total, ten recommendations were made by the auditor.

33. Since the thematic report was issued, the council has introduced a Workforce Planning Strategy 2025-27 (December 2024). The Planning Strategy supports the council's People Strategy 2022-27 and draws together the themes identified in service workforce plans. The Planning Strategy includes a workforce action plan and makes a commitment to corporate workforce data dashboards.

34. The council has also developed an Employee Engagement Strategy, which was approved in September 2024, and there are forums in place to support consultation with staff and trade unions. In 2022 the council commissioned an external consultant to carry out a staff survey which looked at a range of workforce issues. The survey received a 47 per cent response rate.

35. The council is in the process of updating service workforce plans to better align with the new council structure and to address identified improvement actions. Services utilise a workforce planning toolkit which includes a six-step process for the development of plans. Revised plans were due by 31 March 2025.

36. Existing Service Workforce Plans 2023-26 reflect the old management structure and vary in level of detail and robustness. Most reference the People Strategy and contain links to the Digital Strategy, but they do not link to the council Performance Plan 2022-27 or identify specific KPIs. Some only contain vague action plans and service level reporting against corporate measures is variable.

37. The council recognises the importance of having a digitally skilled workforce and has realised some benefits through its use of digital

technology in relation to housing repairs, for example. However, the auditor concluded that greater pace is needed in implementing the actions to improve skills across the workforce, including the creation of the planned digital champions' network.

38. The council is supportive of flexible, and hybrid working and has consulted with staff and trade unions on the development of a policy which is due to be issued by 31 May 2025. The council monitors hybrid working to ensure that there is consistency across teams but has yet to undertake a formal assessment of hybrid working and its impact.

39. A number of initiatives have been introduced to help address the ongoing workforce challenges. These include 'grow your own' approaches in key sectors such as social work, and the use of trainee schemes and modern apprenticeships, for example. Leadership programmes have been developed to support succession planning and a succession planning tool toolkit was introduced in June 2024.

40. The auditors also found that the council works with partners to develop the workforce of the wider Highland region, but work is at an early stage.

Financial management and sustainability

41. Auditors have previously highlighted concerns regarding finance team capacity. A permanent chief officer for corporate finance was appointed in September 2024 and additional finance posts are expected to provide increased capacity in early 2025.

42. The auditor has concluded that appropriate and effective financial management arrangements are in place at the council. The council has moved towards a three-year approach to budget setting and medium-term financial management, with a three-year budget set in 2024/25 for the first time.

43. Significant savings have been identified as part of budget setting in recent years, but the council has also made use of reserves and financial flexibilities to close budget gaps.

44. Scottish Government financial flexibilities enabled the reprofiling of debt repayments on service concession arrangements releasing £55 million of previously set aside repayments, with repayment now deferred until future years. The general fund reserve increased as a result in 2023/24.

45. The council has also made use of temporary flexibility around the use of £6.3 million of income from council tax on second homes in 2022/23 and 2023/24. Amounts were repaid to the council's land-banking fund in 2024/25.

46. Savings identified for 2023/24 included £7.9 million relating to service redesign and efficiency, £3.2 million from increasing income, and £1.3

million from reducing waste and avoidable spend. The council achieved actual savings of £18 million (82 per cent of planned savings). Of this total, £15 million of savings were on a recurring basis (83 per cent) with the remainder on a non-recurring basis (17 per cent).

47. Undelivered savings contributed to a £5.7 million overspend on service budgets in 2023/24. However, offsetting underspends and higher than expected income on corporate budgets resulted in an overall general fund underspend of £1.1 million. The largest underspend related to capital financing costs (£3.7 million).

48. Levels of usable reserves increased from £174.7 million to £201.8 million in 2023/24. However, the uncommitted element of the general fund fell from £70.5 million to £47.3 million. The council's reserves policy is to hold a minimum uncommitted general fund balance of three per cent of the annual revenue budget, which is approximately £23 million. Key financial information for the council is included in Exhibit 1.

Exhibit 1 The Highland Council – key financial information

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Budget setting			
Budget gap	34.1	54.2	54.7
Planned to be met via:			
- Savings and flexibilities	17	22.2	37.9¹
- Use of reserves	5.7	23.3	9.9
- Additional council tax/funding	5	5.4	6.9
- Other reversals and offsetting items	6.4	3.3	
Actual			
Savings delivered	n/a²	82 percent	
Reserves (after earmarking adjustments)			
Use of/(contribution to) reserves			Forecast
Total usable reserves carried forward	174.7	201.8	
General fund	131.8	158.1	138.2
Earmarked	61.3	110.8	113.6
Uncommitted	70.5	47.3	24.6³

1. After revised budget assumptions

2. Not available

3. After additional earmarking and before any overspend in 2024/25

Source: Council accounts and committee papers.

49. Most of the council's earmarked reserves are set aside to meet the cost of investment and transformation initiatives. However, balances in respect of budget pressures (£17 million), developers' contributions (£10.7

million) and Crown Estate (£7.9 million) were also included at 31 March 2024.

50. When the budget for 2024/25 was set in March 2024, the council closed a £54.7 million budget gap, identifying savings and utilising flexibilities of £37.9 million, and using £9.9 million of reserves. The council also received additional funding of £6.9 million in respect of the council tax freeze. The uncommitted general fund balance will fall as a result of the planned use of reserves and may be impacted by a £4.1 million forecast overspend for the year.

51. When the 2025/26 budget was set in March 2025, the council identified £12.9 million of savings and £1.3 million reductions relating to financial flexibilities. The budget included a seven percent increase in council tax with two percent of that increase earmarked to support the Highland Investment Programme. Also included is the planned use of £5.4 million of earmarked reserves to meet one off investments, and the use of £6.1 million of earmarked reserves arising from the use of financial flexibilities in previous years.

52. When the 2024/25 budget was set the forecast cumulative budget gap for the two years 2025/26 and 2026/27 was £47.4 million, prior to mitigating actions. The forecast cumulative unclosed budget gap for 2026/27 and 2027/28 fell to £13 million 12 months later when the 2025/26 budget was set in March 2025.

Delivery of the capital programme

53. The council agreed a new longer-term Highland Investment Plan (HIP) in May 2024. The ten-year plan for development of communities across Highland includes £1 billion of capital investment. Progress against the agreed HIP was provided to members on 31 October 2024.

54. Capital expenditure in 2023/24 was £167 million, split between general fund £100 million and the HRA £67 million (£9 million higher than HRA capital spend in 2022/23). The council underspent against its capital budget by £24.9 million (around 15 per cent) due to challenging market conditions resulting in rising prices and a limited availability of contractors and materials.

55. The council's capital financing requirement increased by £85.8 million in 2022/23 and £127.2 million in 2023/24, resulting in a balance of £1,431 million at 31 March 2024. The capital financing requirement represents the council's underlying need to borrow.

56. The council's reported LGBF indicators for the ratio of financing costs to net revenue stream are significantly higher than the national and family group averages. The council has agreed as a local indicator that the ratio of borrowing costs (excluding service concession arrangements) to net revenue stream would not exceed ten percent.

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 The Highland 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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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

The Highland Council



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit.scot
www.audit.scot

Purpose

1. This regular report provides an overview of significant recent activity relating to the Accounts Commission and local government. More news updates are provided via the [Weekly Digest](#).

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.
 - **[Integration Joint Boards financial bulletin 2023/24](#)** (6 March 2025)
 - *Broadcast:* Interviews for Good Morning Scotland, STV News and local radio.
 - *Online:* Herald, Scotsman, Courier, Edinburgh Reporter, Press and Journal, Health and Care, Public Finance, Scottish Housing News.
 - Coverage focused on budget gaps, action needed and political / sector comment. Statements from Scottish Government, COSLA, Conservatives, Liberal Democrats.
 - *Downloads:* 730 briefing downloads and 820 page views in first 3 weeks.
 - *Social (first 3 weeks):* 6,000 views, 500 engagements including 280 link clicks; about 25-30% of these were for the blog. Notable shares by The Poverty Alliance, CCPS, Improvement Service and Cllr Paul Kelly (COSLA HSC spokesperson).
 - **Best Value: Argyll and Bute Council** (3 April 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:
 - During [Finance and Local Government Questions](#) on Wednesday 5 March, Shona Robison said the local government settlement had increased by 41% – a real terms increase of 2.4% – over the last ten years, adding that the Accounts Commission had confirmed a real terms increase over the last three years.

- The Accounts Commission’s [best value audit work was referenced by Ms Robison](#) when she gave evidence, alongside COSLA, to the Local Government, Housing and Planning Committee regarding council tax, on 4 March. When asked about ensuring best value for the taxpayer, Ms Robison said the Commission’s best value reviews contribute to transparency on the issue, but Cllr Katie Hagmann (COSLA Resources spokesperson) questioned how accessible or meaningful best value audit is to residents.
- On Wednesday 19 March, Ruth MacLeod gave evidence to the Public Audit Committee alongside the Auditor General and Audit Scotland colleagues regarding the joint briefing on Additional support for learning. [Read the Official Report](#) or [watch the recording](#).

Local and Scottish government finance issues

5. Finance Secretary Shona Robison confirmed that the welfare changes announced as part of the Chancellor’s Spring Statement will result in cuts to the Scottish Government’s block grant from 2026/27 onwards. Increased spending in areas like education will lead to a £28 million increase in 2025/26. However, the [Fraser of Allander Institute](#) forecasts that reforms to personal independence payments will reduce revenue funding from the UK Government by increasing amounts, from £177 million in 2027/28 to £455 million in 2029/30. At the same time, capital funding from Westminster will increase by nearly £250 million by 2029/30.
6. Members of Unison and GMB have shown strong support for strike action in consultations on the 3% pay rise offer for 2025/26. Each union will now hold formal strike ballots. Unions say the offer is “another real-terms pay cut” at a time when staff are stretched and facing large council tax rises, and “councils cannot balance their budgets on the back of workers”. They also contrasted it with large pay rises for councillors following implementation of the recommendations of the Scottish Local Authorities Remuneration Committee (SLARC). COSLA defended the offer as balancing meeting inflation and protecting jobs, and criticised the unions for rejecting the offer without giving members an opportunity to vote on it.
7. Meanwhile Midlothian Council leader Cllr Kelly Parry has said a number of council leaders – all of them women – have received [death threats about the pay rises](#). Cllr Parry and other members in Midlothian have had to be provided with extra security resources. Independent Falkirk Council member Cllr Laura Murtagh, who proposed a motion, backed by other councillors, to raise council tax by 15.6% rather than cut services, has also reported receiving “overwhelming” levels of abuse, including threats of violence. COSLA has issued a [“factsheet” regarding councillor remuneration](#) and the decision-making process.
8. First Minister John Swinney insisted [local government receives adequate funding for pothole repairs](#), after the UK Government announced a new £500 million funding package for road maintenance in England. Councils south of the border must publish annual reports detailing progress on potholes or risk losing funding, and [their performance will be rated](#). Mr Swinney highlighted the additional £1 billion in funding for councils in the 2025-26 budget, to enable them to tackle local issues such as potholes and invest in public infrastructure.
9. A [£70 million Rural Growth Deal for Argyll and Bute](#) was signed by the Scottish and UK Governments. The 10-year plan had been put on hold following last year’s general election but each government has now committed £25m, with the council and others contributing a further £20 million. The deal includes £9 million to create an events space, offices and cafe in the grade A listed Rothesay Pavilion on the Isle of Bute, along with investments in training

and skills, rural technology innovation and housing. The council had previously pointed out the area was the only one in Scotland without some deal of this type in place.

10. The Scottish Government has [saved over £14 million in the last two years](#) through closing and consolidating its use of public buildings, according to director general corporate, Lesley Fraser. Ms Fraser said this was part of a total of £40 million that had been saved across the public sector estate including through reduced energy costs. However, opposition politicians called it a “drop in the ocean” and criticised recent increases in the Government’s workforce.
11. GMB members at Aberdeen City Council have voted in favour of [strike action amid a row over contract changes](#), while Unite is also balloting its members on the issue. The council is seeking to cut the working week from 37 to 35 hours, reducing pay and essentially imposing new contracts on more than 3,000 workers across administrative, waste, library, janitorial, craft, social work and housing roles. The unions are accusing the council of planning to ‘fire and rehire’ staff, but the council says this is only being considered as a last resort.
12. Following the National Audit Office report on local government financial sustainability in England, the Guardian reported that [at least 18 councils have warned they are at risk of insolvency](#) because of huge debts caused by years of overspends on special educational needs and disability services. Rising demand including for education and health care plans has contributed to spiralling debts, which have been ‘hidden’ through use of a “statutory override” introduced by the last UK Government but which ends on 31 March 2026. The Guardian says ministers must now decide whether to clear the debt or extend the override.

Policy area updates

13. [New polling by Ipsos Mori](#) found three quarters of people in Scotland think public services in their local area have got worse in the last five years – a larger proportion than in the other UK nations. In a survey conducted last September, 62% said the Scottish Government was responsible for this decline, compared to 56% for the UK Government and 54% for councils. Only one in five people expect services to improve in the next two to three years, although there is slightly more optimism (37%) for the longer term. The research also found variation within Scotland, with higher levels of satisfaction in the islands than in the central belt.
14. Statistics for 2023/24 showed the [Scottish Government had missed its legal targets for reducing child poverty](#), despite improvements on the previous year. Relative child poverty in Scotland fell from 26% to 22% and absolute child poverty fell from 23% to 17%, but the Government had set interim targets of 18% and 14% respectively, with a final target of reducing relative child poverty to less than 10% by 2030. Ministers said UK Government policies are “holding back” progress and the Spring Statement “will only make things worse”, and highlighted that UK statistics show higher rates of child poverty in the same period.

Health and social care

15. Integration Joint Boards (IJBs) have been setting their budgets for 2025/26. For example:
 - [Glasgow IJB faces a £42.5 budget gap](#), and agreed to cut more than 145 jobs – but with no compulsory redundancies – as well as to end some services including supported living and counselling, and to increase charges for non-residential care services by 5%. There are also [fears of knock-on impacts](#) from the speeding up of asylum claim processing, which is leading to increased homelessness in the city.

- [Edinburgh IJB is making £29 million of cuts to services](#) including in day care for older people and support for adults with learning disabilities and mental health conditions. The IJB also plans to outsource some services as part of its savings plans, which also include clawing back underspent funds in self-directed support budgets, claiming back care home fees from people who can afford it and cutting prescription costs.
 - [Aberdeen IJB says its needs to save more than £14 million](#), and has reported an overspend of £17 million in 2024/25, with £11 million requested from the council and NHS to help bridge the gap. To address the budget pressures, which include pay inflation, the IJB plans to: charge more for services such as day care and sheltered housing wardens; reduce staffing costs by using fewer bank nurses, redesigning roles and not replacing staff who leave; and rationalise its estate and reduce energy use.
 - See also coverage of budget-setting by IJBs in [Dundee](#), [Falkirk](#), [Fife](#), [North Ayrshire](#), [Renfrewshire](#) and [South Lanarkshire](#).
- 16.** BBC News highlighted growing issues with staff recruitment that are threatening the viability of rural care homes, including some in the Highlands that have had to temporarily close as a result. NHS Highland’s chief officer for adult social care cited factors such as depopulation, a lack of affordable homes for potential staff and competition with the tourism and retail industries as causes, as well as innovative approaches to tackling the issue, such as building homes for staff and working with local schools to attract new recruits.

Housing and homelessness

- 17.** [Official housing statistics](#) showed that the number of new homes completed in Scotland in 2024 fell by 7% from the previous year, to just under 20,000, while the number of properties on which construction work started fell by 9% to about 15,000. Completions of council and social housing fell by 22%, while there was a slight (2%) rise in council and social housing starts. Industry body Homes for Scotland said the data was evidence of a [lack of resources and urgency](#) in the political response to the housing emergency.
- 18.** West Lothian Council is working to address a [significant rise in homelessness applications](#) following the removal of local connection rules, allowing individuals from anywhere in the UK to apply. The council is experiencing increased demand for housing, particularly from the central belt, as cities like Glasgow and Edinburgh reach capacity. This trend includes the 16-24 age group, in which demand for housing is rising at 5% a year.
- 19.** Councillors in Aberdeen [approved plans for the phased demolition and rebuilding](#) of more than 500 properties affected by Reinforced Autoclaved Aerated Concrete (RAAC), at a cost of more than £150 million. As part of the proposals, the local authority intends to buy and demolish 138 privately-owned homes through voluntary acquisition – but there have been disputes about the valuations, with only four homeowners having accepted offers so far.
- 20.** The Scottish Government announced that the [Heat in Buildings Bill will not be taken forward](#) in its current form. The Bill, which would have required home buyers to replace fossil fuel heating systems with alternatives such as heat pumps within a set period after purchase, was a key policy under the previous Bute House Agreement between the SNP and Greens. Acting Net Zero Secretary Gillian Martin said the Bill would make people poorer, and would only introduce plans that would both decarbonise houses and reduce fuel poverty. Heating of homes is responsible for about 18.5% of Scotland's greenhouse gas emissions.

Communities and infrastructure

21. Glasgow City Council has [launched a recruitment drive for frontline staff](#) to help “improve the look and feel of the city”, with applications open for 359 jobs in areas including street cleansing, parking enforcement, pest control, waste enforcement, and roads. The initiative comes after £7 million was set aside in the 2025/26 budget for services that are a priority for Glaswegians, and follows a row in which council leader Susan Aitken insisted [the council is “constantly” cleaning the city](#). Glasgow is celebrating its 850th anniversary this year.
22. Highland Council has revealed [it has raised only a fraction of the expected income](#) from a voluntary scheme aimed at campervan and motorhome users. A £40 seven-day pass allows visitors to park overnight in some local authority car parks and access facilities in leisure centres, with the revenue used to fund infrastructure improvements. But only £20,000 was expected to be raised in 2024/25 – far short of the £500,000 a year target. However, other revenue-raising measures such as double council tax on second homes are on target.
23. West Lothian Council says it faces a [total bill of more than £85 million](#) to address RAAC in schools, community buildings and council housing. Negotiations are still ongoing with the Scottish Government regarding the provision of financial assistance, two years after the council sought £15 million to support the rebuilding of St Kentigern’s Academy in Blackburn. The Scottish Government says it is a duty of local authorities to maintain their school estate.

Other updates

24. [Paul McFadden has been nominated](#) by the Scottish Parliament as the next Scottish Public Services Ombudsman. Mr McFadden will take up his post in October, succeeding (after an interim period) Rosemary Agnew whose eight-year term ends on 30 April. Mr McFadden is the current Chief Legal Ombudsman for England and Wales, and has extensive experience in senior investigation roles in Scotland and Northern Ireland, including in local government.
25. Recent publications of relevance to local government in Scotland are listed below.
 - Improvement Service (IS) – [National report shows councils face tough decisions and slowing performance improvement](#)
 - IS – [Scottish Local Government Assurance and Improvement Framework published](#)
 - IS – [Insights from baseline mapping of community wealth building activity](#)
 - IS – [Introducing Scotland’s new interactive planning application dashboard](#)
 - Local Government Information Unit (LGIU) – [How are Scottish council finances faring in 2025 and beyond?](#)
 - LGIU – [An analysis of alternative models of service delivery](#)
 - LGIU – [2025 Spring Statement – the highlights for local government](#)
 - LGIU – [Council recruitment challenges: how do we fill more jobs?](#)
 - LGIU – [One step beyond: low traffic neighbourhoods as catalyst for community change](#)
 - Scottish Parliament Information Centre (SPICe) – [Community Link Workers in Scotland](#)
 - SPICe – [Sport and physical activity participation and policy in Scotland](#)
 - SPICe – [Disability benefit reforms: implications for the Scottish Budget](#)
 - SPICe – [Scotland’s care system for children and young people: subject profile](#)

- Institute for Fiscal Studies (IFS) – [Two-child limit mitigation in Scotland would help larger poor families but policy design could harm work incentives](#)

Consultations

26. The [Commission's response to the consultation](#) on a Local Authority General Power of Competence was agreed by the Chair and submitted before the deadline on 1 April 2025. This response will be published alongside others (including [Audit Scotland's response](#)) on the [Scottish Government's consultations website](#) in due course.
27. There are no new updates on any other consultations as at the time of writing. The Policy Manager will advise verbally of any changes or updates.

Purpose

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

Engagement and Commission business

2. Details of my engagements and work since the last meeting are as follows:

Audit Scotland engagement

- Regular meetings with: Vicki Bibby, Chief Operating Officer, Helena Gray, Controller of Audit; Alison Cumming, Executive Director of Performance Audit and Best Value
- 01 April: Audit Scotland Board meeting and strategic session (Future Public Audit Model project)
- 03 April – joint Commission/Auditor General/Audit Scotland work programme discussion
- 03 April – AC induction meeting with Patrick Bartlett, new Audit Scotland Board member
- 09 April – Monthly catch up with Stephen Boyle, Auditor General

Commission business

- Regular meetings with Sarah Watters, Secretary to the Commission, Lee Ovens, Executive Assistant and Joe Chapman, Policy Manager.
- Throughout the month – Commission members' appraisals
- 02 April – Best Value follow-up meeting at Fife Council alongside Carol Evans, Malcolm Bell, Nichola Brown and Sarah Watters
- 03 April – Accounts Commission prep session with Andrew Burns, Sarah Watters, Lee Ovens, Joe Chapman and Callum Aitken

External engagement

- 21 March – Improvement Service Board Meeting with Blyth Deans and Alison Cumming

Forthcoming activities

3. My forthcoming engagement activities include:
 - Regular catch ups with Helena Gray, Sarah Watters, Lee Ovens, Vicki Bibby, Alison Cumming and Stephen Boyle
 - 01 May – Chair's "1st Anniversary" 'Insight' event with Helena and Sarah
 - 06 May – Audit Scotland Audit Committee and Remco meetings

Conclusion

4. The Commission is invited to:

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

LGBF National Benchmarking Overview Report 2023/24

Secretary to the Commission and Audit
Director, Performance Audit and Best Value

Item 8
Meeting date: 10 April 2025

Purpose

1. This paper sets out background information for the Commission's discussion with the Local Government Benchmarking Framework (LGBF) Board and the Improvement Service. The paper also sets out how this discussion will be used to inform the Commission's planned commentary on the LGBF and wider performance information as part of the Commission's suite of local government overview reporting outputs.

Recommendations

2. The Commission is invited to:
 - Note the [National Benchmarking Overview Report 2023/24](#); and
 - Consider the implications for its work programme, in particular the forthcoming commentary on council performance to be included within the 'spotlight' output, and in the context of the Commission's recently published [Statutory Performance Information \(SPI\) Direction 2024](#).

Background and purpose of session

3. The Commission has maintained a close interest in the development of the LGBF. This interest reflects the Commission's ongoing commitment to encouraging sector-led benchmarking and improvement, as well as its statutory responsibilities in directing councils to publish performance information and securing the audit of Best Value.
4. The Improvement Service explains that the LGBF "is a high-level benchmarking tool designed to support senior management teams and elected members to ask questions about key council services."
5. More information on the LGBF can be found [in the LGBF section of the Improvement Service website](#), and in the various [reports and supporting documents](#), including the [National Benchmarking Overview Report 2023/24](#), published in March 2025.
6. Members will be familiar with the LGBF from the Commission's ongoing Best Value work and local government overview reporting. The LGBF Board and Improvement Service attend a Commission meeting once a year to discuss the overview report and allow members of the Commission to ask questions on the data presented.
7. Kenneth Lawrie, Chair of the LGBF Board (and Chief Executive of Falkirk Council), will attend the meeting alongside Emily Lynch from the Improvement Service. Kenneth and Emily will summarise the key messages from the report to introduce the discussion.

Accounts Commission ‘spotlight’ output

8. When agreeing its approach to [local government overview reporting](#) in November 2024, the Commission agreed to have a two-part ‘spotlight’ report covering overall as well as thematic or service-specific performance of Scotland’s councils. This report is expected to be published in the autumn of each year.
9. Part 1 of the ‘spotlight’ output will be a commentary on sector-wide performance and analysis of performance information such as the LGBF. Part 2 will alternate on an annual basis between covering a particular theme and a specific service area – as agreed at the Commission’s Strategy Seminar in March, this year’s will focus on culture and leisure services.
10. The timing of this work means the output can be informed by the Commission’s discussions with the LGBF Board and the Improvement Service. For example, this could be about reflecting any key points of emphasis Commission members want to make about the role the LGBF can and should play in supporting effective local government benchmarking and improvement planning activity. Alternatively, it could be about commenting on how the Commission intends to use LGBF data in future when assessing the performance of individual councils or reporting nationally on the performance of the local government sector as a whole.

Conclusion

11. The Commission is asked to consider the [2023/24 LGBF National Benchmarking Overview](#) report in the context of its SPI Direction and in the development of its work programme, including the forthcoming LGO ‘spotlight’ outputs.