

Appendix 1

Annual Governance Statement

1. BACKGROUND AND SCOPE OF RESPONSIBILITY

Argyll and Bute Council's (the Council) governance framework includes the systems, processes and culture by which the Council is controlled, engages with communities and monitors the achievement of strategic objectives. The Council conducts its business in accordance with the law and proper standards. The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the economic, efficient and effective use of public money.

The system of internal control is a key part of the framework and is designed to manage risk to an acceptable level.

In discharging these responsibilities, the Council has put in place proper arrangements for the governance of its affairs and the stewardship of the resources at its disposal. The Council has approved and adopted a Local Code of Corporate Governance (the Code) which is consistent with the principles and requirements of the CIPFA/SOLACE revised Framework for 'Delivering Good Governance in Local Government. This Statement explains how the Council has complied with the Code and meets the requirements of current good practice.

2. THE GOVERNANCE FRAMEWORK

The Code details how the Council will demonstrate compliance with the fundamental principles of corporate governance for public sector bodies. The seven key principles of our governance arrangements in 2023/24 are described in the Code, along with our supporting principles and key aspects of our arrangements to ensure compliance.

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

We have four values, which underpin all that we do and provide a sound basis to achieve transformation to ensure we meet the challenges of the future and deliver quality services. These values are that we have a workforce which is:

Caring Committed Collaborative Creative

The Council has developed a change programme 'Connect for Success' with the seven principles – One Council One Place Approach, Purpose and Mission Focus, Employee Empowerment, Data and Evidence Driven Decision Making, Learning Council, Agile and Maximise Opportunities that Technology Offers - [Connect for Success](#)

We have developed and communicated an [Ethical Framework](#) within the Council's Constitution, which defines standards of behaviour for Members and staff. Protocols for Member/Officer relations are also detailed within the Constitution.

The Councillors' Code of Conduct is set out at a national level, applying to all members in Scottish local authorities and is incorporated into the Council's Constitution as part of the ethical framework which also includes a protocol for the Monitoring Officer. A [Register of Members Interests](#) is publically available for inspection. In addition, the Constitution has a section on conduct at meetings and meeting agendas require declarations of interest to be made where appropriate. Standing orders for meetings are included within the Council's constitution and training and support is provided to members on their role in Council committees.

[Anti-fraud and whistleblowing](#) policies are in place and the Council has adopted the

Appendix 1

Annual Governance Statement

Scottish Public Services Ombudsman's (SPSO's) Model [Complaints Handling Procedure](#).

The Council complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.

In addition, Professional advice on the discharge of statutory social work duties is provided to the Council by the Chief Social Work (CSWO).

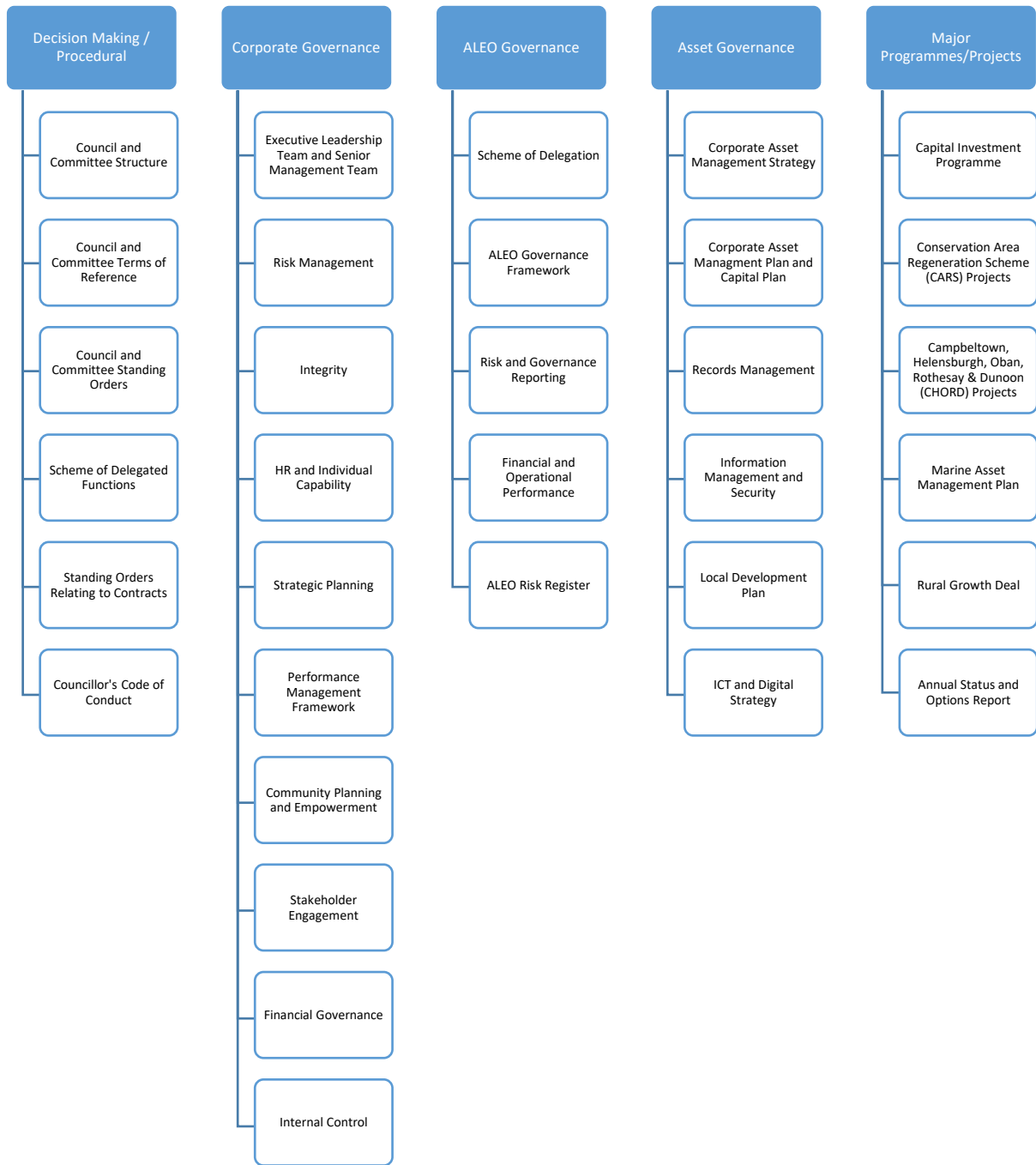
A structure of governance and framework across our day to day activities and which supports accountability, control, risk management and appropriate overview of the Council are outlined in the diagram below:

Appendix 1

Annual Governance Statement



Constitution, Governance, Risk Management and Accountability



External and Internal Audit and other regulatory inspections

2. Ensuring openness and comprehensive stakeholder engagement.

We have established clear channels of communication with the community and other stakeholders through our Communication Strategy. Key mechanisms include:

[Consultation Diary](#)

Appendix 1

Annual Governance Statement

The Council has developed a consultation section on its website which hosts all consultations run by the Council and includes a section which publicises the results and/or outcome of the consultation and the resultant decisions that have been taken, showing how they were informed by the consultation process. This is part of our commitment to You Said, We Did information sharing for the public. Consultations provide communities with an opportunity to get involved with wide ranging aspects of the council's work and life in Argyll and Bute.

These include for example, play park funding, active travel routes, primary school consultations, and the council's customer service strategy.

[Keep in the Loop Service](#)

Over 10,870 customers currently subscribe to receive notifications across the range of services.

'[Myaccount](#)' is a secure sign-in service for accessing online public services in Scotland. It provides the ability to set up an online account and use it to access a growing range of online public services, Scotland-wide, including Argyll and Bute Council. Currently 16,744 customers up from 15,399 last year have signed up to this service and it allows customers to access and personalise their interaction with the Council on a range of services.

[Public Performance Reporting](#)

The Council's website makes all performance information available to the public. This includes information on performance scorecards, budgets and other service related information. This promotes open accountability to the public for its performance against agreed policies and standards. As part of phase two of the performance excellence project a review of the council's approach to public performance reporting is being undertaken.

[Accessibility](#)

In 2023/24 75% of 593,362 customer interactions through the council's Customer Engagement Team were made using digital self-service. This very high proportion is because of the scope and quality of the digital services provided. In order to ensure maximum accessibility for everyone and meet our equalities responsibilities, the Council's website was upgraded to the latest software version Drupal 10 and its content refreshed to meet the new international WCAG2.2 standard.

In March 2024 it scored 98% in the UK [Independent Silktime accessibility score](#), rating it the 37th highest ranking Council in the UK. In addition the Reachdeck supported access tool was added to the website to give read aloud and translation help to users seeking such additional assistance and our 24/7 automated telephone service was used 46,942 times by those customers who struggle with online digital services.

[Community Engagement](#)

To support strengthening communities, community empowerment and engagement the council has in place:

- An officer Community Engagement Strategy Group to oversee the development and implementation of the council's internal Engagement Strategy; advising on best practice in engagement tools and techniques, supporting skills development and capacity within the council to effectively engage with communities. On this group sit those officers with expertise in engagement including those from Corporate Communications and the Communities & Partnership Team. The Council's Communications Team has developed an engagement app for services to use, and the council's Communities & Partnership Team has resources and expertise to support hard to reach groups, community

Appendix 1

Annual Governance Statement

organisations and remote communities to have a voice in decision making.

- A Community Development service, with a focus on improving active citizenship and capacity building through best practice in community development through a responsive and effectively targeted programme of Community Development support internally to the council and externally within communities across Argyll and Bute.
- A range of [training and resources](#) to help build the knowledge, skills and confidence of community groups
- Funding support to help empower community organisations to take forward priority projects and activities in their area: [Monthly funding alert | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)
- Resourcing community council liaison activities, including training and support activity, which helps to build the capacity of community councils.

The Council also has a statutory lead role to ensuring Community Learning and Development provision in Argyll and Bute is set out in an Argyll and Bute Community Learning and Development Strategic Plan, and this is delivered through its collaboration with its Arms-length External Organisation (ALEO) partner Live Argyll.

The Council continues to promote the [Community-led action plan toolkit](#) (developed in partnership with Scottish Community Development Centre) to help support communities interested in developing a local Community-led Action Plan. The Council also provides support for communities interested in development a Place Plan: [Local Place Plans | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)

The Council directly resources the management of the Community Planning Partnership (CPP) to bring partners together, including community, to deliver on the Outcome Improvement Plan. It actively seeks to ensure that young people are engaged in Community Planning and has implemented the following:

- The 3 local Members of the Scottish Youth Parliament (MSYP's) attend the Community Planning Partnership Management Committee meetings on a rotational basis.
- The Area Community Planning Groups (ACPG) invite members of local Youth Forums to attend meetings when they are held in their local areas & information is passed on to young people by Youth Workers who are kept updated on any developments.
- The revised Scheme of Establishment for Community Councils outlines the requirement to encourage young people to attend and participate in community council meetings” and the age to become a Community Councillor was lowered to be 16 to encourage more young people to become involved.

Council/Committee Meetings

Meetings are always held in public, unless one of the statutory exemptions in the Local Government (Scotland) Act 1973, schedule 7A applies to the content of the report. Agendas for and minutes of meetings are detailed on the Council's website. When schedule 7A applies papers are adjusted to ensure that the maximum amount of content is in the public domain.

The Council's [Constitution](#) defines the roles and responsibilities of the administration, committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.

Appendix 1

Annual Governance Statement

The Standards Commission Advice Note for Councillors on Distinguishing between their Strategic Role and any Operational Work has previously been included in an Elected Member Seminar and is hosted on the Members Resource page on the Hub for ease of reference.

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Our [Corporate plan](#) sets out our, and our community planning partner's, vision for Argyll and Bute's economic success to be built on a growing population. It also defines our mission "*To make Argyll and Bute a place people choose to live, learn, work and do business*" and establishes our outcomes, priorities and approach to delivering on our shared ambition with our community partners.

We have a [Performance Improvement Framework \(PIF\)](#) that ensures performance is integral to the work of the Council. The PIF is focused not just on measuring what we do but on measuring the difference we make in terms of our outcomes.

Asset management planning and capital investment is structured to consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council has acknowledged the effects of the 'Cost of Living' within Argyll and Bute and during 2023/2024 client gain achieved by the Flexible food and Fuel fund project reached £3.8 million. This project, supporting the most vulnerable low income households and those using foodbanks in our area to access short-term grants to cover the cost of food and fuel in the short term. In the longer term support through the provision benefit maximisation, money advice and energy advice services is provided by third sector partner agencies.

In addition, this year the Council has issued 1,300 Scotland Loves Local Gift Cards to low income households in the year ensuring the £110,000 loaded onto the gift cards is spent in Island based local businesses in Argyll and Bute. The Council and the Third Sector Interface is supporting the Poverty Alliance on a project entitled "Taking Action on Rural Poverty" which is looking at new ways of addressing rural poverty in Argyll and Bute by reducing the rural poverty premium.

The Council has also provided a one-stop-shop webpage where individuals and families can access energy advice, money advice and links to the services the Council provides in this area and those provided by third sector partner organisations.

In 2022/23 Argyll & Bute Council recorded its lowest level of operational carbon emissions since reporting commenced in 2015/16 via the Public Bodies Climate Change Duties. This represents a reduction of 12,952 tCO₂e (tonnes of carbon dioxide equivalent), approximately 33% against baseline figures. Work continues across Council services to reduce our emissions and support our journey to net zero including the transition to energy efficient LED streetlighting, moving to electric or hybrid fleet vehicles, and increasing diversion of waste from landfill.

Integrated impact assessments as well as environmental, sustainability and island implications are considered during the decision making process to promote fair access to services.

4. Determining the interventions necessary to optimise the achievement of the intended outcomes.

Appendix 1

Annual Governance Statement

Decision makers receive detailed information indicating how intended outcomes would be achieved together with the implications associated with the proposals covering financial, risks and mitigations, integrated impact assessment, acting sustainably, carbon management, island proofing, and changes to schemes, by way of the compulsory sections of the Committee report.

The Council's Executive Leadership Team (ELT) meet regularly with the administration to discuss their key priorities and requirements for decision making in addition there is regular survey and feedback on their needs and a regular review of governance arrangements to ensure that decision making is fully supported.

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private, and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan

5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Elected Member Development

The Council has signed up to the Improvement Service's Continuing Professional Development Framework for Elected Members. All Elected Members are provided with opportunities to progress personal development plans so that individual training needs and aspirations are identified and support provided as appropriate. This is complemented by a comprehensive seminar and workshop programme which addresses a wide range of topics and strategic issues. Additional training was undertaken by Elected Members in relation to the technology, knowledge and skills necessary to support the transition to a virtual environment including webcasting of strategic Committee meetings and the operation of meetings on a hybrid basis, enabling a mixed attendance of members being physically or virtually present.

Officer Development

The Council supports officer development through a structured approach, driven by the values set out in the Corporate Plan and a behavioural competency framework.

The Council has Argyll and Bute Manager and Leadership Programmes, which ensure that all employees who have management responsibilities are knowledgeable and effective in delivering services within the priority management policies and procedures of the Council, including finance, performance and people management. The Leadership Programme ensures that senior and aspiring leaders in the organisation have support to develop their leadership behaviours and to improve their overall impact and performance across the organisation.

6. Managing risks and performance through robust internal control and strong public financial management.

Internal Financial Control

Our standing orders, financial instructions, scheme of delegation and supporting procedure notes/manuals clearly define how decisions are taken and the processes and controls in place to manage risks. These are reviewed and updated on an annual basis. We ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The Council's Monitoring Officer advises on compliance with our policy framework,

Appendix 1

Annual Governance Statement

ensuring that decision making is lawful and fair. Furthermore the Council has a designated Data Protection Officer and all services have Information Asset Registers along with appropriate guidance on how data should be managed.

Our financial management arrangements conform to the CIPFA Statement on the Role of the Chief Financial Officer and we ensure that our independent Audit and Scrutiny Committee undertakes the core functions identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.

The Council has a proactive, holistic approach to tackling fraud, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively. It is based upon the national counter fraud standard CIPFA's Code of Practice on 'Managing the Risk of Fraud and Corruption'.

The Council has a system of internal financial control designed to manage risk to a reasonable level. It is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Development and maintenance of the system is undertaken by officers within the Council and the named bodies mentioned below.

<u>Internal Financial Controls and Prevention</u>	<u>Are these in Place?</u>
Comprehensive budget systems	<input checked="" type="checkbox"/>
Financial and budget monitoring systems	<input checked="" type="checkbox"/>
Financial and Performance reporting systems	<input checked="" type="checkbox"/>
Clearly defined Capital Expenditure guidelines	<input checked="" type="checkbox"/>
Project Management processes and disciplines	<input checked="" type="checkbox"/>
An effective Internal Audit Section	<input checked="" type="checkbox"/>
An effective Counter Fraud Team	<input checked="" type="checkbox"/>

Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

This annual review also covers the other bodies whose activities are incorporated into our Group Accounts and reliance is placed on the formal audit opinion contained in the financial statements of each individual body.

- Dunbartonshire and Argyll and Bute Valuation Board
- Live Argyll
- Argyll and Bute Integration Joint Board

The Council's risk management processes are well developed. In particular the:

- Strategic Risk Register is updated twice a year and approved by the SMT
- Chief Executive presents the Strategic Risk Register to the Audit and Scrutiny Committee on an annual basis
- Operational Risk Registers are updated quarterly by departmental management teams.
- Internal Audit will perform an audit of compliance with risk management arrangements

Appendix 1

Annual Governance Statement

- every three years.
- The CIA performs an annual strategic risk assurance mapping exercise.

7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Internal Audit

The Council and its Group bodies have internal audit functions, which operate to Public Sector Internal Audit Standards. The work of internal audit is informed by an analysis of the risk to which the Council and its Group bodies are exposed, with annual internal audit plans prepared based on that analysis. The Council's Audit and Scrutiny Committee endorses the preparation methodology and annual internal audit plan and monitors the performance of Internal Audit in completing the plan. In addition, the Council has developed a hybrid meeting facility enabling physical and virtual attendance at meetings with a public broadcast function so that members of the public can see and hear meetings of the Council's strategic committees' live increasing openness and transparency.

The Chief Internal Auditor (CIA) provides the Audit and Scrutiny Committee with an annual report on internal audit activity in the Council and an opinion of the assurance can be taken regarding the systems of governance and internal control and whether they are operating effectively. This is an independent and objective opinion of the CIA based on work carried out in conformance with the Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

Internal audit provides members and management of the Council with independent assurance on risk management, internal control and corporate governance processes. External audit has, and continues to, use the work of internal audit.

The Annual Accounts and Report sets out the financial position in accordance with relevant accounting regulations.

Review of the Adequacy of Effectiveness of the Council's Governance Framework

Work to deliver Argyll and Bute's Covid Recovery Strategy and Action plan continued in 2023/24 with the same governance arrangements. Full details of the action plan is detailed in the document "Recovery, Renew and Restart", which was approved by Councils Economic, Development and Infrastructure Committee.

The Council has appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is adequate and effective in practice. The legislative framework of local government defines a number of posts which are primary to the Council's governance arrangements. These include the Chief Executive, Pippa Milne fulfilling the role of Head of Paid Service. As Monitoring Officer, the Executive Director Douglas Hendry:

- oversees the implementation of the Code and monitoring its operation
- reports annually to the Council on compliance with the Code and any changes required to maintain it and ensure its effectiveness.

Specific responsibilities are assigned to the Executive Director Kirsty Flanagan as the Council's Chief Financial Officer (S95 Officer), to ensure that public funds are properly accounted for. In recognition of the significant role that the Chief Financial Officer has in relation to financial performance and the financial control environment, CIPFA has set out key principles that define the core activities and behaviours that belong to the role. These include, being a key member of the Leadership Team, being actively involved in and influencing decision making, and leading the delivery of good financial management across the whole

Appendix 1

Annual Governance Statement

organisation. The Council have appointed a Data Protection Officer in line with the requirements of the UK-General Data Protection Regulations and the Data Protection Act 2018.

Covid Recovery Progress Report 2023/24

The Argyll and Bute Overarching Recovery Group (formed to lead this process with specific thematic groups focused on Council recovery, building back stronger communities, economic and social recovery, infrastructure and transportation, financial management and public health) continues to have an overview of the Councils Covid Recovery Strategy and critical themes, although the majority of the actions have either been completed or been mainstreamed into other strategic or operational plans. Key updates are as follows:

- a) Economic and Social Recovery: Issues and actions are incorporated within the Councils Economic Strategy
- b) Building Back Stronger Communities. Issues and actions are incorporated within the Corporate Community Planning priorities
- c) Our Modern Workspaces program. The Council have established hybrid working across its activities and Our Modern Workspace project aims to look at how we use offices on a town by town basis and take into account the needs of employees and members of the public, as well as any opportunities for working more closely with partners. Good progress is being made to develop Hub buildings and reducing heating and maintenance costs and our huge portfolio of buildings.
- d) The Joint Health Protection Plan, agreed by Argyll and Bute Council, Highland Council and NHS Highland, sets out the public health arrangements for the management and control of public health incidents and outbreaks, together with detailing our collective public health priorities for 2023-25.

FINANCIAL SUSTAINABILITY

It is anticipated the Scottish public sector will continue to face a very challenging short and medium term financial outlook with uncertainty over the level of Scottish Government funding. The one year financial settlements do not provide any degree of medium term certainty and ring-fencing of monies and additional policy commitments which are not always fully funded limit financial flexibility and create additional financial pressures.

In June 2023 the Verity House agreement was signed by representatives from Scottish Local Government and Scottish Government which signified a shared vision for a more collaborative approach to delivering our Services. This agreement included a commitment to improve engagement on budgetary matters and provide more flexibility to Local Authorities by baselining specific grants to allow them to be utilised on local priorities. It has been disappointing to note that very little has changed in light of this agreement with no engagement with Local Authorities prior to the Council Tax freeze announcement for 2024-25.

The financial outlook continues to be impacted by higher levels of inflation than pre-COVID which results in significant price increases as well as ongoing disruptions to the supply chain and longer lead in times. Tender prices are substantially higher than in previous years meaning a reduced level of Service can be provided for the same amount of money.

The Council continues to provide financial estimates for future years with their medium term financial outlook covering a five year window to provide a longer term view of the Council's estimated budget gap. Preparing any forward looking financial outlook is challenging due to the levels of uncertainty however the assumptions are reviewed regularly and updated with

Appendix 1

Annual Governance Statement

the outlook prepared to reflect a best case, worst case and mid-range scenario.

The Council has a strong track record in financial management as recognised by previous year's annual external audit reports and the Council's Best Value report issued in May 2020. The Best Value report also recognises that the Council's medium to long term financial strategy helps support financial planning arrangements. In addition to providing revenue and capital projections the Strategy also sets out the position in relation to the Council's general fund reserve, the approach to managing the financial impact of inflationary pressures, approach to Treasury Management and the strategy to address budget gaps.

HEALTH AND SOCIAL CARE INTEGRATION

The Argyll and Bute IJB has been established as a separate legal entity from Argyll and Bute Council and NHS Highland, with its own board of governance. The IJB comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board members from NHS Highland. In addition there are a number of non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

The arrangements for the operation, remit and governance of the IJB are set out in the Argyll and Bute Integration Scheme which has been prepared and approved by Argyll and Bute Council and NHS Highland. It has also been approved by the Scottish Government. The IJB, via a process of delegation from the Health Board and Local Authority as outlined in the Scheme of Integration has responsibility for the planning, resourcing and operational delivery of all health and social care services within Argyll and Bute.

The Council places reliance on the IJB's framework of internal controls and similarly the IJB places reliance on the procedures, policies and operational systems of the Council and the Health Board. The IJB operates within an established procedural framework. The roles and responsibilities of board members and officers are defined within Standing Orders, the Integration Scheme, Financial Regulations and Standing Financial Instructions.

The IJB has proportionate internal audit arrangements in place to provide independent assurance on risk management, corporate governance and the system of internal control. A risk based internal audit plan developed and commissioned for 2023/24 and the IJB's internal auditor has issued a formal annual report providing their independent opinion on the effectiveness of the IJB's risk management, internal control and governance processes. The overall conclusion of the Internal Auditor is to provide a satisfactory level of assurance on the adequacy of internal controls and governance arrangements within the IJB.

During 2023-24 the IJB has progressed a number of initiatives to develop its governance arrangements including improving the use of Directions and the implementation of the integrated performance management system. It has also focused upon re-mobilising services following the pandemic, refreshing its service transformation program and progressing strategic development projects. It has focused on taking action to manage strategic risks during the year. However, it is acknowledged that budgetary challenges have resulted in some key capital projects and business case development work being paused.

The financial position of the HSCP has also remained stable. It repaid all of the debt it owed to the Council in 2021/22 and reported an underspend against its approved budget in 2023/24. The operating environment going forward is very challenging as funding allocations have not kept pace with cost and demand increases. The impact of an increasing older population with on-going recruitment constraints and workforce shortages is adding to the challenge. The HSCP is working to address its workforce gaps throughout the area and across many professions in a variety of ways. For example, it is seeking to address key worker accommodation shortages in partnership with the Council, Shelter and the Social Housing

Appendix 1

Annual Governance Statement

Sector and is constantly trying new approaches to attract workers from outside Argyll & Bute. The new Health and Care Staffing act will also be progressively implemented throughout 2024/25 which places additional duties upon the IJB to monitor, manage and report upon its staffing levels and risks. These risks and challenges are particularly acute in many of our rural and island communities which are experiencing increasing costs along with very small scale, lifeline services which are become ever more difficult to sustain or operate in a financially efficient way.

The IJB approved a budget for 2024/25 which indicates that additional funding from NHS Highland may be required, although it is likely that any actual gap can be funded by the allocation of HSCP reserves. The budget is also dependent upon the allocation of non-recurring pension fund savings held by Argyll & Bute Council. The management of longer-term financial sustainability is a priority and service change and transformation plans aimed at addressing this require to be developed, consulted upon and implemented during the course of 2024/25 and 2025/26. The delivery of the short term savings plan is a priority for the HSCP particularly as it seeks to manage down spend on expensive agency and locum staff whilst maintaining the safety of services.

UPDATE ON AREAS FOR DEVELOPMENT IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS

The 2022/23 Annual Governance Statement identified a number of areas for further development. A summary update for each area is provided in the table below.

Area	2023/24 Update
Continue to engage with the Scottish Government, other local authorities and our Waste PPP contractor to determine the most efficient and effective way of ensuring the Council can provide a waste solution which complies with the 2025 Bio-degradable Municipal Waste Ban	We continue to pursue Scottish Government for either a derogation or financial contribution of circa £1.5M to enable the Waste PPP contract to be accommodated alongside the 2025 BMW ban. At the time of writing (30 April 2024) we are still awaiting final confirmation from Scottish Government although given the passage of time we are now working on the basis that a derogation will not be approved and are progressing discussions with Renewi for MBT plants to be converted to Waste Transfer Stations for use from January 2026 onwards, earlier if practical.
Further enhance reporting of workforce planning to the Strategic Management Team	Workforce planning conversations took place with Managers during January - March and operational workforce plans are now being finalised for reporting to SMT. Absence data is being included in the workforce planning risk matrix to improve reporting to SMT. Progress against actions outlined within operational workforce plans will now be reported through regular Health of the Organisation reporting to Department Management Teams and SMT. The council approved its revised People Strategy and updated strategic workforce planning priorities in February. All strategic workforce planning actions will be included in the annual People Strategy delivery plan.
Continue to Improve quality and accuracy of asset information which will benefit asset valuations, calculations for utilities costs and asset management	A further 57 condition surveys (7 within the school estate and 50 within the non-school estate) and in accordance with the Scottish Government's Core Fact of Condition were commissioned in 2023/24 and output will be delivered in 2024/25. Additionally records were updated through inspections and measurements undertaken as part of the ongoing rolling programme of asset valuations.

Appendix 1

Annual Governance Statement



<p>Develop data/analytics business intelligence tool</p>	<p>The council is taking a two-pronged approach to building its capacity for business intelligence, within the framework of its new data strategy and action plan (2024-28) approved by SMT in October 2023:</p> <ul style="list-style-type: none"> a) Microsoft PowerBI – PowerBI is one of the products in the Microsoft 365 (M365) productivity suite and includes some familiar aspects of Microsoft Excel but with much greater capacity to combine and visualise data from multiple sources. Since the council has a long-term plan for the adoption and utilisation of M365 it is the logical tool for data visualisation and analysis. b) The data platform – The “minimum viable product” (MVP) version of this was launched on 26/3/24 and is now available for staff to use. The Data Platform will be essential to allowing “democratised” access to data for use in PowerBI report building by services themselves. The Data Platform will also allow for access to datasets to be controlled and managed by a robust permissions framework; ensure consistent application of data quality, ethics and standards; and enable the FAIR Principles of making data Findable, Accessible, Interoperable and Re-usable.
<p>Complete review of performance management</p>	<p>Phase one of the Performance Excellence Project is now complete with the following deliverables:</p> <ul style="list-style-type: none"> - Reduced set of Corporate Outcome Indicators to review and report on long term trends and progress against targets - Decommissioning of Pyramid and development of new Area Scorecards using MS365. - Development of a new Corporate Plan and Business Plan setting out elected members overall priorities and the activities and projects that will deliver on these. - Design and Pilot of a new approach to Self-Assessment which has been piloted at team level and thematic level. <p>Phase Two of the project has been scoped and is now underway. Phase two of the project will involve redesign the council Performance Improvement Framework with workstreams covering planning, design of performance dashboards and the council's approach to public performance reporting.</p>
<p>Complete the External Quality Assessment Framework</p>	<p>The External Quality Assessment was undertaken and reported to the Audit and Scrutiny Committee. The findings were that the Internal Audit service are fully compliant with the Public Sector Internal Audit Standards in all 14 areas of assessment. Two minor recommendations were made and have been fully actioned.</p>

ISSUES FOR FURTHER DEVELOPMENT

The review of governance and internal control has identified the following areas for consideration during 2024/25, particularly in the context of continuous improvement within the Council:

- Preparation for the implementation of the Visitor Levy in 2026 - Work with the Digital Office, improvement Service, City of Edinburgh and Highland Council on the

Appendix 1

Annual Governance Statement

development of a new digital platform for the billing and collection of the new levy. (Head of Financial Services/Head of Development and Economic Growth – March 2025).

- Preparation for new processes being implemented including the practice around Initial Referral Discussions relating to child protection, there will be a need to audit and develop practice further and the development of an action plan based on the findings will help improvement and the need to consider the staffing structures which support this vital area of work. (Head of Children, Families and Justice – March 2025)
- Housing Emergency declared by the Council in June 2023 - Utilise outputs from the Housing Summit held, to develop a multi-stakeholder Action Plan, and synthesise the relative elements of this into a revised Local Housing Strategy Action Programme. (Head of Development and Economic Growth – March 2025)
- The revaluation of properties for building insurances purposes - Estates will undertake a revaluation programme for the general portfolio, together with a programme of recorded inspections of vacant properties. (Head of Commercial services March 2025)
- Publication of the Annual Procurement Report for the Council – This will promote our obligations set out in the Procurement Regulations. (Head of Legal and Regulatory Support – March 2025)
- The Licensing Board will undertake a review of its Licensing Policy statement as required in terms of the Licensing (Scotland) Act 2005. (Head of Legal and Regulatory Support – March 2025)
- The use of Cloud Storage – Following results of the Internal Audit, put in place actions to ensure optimum, appropriate and secure use of cloud storage is applied across all applications. (Head of Customer Support Services – March 2025)
- Further enhance school engagement with national programmes and community partnership approaches supporting young people to build their confidence, increase mental health awareness and promote diversity. (Head of Education, Performance & Improvement – March 2025).

CONCLUSION

The conclusion from the review activity outlined above and our opinion is that reasonable assurance can be placed upon the adequacy and effectiveness of Argyll and Bute Council's systems of internal control and governance. Although areas for further improvement have been identified, the annual review demonstrates sufficient evidence that the Council's Local Code of Corporate Governance is operating effectively and that the Council complies with that Local Code in all significant respects. Systems are in place to regularly review and improve governance and systems of internal control.