

## MANAGEMENT COMMENTARY

Given reduced capital grant funding for 2024/25 it was agreed that officers undertake a review of potential capital resources and future expenditure requirements to ensure its ongoing affordability and sustainability. The level of funding available to support the council's existing asset base is severely constrained with the currently approved investment programme potentially subject to further reductions in grant funding. This is further compounded by sharp increases in prices for agreed projects.

An updated four year Housing capital investment programme was approved by Council on 22 February 2024. The agreed programme will see continued investment to increase housing supply, while external upgrading will continue in areas identified with greatest need and an increasing emphasis will be placed on new requirements of the Energy Efficiency Standard for social housing.

The Treasury Management Plan for 2024/25, detailing the expected activities of the treasury function, was approved by Council on 22 February 2024 and reflected the updated capital programmes also approved at the meeting. The Prudential Code requires councils to approve, on an annual basis, a defined set of prudential indicators, covering both general fund and housing capital investment, at the same council meeting that approves the revenue budget for the forthcoming year. Prudential indicators are designed to support and record local decision making. It is assessed that the council's revenue, capital and treasury financial plans are compliant with the Prudential Code.

As a requirement of the Prudential Code 2021 local authorities must have a capital strategy to ensure that elected members have full awareness of the overall capital strategy, governance procedures and risk appetite associated with agreed plans, and includes capital expenditure, investments and liabilities and treasury management plans in sufficient detail to allow members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured. The Capital Strategy 2023/24 to 2032/33 was approved by Council on 14 March 2023, with the annual update and review considered and agreed by Council on 19 March 2024.

The CIPFA Financial Management Code is designed to support good practice in financial management and assist in demonstrating financial sustainability. It is assessed that the council is compliant with the Code and ongoing compliance with is the collective responsibility of elected members, the Head of Finance and Property Services and the council's leadership team.

The council's financial planning recognises that there are a number of risks that could increase current anticipated budget gaps further. Details of the risks are included in the annual budget reports and reports to elected members on financial planning. The monitoring of these risks is an ongoing process across the council's revenue and capital plans to ensure there is a clear understanding of financial implications and these are considered as part of regular updates to financial planning assumptions. Although risks around inflationary pressures are reducing, uncertainty around funding for public services and affordability of items such as pay, continue and are worsening. This is being closely monitored as part of the council's agreed approach to financial planning to ensure that budget assumptions are updated as necessary.

### 6. Performance Overview

West Lothian Council has a strong approach to performance management, with clear standards for reporting meaningful performance information to different stakeholders. This approach provides a range of management and public data about our corporate and service performance and critically, has a performance framework, aligned to our priorities (in the Corporate Plan), that tracks the measurable impact of council services and investment in the agreed outcomes for West Lothian.

The performance management approach is comprehensive and consistently applied throughout all services. Key principles help identify the measures of performance that will inform decision making and operational planning and support evaluations of the relative value of the services provided. A clear performance framework requires a balanced set of indicators for services and processes that track the overall impact and quality of services through measures of efficiency, effectiveness and satisfaction with the service. Moreover, the performance management approach defines robust tracking and monitoring processes to manage performance effectively whilst also supporting target setting and benchmarking that enables timely, appropriate interventions.

A range of information is published on corporate and council service performance on the following link:

[Service and Public Performance Reporting](#)

and on comparative performance:

[Council Performance - Benchmarking](#)

The council has operated a cyclical corporate programme of self-assessment since 2003/04 to evaluate achievement in services and support improvement across the organisation. Self-assessment is an important part of the council's approach to improving services, encouraging innovation from within and positively engaging employees in service planning and improvement. There are two recognised programmes of self-assessment: schools use Validated Self Evaluation (VSE) and all other services use the West Lothian Assessment Model (WLAM).