

ANNUAL GOVERNANCE STATEMENT**STATEMENT 2**

15.2 The three issues outstanding from this current year will be carried forward (see 14.2, above). The following new governance issues will be added. The resulting list will be monitored and reported to Governance & Risk Board as a standing item at its quarterly meetings and bi-annually to Governance & Risk Committee.

- Subsidy Control – corporate guidance and controls are required to ensure compliance with the Subsidy Control Act 2022, which regulates the giving of subsidies out of public resources
- Armed Forces Duty – there has been no reporting since December 2022 on compliance with the council's statutory duty under the Armed Forces Act 2021 to have due regard to the circumstances of members of the armed forces in service provision
- Consumer Duty – procedures will be required to ensure compliance with duties (already in force under the Consumer (Scotland) Act 2020) to have regard to the impact of strategic decisions on consumers and to reduce harm to them
- Common Good Funds – a long-outstanding instruction to report to Council Executive on the involvement of Local Area Committees in determining the use of Common Good Funds should be closed off. A report is planned to PDSP in June 2024 with a report after that to committee later in the year
- Scottish Local Authorities Remuneration Committee (SLARC) – an agreement has been reached between the Scottish Government and COSLA concerning implementation of SLARC's recommendations. The full details are not yet known. Some of the actions will fall to councils although which are to be taken forward is not yet known
- Corporate report template and report-writing guidance – finalisation of the template and guidance are overdue and should be concluded in the coming year
- Misuse of Alcohol, Drugs and Other Substances Policy – full implementation of the policy was delayed through a now expired moratorium on random testing. Steps should be taken to fully implement the policy or seek other instructions from members about its terms or operation. A report was presented to the Corporate Policy & Resources PDSP in June 2024 as the first step towards resolving the issue
- Fair Work First – Scottish Government guidance calls for fair work criteria to be applied to grants, other funding and contracts being awarded by and across the public sector. Steps are required to ensure compliance, including the adoption and publication of a Fair Work Statement

15.3 There are three other areas affecting the council's business which carry significant risk and governance implications. These issues are all in hand and so will not be included at this stage in the list of governance issues ahead. However, all of them will raise issues to address to ensure that the principles of the corporate governance framework are upheld: -

- A new Local Development Plan is needed to regulate the location, pace and nature of development across West Lothian. It must be progressed in accordance with new legislation and guidance which involve significant innovations, including compatibility with the Scottish Government's own development plan policies in NPF4, and the introduction of local place plans as factors to take into account in finalising the Plan
- The use of artificial intelligence (AI) offers benefits to the council but carries risks and the need for effective controls and governance procedures. The council will look at AI through its digital transformation projects under the Performance and Transformation Strategy. As those develop, work will be necessary to identify and address the risk and governance issues it will bring
- Funding, financial, economic, social and demographic pressures on councils and council services mean that councils across Scotland must look for new and innovative ways of working. Those may involve service restructure. More fundamental is the imperative to remodel and re-invent councils and their relationship with their communities, and the need to consider where it is going to be possible to carry on delivering discretionary (optional, not statutory) services. Work has started nationally through the Improvement Service, COSLA and SOLACE and the council is engaging in that work. The council's own plans will carry risk and governance implications. As work progresses, governance issues will have to be identified and resolved to help ensure the success of that work

16. Conclusion and assurance

In a large and complex organisation, especially one under significant funding and financial pressures, there are inevitably issues on which future work is required. However, based on the sources and evidence described in this statement, the council and the West Lothian community can be assured that the council's corporate governance standards continue to have been substantially met in 2023/24.

Graham Hope
Chief Executive

25 September 2024

Councillor Lawrence Fitzpatrick
Leader of the Council

25 September 2024