

Financial flexibility – Changes to Service Concessions approved.

8 C There was submitted a report by the Executive Director of Financial Services regarding the impact of recent changes to the treatment of service concessions and the associated accounting and financial implications for the Council, advising

- (1) that the Scottish Government Finance Circular 10/2022 – Accounting for Service Concession Arrangements, Leases and Similar Arrangements provided the Council with flexibility to realign the pattern of debt repayments associated with such arrangements to reflect the asset lives of the relevant assets rather than the contractual terms of individual arrangements;
- (2) that the Council operated a number of service concessions as defined by these regulations, including Schools Public Private Partnership and Schools Design, Build, Finance, Maintain model developed by the Scottish Government and in each case the Council had accounted for these schemes in line with proper accounting practice, as detailed in the report;
- (3) that the Scottish Government's revised accounting arrangements allowed local authorities to realign debt payments charged to the Council's General Fund to reflect the useful life of the asset and not the contractual period of the agreements; and
- (4) of the impact of the new regulations on the Council's service concession arrangements and the financial impact.

After consideration, the committee approved the

- (a) adoption of the reprofiling methodology, as detailed in the report and the associated financial implications; and
- (b) application of benefits, as detailed in the report.