
Local government sector update – April 2026

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Introduction

1. Each month, the Accounts Commission receives a report that provides an overview of significant recent activity relating to local government that is relevant to its work. The report is considered in public and is published as part of the [Commission's meeting papers](#). This is an adapted version of the report, which is shared directly with local government stakeholders for information and also published on the Commission's website.
2. Please direct any queries or feedback [via email to Joe Chapman](#).

Scottish election

3. The Scottish Parliament election was held on 7 May 2026 – before the Commission meeting but after this report was produced. Ahead of the election, Accounts Commission members received a briefing on the six main party manifestos, summarising the statements and commitments made on local government funding, overall tax and spending, and the Commission's areas of focus. The briefing has been shared and published (as set out in paragraph 1) alongside this report. Meanwhile, the Local Government Information Unit (LGIU) looked at [how the manifestos met COSLA's demands regarding local government finance](#).
4. Ten days before the election, the Institute for Fiscal Studies published an [overview analysis looking across the six manifestos](#). It highlighted the contrasts between the parties' visions but concluded that none had properly acknowledged the already challenging fiscal position facing the next government, even before any additional spending commitments.
5. Meanwhile, [polling by the Chartered Institute of Taxation \(CIOT\)](#) has found some misunderstanding of Holyrood's tax powers, mainly around whether taxes are controlled solely or partially by the Scottish Parliament. Eighty-five per cent of people agreed that better information about tax powers is needed, while the CIOT is calling for the system to be simplified and for greater understanding of the impact of income tax divergence.

Local government finance issues

6. The issue of council tax reform received some attention during the election campaign. [The SNP explained its current position](#) of a need to build consensus about solutions, while the leader of the Scottish Trades

Union Congress, Roz Foyer, [said she will invite leaders of all main political parties to a summit](#), after the election, on replacing the current system.

7. Some media outlets reported on how councils are using new powers to charge unlimited council tax premiums on second homes. For example, [Midlothian Council has set varying rates depending on the length of ownership](#). However, [City of Edinburgh Council has delayed implementing a 300 per cent premium](#) – in other words, charging four times the normal rate – reverting to a double rate for 2026/27 (the same as in 2025/26) while it carries out further engagement. And [a group of second-home owners in the Highlands](#) is seeking a six-month delay to introduction of the same premium there, which they say is unfair.

8. The Courier reported on [warnings by Angus Council’s assistant chief executive about financial sustainability risks](#) as part of the latest update to its strategic risk register. The update noted recent budget gaps, demand pressures on services, comparatively low council tax income (despite large rises over the last two years), reducing scope for savings, and the impact of the challenges facing public finances. The Commission is considering a Best Value report on Angus Council at its May meeting.

9. It was reported that [Glasgow City Council is owed around £88.8 million in unpaid business rates](#) for the four years to 2024/25 – about six per cent of the total billed. The shortfall for 2024/25 is relatively large at £30 million, partly because of less time for recovery and partly because of tightened eligibility for Empty Property Relief, meaning more businesses are due to pay. The issue has received attention after the Union Street fire, which is believed to have started in premises for which rates were unpaid.

10. A new [Duties and Powers Portal](#) has been published, bringing together hundreds of council duties and powers, explaining what councils must do, and what they can do, and the legislation that underpins them. The portal, [developed as part of the Solace and Improvement Service Transformation Programme](#), is designed to support councils, partners and the public by providing greater clarity around local government responsibilities, helping to inform conversations about capacity, funding, accountability and service demand. The current release focuses on statutory duties and key powers across service areas, with more information to be added in future versions.

Policy area updates

Education, children and young people

11. In mid-March, the Scottish Government published an [evaluation of outcomes from expansion of funded early learning and childcare](#). It found positive signs in relation to sector capacity, service quality and take-up, parent satisfaction, and parental employment. However, it found no or mixed evidence of progress in children’s development outcomes, closing of the poverty-related gap in those outcomes, or family wellbeing. These findings are set against the context of the pandemic and the cost-of-living crisis that might otherwise have led to declining outcomes.

12. [Opposition to Argyll and Bute Council's decision](#) to locate a new Mull school campus at Tobermory – and the way the council consulted with the community – has continued, despite an application for judicial review of the process having been refused at the Court of Session. While a 'split-site' solution is the most popular, the council says this is not affordable under the current rules of the Learning Estate Improvement Programme (LEIP), which only offers funding on a 'like-for-like' basis. Campaigners have highlighted the case of the [Barra and Vatersay campus in the Western Isles](#), which has been removed from the LEIP and will instead be supported directly by Scottish Government capital funding.

13. [Parents and pupils in Moray have staged a protest](#) after the council was the latest to change its free school transport rule from two miles to three miles for secondary pupils, in line with statutory guidance. Those affected say they have watched buses pick up pupils from just outside the three-mile radius, then turn back, and that the walking route identified by the council for those no longer eligible for transport is not safe.

14. Aberdeen City Council and the Health and Social Care Partnership have [unveiled a new approach to supporting neurodivergent children](#). The authorities are collaborating on a 'test of change', starting in August, that will represent a shift from diagnosis-based to needs-based support, with a new assessment and diagnosis pathway allowing for earlier intervention. They aim to relieve some of the strain on specialist diagnostic services, reduce waiting times and improve education and family outcomes.

Health and social care

15. [Figures from Public Health Scotland](#) (PHS) show the previous Scottish Government missed its target to eradicate long waits for NHS treatment, but did make significant progress towards the end of the last Parliament:

- As at 31 March 2026, there were just under 34,000 ongoing waits of more than a year for inpatient, outpatient or day case treatment – down by 10,000 in a month, and from 100,000 in March 2025.
- The overall number of ongoing waits also decreased by just over one per cent in March, and by about 11 per cent in the past year. About 570,000 people – one in ten – were on at least one list.
- Attendances and admissions in March were the highest since the before the pandemic. Fifty-nine per cent of outpatient waits and 54 per cent of admissions were completed within 12 weeks (against national standards of 95 per cent and 100 per cent respectively).

16. The human impact of delayed discharges was highlighted by figures that showed [more than 500 people a year have died while waiting to get out of hospital](#). But Donald Macaskill, chief executive of industry body Scottish Care, believes [the annual figure is closer to 4,000](#). Data from PHS shows 55,500 additional days were spent in hospital in February due to delayed discharge, with nearly 2,000 beds occupied on average each day.

Housing and homelessness

17. The latest Scottish Government statistics show [housing starts and completions have continued to decline in Scotland](#), with 17,300 homes completed and 15,000 homes started across all sectors in 2025. This represents annual decreases of 13 per cent and 6 per cent respectively and continues a sustained downward trend in activity to record low levels in both the private and social housing sectors. Industry bodies warned about the impact of the current “crisis”, but the Scottish Government said its planned investment and creation of More Homes Scotland would help speed up house-building in the next Parliament.

Infrastructure, communities and climate change

18. Western Isles councillors have agreed that [Scottish ministers should retain current powers](#) for deciding on applications for large onshore energy projects, as the Comhairle’s planning service lacks capacity for more work. The Scottish Government was consulting on whether to raise the current 50MW threshold to 100MW in line with England and Wales. The Comhairle says it will continue to be an influential statutory consultee on applications, and that other island councils are taking a similar view.

19. Parents in North Lanarkshire [said they had been “blindsided”](#) by plans to close the ice rink at the Time Capsule in Coatbridge, which would leave young athletes having to travel long distances for skating or ice hockey. The council has earmarked £2.6 million of investment in the Time Capsule, and is considering closing the rink and replacing it with padel courts and soft play, which officers say would ensure the centre’s viability after an 8.6 per cent drop in footfall in 2025/26. A decision on the future of the centre has been deferred to full council on 25 June.

20. It was revealed that Aberdeen City Council [spent around £14 million on a fleet of hydrogen buses](#) that are now set to be ditched in favour of electric vehicles (EVs). The council has been working with BP, with funding from the Scottish and UK Governments, on a joint venture to create a ‘Hydrogen Hub’. However, the buses have been out of use for over a year due to refuelling issues, and lower demand and higher running costs prompted the council to switch to EVs for public transport.

21. East Lothian Council is to spend £6 million on the next stage of plans for the [controversial Musselburgh flood protection scheme](#), even though it is not certain to go ahead. The scheme is currently subject to a public local inquiry, after receiving more than 500 objections. However, the council says it must be “shovel-ready” to meet deadlines for Scottish Government funding, which is set to cover 80 per cent of the cost.

22. Meanwhile, Perth and Kinross Council has been given the go-ahead for a [£15 million flood protection scheme at south Kinross](#), after objections from two landowners were overruled by a Scottish Government planning reporter following a hearing. The Scottish Government is also covering 80 per cent of the total capital cost of this project, which has been delayed by around two years as a result of the appeal.

Other updates

23. In a significant change from previous projections, the National Records of Scotland (NRS) says [Scotland's population is expected to fall](#) between 2033 and 2049, due to migration being lower than previously predicted.

- While deaths have outnumbered births since 2015 and will continue to do so, the NRS had previously expected migration to more than compensate for this over the next two decades.
- However, it now expects Scotland's population to fall by 1.3 per cent – about 70,000 people – between 2024 and 2049. In contrast, the UK's population is set to grow by 4.5 per cent (though that growth will slow down) over that period.
- The number of people aged 75 and over is projected to increase by over 300,000 in the 25-year period, while the numbers of children and of young adults will each fall by around 160,000.

24. Meanwhile, the [Health Foundation published an analysis](#) of recent official UK-wide data regarding healthy life expectancy (HLE).

- Over the decade 2012-14 to 2022-24, HLE in the UK fell by about two years, to 60.7 years for males and 60.9 years for females
- HLE in Scotland has long been below the UK average, and was at 59.4 years for females and 59.1 years for males in 2022-24
- Life expectancy itself has remained broadly stable, which indicates that worsening self-reported health is a key driver of falling HLE
- Inequalities in HLE between affluent and deprived areas have widened, with a gap of around 20 years between the most and least deprived deciles (tenths of the population) in England
- The UK was one of only five out of 21 high-income countries that saw HLE fall in the 2010s, and it had the second-steepest decline. Of those 21 countries, only the US now has a lower HLE.

25. South Lanarkshire Council is set to join Aberdeenshire, Dundee City and Falkirk councils in [publishing a new online climate data dashboard](#) showing how the area is progressing towards net zero by 2045. The 'Climate View Dashboard' is an interactive tool tracking where emissions come from locally and what actions are being taken to reduce them. It is part of the [Scottish Climate Intelligence Service](#), delivered in partnership by the Edinburgh Climate Change Institute and the Improvement Service (IS), jointly funded by Scottish Government and councils. The IS recently shared [the latest update on the programme](#).

26. Meanwhile the IS has also recently produced an [updated version of its interactive child poverty data map](#), and published a brief review of [West Lothian Council's Child Poverty data dashboard project](#).

27. Other recent publications and updates identified as being of possible interest to Accounts Commission members (besides those covered earlier in this report) are listed below:

- Scottish Government and Scottish election:
 - BBC News: [Has the SNP delivered on its promises at Holyrood?](#)
 - Fraser of Allander: [Setting the scene: Scotland on the eve of the 2026 election](#)
 - IFS: [What does this election mean for Scotland's future?](#)
 - Fraser of Allander: [2026 Scottish election event: do the promises and plans add up?](#)
- Scottish local government and democracy:
 - LGIU: [Holyrood election 2026 and the future of local government: Scotland's local government finance](#) *(by Jonathan Belford, Chair of CIPFA Scotland local authorities directors of finance section)*
 - LGIU: [Lessons from the Scottish islands: Governance, community and change](#)
 - LGIU: [Interview with Jim Savege: an embedded community by default](#) *(Chief Executive of Aberdeenshire Council)*
 - LGIU: [COSLA's Spring Conference and the future of public service workforce](#)
 - COSLA: [Summary of COSLA Spring Conference](#)
- Education, children and young people
 - LGIU: [Holyrood election 2026 and the future of local government: education, children and young people](#)
 - LGIU: [Additional support for learning and SEND reform – implications for Scotland](#)
 - LGIU: [What can we learn from SEND in other countries?](#)
- Health and social care
 - Fraser of Allander: [Projecting future demand for adult social care in Scotland: what's possible – and what isn't \(yet\)](#)
 - Nuffield Trust: [Health and care performance and promises: the track record for Scotland's 2026 election](#)
- Poverty and inequality:
 - IFS: [Public policy and inequalities: lessons for policymakers from the IFS Deaton Review](#)
 - IFS: [From evidence to action: what six years of research tells us about challenging inequalities](#)

- Fraser of Allander: [From proposals to progress: Improving lives for people with learning disabilities in Scotland](#)
- COSLA white papers:
 - [Strengthening local democracy in Scotland: A case for action and a plan for change](#)
 - [National approach to tackling poverty](#)
 - [Prevention focus in social care](#)
 - [Future of school-age learning](#)
 - [Tackling the housing emergency](#)
 - [Leisure and sport: an investment in wellbeing](#)
 - [Local government's role in economic development](#)

Further information

28. You can find more information about the Accounts Commission [on our website](#). This includes our latest and upcoming publications, as well as biographies of Commission members, and current strategies and plans. Meeting agendas, public papers, minutes and the recording and transcript of the most recent public session are all available [on the meetings page](#).