Best Value

Glasgow City Council

ACCOUNTS COMMISSION

Prepared by the Controller of Audit
September 2026

Contents

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Key facts

68	Square miles
631,970	Population (mid-2024)
45.4%	Proportion of all data zones in Glasgow that are within the 20 per cent most deprived in Scotland, according to Scottish Index of Multiple Deprivation (2020)
27,422	Workforce (headcount)
85	Elected members 37 Scottish National Party, 31 Scottish Labour, 8 Scottish Green Party, 3 Independent, 3 Your Party, 2 Reform UK and 1 Conservative (SNP minority administration)
£109.7m	General Fund budget gap projected over 2026/27 to 2027/28 under the most-likely planning scenario (as of August 2025)
£2,070m	Net service expenditure 2024/25 (from Glasgow City Council – Annual Accounts 2024/25)
£119.7m	Capital expenditure 2024/25

Commission findings

At its meeting on 13 August, the Accounts Commission considered the Controller of Audit’s report on Best Value in Glasgow City Council (presented at page 6) and the recommendations made by the appointed auditor in their recent reports.

The reports leave no doubt about the scale and complexity of the challenges facing the council, some of which are unique to the authority. Beyond the longstanding challenges of high levels of poverty and deprivation, unresolved equal pay liabilities, and increasing demand and costs associated with homelessness services are placing significant additional pressure on the council's already tight financial position.

This is a critical period for the council as it considers its financial outlook and its approach to addressing these challenges. Decisions taken over the coming months will have a significant bearing on the council's financial sustainability and on the services it is able to provide to communities. Sustained political and officer leadership, alongside effective collaboration with local and national partners will be vital.

The new Corporate Leadership Team has made progress in strengthening financial management and corporate oversight. However, some basic building blocks are not yet in place, key strategies are not sufficiently developed and aligned, and longer-term resource requirements remain unclear. Leadership must focus on ensuring the council has the capacity and capability required to deliver a number of large-scale, concurrent programmes, all of which carry significant financial and operational risk.

Following consideration of these reports, the Commission makes the following findings:

1. Failure to agree a sustainable pay and grading structure by 1 April 2027 will mean ongoing financial uncertainty and risk, and will ultimately affect services and outcomes for communities. We consider that officers, elected members and trade unions share responsibility for ensuring this target date is achieved. **We request that the Controller of Audit keeps the Commission informed of any significant developments in relation to this key milestone and on financial implications**.

2 While the council has a strategic plan, it is not supported by aligned strategies, nor is it underpinned by detailed medium-term financial planning. This limits transparency regarding the scale of the challenges facing the organisation, the choices available to members, and the implications for communities. **We expect the council to prioritise the following over the next 12 months:**

- More detailed financial projections and stronger scenario planning in relation to addressing the risks that are already known.
- Clearer alignment between financial plans, strategic priorities, and required actions.
- Better quantification of the financial and non-financial benefits of transformation.
- Greater transparency and engagement regarding risks, assumptions and performance.

3 Given the Commission's statutory role, we are concerned that the auditor was unable to provide assurance to the Commission and the public that the council is demonstrating Best Value through its governance, performance management, and financial planning and reporting arrangements. While some improvements have been made, the council needs to maintain momentum in strengthening its governance, performance management and financial planning and reporting arrangements. **The council must prioritise and deliver the improvement actions identified by the auditor in these areas**.

4 **We expect elected members to play a key role in providing constructive challenge, ensuring robust oversight of performance, risk and financial sustainability**. This is especially important given the scale and complexity of the challenges facing the council.

5 It is disappointing that the auditor concluded that the council did not comply with the Commission's Statutory Performance Information Direction. The Direction requires councils to publish balanced performance information that enables communities to compare performance over time, track improvement and assess council transparency. **We look forward to receiving assurance that this matter has been addressed for 2025/26 and that full compliance is being achieved**.

Controller of Audit report

Introduction

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23, 2023/24, and 2024/25 annual audits of the council, with the latter reported in March 2026. Appendix 1 includes links to the 2022/23, 2023/24, and 2024/25 annual audit reports.

2. The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide **Best Value theme**. Appendix 2 includes a link to the Best Value Statutory Guidance.

3. This report also provides updates from 2024/25 annual audit work on equal pay and senior officer exit packages. These areas were reported on in Section 102 reports in February 2020 and August 2023 for equal pay and in September 2025 for senior officer exit packages. Appendix 3 includes a summary and links to those Section 102 reports.

4. The council faces a unique and complex set of challenges. It is the largest council in Scotland by population and has among the highest levels of deprivation. It also faces significant risks to its financial sustainability, as set out from paragraph 86 of this report. These include a £109.7 million budget gap over 2026/27 to 2027/28, potential additional costs relating to equal pay and significant cost pressures relating to homelessness services. In their 2024/25 annual audit report, the auditor reported that governance, performance management, and financial planning and reporting arrangements require further improvement to allow the council to demonstrate the delivery of Best Value.

The **Best Value theme** for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation. The theme for 2024/25 was transformation and how councils are redesigning and delivering services to achieve planned outcomes.

Follow up of Section 102 reports on equal pay and exit packages

Equal pay

Delivering equal pay arrangements has been a significant long-term issue for the council to address. The council has paid over £750 million to settle equal pay claims since 2019. It committed to implement a new pay and grading structure from April 2027, the latest possible date before further equal pay liabilities may arise. A series of delays to planned timelines for implementation have occurred over the years. Any further delays will have a significant financial and operational impact on the council.

5. In 2006, the council introduced a revised job evaluation scheme to harmonise pay and terms and conditions and eliminate pay inequality. Following its implementation, the council received a significant number of equal pay claims from employees relating to the validity and operation of the scheme.

6. The council paid £505 million in equal pay claim settlements during 2019 and a further £259 million during 2023/24 and 2024/25. This was funded by the sale and leaseback of council properties. The council now pays annual costs of approximately £33.1 million in relation to these properties.

7. Under a Memorandum of Understanding (MoU) signed in May 2023, no new claims against the council will be pursued until 2027. To prevent liability for further claims once this period elapses, the council is working to implement a new pay and grading structure that is equal pay compliant.

8. The implementation of the new pay and grading structure is a complex ongoing project. It has been the subject of two Section 102 reports by the Controller of Audit. A summary of the content and findings of these reports is set out in Appendix 3. This ongoing reporting has highlighted a series of delays to planned timelines for implementation.

9. The auditor reported the following position at the time of drafting the 2024/25 annual audit report in early 2026:

- In December 2025, the council set out a revised phased implementation for the new pay and grading structure from April 2027. This is the latest possible implementation date before the MoU agreement expires and the council may receive further equal pay claims.

- Significant work was progressing, with pay modelling for approximately 19,000 individuals starting in early 2026 and data gathering under way for 1,300 employees in unique roles.
- The council was consulting with trade unions on the new structure.
- The council was reviewing funding options, including restructuring the loans fund.
- The council had established additional governance and political oversight arrangements, including a Strategic Steering Group for key stakeholders and restarting the previous Equal Pay Political Oversight Group.
- The council had assessed that there was not yet sufficient information to make a reliable estimate of the financial impact of the new pay and grading structure. The amount to be paid will depend on the results of the job evaluation exercise, the outcome of pay modelling, and negotiation with trade unions. The council is considering a level of appropriate backdating of pay depending on the results of job evaluation and the pay and grading structure from October 2023 to implementation.

10. The 2024/25 annual audit report also highlighted that significant and complex decisions would be required as the project progressed into a critical stage. The auditor also noted that technical elements of the project may be impacted by the implementation of the council's new finance system, phase one of which currently coincides with the pay and grading system implementation date. Running both implementations together would bring significant risks. The council reports that the finance system implementation dates are under review.

Exit packages

The council was unable to demonstrate effective scrutiny, governance and transparency in respect of exit packages for five senior officers totalling £1.035 million. It has since taken specific improvement actions and is progressing with longer-term work to address audit recommendations regarding culture.

While the council has not yet had the opportunity to demonstrate the impact of some of these actions, it has responded openly and transparently to recommendations and findings from the auditor and the Accounts Commission.

11. Between 2021 to 2024, five senior officers left the council during a restructuring of the chief executive’s department. These senior officers received combined exit packages totalling £1.035 million. In 2023/24, the auditor reported that the council was unable to demonstrate effective scrutiny, governance and transparency in decision-making or value for money in respect of these departures and the associated exit packages.

12. The council instructed Brodies LLP to investigate and prepare an independent report on these matters. A Section 102 report by the Controller of Audit, published in September 2025, drew on this investigation. This is summarised in Appendix 3.

13. The 2024/25 annual audit report provided an update on the council's progress in addressing the issues raised. The auditor noted that following the Finance and Audit Scrutiny Committee's consideration of the report from Brodies LLP in March 2025, the council took forward a number of immediate changes:

- In May 2025, the council approved revisions to the Scheme of Delegated Functions and committee terms of reference concerning the approval of proposals for the early retirement or redundancy of officers of grade 12 and above.
- Proposals for early retirement or redundancy of officers of grade 12 and above must now be considered by the Senior Officers Workforce Committee, comprised of seven elected members.
- A Corporate Workforce Planning Board will have responsibility for ensuring consistency of approach across the council group and for determining whether proposals satisfy Best Value considerations. It will also provide additional scrutiny of proposals for major service reform before submission to the City Administration Committee.

14. The council is also progressing several further actions, including developing relevant training and a review of cultural and organisational behaviours across the council and its group entities (see paragraph 62). The Finance and Audit Scrutiny Committee is responsible for monitoring progress.

15. The auditor reported in 2024/25 that the council had progressed with addressing their prior year recommendations around exit packages, restructuring and culture (see Appendix E of the 2024/25 annual audit report, recommendations 27-30). In respect of restructuring, the council will only have the opportunity to demonstrate clear progress once further restructuring occurs. Cultural change will by nature be a longer-term matter for the council to address. The council continues to respond to the Accounts Commission's findings in an open and transparent manner.

Pace of continuous improvement

Management needs to ensure that sufficient focus is given to implementing audit recommendations on a timely basis. Failure to do so increases its exposure to risks.

16. The 2024/25 annual audit report drew attention to a significant number of open audit recommendations, highlighting that the pace at which the council addresses these needs to improve. Of the 33 prior year recommendations followed up during the 2024/25 audit, 21 remained open, including five high-risk **'Grade 1' recommendations**. The auditor made eleven further recommendations as part of the 2024/25 audit, five of which were assessed a Grade 1.

Grade 1 recommendations relate to key risks and/or significant deficiencies which are either critical to the achievement of strategic objectives or significant risks to material compliance with regulatory requirements. Consequently, management needs to address and seek resolution urgently.

17. These recommendations are discussed under the relevant sections of this report. Exhibit 1 summarises the status of audit recommendations from the 2024/25 annual audit report.

18. The auditor has drawn particular attention to the need for the council to manage the acute risks it faces around financial sustainability. In particular, since 2022/23 the auditor has been highlighting the need for a robust medium-term financial strategy. This should set out how the range of risks facing the council could impact reserves and how it will achieve its strategic priorities (see paragraphs 98-100).

Exhibit 1.

Audit recommendation status from the 2024/25 annual audit report

Grade 1 recommendations need to be addressed urgently; Grade 2 recommendations require prompt but less urgent action; and Grade 3 recommendations merit attention but do not need to be prioritised.

Scope	Grade 1	Grade 2	Grade 3	Total
Partially complete recommendations	12	8	1	21
New recommendations	5	6	0	11
Completed recommendations	(6)	(4)	(0)	(10)
Superseded recommendations	(2)	0	0	(2)
Total open recommendations	17	14	1	32

Source: Glasgow City Council annual audit report 2024/25

Best Value Assurance Report (BVAR) follow-up

The council responded well to the findings of the previous BVAR in 2018, but challenges remain around homelessness, equal pay, performance monitoring and group governance.

19. The council last received a full BVAR in August 2018. The Commission recognised the council's ambitious vision and effective leadership, and underlined the need for elected members to continue to be supported by good training and development arrangements. The 2024/25 annual audit report reiterated the need to support elected member scrutiny, as set out in paragraph 31.

20. The Commission gave particular weight to the then Controller of Audit's recommendation in the BVAR that the council considers the impact of resolving equal pay claims. Further detail is set out in Appendix 3. The Commission also noted the potential for the council and its partners to further empower local communities and strengthen relationships with the third sector. The council has progressed in this area, as set out in paragraph 43.

21. The BVAR also included recommendations related to measuring long-term outcomes in the strategic plan, agreeing a homelessness improvement plan, and monitoring the financial and service implications of changes to the council group structure.

22. The 2022/23 annual audit report noted that the council had responded well to the 2018 BVAR. It completed an improvement plan and continued to innovate, including in its approach to community empowerment. However, the council has faced significant pressures since 2018, and challenges remain around equal pay, homelessness, group governance, and monitoring performance against the strategic plan. Some of these pressures, including equal pay and homelessness, have had and will continue to have significant financial impacts, as set out from paragraph 86 onwards.

Vision, leadership and governance

The council has a clear vision and priorities, but the council's leadership needs to balance numerous demands to deliver these.

The key requirements for good governance are in place at the council, but the auditor has raised concerns around the governance of exit packages, information and communication technology (ICT) security, business continuity and disaster recovery arrangements, and some group entities, and also highlighted scope for enhancing elected member scrutiny.

Vision, strategy, and priorities

23. The council set out a clear vision and priorities in its Strategic Plan 2022–27, based on its response to four 'grand challenges'. The grand challenges relate to:

- reducing poverty and inequality
- increasing opportunity and prosperity
- fighting the climate emergency in a just transition to a net zero Glasgow
- enabling staff to deliver services in a sustainable, innovative and efficient way.

24. The strategic plan was refreshed in October 2024 and includes 244 individual commitments to be actioned by 2027. In their 2022/23 Best Value thematic work on leadership, the auditor highlighted that, in many areas, commitments would be challenging to deliver within planned timescales and resources.

Leadership

25. Following a senior leadership restructuring in summer 2025, the council's Corporate Management Team became the Corporate Leadership Team to provide strategic oversight and embed public service reform at the heart of the council's strategy. The revised governance framework, which also includes steering groups and a Political Oversight Group, is intended to ensure that priorities are consistently and transparently monitored across council activities.

26. The Corporate Leadership Team leads on key priorities including reducing child and family poverty, attracting investment and economic growth, managing city assets, and driving digital innovation. It retains overall responsibility for oversight and governance, receiving reports from all governance groups and making key decisions on public service reform measures, strategic plans, and resource allocation.

27. In 2024/25, the auditor concluded it is still too early to assess the effectiveness of these new arrangements while they are in the process of being fully embedded. However, they did note (in their 2024/25 Best Value thematic work on transformation) that the improved governance arrangements were beginning to take effect, with the council reporting that feedback from partners indicated improved coordination, stronger community engagement and a renewed sense of shared purpose.

28. Meanwhile, the council's leadership is facing numerous and wide-ranging demands on its capacity, as well as on the council's staff and financial resources. This includes a number of significant projects currently under way:

- Finance system replacement – the council is in the process of replacing its finance system (SAP). The system has been in use at the council since 2004 and standard support from the vendor ends in December 2027. The one-off costs of the new system are estimated at £23 million.
- Road to Multi-Source Strategy (R2MS) – the council is working to gradually move away from a single supplier of ICT services to a model where different suppliers provide specific services. This represents a fundamental change in how ICT is delivered and maintained within the council.
- New pay and grading structure – the council is developing a new pay and grading structure to ensure equal pay compliance in future. More details on this are set out in paragraphs 7-10 and Appendix 3.

29. These are complex, large-scale and critical projects. Their scale and nature, with inherent legal and procurement risks, will place additional strain on the council's leadership, which is already managing a range of significant risks as set out in this report.

30. Robust scrutiny from elected members will have an important role in driving and overseeing progress on these projects, as well as in navigating wider challenges. The 2022/23 leadership review reported that, while the council had provided training following significant turnover of elected members in May 2022, more work was required to support elected member scrutiny.

31. The Finance and Audit Scrutiny Committee experienced a number of membership changes in 2025 and 2026, including three different chairs within a 12-month period. A self-assessment in January 2025 found that only 57 per cent of members felt the committee had the appropriate mix of skills and experience to discharge its remit. In 2024/25, the auditor reported that this aligned with their view, noting that there remained scope for enhanced scrutiny by the committee. They recommended that elected members and lead officers continue to work together to ensure appropriate training to support members in their roles. Subsequently, training for Finance and Audit Scrutiny Committee members was provided in March 2026 and further training is scheduled for August 2026.

Governance

32. The 2024/25 annual audit report concluded that the key requirements for good governance are in place at the council, commensurate with the council's size and scale. Nevertheless, the auditor raised a series of specific concerns about governance at the council:

- Senior officer exit packages – the council was unable to demonstrate effective scrutiny, governance and transparency in decision-making or value for money in respect of the exit of five senior officers over 2021 to 2024. The council accepted the auditor and Accounts Commission's recommendations and findings and has responded in an open and transparent manner on this matter. See paragraphs 11-15 and Appendix 3 for more detail.
- Group governance – there was scope for further enhancement of scrutiny arrangements of group members.
- ICT governance – the council needed to critically assess its ICT security, business continuity and disaster recovery arrangements.

Group governance

33. In 2022, whistleblowers raised allegations in respect of City Building, a construction and maintenance firm comprising a council subsidiary (City Building Contracts) and a 50/50 joint venture with the Wheatley Housing Group (City Building Glasgow). Significant compliance matters were identified covering governance, procurement and HR practices.

34. The council and Wheatley Housing Group appointed an external legal firm to investigate. This led to the establishment of a joint oversight board to review City Building and address concerns raised by the legal investigation and by internal and external auditors.

35. Recognising concerns around senior management's culture towards the role of audit and governance, a new executive director was appointed to City Building Glasgow in 2025 from outwith the organisation. The new executive director has undertaken a review of the executive leadership structure to ensure a focus on improvement, governance, finance and transformation.

36. In 2024/25, the internal auditor issued an unsatisfactory opinion for City Building in respect of their performance management arrangements, reflecting the absence of a formal performance management framework and issues with underlying repairs workflow and data accuracy. The 2024/25 annual audit report noted that management was addressing these issues, but highlighted the need for City Building to continue building on improvements made since 2022.

37. The audits for both City Building Contracts and City Building Glasgow have been delayed since 2021/22, following the whistleblowing allegations. As audited information for City Building has not been available at the time of sign-off, the council's auditor has given a qualified audit opinion on the group financial statements since 2022/23. City Building's 2024/25 financial statements were finalised in December 2025, which demonstrates significant progress in recovering audit timetables.

38. The auditor has also raised issues relating to the Scottish Events Campus Limited (SEC), another council group entity. A 2023/24 health and safety audit identified improvement areas, for which mitigations were implemented. In addition, information relating to a prior period adjustment at SEC was not readily available to the council during the 2024/25 audit. The council auditor therefore recommended that the council establish an oversight and reporting framework for SEC to ensure that material financial matters are identified, reported, and accessible to the council in a timely manner.

ICT governance

39. The 2024/25 annual audit report stated that the council must critically assess its ICT security, business continuity and disaster recovery arrangements.

40. The council was impacted by a cyber incident at a third-party subcontractor in June 2025. External experts reported ‘high confidence’ that this had been contained. While the council’s response demonstrated effective arrangements in some areas, internal audit continued to raise concerns around the council’s ICT service and security. They noted that a number of high-risk areas have been mitigated but that work remains ongoing in others.

Citizen and community engagement

The council has strengthened its arrangements for community empowerment and worked with partners and communities to address poverty.

41. The council developed its Strategic Plan 2022–27 based on strong historic engagement with partners and communities. The Community Planning Partnership’s Community Plan, developed in 2017, involved significant engagement with over 330 community organisations and individuals.

42. The Strategic Plan 2022–27 sets out the council’s approach to embedding community engagement through a range of actions. This includes commitments around consultation on the refurbishment of George Square and engagement with foster and kinship carers and equalities groups.

43. The council has worked with partners and communities to support delivery of its transformation agenda, which is focused on addressing poverty. For example, the Glasgow Helps service (which aims to help citizens find the support they need more easily) engages with communities that use its services through various community organisations. This engagement includes collaboration and feedback sessions.

44. The council has also taken steps to strengthen community empowerment. For example, it allocated £1 million for investment in all 23 wards in the city. Local people and community groups submitted and voted on ideas for how this should be used. This was supported by in person and online engagement sessions.

Effectiveness of performance reporting

The council must strengthen its performance management and reporting arrangements to demonstrate Best Value and ensure compliance with current and future Statutory Performance Information (SPI) Directions. The auditor has raised concerns regarding the timeliness and balance of annual performance reports.

45. The Operational Performance and Delivery Scrutiny Committee (OPDSC) is responsible for scrutiny of progress against the Strategic Plan 2022–27. Progress reporting is based on a template which officers have refined and agreed with OPDSC, most recently in August 2025.

46. Since 2022/23, the auditor has reported the large volume of commitments in the strategic plan and associated reporting limit the ability of members to assess and scrutinise overall progress. Planned improvements through a performance dashboard for elected members were delayed due to system limitations.

47. The council produces an annual performance report summarising delivery against the strategic plan. At the time the 2024/25 annual audit was finalised, the 2024/25 performance report was not available for inspection, with the auditor advising the council to consider the timeline for future reports. It was subsequently reported to the Wellbeing, Equalities, Communities, Culture and Engagement Committee in April 2026. The auditor raised concerns around the emphasis on positive developments in the 2023/24 annual performance report, noting that a balanced assessment is required by Best Value guidance. The council intends to report and publish the 2025/26 annual performance report in September 2026, restoring the recommended timeline.

48. Additionally, each year the council presents an overview of performance against the Local Government Benchmarking Framework (LGBF) to the OPDSC. Reporting primarily focuses on the indicators within the top and bottom quartiles, alongside some narrative and analysis.

49. For three consecutive annual audits, the auditor has been unable to confirm that the council is compliant with the SPI Direction issued by the Accounts Commission, with concerns around the timeliness and balance of annual performance reports (reflecting the issues set out in paragraph 47). This highlights a significant and ongoing weakness in the council's performance reporting.

Reported performance

LGBF indicators show a long-term picture of improvement across the majority of cost and performance indicators, while all satisfaction indicators declined reflecting national trends.

Council performance reporting

50. A report on the council's performance in 2024/25 against the LGBF indicators was presented to the OPDSC in May 2026. This reported that for 21 (20 per cent) indicators it ranked in the top quartile and for 28 (27 per cent) it ranked in the bottom quartile. Reporting over the previous two years has shown an overall increase in indicators in both the top and bottom quartiles.

51. Strong performance was noted in areas such as sickness absence days per teacher and employee and the percentage of pupils living in the 20 per cent most deprived areas gaining five plus awards at level five and level six. Areas of poor performance included cost per attendance at sports facilities, net cost of street cleaning per 1,000 population and percentage of primary 1, primary 4 and primary 7 pupils combined achieving expected Curriculum for Excellence levels in literacy and numeracy. Council reporting notes that street cleaning costs are impacted by high footfall, given that the city is an urban hub. It also notes that the cost per attendance at sports facilities includes the costs of operating large venues but not the income from spectators attending events at these venues.

LGBF performance

52. An overview of movements on all LGBF indicators as of June 2026 is shown in Exhibit 2 (page 18) alongside the averages for all Scottish councils. Performance remains mixed. Of the 102 LGBF indicators, 60 (59 per cent) have improved since the base year, 4 (4 per cent) have remained the same, and 38 (37 per cent) have deteriorated.

53. The service areas with the highest proportion of indicators improving since base year were tackling climate change (100 per cent), economic development (69 per cent) and corporate services (64 per cent). In contrast, the areas with the highest proportion of indicators declining were adult social work services (55 per cent), culture and leisure services (50 per cent) and environmental services (43 per cent). All satisfaction indicators have declined since base year, reflecting national trends.

54. Performance against LGBF indicators in comparison to other councils has remained stable, with 43 per cent of indicators in the top two quartiles in the base year and in the most recently published data. Nationally, the council ranks 26th out of 32 councils for indicators in the top two quartiles. It performs below the family group average in both the area-based and population-based comparisons for this measure, ranking in the bottom two of each family group.

Exhibit 2.

Glasgow City Council – LGBF indicator summary June 2026

Council movements are shown alongside Scotland averages in brackets.

	Cost indicators	Performance indicators	Satisfaction indicators	All indicators
Movement in last year	**%**	**%**	**%**	**%**
Improved	60 (54)	38 (43)	73 (36)	46 (42)
Stayed the same	10 (9)	19 (23)	9 (9)	16 (19)
Declined	30 (37)	42 (34)	18 (55)	38 (38)
Movement since base year				
Improved	55 (54)	69 (65)	0 (8)	59 (57)
Stayed the same	0 (1)	6 (6)	0 (3)	4 (5)
Declined	45 (44)	25 (29)	100 (90)	37 (38)
Indicators in the top two quartiles				
Most recent year	30	49	27	43
Base year	30	41	73	43

Notes: Scotland average movements are shown in brackets. 2010/11 is the base year for the majority of LGBF indicators, but this varies for measures introduced later.

Source: LGBF as of 12 June 2026

Workforce planning

The council has made progress in workforce innovation, but key Best Value expectations remain incomplete, including a finalised workforce strategy and consistent council-wide staff engagement.

55. The 2023/24 Best Value thematic review focused on workforce innovation. The council has made progress in implementing the auditor's recommendations, with some slippage. It is now anticipated that recommendations will be complete between mid-2026 and early 2027.

Workforce strategy and planning

56. Workforce priorities are embedded in the council's strategic plan. The council has extensive workforce planning arrangements, which reflect the size and complexity of the group. Arrangements include service planning, service workforce planning boards and a corporate workforce board. The council has established an officer-led Strategic Trade Union Board and a cross-party Workforce Board to facilitate trade union and elected member engagement.

57. In their 2023/24 workforce review, the auditor reported that the council had not yet delivered a standalone workforce or people strategy. The auditor was clear that having a strategy is an expectation under the requirements of the Best Value statutory guidance and would help support the council's response to digital, technological and strategic changes. The 2024/25 audit confirmed that terms of reference for the Workforce Board are now in place and work is under way. Completion is expected in April 2027, following implementation of the new pay and grading structure.

58. The council has responded effectively to the need to improve the age profile of its workforce through the Youth Employment Strategy. It has reported positive outcomes, including positive destinations for employees on the graduate and modern apprenticeship programmes.

59. The council's workforce monitoring has continued to develop. Initial work has focused on piloting quarterly dashboards on staff absence, alongside workforce data already provided directly to individual services by human resources.

Flexible working

60. The council has implemented its hybrid working policy effectively, with an evidence-led approach building on hybrid working pilots following the Covid-19 pandemic. It has assessed the impact on two occasions, most recently in 2023. Results were predominantly positive, indicating high levels of trust, maintained service delivery, and positive staff outcomes.

Staff engagement

61. The auditor reported in 2024/25 that the council had not completed a council-wide employee survey since before the pandemic. In the interim, it has used alternative engagement processes while internal audit completes a wider cultural review. The council has also reported improved completion of its Performance Coaching Review process, which will continue to be monitored into 2025/26.

62. As part of the wider culture review, during 2025/26, the council issued the Improvement Service's Culture Checklist 2025 to all staff in service or **ALEO** management teams. The outputs from this exercise provided the Corporate Leadership Team with a baseline of the current culture and discussions have taken place on next steps. A development session was held in June 2026 to discuss the future culture of the council and in particular, expected behaviours of the workforce for the council of the future.

ALEOs, or arm's-length external organisations, are separate organisations used by councils to deliver services.

Digital and data

63. The council approved the Digital Glasgow Strategy 2024-2030 in April 2024. The strategy has three missions, each supported by an action plan. Progress is monitored by the Digital Glasgow Board, which is chaired by an elected member. The strategy includes a focus on workforce productivity through the Technology Modernisation Plan, intended to improve agility, support flexible working and strengthen the use of data across the council.

64. The council has also used digital technology to engage directly with staff, including using QR codes linking to staff engagement pages and text messages to homecare workers and catering and facilities management teams.

Transformation

Transformation is embedded in the council's overall strategic plans and governance arrangements, with a focus on tackling poverty. There are strong examples of the council working collaboratively to achieve its priorities.

Agreeing a clear timeline for implementation of the Community Planning Partnership's (CPP's) performance framework is important for monitoring impacts. There is also a need to ensure that there is clear alignment between transformation projects and financial plans.

Transformation plans

65. The council's transformation and public service reform activity is focused on addressing poverty. Tackling poverty is the overarching priority within the Glasgow Community Plan 2024-2034, as well as being one of the four 'grand challenges' in the council's strategic plan. This work is embedded in the council's overall strategic plans and governance arrangements, rather than sitting as a stand-alone programme.

66. In their 2024/25 transformation review, the auditor concluded that transformation planning was not sufficiently aligned with financial planning. The council should ensure that the financial benefits and savings associated with transformation projects are clearly articulated and where appropriate, included within financial plans.

Partnership working

67. The council has demonstrated strong examples of working collaboratively with partners, including:

- Glasgow Helps – a partnership with the Glasgow Council for the Voluntary Sector – has enabled the council to build and maintain more than 250 relationships with partners across the city.
- The Financial Inclusion Support Officers project has embedded support for families experiencing poverty in 50 schools, helping them maximise their benefit entitlements and supporting parents and carers into employment pathways. Delivered through public and third sector organisations across the city, the programme has grown significantly while demonstrating clear outcomes and impact. It now has the benefit of ongoing sustainable funding.

Impacts of transformation

68. In their 2024/25 transformation review, the auditor reported that the council's previous measures to address child poverty did not deliver the level of impact anticipated. The council reflected on constructive feedback to shape its new approach to addressing poverty. The new approach is aligned to the key principles of public sector reform, person-centred and engagement led, aiming to collaboratively identify interventions that are both impactful and sustainable. Progress will be monitored through the new Glasgow CPP performance framework.

69. The new CPP performance framework will be key in demonstrating progress in reducing poverty and inequalities. Work to finalise this remains ongoing, having been initiated in 2024. The six key outcomes in relation to reducing poverty and inequalities have now been agreed. The framework will detail outcomes for the short, medium and long term. The auditor concluded that the Glasgow CPP should agree a clear timeline for implementation to ensure progress towards delivering outcomes is monitored in a timely manner.

Financial management

The council has improved its performance against budget in 2025/26 following a significant overspend in 2024/25, but there remains scope for improvement in some areas of financial management.

The auditor has highlighted that the council needs to continue to critically reassess its financial management capacity.

Overspends

70. The council recorded a net overspend of £45.7 million in service expenditure for 2024/25. This was its highest overspend in the last six years and marked an increase from the £28.6 million overspend in 2023/24. Financial pressures in 2024/25 included:

- a £33.1 million overspend in Neighbourhood, Regeneration and Sustainability due to overtime and agency staffing costs, higher transport costs and increased utility, rates, building repairs and rent costs
- a £15.6 million overspend in Education Services, driven by employee costs due to increasing school rolls and additional staffing requirements, under recovery of income and inflationary increases.

71. While the external environment has played a role in the higher costs, the council needs to maintain focus on both the accuracy of the budget and control of additional costs. The council has demonstrated improvements in 2025/26 following significant work as part of the 2025/26 budget process, in which it incorporated recurring overspends into its budget where appropriate. At the time of the 2024/25 annual audit report (March 2026), the council anticipated meeting its budget for 2025/26.

72. Exhibit 3 (page 23) shows the net overspend/underspend for each financial year from 2019/20 to 2025/26.

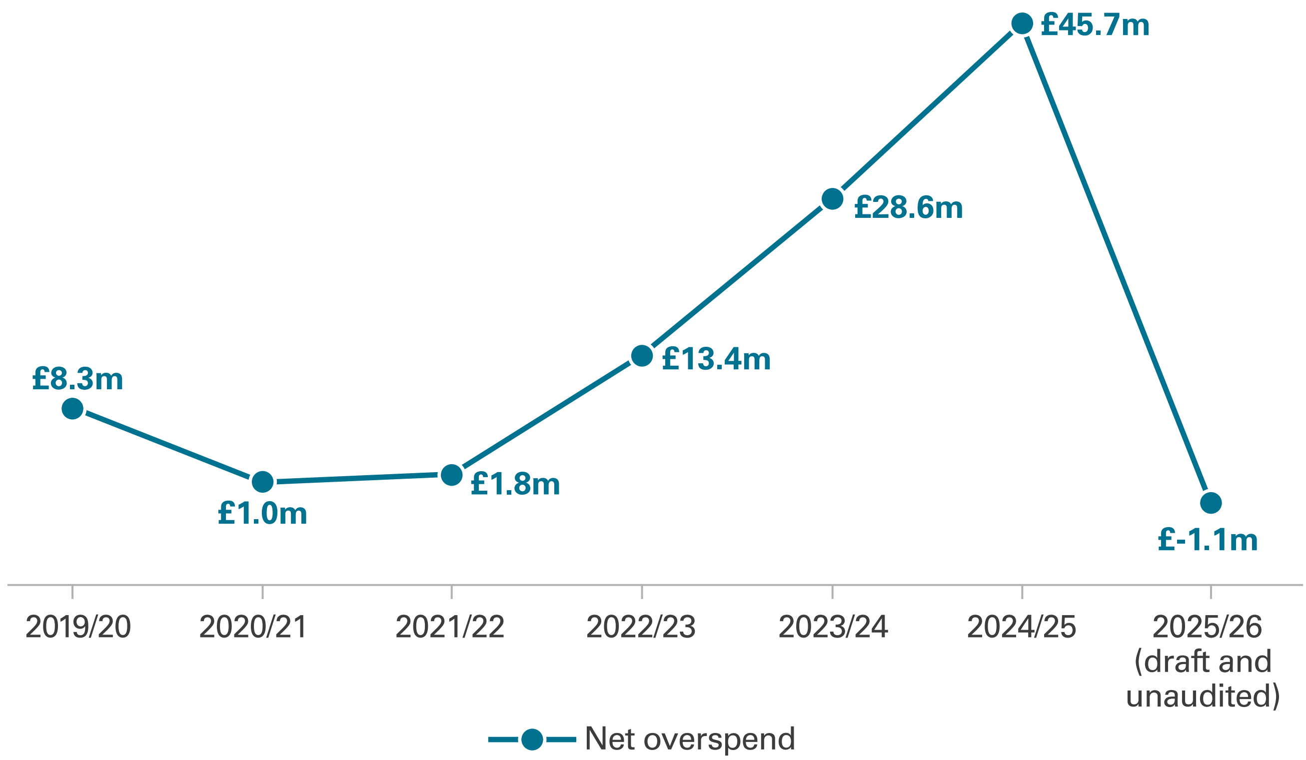
Budget monitoring

73. The City Administration Committee and Finance and Audit Scrutiny Committee consider quarterly budget monitoring reports. Following previous audit recommendations and elected member feedback, officers have made several changes to improve transparency and to focus on key factors that impact elected member decision-making. The 2024/25 annual audit report highlighted that the council should continue to regularly review financial monitoring reports presented to elected members to identify areas for improvement.

Exhibit 3.

Net overspend/underspend by financial year from 2019/20 to 2025/26

The level of overspend reported by the council significantly increased up to 2024/25. The council reported an underspend in 2025/26.



Source: Glasgow City Council financial statements and outturn reports

74. Performance against annual efficiency savings is included in service reports to the Finance and Audit Scrutiny Committee and in a summary report to the City Administration Committee. The council delivered £42.9 million savings (92 per cent of its target) in 2024/25, which is an improvement on the £32.3 million (82 per cent of target) delivered in 2023/24. The unachieved savings of £3.5 million for 2024/25 primarily related to the Health and Social Care Partnership.

Capital programme

75. The 2024/25 annual audit report set out that current reporting arrangements do not fully reflect the size or complexity of the capital programme. The City Administration Committee receives quarterly progress updates and the Finance and Audit Scrutiny Committee receive more detailed monitoring reports. The auditor noted overly detailed reporting to the Finance, Audit and Scrutiny Committee and a need for increased oversight and transparency on the progress of capital projects against key milestone dates.

76. The council's capital expenditure in 2024/25 was £119.7 million. The 2024/25 annual performance report on the council's Capital Investment Programme was not yet published when the 2024/25 annual audit report was finalised.

Internal control environment

77. In its 2024/25 annual governance statement, the council concluded that it had obtained reasonable assurance that its system of internal control was operating effectively during the year for the first time since 2020/21. In the intervening years, it received limited assurance as a result of significant findings, including in relation to ICT services and resilience.

78. There remain areas for improvement in the council's financial management controls. The auditor followed up on 17 financial management control recommendations from prior years during the 2024/25 audit, of which ten were rated as Grade 1 (high risk). Nine of these 17 recommendations were either completed or superseded in 2024/25, while six new financial management recommendations were raised.

79. Open Grade 1 recommendations on financial management relate to areas including cataloguing heritage assets, cybersecurity and monitoring and recording leases impacted by IFRS 16. More detail is set out in Appendix E of the 2024/25 annual audit report.

Financial statement preparation and audit delays

80. The council has been working to delayed financial statement preparation and audit timetables since 2020, due to a range of factors. The 2024/25 annual audit report highlighted that the finance team engaged well during the 2024/25 annual audit, with improvements in the timeliness and quality of responses and working papers generally being of a good standard.

81. However, the 2024/25 audit timetable was impacted by delays providing IFRS 16 information, which meant that fully compliant financial statements were provided to the audit team in January 2026. As a result, the audit did not meet its planned completion date in December 2025. This will impact the 2025/26 audit timeline. A revised plan has been agreed to return to a September audit completion date (in line with the statutory deadline) for the 2026/27 audit.

Finance team capacity

82. As set out in this report, the council's finance team is managing a range of high-risk issues, in addition to the challenges inherent in a council of this scale and complexity. The 2024/25 annual audit report noted that the finance team continued to be under significant pressure. This had been exacerbated by:

- working outside of a 'standard' local government timetable for financial statements preparation and the annual audit
- the increasing number of control issues needing to be addressed

- an increase in significant and unusual transactions requiring technical consideration.

83. The council's finance team experienced significant turnover during 2024 and 2025, including in the executive director of financial services and head of corporate finance. The council finance function had to demonstrate significant resilience, above that embedded within formal arrangements, to manage this effectively.

84. The finance team are also impacted by the limitations of the existing finance system and will need to navigate the move to a new finance system in the coming years. This will provide an opportunity to strengthen arrangements and address audit recommendations, while also requiring careful planning and management to mitigate the inherent risks.

85. In light of these factors, the auditor reported in 2024/25 that the council needs to critically reassess the sufficiency of its financial management capacity in the context of external audit findings, current system weaknesses, and the scale of the financial challenge and change ahead. The council has started to take steps to future proof the finance function, including a focus on developing and expanding the council's professional trainee programme. Further work may be required to ensure the finance team is sufficiently resilient to the challenges that lie ahead.

Financial sustainability

As of August 2025, the council had a £109.7 million budget gap over 2026/27 and 2027/28, before any costs of implementing its new pay and grading structure. It is also facing significant cost pressures relating to homelessness services. In 2024/25, its usable reserves declined to the lowest level since 2018/19 and, critically, it does not have a detailed medium-term financial plan setting out how it will manage these issues.

86. Key financial information for the council is included in Exhibit 4 (page 26).

Exhibit 4.
Glasgow City Council – key financial information

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget-setting				
Budget gap	19.7	49.3	3.1	49.2
Revenue investment	10.6	-	13.1	19.4
Planned to be met via:				
Savings and flexibilities	16.1	31.3	26.4	26.2
Use of reserves	7.3	6.0	(18.5)	-
Other measures	-	-	8.3	22.2
Additional council tax/funding	6.9	12.0	-	20.3
Council tax increase (%)	3%	5%	-	7.5%
Actual				
Savings delivered	16.0	25.6	33.3	24.4 (unaudited)

Note: Planned and actual savings include those relating to the council and its ALEOs, but not those relating to the Health and Social Care Partnership. The savings referenced in paragraph 74 include those relating to the Health and Social Care Partnership but not those relating to ALEOs.

Source: Glasgow City Council annual accounts and committee papers

Budget gap

87. In August 2025, the council's high-level financial outlook reporting set out a net budget gap of £109.7 million over 2026/27 and 2027/28. This assumed:

- growth in the settlement from Scottish Government of 2.7 per cent
- no increases to council tax
- pay awards of three per cent
- no provision for inflation, except where contractual
- the delivery of previously agreed savings for 2025 to 2028
- no new budget pressures being carried forward from 2025/26.

88. The forecast budget gap did not include any provision for equal pay but the council's reporting recognised the risk associated with this. If the council does not implement the new pay and grading structure by April 2027 as planned, it may receive further claims. This is a risk given delays to date, the complexity of the project, and the number of projects and challenges that the council is managing. The 2024/25 annual audit report highlighted that the financial consequences of further delays will be significant and limit the council's ability to develop meaningful financial plans.

89. In addition, the council has not yet determined the financial implications of its new pay and grading structure. Potential associated costs include backpay for the period from October 2023 to implementation. This brings significant financial uncertainty.

Reserves

90. The council's budget gap is in the context of declining reserves. As at 31 March 2025, the council's usable reserves were £193.6 million, a decrease of £22.7 million from the previous year and the lowest level since 2018/19. The council's unearmarked reserves balance at 31 March 2025 was £26.3 million, representing 1.2 per cent of net budgeted expenditure. This is below the council's medium-term target of two per cent, which the council last met in 2020/21. The council needs to have a clear approach to ensuring that the reserves are held in line with its policy.

91. The council reported an unearmarked reserves balance of £42.0 million at 31 March 2026, representing 1.9 per cent of net expenditure. This is based on draft and unaudited figures.

92. Exhibit 5 (page 28) shows the council's usable reserves balance since 2020/21.

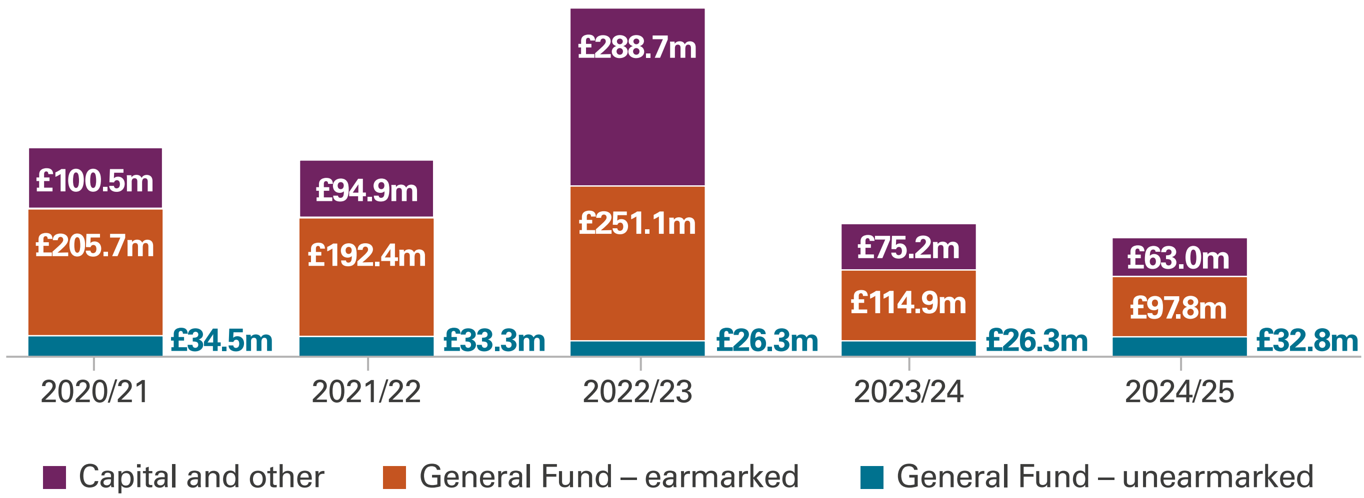
93. The council established a £105 million Budget Support Fund in 2022/23 (earmarked from its General Fund) to support the implementation costs of budget savings options, including severance costs, and to provide support for future budgets. In practice, the council has used a significant proportion of the fund to support the deficit position and homelessness pressures. In 2024/25, its balance reduced from £53.6 million to £28.5 million, with the largest factor being the use of £14.6 million in relation to increased demand in respect of homelessness.

94. Subject to audit, the council reported that the fund had been fully utilised in 2025/26. It will therefore need to consider other options to manage future budget pressures and to fund the implementation costs of future savings measures.

Exhibit 5.

Closing usable reserves balances at 31 March for the 2020/21 to 2024/25 financial years

Usable reserves decreased by £22.7 million between 2023/24 and 2024/25.



Source: Glasgow City Council financial statements

Homelessness cost pressures

95. Costs in respect of homelessness have been a significant area of financial pressure on the council. Under homelessness legislation, households that receive leave to remain in the UK following an asylum decision can seek assistance from a local authority. These costs are incurred by Glasgow City Integration Joint Board (IJB), but the council has provided assurances to the IJB that it will meet any overspend relating to asylum decisions with additional council funding in 2024/25 and 2025/26. In June 2026, the council reported net costs in respect of homelessness for 2025/26 of £38.4 million.

96. In late 2023, the IJB highlighted a significant worsening in its financial position following the UK government's announcement of a streamlined asylum process to address a significant backlog of asylum decisions. The Scottish Housing Regulator has highlighted that the council's services to people who are homeless are impacted by systemic failure and that the council is breaching its statutory duties. Systemic failure means that the number of people who are homeless, and the level of need they have, now exceeds the council and IJB's capacity to respond.

97. In its February 2026 budget-setting report, the council estimated that net costs in respect of homelessness would rise to £56 million in 2026/27. As a short-term measure to meet these costs for 2026/27, Scottish Government granted flexibilities in the use of the council's general capital grant. The council continues to make representations to both the Scottish and UK governments for additional financial support to respond to these pressures. The council and IJB will need to continue working with stakeholders to achieve change.

Financial planning

98. In November 2023, the council agreed a high-level medium-term budget strategy for the period from 2024 to 2027. While this allowed for earlier development of savings options, the auditor reported that it did not constitute a medium-term financial plan.

99. This is a critical gap in the council's arrangements to manage the risks and pressures it is facing. These include areas of significant uncertainty, such as future income, the cost of implementing the new pay and grading structure, ability to deliver savings, and overspends in homelessness services.

100. The auditor recognised that the council's three-year budget approved in February 2024 represented a step change in its ability to meet unprecedented financial pressures. The council also prepared a Financial Outlook for 2026–28, which demonstrates progress in future financial planning. However, a detailed medium-term financial plan remains vital. This should assess the potential impacts of the issues faced on its reserves position, as well as considering how the council will achieve its strategic plan priorities.

Conclusion

101. The council is facing significant risks. Costs in respect of homelessness have been a significant area of financial pressure, driven by demand for services. There is also significant financial uncertainty associated with the council's new pay and grading structure, and the impact will be magnified if the council is not able to implement this by April 2027 as planned.

102. The council has taken steps to strengthen financial planning and reversed a previous trend of increasing overspends with an underspend in 2025/26 (based on unaudited information). However, given the scale of the financial challenges, the lack of a medium-term financial plan is a critical gap.

103. The council must balance addressing these financial sustainability risks with a range of competing demands. These include replacing the finance system, changing how ICT is delivered at the council, and responding to a significant number of outstanding audit recommendations, including in vitally important areas such as governance, scrutiny and performance management. These need to be addressed for the council to demonstrate that it is delivering Best Value for its communities.

104. Given the scale and complexity of the challenges facing the council, effective scrutiny and strong leadership by elected members will be critical. Elected members have a key role in providing constructive challenge, ensuring robust oversight of performance, risk and financial sustainability, and supporting informed decision-making as the council responds to these risks and demonstrates Best Value for its communities.

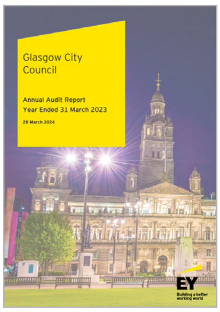
Appendix 1

Annual Audit Reports

These reports summarise the findings from the 2022/23, 2023/24 and 2024/25 annual audits of Glasgow City Council.

Each Annual Audit Report comprises:

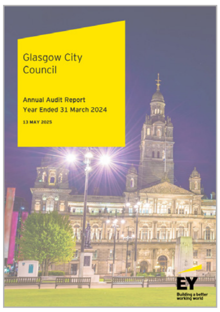
- significant matters arising from the audit of the council's Annual Accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
  - Financial management
  - Financial sustainability
  - Vision, leadership and governance
  - Use of resources to improve outcomes.



2022/23
Annual Audit Report

Glasgow City Council

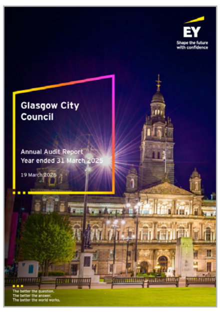
March 2024



2023/24
Annual Audit Report

Glasgow City Council

May 2025



2024/25
Annual Audit Report

Glasgow City Council

May 2026

Appendix 2

Best Value Statutory Guidance

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Appendix 3

Section 102 reports on equal pay and senior officer exit packages

Equal pay

Best Value Assurance Report: Glasgow City Council (August 2018)

The council introduced a revised job evaluation scheme in 2006 to harmonise pay and employment terms and conditions, and eliminate pay inequality. Following its implementation, the council received a significant number of equal pay claims from employees relating to the validity and operation of the scheme.

In January 2018, in response to two rulings by the Court of Session, the council agreed to address equal pay claims through negotiation with claimants' representatives. The council established an equal pay project comprising a number of workstreams to take this matter forward.

The council acknowledged that a separate funding strategy outwith the current financial framework would be required given the likely scale of any settlement.

The Controller of Audit reported that:

- discussions with claimants and representatives were complex and would take time to resolve
- the nature of the issue, and the uncertainty around the financial implications, was unprecedented
- the potential scale, once resolved, was likely to be significant and traditional funding options were unlikely to be sufficient to bridge any funding gap
- the council faced a period of unprecedented financial pressure given the potential financial implications of the equal pay issue in addition to the forecast funding gap.

Commission findings

The Commission noted serious concern about the potential financial cost of resolving equal pay claims and how that might affect the council's ability to deliver services.

The 2018/19 audit of Glasgow City Council: Update on equal pay settlement (February 2020)

In February 2019, the council's City Administration Committee approved settlement terms, alongside a funding strategy for equal pay. The council applied the agreed terms to approximately 15,500 claims, each of which was assessed up to 31 March 2018. The final settlement cost to the council in respect of these claims was £505 million.

The council commenced payments to claimants in June 2019. By the end of November 2019, approximately 150 settlements remained outstanding. These all related to specific instances where the case had been difficult to finalise.

As claims were assessed up to 31 March 2018, the council remained at risk of further claims until it implemented a new pay and grading structure. It was working to implement this by April 2021.

The council funded the settlement payments through:

- a remittance from City Property Glasgow (Investments) LLP (a council-owned arm's-length external organisation) following refinancing of an existing loan
- a sale and leaseback arrangement with City Property, whereby the council used the capital receipts from the sale of 11 properties to fund the equal pay settlement and lease back the properties on commercial terms.

The Controller of Audit reported that:

- the scale and complexity of settling historic equal pay obligations presented the council with significant financial, operational and reputational risks. The council acknowledged these challenges at an early stage
- the council engaged effectively with key stakeholders and partners during the process and where appropriate sought, acted on and, when necessary, challenged external professional advice
- the council successfully delivered a challenging and complicated project within a relatively short period of time
- the council developed and applied appropriate overarching governance arrangements to the equal pay project and applied appropriate controls to the calculation and payment of settlements
- the council took appropriate action to mitigate the key risks arising from both the settlement and funding arrangements and that it responded in a fast, transparent and comprehensive way to the challenges it faced.

Commission findings

The Commission commended the successful delivery of a challenging and complicated project within a relatively short period of time. It particularly welcomed the effective governance arrangements that the council put in place to oversee the project.

The Commission also acknowledged the residual liabilities in relation to the ongoing claims and the possibility of further claims arising until the council implemented its new pay and grading structure. It strongly encouraged the council to implement its new pay and grading structure by April 2021 as intended.

The 2021/22 audit of Glasgow City Council: Update on equal pay arrangements (August 2023)

Reported developments

In May 2023, the council reached a new agreement with the main claimant representatives, with all relevant parties signing a Memorandum of Understanding (MoU). The MoU set out broad terms for settling equal pay claims for all residual and ongoing equal pay liabilities up to October 2023. This included new claims and updated claims from claimants that previously received settlements in 2018.

The council planned to begin paying out settlements from July 2023. This was to be funded by the sale and leaseback of six properties, raising £210 million.

The target implementation date for the council's new equal pay compliant pay and grading structure was initially delayed from April 2021 to October 2023, primarily owing to the impact of Covid-19. This was subsequently revised to target implementation during the 2024/25 financial year.

In May 2023, a council report highlighted significant risks to planned timescales for job evaluation (a key element of the new pay and grading structure project) and put a recovery plan in place.

The council intended to implement the new pay and grading structure within the constraints of its available resources. This included the costs of backdating pay under the new structure to October 2023.

Report findings

The Controller of Audit reported that:

- delays in implementing an equal pay compliant pay and grading system risked continuing inequality for groups of Glasgow City Council's employees and increased the risk to the council of future equal pay claims

- the council put effective arrangements in place to manage its equal pay programme in line with its revised planned timescales and to minimise the risk of any further delays in implementing its new pay and grading system
- these arrangements included appropriate governance.

Commission findings

The Commission commended the council for the effective governance processes for overseeing its programme of work around equal pay. It urged all parties involved to continue to work at pace to implement the new pay and grading structure in line with the revised timeline for implementation in 2024/25. It also encouraged the council to ensure it had appropriate contingency plans given the scale of the job evaluation process to be undertaken in relation to the new pay and grading structure.

The Commission also noted that meeting the cost of the council's equal pay liability through the sale and leaseback of council properties meant that it was ultimately funded through the council's annual revenue budget, alongside any additional costs from the implementation of the new pay and grading structure. The Commission signalled a close interest in how effectively the council addresses any service implications of this additional spend, particularly given the already challenging financial context for councils.

Senior officer exit packages

The 2023/24 audit of Glasgow City Council: Senior officer exit packages (September 2025)

The 2023/24 annual audit report for the council raised significant matters in relation to the scrutiny, governance and transparency of decision-making in respect of the exit of five senior officers over a three-year period between 2021 and 2024. The Controller of Audit used her reporting powers under Section 102 (1) of the Local Government (Scotland) Act 1973 to bring these matters to the Commission's attention.

In early 2021, a proposal was drafted for a restructure of the council's Chief Executive's Department. This included the exit of five senior officers (including the chief executive) and set out the associated financial arrangements. The departures of these five officers took place between April 2021 and May 2024, with exit packages totalling £1.035 million. The estimated ongoing savings from the proposal were £0.65 million.

After elected members raised concerns, the council commissioned an internal review in September 2024, followed by an independent review by Brodies LLP (reported in February 2025). In response to the findings, the council agreed changes to strengthen governance arrangements in relation to workforce and service reform. The independent review stated that 'we did not find any evidence allowing us to conclude that any recipient of any severance/retirement package, or any other officer, acted improperly'.

Report findings

The Controller of Audit reported that:

- the process for approving the business case for restructuring the senior management of the Chief Executive's Department was not formally documented
- approval of the exit and the terms for four of the five officers was in line with policy
- approval of the chief executive's exit did not follow the scheme of delegated functions
- elected members were not involved in decision-making or approval processes
- appropriate scrutiny, transparency and accountability was lacking.

Commission findings

The Commission welcomed the internal review, independent investigation, and public reporting of findings. It expected the council to have strong evidence of good governance, scrutiny, and value for money and to present clear business cases for future restructuring.

The Commission noted that the rationale for the former chief executive's retirement contributing to efficiencies was, at best, unclear. It considered that the restructuring package was dealt with in a manner inconsistent with the Key Principles of Public Life in Scotland, in particular selflessness, integrity and objectivity.

The Commission noted in particular that the Restructure Report appeared to have been approved by some individuals who then benefitted from its proposals. It reported that the council must ensure that independent scrutiny was applied to issues and decisions where there are potential conflicts of interest.

Best Value

Glasgow City Council

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