

# Agenda

Thursday 17 September 2026 10:00am

Audit Scotland office, 102 West Port, Edinburgh  
and online via Microsoft Teams  
535th meeting of the Accounts Commission

## Public session

|                                                                                                                                                      |                             |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------|
| <b>1. Apologies for absence</b>                                                                                                                      | Chair                       | 10:00 |
| <b>2. Declaration of connections</b>                                                                                                                 |                             |       |
| <b>3. Order of business</b><br>The Chair seeks approval of business including taking items 9 to 16 in private for the reasons set out on the agenda. |                             |       |
| <b>4. Minutes and matters arising from previous meeting</b>                                                                                          | Director for the Commission | 10:05 |
| <b>5. Best Value: West Dunbartonshire Council</b>                                                                                                    | Controller of Audit         | 10:10 |
| <b>6. Local government policy update</b>                                                                                                             | Policy Manager              | 11:15 |
| <b>7. Chair's update</b>                                                                                                                             | Chair                       | 11:25 |
| <b>8. Any other public business</b><br>The Chair will advise if there is any other public business to be considered by the Commission.               | Chair                       | 11:35 |
| <i>Break (15 mins)</i>                                                                                                                               |                             | 11:35 |

## Private session

|                                                                                                                                                                                                                  |                                      |       |
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| <b>9. Best Value: West Dunbartonshire Council</b><br>[Item to be in private as it requires the Commission to consider actions in response to a statutory report.]                                                | Controller of Audit                  | 11:50 |
| <b>10. Controller of Audit's update (including audit delivery update)</b><br>[Item to be in private as it requires the Commission to consider confidential policy matters.]                                      | Controller of Audit                  | 12:15 |
| <b>11. Audit Scotland corporate update (including update on Local Audit Office and reporting developments)</b><br>[Item to be in private as it requires the Commission to consider confidential policy matters.] | Executive Director of Audit Services | 12:30 |
| <i>Comfort break (5 mins)</i>                                                                                                                                                                                    |                                      | 12:45 |

- |                                                                                                                                                                      |                                      |       |
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| <b>12. Consultation on 2027/28 local authority accounting code</b><br>[Item to be in private as it requires the Commission to consider confidential policy matters.] | Director of Quality and Support      | 12:50 |
| <b>13. Guidance on planning 2026/27 annual audits</b><br>[Item to be in private as it requires the Commission to consider confidential policy matters.]              | Director of Quality and Support      | 13:00 |
| <b>14. Housing Benefit performance audit – future proposals</b><br>[Item to be in private as it requires the Commission to consider confidential policy matters.]    | Executive Director of Audit Services | 13:20 |
| <b>15. Any other private business</b><br>The Chair will advise if there is any other private business to be considered by the Commission.                            | Chair                                | 13:30 |

**Close of meeting and lunch** 13:35

# Minutes

Thursday 13 August 2026 10:00am

Audit Scotland offices, 8 Nelson Mandela Place, Glasgow, and online via Microsoft Teams  
534th meeting of the Accounts Commission

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## Present:

Jo Armstrong (Chair)  
Malcolm Bell  
Nichola Brown  
Andrew Burns  
Carol Evans  
Jennifer Henderson  
Angela Leitch  
Christine Lester  
Ruth MacLeod  
Mike Neilson  
Derek Yule

## In attendance:

Sarah Watters – Director for the Accounts Commission  
Helena Gray – Controller of Audit  
Joe Chapman – Policy Manager for the Commission  
Vicki Bibby – Chief Operating Officer  
Alison Cumming – Executive Director, Performance Audit and Best Value (PABV) (*online, private session only*)  
Stephen Reid – Partner, EY (*Items 5 and 11*)  
Rachel Wynne – Senior Audit Manager, EY (*Items 5 and 11*)  
Kenneth Lawrie – Chair, Local Government Benchmarking Framework (LGBF) Board (*Item 8*)  
Emily Lynch – LGBF Programme Manager, Improvement Service (*Item 8*)  
Blyth Deans – Audit Director, PABV (*Item 8*)  
Mark MacPherson – Audit Director, PABV (*Item 10*)  
Catherine Young – Senior Manager, PABV (*Item 10*)  
Rebecca Smallwood – Audit Manager, PABV (*Item 10*)

## 1. Apologies for absence

There were no apologies received or required from members.

## 2. Declarations

Jo Armstrong declared a connection to items 5 and 11 in respect of her role as Chair of the Wheatley Group, which has a connection to the council through the City Building joint venture. Having taken advice from the Director and Ethics Partner, she considered the connection to be

material and would recuse herself from discussion of both items. It was agreed that Andrew Burns would chair these items in his capacity as Deputy Chair of the Accounts Commission.

Malcolm Bell, Nichola Brown, Carol Evans, Jennifer Henderson and Angela Leitch declared connections with item 13 due to their respective roles at audited public bodies. Having sought advice from the Director and Ethics Partner they did not consider their connections material and therefore would remain in the meeting and participate in the discussion of this item.

Angela Leitch also declared a connection with items 5 and 11 in respect of a personal connection with the former Chief Executive of Glasgow City Council. Having sought advice from the Director and Ethics Partner she did not consider the connection material and therefore would remain in the meeting and participate in the discussion of these items.

### **3. Order of business**

It was agreed that items 10 to 15 would be considered in private, for the reasons stated on the agenda.

It was agreed that as an exception, item 13 would not be considered at today's meeting, as it had been discussed and endorsed by members via correspondence ahead of the meeting.

### **4. Minutes and matters arising from previous meetings**

The minutes of June's meeting were agreed as an accurate reflection and approved as final. Sarah Watters, Director for the Commission, provided the following updates on actions:

- Public Audit in Scotland brochure for new MSPs – circulated to members following June's meeting, with an adapted version published for public information, and used as part of current Commission member recruitment
- Controller of Audit's update on audit delivery – scheduled for September and November, with the agenda planner updated accordingly
- Private session with Clackmannanshire Council at item 10 – a note of the session was agreed with the council and circulated alongside the minutes of June's meeting.

### **5. Best Value: Glasgow City Council**

The Commission considered the Controller of Audit's Best Value report on Glasgow City Council. The discussion explored the following themes:

- Financial management
  - Budget monitoring and governance – auditors content that elected members understand severity of financial challenges

- and appropriate governance and controls are in place; early evidence suggests financial management is improving
- Overspends – attributed mainly to inflation and increasing demand for services but unaudited accounts show a small underspend in 2025/26
  - Budget support fund – fully exhausted as expected in 2025/26, the council must now rely on long-term financial planning to address future budget gaps
  - Finance team capacity – auditors acknowledge continuing challenges relating to workload, capacity and resilience but these have been managed well
  - New finance system – council seeking to replace existing system when current support expires in late 2027 but timing remains under consideration; governance and internal resource in place along with experienced third-party support which will bring insight from similar projects elsewhere
- Financial sustainability
    - Medium-term financial planning – auditors note planning is in place, including a three-year budget for 2024-2027 and a financial outlook covering 2026-2028, but that the council lacks a comprehensive medium-term financial strategy
    - Budget modelling – council has undertaken this, however, auditors would like to see more detailed projections, clearer scenario planning, better integration with strategic priorities, and more information on proposed future savings
    - Equal pay – key milestone of April 2027 cannot be assured given the complexity of the work involved, but senior leaders are committed to achieving this. Concerns over as yet unquantified financial impact, including if deadline is missed
    - Savings – strong track record of delivering planned savings – 92 per cent in 2024/25 (up from 82 per cent in 2023/24) and 92.5 per cent in 2025/26 (unaudited figure); auditors highlighted that robust financial planning is needed for this to be sustained
    - Reserves – levels have improved from 1.2 per cent to 1.9 per cent (unaudited), rebuilding reserves to return to a target of 2 per cent remains a priority but no target date set.
    - Transformation – activity is embedded within strategic plans and poverty crosses over with many of these; auditors feel transformation programmes must be better linked with financial planning to demonstrate the financial and wider benefits
    - Homelessness and Integration Joint Board – significant financial pressures; homelessness costs for the council projected to rise from £38 million to £90 million over three years; reliance on temporary funding measures and sale-and-leaseback arrangements highlights importance of robust medium-term financial planning to ensure sustainable solutions are in place.
  - Leadership and governance
    - Capacity – risks remain across leadership due to various competing programme requirements; new Corporate

Leadership Team taking strategic oversight, too early to determine effectiveness of this

- Cultural change – Improvement Service’s culture checklist has been rolled out to all staff to establish a baseline, with development sessions scheduled across the year, too early to evidence the impact of this work
  - Political leadership – acknowledged change of leadership in September 2026, major projects such as pay and grading will overlap administrations
  - Governance – equal pay and key audit recommendations receive appropriate oversight at senior and operational levels; governance framework strengthened through self-assessment and independent reviews
  - Elected member scrutiny – turnover on committees largely due to individual reasons; Finance and Audit Scrutiny Committee holds training sessions for members, and are reviewing arrangements for these to maximise attendance
  - City Building – progress made to address governance and financial reporting issues identified through whistleblowing, but further work is required in this area
  - ICT strategy – multi-supplier model decision was supported by a business case which considered risks, costs, and service needs, but will need effective governance to ensure success.
- Community engagement
    - Strategic planning – engagement is embedded within strategic plan and the council actively engages with the community and stakeholders across a range of initiatives in a variety of ways
    - Investment – Neighbourhood Infrastructure Improvement fund allows communities to influence how funding is spent in their area, assessment of its impact is still underway.
  - Performance management and reporting
    - Timeliness and balance of reporting – auditors commented that annual performance reports have often been too late to include in the audit, and the 2023/24 report was not sufficiently balanced; system and capacity limitations have contributed to these issues; 2024/25 report published in April 2026, 2025/26 report expected in September 2026
    - LGBF indicators – reported annually to Operational Performance and Delivery Scrutiny Committee, and Finance and Audit Scrutiny Committee; also monitored at service level with focus on outliers; strategic performance group providing corporate oversight with support from Improvement Service.
  - Workforce
    - Workforce strategy – no standalone strategy in place, but work is underway to produce this. However, comprehensive workforce planning is carried out at a service level
    - Staff satisfaction – staff feedback is gathered through targeted engagement, and there are currently no plans to re-establish a staff-wide engagement survey (last undertaken pre-COVID)

Following discussion, the Commission **agreed** to decide in private how it wishes to respond to the report.

## 6. Local government policy update

The Commission considered a report by Joe Chapman, Policy Manager for the Commission, which provided an update on recent major publications relating to local government.

The following points were raised during discussion:

- Chief Executive changes across several councils – member query as to whether these may be seen as opportunities in relation to public service reform; three changes noted, only one currently a vacancy and recruitment underway
- Cairngorms wildfires – query about coordination of response at local and national level, and whether this could be a topic for future consideration in the Commission's work programme.
- Cost of Council Tax on council-owned empty properties – balance is unknown, but likely to be minor in context of council budgets; increased charge intended to discourage homes being left empty, and additional costs are partly offset by increased revenue from non-council owned empty properties
- Edinburgh's visitor levy – council intends to use revenue to support housing investment in order to reduce reliance on hotels and B&Bs for temporary accommodation, in turn freeing them up to increase tourism capacity
- Parliamentary Committees' pre-budget scrutiny – two formal calls for evidence currently underway. Commission Support Team contributing to a response to Public Service Reform consultation – narrowly defined scope, limiting broader commentary, but Commission position being reflected where possible. Further engagement opportunities are expected through discussions with the Social Justice, Housing and Local Government Committee.

Following discussion, the Commission **noted** the report.

## 7. Chair's update

The Commission considered an update by the Chair, Jo Armstrong, on recent and upcoming activity. Jo highlighted the following items of note:

- Meeting with the Convener of the Social Justice, Housing and Local Government Committee next week
- Introductory meeting with the Deputy First Minister scheduled for September, subject to Parliamentary business
- Andrew Burns hosted the first member recruitment event on 29 July, and Jo will host another after the Commission meeting today.

Following discussion, the Commission **noted** the report.

## 8. Local Government Benchmarking Framework (LGBF) discussion

Kenneth Lawrie, Chair of the LGBF Board, and Emily Lynch, Programme Manager, Improvement Service presented an overview of the Local Government Benchmarking Framework (LGBF), how it is being used, and the LGBF Board's strategic priorities for the next few years.

During discussion, a number of points were raised:

- Welsh improvement model – model focuses on corporate self-assessment with senior leadership and external input, LGBF focuses on delivery of services, so there is learning to be shared by both sides
- Public Service Reform strategy – currently limited focus on local government beyond shared services work
- Sickness absence rates – focus on this area can impact public perception but the important thing is using the information to prompt local action
- Current health and social care indicators – more information is needed on unmet need and additional support needs for children and young people, including transitions to adulthood. This is a priority for the LGBF Board and is being explored through ongoing development work, including with the Association of Directors of Education in Scotland
- Self-evaluation – use of LGBF within self-evaluation is as an external, objective source of data, which can be used to triangulate other evidence
- Inclusion of LGBF in SPI Direction – gives clarity on the value of LGBF and removed doubt. LGBF is also included in the new Code of Audit Practice 2026, further demonstrating the Commission's commitment
- Indicators, data use and the developing data platform – it remains challenging to identify a small set of indicators that provide an overall picture of local government performance, but councils are increasingly using relevant LGBF data and benchmarking to support decision-making, improvement, savings and prioritisation. The data platform should improve data quality and accessibility, and overall reduce resource requirements. A funding bid has been submitted to Scottish Government's Invest to Save fund
- National data requirements – rationalising data requests to councils would enable better use of existing resources. The LGBF Board is seeking greater clarity on how data is used and will continue working with government partners to simplify the wider data landscape, particularly if additional funding is not secured.

Jo thanked Kenneth and Emily for attending and looked forward to further discussions on ensuring that data remains robust, relevant and is able to continue to support improvement across the sector.

Following discussion, the Commission:

- **Noted** the previous report provided on the LGBF national overview published in 2024/25
- **Noted** the use of the LGBF within councils to support improvement
- **Noted** potential future areas of focus for the Commission in its use of LGBF

## 9. Any other public business

There being no other business, the Chair closed the public session.

## 10. School workforce performance audit – proposed scope

The Commission considered the proposed scope for a performance audit on school workforce, which was presented by Mark MacPherson, Audit Director, Performance Audit and Best Value (PABV), Catherine Young, Senior Manager, PABV, and Rebecca Smallwood, Audit Manager, PABV.

During discussion a number of points were raised:

- Teacher support – suggestion to consider what work is being done to support teachers as part of this audit
- School and classroom violence – trends and the overall impact on the workforce will likely come through in audit work
- Scope of Commission-only audit – focus is on how councils manage their workforce, although evidence will indirectly provide intelligence and wider context and demonstrate impact of national policy on local education services

Outcomes and quality – creative and new approaches needed to attract people to the profession and retain current staff; audit may be an opportunity to identify innovation in areas that differ from the established model

- Alignment between graduate and substantive roles – many new teachers are unable to stay in rural areas beyond initial one-year contracts, leading to dependence on supply teachers and short-term contracts

Following discussion, and subject to consideration by the audit team and sponsors of the comments above, the Commission

- **Noted** the contents of the report
- **Considered** and **approved** the scope of the performance audit on school workforce.
- **Approved** the arrangements for emerging messages set out in the report

## 11. Best Value in Glasgow City Council

The Commission considered its response to the Controller of Audit's report on Best Value in Glasgow City Council.

There was further discussion and clarification of the following:

- Equal pay – the auditor provided further background information in relation to equal pay, but this did not feature in the Commission's response to the report

Members agreed to issue findings in response to the report, to be drafted by the Director and the Chair and circulated to members next week.

Commission members discussed and agreed upon a number of points, which will be included within the findings in the report, which will be published on 03 September 2026.

## 12. Controller of Audit's update

The Commission considered an update by Helena Gray, Controller of Audit (CoA), on recent and upcoming activity.

During discussion, the following points were raised:

- Clackmannanshire Council – the council and auditor shared a joint recovery plan with the CoA, focused on audit delivery and returning to statutory deadlines by the 2027/28 audit. The plan is to be discussed by elected members on 20 August, but further detail on the costs associated with the plan still require further work and will be brought back to the council at a later date. The Commission asked the CoA to seek further clarity on the timescales for this further work, and when a final, resourced recovery plan would be agreed, as well as assurance of the leader's commitment to recovery.

### Action: Controller of Audit

- SPI Direction compliance – all of the audits completed to date, with the exception of Glasgow City Council as noted in their Best Value report, demonstrate compliance
- Local Authority Network update – Helena continues to monitor outstanding discussions, with the majority having now met. The Scrutiny Coordination sub-group will meet in late autumn to discuss progress
- East Dunbartonshire Council – section 102 report is delayed due to delay in sign off of the 2023/24 Annual Audit Report, which was signed off the week before this meeting. Helena confirmed this s102 will be brought to the October Commission meeting.

Following discussion, the Commission **noted** the report.

### 13. Code of Audit Practice supplementary guidance - draft

The Commission considered the guidance in advance of the meeting, via correspondence, and it was agreed that further time for discussion was not required at this meeting.

The Commission:

- **considered** and **commented** on whether the material appropriately expands on the requirements in the Code
- **endorsed** the material for submission to the Audit Scotland Board on 25 August.

### 14. Chief Operating Officer's update

Vicki Bibby, Chief Operating Officer, provided the following updates:

- Audit procurement timescales – procurement will be delayed until after Scottish Government has published its Programme for Government so any implications of proposed changes to public bodies can be considered
- Local Audit Office (LAO) – Helena Gray and Jo Armstrong had an introductory meeting with the LAO Chair, Bill Butler; Audit Scotland is also engaging with the LAO at an operational level to offer support
- Audit Scotland accounts – to be presented to the Scottish Commission for Public Audit (SCPA) once it is fully established and a Chair appointed; SCPA will also discuss Audit Scotland's audit modernisation work. 2027/28 budget process is now underway, with Accounts Commission engagement in September, and discussions with the Board and SCPA in the autumn.

During discussion:

- It was noted that the consultation on the 2027/28 Code of Practice for Local Authority Accounting in the UK is now open. The Executive Director of Audit Services will draft a response which will be shared and discussed with the Commission at its September meeting.

**Action: Executive Director of Audit Services**

The Commission **noted** the report.

### 15. Any other private business

Jo Armstrong raised the following points of interest:

- Jo's appraisal with Ellen Leaver – Acting Director for Local Government at the Scottish Government – took place last month, this was a positive meeting, and Ellen noted significant progress
- Clackmannanshire Council's s102 report follow up meeting – planning is underway to finalise date.

### **Close of business**

There being no further business, the meeting closed at 3.45pm

Accounts Commission Action Tracker  
As at: 9 September 2026

| Action No. | Date      | Action                                                                                                                                                                                                                                                         | Action for                | Assigned to  | Timescale | Progress                                                                                                                                                                                                                                                                  | Status      | Date complete |
|------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|
| 26/020     | 13-Aug-26 | <b>2027/28 Code of Practice for LA Accounting in the UK - consultation</b><br>Executive Director of ASG to draft a response to share and discuss with Commission members at September's Commission meeting                                                     | Executive Director of ASG | John Cornett | Sep-26    | September agenda includes a draft response, which also addresses action <b>26/015</b> from May 2026 meeting regarding the CIPFA/LASAAC effectiveness survey                                                                                                               | In progress |               |
| 26/019     | 13-Aug-26 | <b>Clackmannanshire Council recovery plan</b><br>CofA to seek further clarity on timescales of costing work required for the joint recovery plan, and when a final, resourced plan will be agreed, along with assurance of the leader's commitment to recovery | Controller of Audit       | Helena Gray  | Oct-26    | CoA in regular contact with Chief Exec and auditors, and the Council Leader has written to express her personal commitment to the plan. Special Council meeting held on 10 Sep to consider resourcing of recovery plan, information on which has been shared with members | In progress |               |

# Best Value: West Dunbartonshire Council

Item 5

Meeting date:

17 September 2026

Director for the Accounts Commission

## Purpose

1. This paper introduces the Controller of Audit's report on Best Value in West Dunbartonshire Council, which has been produced following the 2024/25 audit of the council. The paper outlines the process to be followed, including publication arrangements.

## Recommendations

2. The Commission is invited to:

- consider the Controller of Audit's Best Value report
- note the process to be followed in relation to the report
- decide how it wishes to proceed
- approve the proposed publication arrangements.

## Background

3. At least once during the current five-year audit appointment, the Controller of Audit (CoA) is required to report to the Commission on Best Value in each council. These reports are based on the best value audit findings reported in Annual Audit Reports (AARs), prepared by independent external auditors. The CoA's report draws the Commission's attention to how effectively a council demonstrates Best Value through continuous improvement in how it delivers its strategic priorities.

4. Best Value audit work is fully integrated into annual financial audit work and is reported in AARs. It also includes follow-up and Best Value work on a particular theme agreed annually, providing judgements on the pace and depth of continuous improvements and service performance.

5. The theme to be looked at as part of 2024/25 audits was transformation and how councils are redesigning and delivering services to achieve planned outcomes. The CoA's report also draws on this work.

6. The Best Value thematic report for West Dunbartonshire Council was presented to the council's Audit Committee on 18 February 2026, and the AAR was presented to the council on 26 August 2026.

## The Controller of Audit's report

**7.** The report on Best Value in West Dunbartonshire Council is made by the CoA under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).

**8.** The legislation enables the Controller of Audit to make reports to the Commission with respect to:

- the accounts of local authorities audited under the Act;
- any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
- the performance by a local authority of their statutory duties in relation to best value and community planning.

**9.** A copy of the report was sent to the Chief Executive of West Dunbartonshire Council on 02 September 2026. The council has been advised of its obligations to supply a copy of the report and the AAR on which it is based to each council member and to make additional copies available for public inspection. Once the CoA's report is sent to the council, it is effectively in the public domain.

## Process

**10.** The Commission will consider the CoA's report during the public session of its meeting. Members of the audit team will be present and will be available to answer questions on the evidence and judgements presented in the AAR, with a focus on Best Value.

**11.** The Commission will then decide, in private, how it wishes to proceed. The legislation provides that, on receipt of a CoA report, the Commission may do (in any order) all, any, or none of the following:

- direct the CoA to carry out further investigations
- hold a hearing
- state its findings.

**12.** Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.

**13.** The Commission is obliged to inform the council of its decision on how it will proceed shortly after the Commission meeting – this is done on its

behalf by the Director for the Accounts Commission – before making its decision public.

**14.** If the Commission chooses to make findings, the council is required by statute to do the following:

- consider the findings of the Commission at a meeting of the full council within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the council meeting, indicating that it is to consider the findings of the Commission and describing the nature of those findings (at least seven clear days before the meeting)
- after the council has met, notify the Commission of any decisions made, and publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the council's decision.

**15.** The Commission asks the council for a meeting, preferably in the period between the Commission publishing its report and full council considering it, to do the following:

- discuss what the council thinks of the Commission's decision and its findings (if applicable), and what the council will do in response to the Commission's report
- confirm any next steps and review the audit process.

## **Publication arrangements**

**16.** The report is due to be published on 06 October 2026, with the previous day being held for any media interviews. It is planned that Jo Armstrong will front the media for this report.

**17.** Communications outputs for the Best Value report will be prepared including a news release and social media. A range of communications and engagement work will be undertaken with local and national media and stakeholders, as appropriate.

## **Conclusion**

**18.** The Commission is invited to consider the recommendations set out at paragraph 2 of this report.

Best Value

# West Dunbartonshire Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit  
September 2026

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## Accessibility

You can find out more and read this report using assistive technology on our website [www.audit.scot/accessibility](http://www.audit.scot/accessibility).

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# Key facts

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| <b>61</b>       | Square miles                                                                                                                                                              |
| <b>89,120</b>   | Population                                                                                                                                                                |
| <b>39.67%</b>   | Proportion of all data zones in West Dunbartonshire that are within the 20 per cent most deprived in Scotland, according to Scottish Index of Multiple Deprivation (2020) |
| <b>4,490</b>    | Workforce (FTE)                                                                                                                                                           |
| <b>22</b>       | Elected members<br>8 Scottish Labour, 7 Scottish National Party, 6 Independent, 1 West Dunbartonshire Community Party<br>(Minority Labour administration)                 |
| <b>£52.16m</b>  | General Fund cumulative funding gap projected over 2027/28 to 2031/32 (mid-range scenario)                                                                                |
| <b>£299.33m</b> | General Fund net revenue expenditure 2024/25                                                                                                                              |
| <b>£120.15m</b> | Capital expenditure 2024/25 (General Services £55.74 million and Housing Revenue Account £64.41 million)                                                                  |

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# Controller of Audit report

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**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 August 2026. [Appendix 1](#) includes links to the 2022/23, 2023/24 and 2024/25 Annual Audit Reports and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.

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

## Pace of continuous improvement

**3.** The council has arrangements in place to support continuous improvement. The council reports service improvement in a transparent and balanced way through its Annual Report, Management Commentary and performance frameworks, highlighting achievements in education, housing, regeneration and community support. Performance data shows progress in several key areas, with around half of Local Government Benchmarking Framework indicators improving and many results meeting or exceeding the Scottish average.

**4.** However, significant challenges remain. The council has forecast significant future funding gaps and has previously relied on reserves, savings and Council Tax increases to help with such budget pressures. While individual transformation projects have delivered benefits, they are not yet operating at a scale sufficient to secure long-term service sustainability or fully achieve strategic priorities.

**5.** The council recognises that it must accelerate the pace and scale of improvement to achieve its strategic priorities, maintain service quality, and meet residents' expectations amid increasing financial pressures.

## Best Value Assurance Report (BVAR) follow up

**6.** The council's last full BVAR in 2018 found that the council had made significant improvements in how it works, particularly in terms of improved leadership. The report found that the council was maintaining a steady

pace of change leading to improvements in key priority areas with a structured and practical approach to improve through its strategic plan and framework. The report set out a series of recommendations to help further improvement which were implemented by the council.

**7.** The most recent AAR set out the council's progress on three best value recommendations. Two are now complete with one ongoing as further work is required.

## **Vision, leadership and governance**

### **Vision and strategy**

**8.** The council has a clear strategic vision set out in its 2022-2027 Strategic Plan, with four priority areas – Our Communities, Our Environment, Our Economy, and Our Council – providing a strong framework for decision-making, resource allocation and performance management. These priorities are consistently reflected in delivery plans, performance measures and the 2024/25 Annual Report, demonstrating a clear link between strategic objectives, service activities and outcomes.

**9.** The council's strategic priorities are shaped by community needs and partner objectives, using feedback from annual budget consultations, the Citizens' Panel, and engagement with under-represented groups. The council's planning process is supported by service-level Strategic Needs Assessments, which consider demographic, social, economic, and service-demand trends. These assessments inform annual Delivery Plans and will help develop the council's next five-year Strategic Plan for 2027-2032.

### **Leadership and governance**

**10.** In 2023, the Chief Executive carried out a comprehensive review of the council's senior management structure, consulting Chief Officers and the council administration. As a result, the number of Chief Officers was reduced by 0.5 FTE and a new organisational structure was introduced, with remaining senior officers taking on additional responsibilities. The changes were designed to better align services, improve collaboration, create efficiencies, and support delivery of the council's strategic objectives. A review in 2024 confirmed that the structure remained appropriate.

**11.** There are good working relationships between officers and elected members. Auditors report that council and Audit Committee meetings are well attended with elected members demonstrating an appropriate level of scrutiny and challenge.

**12.** The council has well-structured and effective governance arrangements aligning with the CIPFA/Solace Framework, supported by the Local Code of Corporate Governance.

## Citizen and community engagement

**13.** Auditors reported in 2024/25 the council has a strong track record of engaging communities through various methods including public consultations, budget conversations, a Citizens' Panel, surveys, and targeted outreach via community facilities.

**14.** The council operates a Citizens' Panel which it has consulted in relation to its strategic needs assessment, vision and budget. In early 2025, the council created a youth panel to increase representation from younger age groups, after identifying they were under-represented in Citizens' Panel survey results. Additionally, individual services consult regularly with people who use services to understand how they can best meet their needs.

**15.** The council can hold an Open Forum at the beginning of ordinary council meetings, which gives members of the public an opportunity to submit questions in advance, attend the council meeting and receive a direct response from officials and elected members.

**16.** In their 2024/25 report on transformation, auditors concluded that community engagement is embedded within transformation activity and the council has been able to evidence where consultation has influenced decisions.

## Effectiveness of performance reporting

**17.** The council has effective performance management arrangements in place, with clear targets, regular and transparent reporting, and a structured approach to identifying and addressing under-performance. The 2023/24 annual audit highlighted the council had not fully complied with Statutory Performance Indicator 2, specifically in relation to publishing how it responded to external audit and inspection reports. The council has made good progress in addressing this recommendation, with implementation expected to be fully completed by October 2026.

**18.** The council has embedded a transparent performance management framework. Annual service delivery plans align with the four strategic priorities in the 2022-27 strategic plan and include performance indicators, strategic actions and service challenges. Mid-year and year-end reports are presented to relevant committees and published online to support transparency and scrutiny.

**19.** The annual performance report, presented to full Council, provides a clear overview of progress against the strategic plan performance indicators, key achievements, Local Government Benchmarking Framework (LGBF) comparisons, budget spend breakdown/analysis and resident feedback from telephone surveys and the Citizens' Panel, strengthening the council's commitment to responsive and inclusive service delivery.

**20.** A detailed breakdown of progress against performance indicators includes targets, trends, context and named responsibility. Each indicator is RAG (Red, Amber, Green) rated based on performance against target; green where targets have been met or exceeded, amber where targets have been narrowly missed, and red where targets have not been met.

**21.** Areas of under-performance are identified, with specific improvement plans implemented supported by clear and targeted actions. Auditors concluded the current pace and depth of improvement is not yet sufficient to ensure it achieves its strategic priorities and sustains the level and quality of services expected.

**22.** Performance is monitored throughout the year and reported to relevant service committees, the senior leadership team through the Performance and Monitoring Review Group, and elected members. Variances are explained, and corrective action is taken through targeted improvement plans, recovery measures and strengthened governance oversight.

## Reported performance

### Council performance reporting

**23.** The council's 2024/25 annual performance report was presented to full Council in October 2025, detailing the council's progress against its strategic priorities via fifty performance indicators. Performance indicators are categorised and reported against the four themes outlined in the strategic plan:

- Our communities – resilient and thriving (19 indicators): 13 have met or exceeded target, five narrowly missed target and one where target has not been met.
- Our environment – a greener future (11 indicators): five have met or exceeded target, two narrowly missed target and four where target has not been met.
- Our economy – strong and flourishing (eight indicators): six have met or exceeded target and two narrowly missed target.
- Our council – inclusive and adaptable (12 indicators): six have met or exceeded target, two narrowly missed target and four where target has not been met.
- Total (50 indicators) – 30 have met or exceeded target, 11 narrowly missed target and 9 where target has not been met.

**24.** The council surveyed 900 residents by telephone last year. Satisfaction was highest for the council website overall (84 per cent), museums and galleries (81 per cent), and leisure and sports (81 per cent). It was lowest for waste, grounds maintenance and grass cutting (49 per

cent), residents who would speak highly of the council (50 per cent), and keeping residents informed about important issues (53 per cent).

## LGBF performance

**25.** An overview of movements on all LGBF indicators as of June 2026 is shown in Exhibit 1 alongside the averages for all Scottish councils. These show a good level of improvement in performance. Of the 108 LGBF indicators, 59 (55 per cent) have improved since the base year, nine (8 per cent) have remained the same, and 40 (37 per cent) have worsened.

**26.** The service areas with the highest proportion of indicators improving since base year were tackling climate change (100 per cent), culture and leisure services (75 per cent) and children's services (72 per cent). In contrast, the areas with the highest proportion of indicators declining were financial sustainability (83 per cent), adult social work services (82 per cent) and cost indicators (50 per cent).

**27.** Performance against LGBF indicators in comparison to other councils has remained relatively stable. Fifty-one per cent of indicators were in the top two quartiles in the most recently published data, compared to 49 per cent in the base year. Nationally, the council ranks 16th of 32 councils for indicators in the top two quartiles, performing above area-based family group averages and in line with population-based family group averages.

## Exhibit 1

### West Dunbartonshire Council – LGBF indicator summary July 2026

Council movements are shown alongside Scotland averages in brackets.

|                                            | Cost indicators | Performance indicators | Satisfaction indicators | All indicators |
|--------------------------------------------|-----------------|------------------------|-------------------------|----------------|
| <b>Movement in last year</b>               | %               | %                      | %                       | %              |
| Improved                                   | 63 (54)         | 53 (45)                | 55 (36)                 | 55 (42)        |
| Stayed the same                            | 11 (9)          | 15 (22)                | 0 (9)                   | 13 (18)        |
| Declined                                   | 26 (37)         | 32 (33)                | 45 (55)                 | 32 (36)        |
| <b>Movement since base year</b>            |                 |                        |                         |                |
| Improved                                   | 45 (54)         | 61 (65)                | 27 (8)                  | 55 (57)        |
| Stayed the same                            | 5 (1)           | 10 (7)                 | 0 (3)                   | 8 (5)          |
| Declined                                   | 50 (44)         | 29 (28)                | 73 (90)                 | 37 (37)        |
| <b>Indicators in the top two quartiles</b> |                 |                        |                         |                |
| - Most recent year                         | 55              | 47                     | 73                      | 51             |

|             |    |    |    |    |
|-------------|----|----|----|----|
| - Base year | 45 | 50 | 45 | 49 |
|-------------|----|----|----|----|

Scotland average movements are shown in brackets.

Source: LGBF as of 3 July 2026

## Workforce planning

**28.** The 2023/24 Best Value thematic review focused on workforce innovation. The council has made good progress in implementing recommendations and all are now considered complete.

### Workforce strategy and plans

**29.** The council's workforce planning strategy, People First Strategy 2022-2027, is aligned with its strategic plan and priorities. Workforce planning arrangements were strengthened in 2024/25 through an updated toolkit to help managers forecast staffing requirements, and the launch of the first phase of succession planning. Auditors concluded that the council actively monitors progress in workforce planning.

**30.** In response to an audit recommendation on using data to identify resource gaps and support succession planning, the council has progressed development of its workforce planning console. New functionality has been added to analyse voluntary severance and early retirement trends, integrate training records and skills passports, and support workforce cost planning through a finance dashboard. Targeted training for senior managers has improved understanding of the console and increased usage across the organisation.

### Flexible working and innovation

**31.** The council has a well-established approach to hybrid and flexible working, most recently updated in April 2024. The policy is supported by Remote Working Guidance, which defines home-based, mobile and hybrid working arrangements, and Right to Disconnect Guidance, introduced in July 2024. Guidance issued to managers in July 2024 sets out the process, timescales and templates for flexible working requests, approvals and appeals, supporting consistency across services.

**32.** Monitoring of flexible working has focused mainly on employee wellbeing, satisfaction with hybrid and flexible working arrangements, and the support needed to improve these arrangements. The council uses Trickle (an employee engagement and wellbeing platform allowing staff to provide real time feedback to inform decision-making), peer support forums, trade union meetings, workforce data and employee feedback to inform this monitoring.

**33.** The council has delivered budget savings through voluntary severance and early retirement schemes and has used the Staff Working in Transition and Change (SWITCH) framework effectively to redeploy staff following service restructures. SWITCH has helped reduce turnover, retain skills

and mitigate redundancy and exit costs. It reduced headcount by 4 per cent in 2023/24 and by 2 per cent in 2024/25.

## Sickness absence

**34.** Sickness absence remains a persistent challenge, increasing by 5.3 per cent to 15.9 days lost per full-time equivalent employee and decreasing by 1.8 per cent to 8 days lost per teacher in 2024/25. The council reported the main causes were minor illness, personal stress and acute medical conditions.

**35.** Early data from the Employee Wellbeing Annual Update 2025/26, presented to the Joint Consultative Forum in June 2026, indicates an improving council-wide position for cumulative full-time equivalent days lost. However, long-term absence increased to 82.4 per cent of total absence, up 16.5 percentage points from 2024/25. The council also reported a slight increase of 0.18 average days lost per full-time equivalent employee, which it attributed to reduced workforce numbers in the same period.

**36.** The council has improved its approach to staff wellbeing and attendance management, but sickness absence remains high and sustained improvement has not yet been demonstrated. The ongoing 'Fit for Future' review, alongside improved data and automation, aims to support a stronger absence management process. The impact of these actions will continue to be monitored in 2026/27.

## Transformation

### Planning

**37.** Transformation activity is embedded at service level and is focused on individual projects rather than a consolidated council-wide transformation programme. The auditor reported that there is evidence that transformation projects are generating savings and informing budget decisions, although it was noted the council has been clear that transformation alone will not sufficiently meet the medium- and long-term financial challenges, and service reductions will be required.

**38.** Transformation plans are integrated into overall financial planning. Savings from transformation activity are reported regularly through Finance Update reports to full Council and embedded in the council's Medium-Term Financial Strategy and five-year financial plans. Auditors reported the council has been unable to demonstrate a clear link between transformation projects and their contribution to achieving longer-term financial sustainability as there is no consolidated overview. Progress against transformation priorities, including digital service uptake and customer satisfaction is monitored through Strategic Plan 2022-2027 progress reporting to the Corporate Services Committee.

## Programme management and delivery

**39.** The council has well-established governance arrangements in place for transformation projects. Senior management receive regular updates on transformation progress through bi-monthly reports to the Transformation and Visioning Board, alongside financial monitoring via Budgetary Control Reports. Elected members receive updates through budget processes and senior officer briefings, but do not have full oversight of wider transformation outcomes, limiting their ability to assess and scrutinise wider benefits of transformation activity.

**40.** Auditors reported that the council has insufficient capacity in its Digital and Change teams to progress transformation activity at the level required. In response the council has recently reviewed capacity to support delivery, approving funding to secure additional capacity to support further Fit for Future reviews.

**41.** Delivery is currently led by digital leads and champions at service level, promoting local ownership. Auditors noted risks of potential duplication and efficiencies due to limited central oversight, capacity and fragmented service-led projects. Additionally, due to financial constraints the council no longer has a dedicated transformation fund.

## Partnership and joint working

**42.** The council has a strong track record of working with partners at strategic level, specifically with Community Planning West Dunbartonshire (CPWD), other councils and national bodies. Community engagement is embedded in transformation activity. The council uses a service design approach with its Fit for Future reviews, involving people who use services in their redesign. It proactively involves residents and those who use services in shaping changes through targeted consultations. It can evidence how engagement has helped shape decisions in areas such as catering services and regeneration.

**43.** The council displays awareness of the impact of transformation on vulnerable groups. Equality Impact Assessments and targeted engagement are evident at project level, but programme-level reporting on equalities impacts is not consolidated, limiting visibility for elected members and external stakeholders.

**44.** Shared service arrangements with other councils remain limited for the council, reflecting sector-wide challenges, with formal arrangements in areas including internal audit, civil contingencies and information and communications technology. Auditors concluded there is further scope to improve partnership and collaborative working with public sector partners.

## Impacts and monitoring

**45.** Transformation activity is monitored through committee reports, strategic plan updates and public performance reporting. However, the absence of consolidated reporting limits transparency and understanding

of overall impact and wider benefits. Individual projects, including Glencairn House regeneration and the missed bin collection chatbot, have been able to demonstrate tangible benefits.

**46.** The strategic plan and delivery plans include transformation-related indicators, but these focus mainly on financial savings and operational efficiency rather than social outcomes, equalities impacts or service user experience.

**47.** Auditors concluded that limited reporting on non-financial outcomes has made it difficult to assess whether past and ongoing transformation activity has delivered wider benefits for affected communities. The council has committed to a review of how it reports its transformation activity.

## Financial management and sustainability

**48.** Overall, auditors report that the council's financial management culture is appropriate and effective, although the council continues to face significant financial sustainability challenges with limited reserves and significant projected funding gaps.

### Exhibit 2

#### West Dunbartonshire Council – key financial information

|                                        | 2022/23<br>(£m) | 2023/24<br>(£m) | 2024/25<br>(£m) | 2025/26<br>(£m) |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Budget setting</b>                  |                 |                 |                 |                 |
| Funding gap                            | 6.3             | 22.1            | 8.3             | 11.4            |
| <b>Planned to be met via:</b>          |                 |                 |                 |                 |
| • Savings                              | 0.6             | 11.8            | 2.7             | 5.2             |
| • Use of reserves                      | 1               | 5.2             | 4               | 0.4             |
| • Additional council tax               | 1.2             | 1.9             | 0               | 4.7             |
| • Council tax increase (%)             | 3               | 5               | 0               | 11.5            |
| • Other                                | 3.5             | 3.1             | 1.6             | 1.1             |
| <b>Actual</b>                          |                 |                 |                 |                 |
| • Savings delivered                    | 0.06            | 11.1            | 6.4             | 4.9             |
| <b>Reserves</b>                        |                 |                 |                 |                 |
| Use of reserves                        | (14.2)          | 16.6            | 3.6             | (13.2)          |
| Total usable reserves carried forward: | 19.1            | 33.3            | 16.7            | 13.1            |
| • General Fund                         | 30.3            | 15.4            | 12.2            | 24.9            |
| ○ Earmarked                            | 24.8            | 9.1             | 8.8             | 18.8            |
| ○ Uncommitted                          | 5.5             | 6.3             | 3.4             | 6.1             |
| • Capital and other                    | 3               | 1.4             | 0.8             | 1.4             |

Source: West Dunbartonshire Council annual accounts and West Dunbartonshire Council papers

## Financial management

**49.** The 2024/25 audit found the council's financial management culture is appropriate and effective with no significant issues identified. The council provides timely and transparent financial reporting to senior management and elected members, aligned with the annual accounts process to support effective governance and decision-making. This includes monthly budget monitoring meetings with chief officers and service managers to enable the early detection and management of budget variances, while ongoing reporting to elected members provides transparency over current financial performance, emerging risks, future funding gaps, and planned corrective actions.

**50.** The auditors identified a significant risk in how the council carries out the valuation of land and buildings. The council's five-year rolling revaluation model may result in individual assets not being revalued for several years. This increases the risk of misstatement for those assets that have not been revalued in recent years.

## Financial sustainability

**51.** The council has forecasted significant cumulative budget gaps rising from £9.2 million in 2025/26 to £52.16 million in 2031/32. This presents a significant risk in relation to financial sustainability of the council and its ability to maintain its services for the people of West Dunbartonshire. Auditors have found that the council has well established financial planning arrangements that effectively identify medium and long-term risks, but its capacity to address these risks remains limited.

**52.** The council also has high debt due to high levels of borrowing, with the ratio of financing costs to net revenue stream at 7.3 per cent for 2024/25, compared to a national average of 6 per cent. This is largely due to an extensive capital programme requiring significant financing. This includes a large investment in housing, building and modernisation of school estates and Clydebank regeneration initiatives. The council's unaudited borrowing liability at 31 March 2026 is £872.1 million (£457.7 million for General Services and £414.4 million for the Housing Revenue Account), with annual loan charge costs of approximately £49 million (£22 million for General Services and £27 million for the Housing Revenue Account).

**53.** The council recognise the pressure on its medium- and long-term finances including the financial risks associated with borrowing, particularly the impact of rising interest rates and the long-term pressure that borrowing costs can place on revenue budgets. The council is closely monitoring borrowing levels to assess the affordability and viability of capital projects; making adjustments where necessary to ensure they remain sustainable.

## Savings

**54.** The council has implemented a range of measures to address funding gaps including £5.2 million of savings for 2025/26. Many of these savings are recurring but auditors have stated that these are not sufficient to bridge forecasted future funding gaps.

**55.** A number of savings options have been agreed at council meetings as part of budget setting. Many of these savings are due to reductions in the council workforce. Savings proposals for 2025/26 are increasingly focused on reductions to frontline and community services, including Education and Community and Leisure services.

## Reserves

**56.** The council has a high use of reserves due to overspends, with reserve levels currently insufficient to meet the councils projected medium term funding gap which is forecast to rise to £52.16 million by 2031/32. This compares to total reserves of £13.1 million at 31 March 2025, of which £3.4 million is unearmarked.

**57.** The council recognises its limited reserves capacity and that it is unsustainable to rely on reserves to manage short-term deficits. The council reports regularly on reserves levels through its budgetary control reports. These are reported to all service committees and general services reports are presented to Council meetings.

**58.** The council's policy is to rebuild reserves over time and find additional sources of funding and savings to bridge gaps. Auditors report a forecasted underspend for 2025/26, with reserves expected to remain slightly above the 2.5 per cent prudential target at 31 March 2026 (2.54 per cent). This target was reduced by the council from three per cent.

**59.** Overall, the council has a good approach to financial management and planning, but there are improvements that have been suggested to assist with longer-term planning. The council is forecasting significant gaps in their budgets with the use of reserves a short-term, unsustainable solution. The council needs to set out its approach to addressing long-term financial sustainability challenges, ensuring the use of reserves and their financial strategy are aligned.

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# Appendix 1

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## 2022/23, 2023/24 and 2024/25 Annual Audit Reports

These reports summarise the findings from the 2022/23, 2023/24 and 2024/25 annual audits of West Dunbartonshire 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.

**Insert  
AAR cover  
image**

[2022/23 Annual  
Audit Report  
West Dunbartonshire  
Council](#)

December 2024

**Insert  
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[2023/24 Annual  
Audit Report  
West Dunbartonshire  
Council](#) (*council AAR  
to follow*)

October 2025

**Insert  
AAR cover  
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[2024/25 Annual  
Audit Report  
West Dunbartonshire  
Council](#) (*council AAR  
to follow*)

August 2026

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# Appendix 2

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## 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.

Best Value

# West Dunbartonshire Council



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# Local government policy update

Item 6

Meeting date:

Policy Manager for the Accounts Commission

17 September 2026

## Purpose

1. This regular report provides an overview of significant recent activity relating to the Accounts Commission and local government. This report complements the [weekly news updates](#) by highlighting key issues. A version of each monthly report is shared directly with local government stakeholders for information and posted on the Commission's website.

## Recommendations

2. The Commission is invited to note this report and consider any implications for its work programme.

## Recent publications

3. Media coverage and engagement for recent publications is as follows:

- [Best Value: Glasgow City Council](#) (03 September)
  - Widespread coverage across all local and national news media, including features and interviews on BBC TV and STV News main bulletins and BBC Radio Scotland breakfast. Reporting covered budget gap and wider issues around homelessness, which was raised at First Minister's Questions.
  - 500 downloads in the first 5 days.

## Media and Parliamentary monitoring

4. The Accounts Commission and its reports, including [Local government budgets 2026/27](#), are mentioned throughout the recent briefing, [Local Government Finance: facts and figures 2026](#), by the Scottish Parliament Information Centre (SPICe). The briefing looks at structures and trends regarding local government funding and budgets.

5. The Commission has also been mentioned recently as follows:

- The Commission's [Integration Joint Boards: Finance bulletin 2024/25](#) was cited in the Scottish Fiscal Commission's [Statement of Data Needs – August 2026](#) (page 12).
- The section 102 report on Clackmannanshire Council has been referred to in some [reporting by a local newspaper](#) including in relation to the council's actions in response to the report.

## Scottish Government and Parliament updates

**6.** The Scottish Government published its [Programme for Government \(PfG\) 2026 to 2031](#) on 1 September. The five-year programme differs from the previous approach of publishing a separate PfG each year; the Scottish Government intends to publish an update each spring aligned to the Scottish Budget.

**7.** A key aspect of this PfG is the set of plans in relation to Public Service Reform (PSR). It proposes the following:

- Replacing the current 14 territorial health boards with two “strategic health boards” – likely to be ‘east’ and ‘west’ – and further reducing the number of special health boards
- “Convening a dialogue” with local government and others about the future of local governance in Scotland, including at a regional level and supporting community empowerment as well as single authority models where applicable
  - In his [speech to Parliament](#), the First Minister said “some of our councils are too small to be strategic and some are too big to be local”, which the government believes should change; he called for “stronger, more strategic regions” and said changes must not create another layer of administration
- Engaging with local authorities and other stakeholders to reach agreement on reform of social care – the First Minister indicated a desire for “a single line of decision-making, accountability and funding” led by the NHS
- Reducing the number of public bodies in a range of ways including:
  - merging existing environment bodies into a single body,
  - bringing Transport Scotland into the Scottish Government and exploring a single ferries body for the Clyde and Western Isles
  - consolidating commissioner bodies overseen by the Scottish Parliament Corporate Body
  - “undertaking reform activity” with the National Records of Scotland (NRS) and Registers of Scotland
  - rationalising the number of bodies with inspectorate functions
  - merging, integrating or transferring functions in various areas
- Working with Audit Scotland, in line with the PSR Strategy, to “review the audit and scrutiny landscape and identify opportunities for simplifying and integrating processes and bodies whilst maintaining a robust assurance system”.

**8.** The PfG lists the Bills the Scottish Government intends to bring forward in the first year. These include a Public Service Renewal (Scotland) Bill, likely to include most or all of the above proposals, and legislation to introduce the two additional Council Tax bands for high-value properties.

**9.** Other headline proposals in the PfG include:

- extending the £2 bus fare cap, already in place in the Highlands and Islands, to the Strathclyde Partnership for Transport area from 7 September, as part of a phased Scotland-wide roll-out
- breakfast clubs for all primary schools from August 2027, with a new after-school and holiday childcare offer from August 2029
- introducing and consulting on legislation to establish price ceilings on some essential food items
- a focus on tackling violence against women and girls including a new Misogyny Bill to be introduced in the first year
- measures aimed at growing the economy including establishing a Major Projects Office to “accelerate progress on nationally and strategically significant investment”.

**10.** This [summary and comment by LGIU \(Local Government Information Unit\)](#) highlights other proposals that are of relevance to local government. [This analysis by BBC News](#) looks at the context for the PSR proposals. There has also been a range of comment on potential further devolution, with Prime Minister Andy Burnham saying (before the PfG announcement) that [Wales and Scotland should consider following England's model](#) of giving more powers to cities and regions, and [two public policy experts making the case](#) for reforming without overhauling local government.

**11.** There were developments regarding Scottish Government finances:

- The latest annual Government Expenditure and Revenue Scotland (GERS) report showed [Scotland's public spending deficit fell by £600 million last year](#) to £25.3 billion – 10.9 per cent of GDP – after an increase in the amount raised in tax. Spending per person in Scotland in 2025/26 was £22,281 – £2,720 higher than the rate per person in the UK as a whole. The [Fraser of Allander Institute \(FAI\)](#) and the [Institute for Fiscal Studies \(IFS\)](#) each published analysis.
- The [Scottish Fiscal Commission's \(SFC's\) latest Fiscal Update](#) warned of a difficult and uncertain economic and fiscal outlook for the Scottish Government. It said that while £831 million of additional UK Government funding has improved the position for 2026/27, revenue and capital funding could well fall in real terms in 2027/28. A £720 million shortfall in Scottish income tax revenues in previous years will further constrain spending. Again there were summary responses by [the FAI](#) and [the IFS](#).

- After the date of the UK Budget was set as Wednesday 28 October, it was confirmed that the Scottish Budget 2027/28 will be presented to Parliament on Thursday 3 December. The UK Government will also publish detailed plans for devolution alongside its Budget.

## Local government finance issues

**12.** [Glasgow City Council has agreed a plan for a new pay and grading structure](#) aimed at bringing an end to the long-running dispute over equal pay. The plan involves a phased roll-out of new terms and conditions for non-teaching staff from April 2027. The new system is expected to see 63 per cent of staff gain financially, no change for 26 per cent, and 11 per cent worse off – though they will receive pay protection for the first 12 months. [Trade unions have responded to the plans](#), saying those due to lose out are mostly female and mostly in lower-paid roles.

**13.** City of Edinburgh Council has agreed to a [delayed implementation of a 300 per cent premium on council tax](#) for second homes and long-term empty properties, to take effect from January 2027. The council initially increased the existing 100 per cent premium from April 2026, but suspended it eight days into the year following legal advice, in order to undertake further assessment and engagement. Officers estimate the delay has cost the council £3 million in expected revenue this year, and councillors are set to discuss this at a meeting in late September.

## Policy area updates

### Education, children and young people

**14.** There have been a number of stories recently relating to the teacher workforce (a subject which will be addressed by the Commission in an upcoming performance audit report):

- Official statistics showed that [less than a quarter of the 2024/25 cohort of newly-qualified teachers](#) found permanent work in their first year, down from nearly 60 per cent of those starting in 2016/17, and most councils now employ a majority of their newly-qualified teachers on temporary contracts
- Intake for initial secondary teacher training was [a little over half of the target number in 2024/25](#), according to official figures, with maths, sciences and foreign languages all below 50 per cent; primary teacher intake was at 96 per cent of the target
- Education Secretary Mairi McAllan said plans will be brought forward soon to [help primary teachers gain additional registration](#), so they can transition to other roles including in secondary schools
- Ms McAllan also announced a £1 million pilot fund to help teachers taking up posts in rural and island areas with relocation costs, and reaffirmed the planned three-year job guarantee for new teachers, though [concerns have been raised](#) about impacts on other staff.

**15.** It was reported that projections by the Institute for Fiscal Studies (IFS) show a [15 per cent fall in primary school pupil numbers](#) across Scotland between 2025 and 2035 – a bigger drop than previously forecast. The projections are based on new data from the NRS which showed that [Scotland's birth rate fell to another record low in 2025](#). The IFS says the trend – which is replicated in England and Wales – could lead to school closures or fewer teachers, or alternatively to smaller class sizes.

**16.** Meanwhile in the last month, at least two councils have discussed plans for reducing their school estate. [Aberdeenshire Council is looking to merge a number of primary schools](#), having already closed or merged seven since 2020. And [Moray Council has agreed a new ten-year strategy](#) that identifies 23 schools that could be merged, closed or mothballed, alongside a range of other options.

## Health and social care

**17.** At least two Health and Social Care Partnerships (HSCPs) have unveiled new plans for how some services will be delivered after reviews:

- In Glasgow, the HSCP is to consult on proposals to [reduce the current ten day care centres to four 'hubs'](#), as the centres are below 50 per cent of capacity. Staff would be redeployed under the plans, which are part of a wider three-year reform programme.
- [Angus HSCP has begun procurement for a new framework](#) for a number of home care services. The new framework follows a review of provision for supported elderly and adults with learning disabilities, mental health and substance misuse issues.

## Housing and homelessness

**18.** [Glasgow City Council says it is expecting a “meaningful contribution”](#) from the Scottish Government towards the city’s homelessness costs, which are set to reach £75 million in 2026/27, following talks with Finance Secretary Jenny Gilruth. The scale of support has yet to be determined. Council leaders have recently commented that the issue is beyond the council’s control and poses a significant threat to its financial sustainability.

**19.** The [City of Edinburgh Council has ended its suspension of its housing allocation policy](#). In April 2025 the council decided to reserve almost all properties for people experiencing homelessness, alongside increasing the supply of suitable temporary accommodation. Since then, more than 350 households have been moved out of unsuitable accommodation. Meanwhile [Aberdeen City Council has brought 400 empty council homes back into use](#) in six months as part of a drive to cut costs and increase revenue as well as easing pressure on the housing waiting list.

**20.** Research by the Fraser of Allander Institute (FAI) has found that the Scottish Government’s [social and affordable house-building targets will not be met](#) at the current rate of construction. The PfG reaffirmed the 2021 target of delivering 110,000 affordable homes by 2032.

## Other updates

**21.** The UK Government has [put on hold its plans to reform the structure of local government](#) in several areas of England following legal advice. The planned changes – some of which had been subject to judicial review – involved merging district and county councils to form larger, unitary authorities. As a result of the pause, local elections scheduled for May 2027 will go ahead on existing council boundaries.

**22.** The [Finance and Public Administration Committee](#) and the [Public Service Reform Committee](#) of the Scottish Parliament each published the responses to the calls for views as part of their pre-budget scrutiny. [These and other committees](#) – including the Social Justice, Housing and Local Government (SJHLG) Committee – are likely to hold pre-budget scrutiny evidence sessions in September. The [SJHLG Committee](#) took evidence on Scottish Government priorities from relevant Cabinet Secretaries and ministers on 09 and 16 September (after this report was produced).

**23.** Recent publications and updates of possible interest to members (besides those referenced earlier in this report) are listed below:

- Scottish Government (SG):
  - SG: [Serving Scotland: our five-year plan](#) (*civil service*)
- Scottish local government:
  - COSLA: [Series of blogs by the COSLA Presidential Team, Spokespeople, policy teams and guest authors](#)
  - LGIU: [Scotland's towns are changing: how data can help councils respond](#) (*by Scotland's Towns Partnership*)
- Education, children and young people:
  - LGIU: [Explainer: SEND and additional need in local government](#)
  - SG: [Education – additional support for learning: route map](#)
- Health and social care:
  - SG: [Health and Care Improving Flow Plan 2026-2031](#)
- Housing and homelessness
  - SPICe: [Affordable Housing Supply Programme – Update August 2026](#)
  - FAI: [An overview of provision of affordable housing in Scotland](#)
- Child poverty:
  - Joseph Rowntree Foundation: [Scottish child poverty targets review – a chance to advance, or a retreat?](#)
  - Improvement Service: [New guidance helps councils compare child poverty drivers across Great Britain](#)

- Other topics:
  - LGIU: [Wildfires: building resilience and planning for response and recovery](#)
  - NRS: [New record low for births in Scotland](#)
- Audit Scotland and Auditor General reports:
  - Audit Scotland: [The National Fraud Initiative in Scotland 2026](#)
  - Auditor General: [Blog: attention to detail a must for public service reform](#)

## Conclusion

**24.** The Commission is invited to note this report and consider any implications for its work programme.

# Chair's update

Item 7

Meeting date:

Chair of the Accounts Commission

17 September 2026

## Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission since the Commission met last and upcoming engagement before the next meeting.

## Recommendations

2. The Commission is invited to note this report and enquire about any areas of interest.

## Engagement and Commission business

### Commission business

- Regular meetings with Sarah Watters (Director for the Commission), Helena Gray (Controller of Audit) and Lee Ovens (Executive Assistant)
- 13 August – Accounts Commission recruitment information session (in person and online)
- 21 August – Best Value report follow-up visit to Inverclyde Council, with Ruth MacLeod (Commission member) and Sarah Watters
- 02 September – Work programme discussion with Sarah Watters, Helena Gray, Alison Cumming (Executive Director of Performance Audit and Best Value) and Mark MacPherson (Audit Director)
- 14 September – Follow-up visit to Clackmannanshire Council, following their Section 102 report, considered at June's meeting
- 15 September – Accounts Commission meeting and strategy seminar prep session with Andrew Burns (Deputy Chair) and Commission support team
- 15 September – Accounts Commission recruitment shortlisting discussion
- 16 September – Accounts Commission Strategy Seminar

### Audit Scotland engagement

- Regular meetings with Stephen Boyle (Auditor General), Vicki Bibby (Chief Operating Officer) and Alison Cumming

- 13 August – Future Public Audit Model discussion with the Commission's Sounding Board
- 25 August – Audit Scotland Board meeting
- 27 August – Budget discussion meeting with Vicki Bibby, Fiona McKie (Director of Corporate Services) and Waqas Sanawar (Head of Finance)
- 03 September – Audit Scotland Audit Committee meetings, and introductory meeting with the new Audit Scotland Board Chair, Bruce Cartwright

### **External engagement**

- 17 August – Introductory meeting with Craig Hoy MSP, Convener of the Scottish Parliament's Social Justice, Housing and Local Government Committee, supported by Sarah Watters
- 31 August – discussion with Catriona MacKean, Deputy Director for Local Government at Scottish Government, in advance of the publication of Programme for Government on 01 Sep
- 03 September – National Self-Evaluation Framework overview, with Alastair Delaney, consultant, and Rachael Hood, Transformation Lead at Improvement Service, and Commission members
- 07 September – Scottish Parliament Fiscal Literacy Programme launch event
- 10-11 September – Society of Local Authority Chief Executives (Solace) Scotland conference, Oban
- 15 September – Two-monthly meeting with Catriona MacKean

### **Forthcoming activities**

- Regular meetings with Sarah Watters, Helena Gray and Lee Ovens, and with Stephen Boyle, Vicki Bibby and Alison Cumming
- 17 September – Audit Scotland Budget 2027/28 engagement with Commission Budget Sub-group
- 22 September – attendance at Performance Audit and Best Value Leadership Team meeting
- 23 September – Introductory meeting with Jenny Gilruth, Deputy First Minister and Cabinet Secretary for Finance and Local Government
- 24 September – Audit Scotland Board meetings

- 29 September to 02 October – Accounts Commission member recruitment interviews
- 05 October – West Dunbartonshire Council media day
- 06 October – Joint work programme discussion with Stephen Boyle, Andrew Burns, Sarah Watters and Audit Scotland colleagues

## Conclusion

### 3. The Commission is invited to:

- Note this report and enquire about any areas of interest.