

Agenda

Thursday 09 October 2025 10.00am

Audit Scotland office, 8 Nelson Mandela Place, Glasgow
and online via Microsoft Teams
525th meeting of the Accounts Commission

Public session

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

Private session

- | | | |
|---|---|-------|
| 9. Controller of Audit's update
[Item to be in private as it requires the Commission to consider confidential policy matters.] | Controller of Audit | 11:50 |
| 10. Best Value: North Ayrshire Council
[Item to be in private as it requires the Commission to consider actions in response to a statutory report.] | Controller of Audit | 12:00 |
| 11. Delayed discharges performance audit – draft report
[Item to be in private as it requires the Commission to consider a draft of a forthcoming publication.] | Executive Director of PABV | 12:25 |
| <i>Lunch</i> | | 12:50 |
| 12. Public audit in Scotland – interim evaluation report
[Item to be in private as it requires the Commission to consider confidential policy matters.] | Director of Innovation and Transformation | 13:30 |

-
- | | | |
|---|--|-------|
| 13. Future Public Audit Model discussion paper 4
[Item to be in private as it requires the Commission to consider confidential policy matters.] | Director of Audit
Quality and
Appointments | 14:00 |
| 14. Future Public Audit Model discussion paper 5
[Item to be in private as it requires the Commission to consider confidential policy matters.] | Director of Quality
and Support | 14:30 |
| 15. Chief Operating Officer update
[Item to be in private as it requires the Commission to consider confidential policy matters.] | Chief Operating
Officer | 15:00 |
| 16. Any other private business
The Chair will advise if there is any other private business to be considered by the Commission. | Chair | 15:10 |

Close of meeting		15:15
-------------------------	--	-------

Minutes

Thursday 11 September 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via
Microsoft Teams
524th meeting of the Accounts Commission

Present:

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

In attendance:

Sarah Watters – Director for the Accounts Commission
Joe Chapman – Policy Manager
Alison Cumming – Executive Director of Performance Audit and Best Value (PABV)
Helena Gray – Controller of Audit
Blyth Deans, Audit Director, PABV (*item 9*)
Martin McLauchlan, Senior Manager, PABV (*item 9*)
Zoe McGuire, Audit Manager, PABV (*item 9*)
Garry Quigley, Senior Auditor, PABV (*item 9*)s
Carol Calder, Audit Director, PABV (*item 10*)
Kathrine Sibbald, Senior Manager, PABV (*item 10*)
Christopher Lewis, Senior Auditor, PABV (*item 10*)
Paul O'Brien, Director of Quality and Support (*item 11*)
Michael Oliphant, Audit Director, ASG (*item 13*)
Vicki Bibby, Chief Operating Officer (*online – item 14*)

1. Apologies for absence

No apologies were received.

2. Declarations

A number of declarations were declared at the meeting, none of which required recusal from their respective items:

Derek Yule declared a connection to item 9 due to his involvement with a community trust in Clackmannanshire that is pursuing an asset transfer, although it is not one of those referenced in the draft report.

Angela Leitch declared a connection to item 9 as she is undertaking a review of Creative Scotland, but they are not mentioned in the report.

Jennifer Henderson, Malcolm Bell and Carol Evans declared connections to item 11, as chief executives or board members of public bodies which will be subject to the annual audit process.

3. Order of business

It was agreed that items 9 to 15 would be considered in private, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

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

- Item 6 covers last month's query related to teacher contact time
- The Controller of Audit is organising the next Scrutiny Coordination Group for late October.

Regarding Glasgow City Council's s102 report, Andrew Burns has written to all Council Leaders and Chief Executives, with Directors of Finance and external auditors cc'd, to request that they review Schemes of Delegation and decision making processes, and learn lessons from the report.

5. Local government policy update

The Commission considered a report by Joe Chapman, Policy Manager for the Commission, providing an update on significant recent activity relating to local government. Joe highlighted the following items:

- An update on teacher contact time is provided in paragraphs 11 and 12, in response to an action from August's meeting.
- Update from the Cabinet Secretary for Finance and Local Government – challenges in scheduling the Scottish Budget and Spending Review for December due to the date for the UK Budget being later than anticipated.

During discussion, the following points were raised:

- Timing of the Commission's internal and external budget overview documents may be impacted by a delay to the Scottish Budget.
- Concern over recurring trend of councils' budget decisions being reversed due to community backlash, often following what is being seen as inadequate consultation.

After discussion, the Commission noted the contents of the update.

6. Chair's update

The Commission considered an update by Jo Armstrong on recent and upcoming activity.

Jo highlighted the following:

- Reflections from the Solace Scotland Conference 2025 - positive conversation around how the sector is tackling financial challenges
- East Lothian Best Value follow up visit with Malcolm and Jennifer:
 - All agreed it was a positive conversation and useful insight
 - Lack of 'right to reply' at the Commission meeting challenged
 - the meeting highlighted good things the council is doing rather than just focusing on 'negatives'.
- Work programme consultation discussions held with Directors of Finance, COSLA, ALLIANCE and the IJB Chief Officers forum -
 - all supportive and value the Commission's work, and have formally submitted their views
 - feedback that the Commission could be more focused on priorities.
- Andrew Burns attended Scottish Government's Local Government Directorate team meeting – 10 to 15 minute overview of the Commission's role and work undertaken, followed by a Q&A session, good feedback, constructive and worthwhile.

After discussion, the Commission noted the contents of the update.

7. Any other public business

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

8. Controller of Audit's update

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

- Helena and Sarah met with John Wood from COSLA earlier this month, discussion focused on the Verity House Agreement and in particular the Fiscal Framework and Accountability and Assurance Framework.
- Solace Scotland conference – interesting conference, with some useful networking opportunities.
- Audit delivery –
 - Chair has met with the Chief Executive at one of the delayed councils and exchanged correspondence; the others are on track for their agreed revised dates.
 - 2024/25 unaudited accounts – two councils had not submitted on time - one now shared with auditor, awaiting an update on the other which was due to be available earlier this month.

During discussion, the following points were raised:

- Single Authority Model – Comhairle nan Eilean Siar has been progressing work and expects to set out outline models and a preferred option soon, with active engagement from NHS partners. CoA highlighted the need to consider audit and scrutiny as part of proposals.
- Integration Joint Boards (IJBs) Chief Finance Officers (CFOs) Section meeting – discussed Future Public Audit Model but also covered financial sustainability and partnership working between IJBs, local authorities and NHS boards.
- Members were encouraged to hear that Glasgow City Council is using the culture self-assessment model developed by Renfrewshire Council and the Improvement Service.

After discussion, the Commission noted the contents of the update.

9. Local government performance: Spotlight on culture and leisure services – draft report

Alison Cumming, Executive Director PABV, introduced the report, which is part of a series of local government outputs which the Commission agreed to produce as part of its programme of Local Government (LG) overview reporting for 2025.

Alison highlighted:

- This will be the first service spotlight report published by the Commission as part of the LG overview, and the Commission will wish to consider learning from this approach to inform its future work programme. Thanks to Carol and Nichola for their input as sponsors and to Jo for providing additional oversight for this first spotlight report.
- Commentary on overall performance against Local Government Benchmarking Framework (LGBF) has been removed from the scope due to the likelihood of repeating messages from the LGBF national overview report.
- The report draws on limited LGBF indicators along with publicly available information.
- It was challenging to analyse financial and performance data due to wider policy decisions and annual pay deals impacting spending.
- Publication planned for 23 October, factual accuracy checks ongoing with stakeholders.

During discussion, the following points were raised:

- Members acknowledged and welcomed the revised approach to the report and the need to ensure it is relevant and impactful.

- The Commission is keen to see councils using data to inform and justify spend and decisions on culture and leisure services, and to understand relationships between different models and outcomes.
- Members suggested that satisfaction data from service users rather than general public would be more meaningful.
- In response to a query around arm's length external organisations (ALEOs) and tax exemptions, it was clarified that ALEOs are set up to maximise these benefits. Not all councils use ALEOs, and some councils are bringing services 'back in house'.
- The shift from 'recommendations' to 'Commission expectations' was highlighted. Blyth Deans will bring a paper to a future meeting on the difference (if any) between the two, and how they will be followed up.

Action: Audit Director, PABV

- A number of queries were raised about aspects of the information provided in the report, including:
 - data on provision or usage of facilities in specific areas
 - potential for comparative insights, such as contrasting trends in library visits across local authorities
 - use of examples from councils looking to expand rather than contract services
 - data on consultations, and whether these relate to new services or closures
 - data on funding from other bodies, including insight from analysis of net versus gross expenditure
- Alison said the team will review the Spotlight report for clarity and factual accuracy and explore whether further information and data could be included, as highlighted during the discussion.

Following discussion, the Commission:

- Noted the contents of the report
- Approved the draft report in principle including publication arrangements, subject to fact checks and amendments discussed
- Delegated final approval of the report to sponsors.

10. Community health and social care: Performance 2025 – draft output

Alison Cumming introduced the report, highlighting a number of points:

- Joint output with the Auditor General, grateful to Angela, Malcolm and Andrew as sponsors.

- Planned publication date 06 November – recognise strong stakeholder interest and will utilise a range of promotion; plan to share draft summary briefing by correspondence when available.
- Auditor General will consider whether to refer this to the Public Audit Committee, expect interest from Health, Social Care and Sport Committee at Parliament too.

Christopher Lewis and Kathrine Sibbald presented key messages from analysis of the data. Key themes included prevention and early intervention, person-centred care, and reducing inequalities.

It was also acknowledged that due to a formatting issue it would not have been clear to Commission members that a link to the draft data tool was embedded in the meeting papers. The link was provided again to members to support their consideration of the presentation.

During discussion, the following points were raised:

- The Commission's desire to report on performance data as well as finances, to provide further evidence around issues that have been raised in previous reports; and the need for the Commission to have an agreed position and key messages.
- Challenge of collating and interpreting performance data across community health and social care sectors; difficulty of establishing causation, as well as correlation, in terms of factors affecting performance; and whether the data gaps should be highlighted.
- Performance management – keen to see how organisations use the data to improve, and whether there is scope to share case studies of good practice across councils and also the NHS.

Following discussion, the Commission:

- Approved the interactive online data tool
- Noted the contents of the presentation of key findings
- It was agreed that the draft briefing should come to a future Commission meeting for full consideration.
- Agreed to provide any comments or queries regarding the data tool by 19 September.

11. Guidance on planning 2025/26 annual audits

The Commission considered a report by Paul O'Brien, Director of Quality and Support. During discussion, the following points were raised:

- Resource requirement – a significant document with a lot of work involved but some of the content is replicated from previous years where appropriate.
- Timescales – local government audits should be complete by September annually, but quality of audits is also important; anticipating all audits will be back on track by the end of the

current audit appointment period. The Chief Operating Officer's recent letter to councils and auditors stresses the importance of timeliness and a partnership approach.

- Members discussed the balance between timeliness and quality, and whether target dates should be called 'deadlines' to be clearer.
- 'Good' versus 'best' practice – auditors are able to judge what is good practice in a particular authority's context, and there are lots of examples of good practice which are worth sharing, but difficult to determine what is 'best' given different circumstances and without knowledge of all authorities. The local government sector forum enables sharing of examples and ensuring consistency of approach across all auditors.
- It was suggested that the asset management thematic work planned for 25/26 should cover the proportion of a council's capital programme that has been delivered, as well as under- or over-spends. Helena agreed to take this into consideration for the accompanying detailed guidance for the thematic audit work.

Action: Controller of Audit

- Discussion about stronger reference to assessing authorities' partnership working and involvement in sectoral collaboration, however this is already covered as one of the BV themes so it was agreed not to make any change that would single it out.

After discussion, the Commission:

- Approved for consultation the draft of guidance on planning 2025/26 annual audit
- Delegated authority to the Commission Chair to approve the publication of the final guidance.

12. Commission engagement framework

The Commission considered a report by Sarah Watters. This framework complements the Response Framework presented at August's meeting to guide how the Commission engages with stakeholders. Sarah noted the following:

- The framework defines engagement in the context of the Commission, proposes six 'goals' for consideration and sets out actions and responsibilities across various groups of stakeholders.
- Alongside the framework the Controller of Audit has her own programme of engagement that links to the Commission's work. This is discussed regularly with the Chair and updates are provided to the Commission.

During discussion, the following points were raised:

- The level of detail and clarity in the framework was welcomed.

- Purpose of engagement is clearer, evident that a key relationship stakeholders have is with Audit Scotland staff during audit work, while Commission members are less directly involved as appropriate in order to maintain independence.
- Aim is that engagement becomes more relational rather than transactional, with more proactive engagement with and from stakeholders.
- 'Local engagement' – a place director-type model was considered but would mean a large time commitment and may not adequately cover all areas.
- There may be opportunities for local engagement and gathering of information and 'intelligence' through other meetings and activities – but this should not be considered the same as audit evidence.
- Commission experience - emphasis should be placed on Commission's lived experience and knowledge of their local council area. The Commission is committed to geographic diversity, but allocation of members to "home" local authority is not necessarily the best way to evidence or demonstrate that commitment.
- Discussion on the relationship between this framework and the Response Framework (discussed in August) and whether merging the two would be appropriate. However, members debated whether the engagement framework required to be published or whether it was more appropriate as a working document for the Commission.
- Sarah will consider the points above when reviewing both frameworks.

After discussion, the Commission:

- Noted the contents of the report
- Agreed the assumptions set out in paragraph 16
- Delegated final sign off to members of the communications working group

13. Support for Committee appearances – training proposal

The Commission considered a report by Sarah Watters, and Audit Directors of Audit Services Group (ASG) and PABV. The paper was requested by the Commission Chair based on her own experience.

During discussion, the following points were raised:

- Audit Scotland staff and the Auditor General undertake this training.
- There is appetite for the Commission continuing to appear in front of parliamentary committees to give evidence on reports where appropriate/relevant. The training would be tailored to the Commission's needs and preferably in person.

- Members were supportive of formalising this training, with those who have had support in advance of giving evidence highlighting the benefits.
- Appetite to make it a whole day of training, potentially including other mandatory training for members.
- Members also suggested watching Public Audit Committee meetings to gain experience.

After discussion, the Commission:

- Noted the contents of the report
- Agreed that the Director for the Commission works with Audit Directors to firm up proposals and deliver support as soon as practicable.

14. Chief Operating Officer Update

Vicki Bibby, Chief Operating Officer, delivered a verbal update to the Commission. During discussion, the following points were raised:

- Audit Scotland budget process will mirror last year's, with a sub-group made up of Andrew, Derek, Jo and Jennifer meeting in October to review the Accounts Commission budget before it comes to the Commission for approval. In addition, Vicki will share with the group the key considerations for the wider Audit Scotland budget but governance for this sits with the Audit Scotland Board.
- Review of Partnership Working Framework – same format as last year, with Andy and Jennifer collating views from members. Sarah will seek Commission views in October, whilst Vicki will seek views from the Auditor General and the Audit Scotland Board.
- Joint Audit Scotland Board and Commission session in November planned and discussions are underway with Professor James Baird, with a focus on AI and Digital in audit.
- Audit Scotland's Strategic Improvement Programme – paper going to Audit Scotland Board for approval with updates on key projects.

15. Any other private business

Jo reminded Commission members that October's Commission meeting will take place at Audit Scotland's Glasgow office, which she hopes will enable North Ayrshire Council colleagues to attend for the session on their Best Value report. The Commission support team will contact those members who require accommodation in due course.

There being no further business, the meeting closed at 1.15pm.

Accounts Commission Action Tracker
As at: 01 October 2025

Action No.	Date	Action	Action by	Assigned to	Timescale	Progress	RAG Status	Date complete
25/033	11-Sep-25	Council capital programmes Helena agreed to consider including the proportion of council's capital programme that has been delivered, as well as under- or over-spends, in the detailed guidance for the thematic audit work.	Controller of Audit	Helena Gray	Nov-25	Helena is working with the team to develop the detailed guidance for auditors. It currently asks auditors to assess whether the council is on track to deliver the commitments in its capital programme and the impact of any delays on service delivery.	In progress	
25/032	11-Sep-25	Expectations and recommendations Blyth Deans to bring a paper to a future meeting on the difference (if any) between expectations and recommendations, and how they will be followed up.	Audit Director, PABV	Blyth Deans	Jan-26	Plans are in place to bring a paper to the Commission for consideration in January.	In progress	

Best Value: North Ayrshire Council

Item 5

Controller of Audit

Meeting date:
9 October 2025

Purpose

1. This report introduces the Controller of Audit's report on Best Value in North Ayrshire Council for the Commission's consideration, alongside the associated publication arrangements.

Recommendations

2. The Commission is invited to:

- Consider the Controller of Audit's report
- Approve the proposed publication arrangements
- Decide how it wishes to proceed.

Background

3. The report draws the Commission's attention to the findings set out in North Ayrshire Council's 2024/25 Annual Audit Report (AAR) on how effectively the 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 to increase its impact and efficiency and reduce the scrutiny burden on councils. Best Value work is reported in AARs and also includes follow-up and thematic Best Value work, providing judgements on the pace and depth of continuous improvements and service performance. This work gives the Commission the opportunity to offer a national overview of key aspects of Best Value, as well as support accountability and improvement within individual councils to generate greater impact from the audit work.

5. The theme for 2024/25 is transformation and how councils are redesigning and delivering services to achieve planned outcomes. This is the first Best Value report for the 2024/25 theme.

6. At least once during the current five-year audit appointment the Controller of Audit 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 AARs. They replace the Best Value Assurance Reports that were published on all councils between 2017 and 2022.

7. The Best Value thematic report and the AAR for North Ayrshire Council were presented to the council's Audit and Scrutiny Committee on 29 May 2025 and 23 September 2025 respectively.

The Controller of Audit's report

8. This report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003.

9. 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.

10. The Controller of Audit's report was sent to North Ayrshire Council on 1 October 2025, the same date it was issued to the Commission. The council has been advised that it is obliged to supply a copy of the report and the AAR on which it is based to each member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the council it is effectively in the public domain.

Procedure

11. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:

- direct the Controller of Audit 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. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and

judgements presented in the AAR, with a focus on Best Value. This is done in the public part of the Commission meeting.

14. The Commission will then decide in private how it wishes to proceed. The Commission is obliged to inform the council of this decision shortly after the Commission meeting – this is done by the Secretary on the Commission’s behalf – before making its decision public.

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.

16. The council is required to do the following:

- consider any findings of the Commission within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the 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.

Publication arrangements

17. The report is due to be published on 28 October 2025, with the previous day being held for any media interviews. It is anticipated that the Chair will front the media for this report.

18. The main communications outputs for each of the new Best Value reports currently include:

- Short animation – key messages for local communities from the report and the Commission’s findings
- News release – based on the Account Commission’s findings, including a quote from the Commission’s media lead for the report.
- Social media – detailed list of key groups to tag within each council area, including community councils, tenant groups, third sector and local third sector interfaces.

19. In addition, we will carry out the following communications and engagement:

- Local media – advance engagement to increase the potential for interviews
- Third sector interfaces – provide materials and support to share across their contacts
- Ongoing engagement with the local council.

20. The main audiences for our communications are:

- Council and council staff
- Local communities, and third sector groups
- Local and specialist media
- COSLA and the Improvement Service
- Other councils – to share good practice.

Conclusion

21. The Commission is invited to:

- consider the Controller of Audit's report on North Ayrshire Council
- approve the proposed publication arrangements
- decide how it wishes to proceed.

Best Value

North Ayrshire Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
October 2025

Contents

Key facts	3
Controller of Audit Report	4
Appendix 1	13
Appendix 2	14

Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key facts

342	Square miles
133,570	Population
39.8%	Proportion of data zones in North Ayrshire in the 20% most deprived, according to Scottish Index of Multiple Deprivation
6,407	Workforce FTE
33	Elected members 12 Scottish National Party, 11 Scottish Labour, five Scottish Conservative and Unionist, two Reform UK Group, and three Independent. Minority Scottish National Party administration
£11m	General Fund cumulative budget gap for 2026/27 and 2027/28 (based on flat cash settlement, 5 per cent increase in council tax and after the planned use of £5.3 million of reserves)
£455.8m	General Fund net revenue budget 2024/25 (revised)
£167.2m	Capital budget 2024/25: £92.3m General Fund, £75.9m HRA

Controller of Audit Report

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 as part of the 2022/23, 2023/24 and 2024/25 annual audits of the council, with the latest audit reported in September 2025. [Appendix 1](#) includes links to the Annual Audit Reports (AARs) 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. North Ayrshire Council (the council) is committed to the principles of best value and demonstrates a strong culture of continuous improvement. The council has made good progress on previously identified improvement actions and systematically measures and reports its performance across its strategic priorities.

4. The council has effective financial management processes in place and its transformation programme planning and management arrangements are clear. However, officers are clear that savings from transformation alone are not sufficient to close forecast budget gaps.

5. While the council currently has reserves to support fundings gaps, there is recognition that the continued use of reserves is not sustainable and that further savings will be needed. Elected members will face difficult decisions on how the use of resources is prioritised going forward.

Best Value Assurance Report (BVAR) follow-up

6. The council received a full BVAR in 2020 based on work undertaken before the covid pandemic. There had been good progress since the previous best value review in 2011 with just four improvement actions identified in 2020.

7. Scope for improvement was identified in relation to the further development of: transformation plans and arrangements; service level

workforce planning; locality planning; and the council's online public reporting portal.

8. The auditor has reported good progress against all four actions in the BVAR although further overlapping recommendations have been made in some areas, in subsequent best value thematic reports, to support further improvements.

Leadership review

9. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The auditor concluded that the leadership of the council has been effective in setting clear priorities. The council published *Our Council Plan 2023-28* in June 2023 which sets out four clear priorities that are aligned with the Community Planning Partnership's (CPP) three key themes. The council and its partners have a shared, long-term vision focused on addressing inequalities – *A North Ayrshire that is fair for all*. The council's new priorities were developed from sustained engagement with its communities.

10. Reducing inequalities is central to the vision and priorities of both the council and the Community Planning Partnership. The council views increasing inequalities as a very high risk.

11. Addressing climate change is also a clear priority for the council and they have adopted an ambitious target for North Ayrshire to be net zero by 2030. The council is using interim targets to help it track progress and a 49 per cent reduction in emissions has been reported since 2005.

12. Four improvement actions were identified by the auditor in their leadership review report, with work on these now complete.

Citizen and community engagement

13. The council is committed to community engagement, with the 2020 BVAR referring to it being recognised, by the Scottish Government and COSLA, as a sector leader in community empowerment, embedding into everyday business.

14. The council consulted extensively with its partners and communities in developing its Council Plan, using a variety of methods including locality engagement sessions, discussions with community groups, surveys and staff engagement sessions.

15. The council engages well with communities on participatory budgeting initiatives, with 1.85% of their budget subject to participatory budgeting in 2024/25. This exceeds the council's target of 1%. The council ran a young people's participatory budgeting initiative, through which over 4,000 young people voted, resulting in £56,000 being awarded to different youth projects.

16. The council has had a long-standing policy in place for community asset transfers, prior to the enactment of the legislation being fully completed. There have been ten community asset transfers including a town hall, football pitches and a toilet block. A further 12 expressions of interest have been received, and the council report that another 12 groups are working on applications.

17. A new approach to budget consultation was introduced for the 2025/26 budget process, with more extensive engagement sessions held with local community groups and stakeholders. Six public surveys were also undertaken with 4,461 responses received, a record number for the council. Of the transformation proposals included in the consultation, two were agreed as budget savings for 2025/25: the learning resource review and economic development service review.

Effectiveness of performance reporting

18. The council has a well-developed continuous improvement framework 'Our Performance Management Strategy 2023-28' which sets out how it will measure and monitor progress against the council's four key priorities. The strategy is aligned with the council plan and the National Performance Framework and identifies clear milestones, targets and performance indicators, as well as the council's approach to benchmarking and self-assessment.

19. The council reports its progress on its agreed priorities through an Annual Performance Report, supplemented by six-monthly updates and an annual analysis of the LGBF. It has set 26 priority indicators, updated quarterly and reported to the Executive Leadership Team, cabinet, and audit and Scrutiny committee. For benchmarking, the council also tracks an extended set of 33 LGBF indicators. These reports set out how the council plans to achieve best value and good governance and summarises progress made against the actions set out on the council plan action tracker.

20. The auditor concluded the council has good arrangements for the preparation and publication of statutory performance information, with work ongoing on a performance dashboard.

Reported performance

21. The auditor reports that good progress has been made in completing actions for years one and two of the council's plan. However, there is a recommendation that the council sets out in advance what criteria have to be met for an 'on target' judgement to be made for each action in its plan.

22. Performance information available for 2024 to 2025 was included in the council's 'Our Council Plan Six Monthly Progress Report' in September 2025. The council reported that of its 26 council plan indicators:

- 13 (50%) are currently on target,

- 5 (19%) is slightly adrift,
- 6 (23%) are significantly adrift and
- 2 (8%) had no available data or unknown.

23. Of the council's 33 LGBF priority indicators, 23 have shown an improvement from the most recent year, with 10 showing a decline to the end of June 2025. Just over half of these indicators (17) are currently in the top two quartiles when compared with other councils.

24. An overview of movements on all LGBF indicators is shown in Exhibit 1 alongside the averages for all councils. The exhibit shows a good level of improvement for performance indicators, but more cost and satisfaction indicators have declined than improved, in the most recent year and since base year. The proportions of the council's indicators in the top two quartiles, when compared to other councils, has remained constant.

Exhibit 1

North Ayrshire Council – LGBF indicator summary September 2025

Council movements are shown alongside Scotland averages in brackets.

	Cost indicators	Performance indicators	Satisfaction indicators	All indicators
Movement in last year	%	%	%	%
- Improved	35 (51) ¹	45 (41)	36 (25)	42 (41)
- Stayed the same	0 (4)	24 (23)	18 (5)	19 (18)
- Declined	65 (45)	31 (36)	45 (70)	39 (41)
Movement since base year				
- Improved	45 (51) ¹	68 (65)	0 (10)	57 (57)
- Stayed the same	0 (1)	8 (6)	0 (2)	6 (5)
- Declined	55 (48)	24 (29)	100 (88)	37 (39)
Indicators in the top two quartiles				
- Most recent year	45	51	55	50
- Base year	45	51	55	50

1. Scotland average movements are shown in brackets

Source: LGBF August 2025

25. At service level, LGBF indicators show good improvement since base year for all service areas other than culture and leisure, and adult social care. Only 36 percent of adult social care indicators are in the top two quartiles. The council continues to rank significantly below the family group

and national averages for the number of days people spend in hospital when they are ready to be discharged and for Self-Directed Support spend on adults as a percentage of total social work spend.

26. The council has demonstrated continuous improvement for children's services but the proportion of indicators in the top two quartiles has declined from 47 per cent in the base year, to 31 percent in the most recent year. The council has relatively high costs per pupil (both primary and secondary) whilst attainment rates for primary literacy and numeracy are relatively low. The council ranked 31 for primary literacy and 29 for primary numeracy in 2023/24. Secondary attainment rates are above the family group average but below the Scottish average for levels five and six. School attendance rates remain a challenge for the council, with a rate of 89.1 per cent, and a ranking of 27 in 2023/24.

27. The auditor has noted that His Majesty's Chief Inspector of Education, as part of a national thematic inspection of Scotland's local authorities, has reported in generally positive terms on how the council supports schools to improve the quality of education. The inspector's recommendations will be incorporated into the council's education services improvement plan.

Workforce planning

28. In 2023/24 the best value thematic review focused on workforce innovation and how councils are responding to workforce challenges.

29. Overall, the report reflects positively on the council's workforce planning arrangements. Eight recommendations for further improvement were made, with six of these now reported as complete. Further work is ongoing on two actions relating to exploring opportunities for joint workforce arrangements with partners and development of a workforce performance dashboard to help monitor the impact of its workforce planning.

30. The council has a clear vision for workforce planning within its Council Plan 2023-28 and has embedded planning at service level. However, the auditor found that the corporate-level workforce strategy lacked clarity and could be better aligned with wider strategic priorities. The council also lacked a SMART corporate workforce action plan, and there remained scope for reporting of progress to be improved. The workforce strategy has subsequently been updated and an action plan introduced. Council plan updates also now include coverage of workforce priorities.

31. The council has adopted a wide range of approaches to develop future workforce capacity, including modern and graduate apprenticeships and its Leadership Academy. Good use has also been made of digital technology to improve workforce productivity and arrangements for agile working have been further strengthened.

32. A digital programme workstream has now been approved by the council's transformation board and a digital survey for staff was

undertaken in November 2024. These measures will help with the ongoing delivery of the council's digital strategy and help ensure that gains are understood and quantified.

33. The council currently has joint working arrangements in place with other Ayrshire councils, sharing its Corporate Fraud Team with East Ayrshire, and occupational health delivery with East and South Ayrshire, for example. The council continues to explore opportunities for further joint working as part of its sustainable change programme.

34. The council completed a voluntary early release programme in 2023/24 which resulted in 85 employees leaving the council and a recurring saving of £2.4 million by 31 March 2025. Further workforce reductions are projected for 2025/26 through natural turnover and vacancy management, with 45 full time equivalent employees expected to leave.

Transformation

35. In 2024/25 the best value thematic review focused on transformation and how councils are redesigning and delivering services to achieve planned outcomes.

36. The council's current transformation programme, known as its Sustainable Change Programme, was approved in 2023 and clearly sets out how it intends to transform its services, in line with its priorities. The programme consists of five workstreams and six service reviews. As at March 2025, 19 transformation projects were in progress, two were on hold and two were complete.

37. There are robust officer-led governance arrangements in place with a transformation board providing effective oversight of the change programme. The chief executive chairs the bi-monthly meetings of the transformation board which includes the members of the executive leadership team.

38. The council has a well-established and well-resourced transformation team with 11 members of staff. Members provide project management and business analysis support to transformation projects.

39. Elected Members receive updates on transformation projects through the annual budget process, the council's performance reporting framework, and reports to individual committees. However, there is scope for the council to improve its public reporting to provide assurance on how it is progressing with the overall delivery of transformation, including planned and realised financial and non-financial benefits.

40. The council actively works with partners to identify better ways of delivering its ambitions. The council's senior leadership is involved in discussions around a pan-Ayrshire approach with East Ayrshire Council and South Ayrshire Council, exploring opportunities for public sector reform and collaboration including the Ayrshire Economic Strategy.

41. Between 2021/22 and 2024/25, the council achieved financial efficiencies from its sustainable change programme of £3.1 million and forecast a further £8.5 million of savings for 2025/26 and subsequent two years. The projected savings fall short of the levels required to close forecast budget gaps and have been supplemented with further budget balancing measures in 2025/26. Officers are clear that workforce changes, reductions in services and council tax increases will also be needed going forward.

42. Council plans should more clearly set out the extent to which savings from transformation will help address the budget shortfalls set out in the Medium-Term Financial Plan. The auditor reported that the council needs to be more ambitious to fully respond to its financial challenges and should consider opportunities for more radical transformational change with partners. A council report on collaborative working in Ayrshire was considered by elected members in September 2025.

Financial management and sustainability

43. The auditor has concluded that the council has effective financial management processes in place to manage budgets and support the sustainability of services in the medium-term. Budget updates to elected members provide a good level of information on the reasons for variances, the projected financial outturn, and the in-year challenges facing the council.

44. A council report in December 2023 considered the longer-term financial outlook for the period to 2033/34 and a report in October 2024 considered with the medium-term financial outlook for the three years 2025/26 to 2027/28. Whilst the council currently has reserves to cover the immediate budget gaps forecast, its service cost base is not sustainable with a risk that reserves will be depleted over the longer term unless further recurring savings are made.

45. Longer term challenges faced by the council include a forecast 4.2 per cent reduction in population by 2033/34 with older people set to make up a larger proportion of the population. These trends are likely to negatively impact anticipated funding levels while resulting in increased demand for services.

46. In 2023/24 the council utilised £16.7 million of the general fund reserves to support service delivery. The closing general fund balance stood at £93.4 million, representing 23.5 per cent of the council's net revenue stream for the year, the seventh highest level in Scotland on that measure.

47. In 2024/25 the council underspent on general fund services by £0.7 million, but within this total there was an overspend of £2 million on health and social care activities, and an overspend on education services of £0.9 million.

48. The total general fund balance increased slightly in 2024/25 but the council reports that the balance represents a slightly lower proportion of its annual budget. The uncommitted element of the general fund remains at the council policy minimum of 2% of annual budget. Key financial information for the council is included in Exhibit 2.

Exhibit 2

North Ayrshire Council – key financial information

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget setting				
Budget gap	10.6	19.3	20.6	13.9
Additional investment	1.7		2.0	5.0
Planned to be met via:				
- Savings & flexibilities	9.9	12.4	17.6	8.5
- Use of reserves	0	3.4	5	4
- Additional Council Tax	2.4 (3%)	3.4 (5%)	0	6.3 (7%)
Actual				
Savings delivered	Not reported separately ¹			
Reserves				
Use of / (contribution to) reserves after earmarking decisions	(22.4)	9.3	(3.5)	
Total usable reserves carried forward	135.7	126.3	129.8	
HRA	13.7	20.6	22.1	
Capital and other	11.9	12.4	13.4	
General Fund	110.1	93.4	94.3	
Earmarked	102.1	84.9	85.1	
Uncommitted	8.1	8.4	9.2	

1. Delivery of total planned savings does not form part of routine reporting.

Source: Council accounts and budget papers

49. The council's health and social care activities remain under pressure with £3.7 million of the savings identified for 2025/26 falling on this service area. The position reported to council's cabinet in August 2025 indicates that the IJB project an overspend of £5.2 million (1.5 per cent) on council services in 2025/26, reduced to £1.2 million through identified financial recovery actions. A Finance Working Group which includes the council's Head of Service (Finance), meets monthly to facilitate increased oversight and scrutiny of the financial position and transformation programme.

50. Influenced by the demographic and deprivation challenges in the area, the IJB has projected budget gaps for 2026/27 and 2027/28. The gap for

2026/27 is between £8.1 million (best case) to £21.4m (worst case). The council's current planning assumption is that the financial pressures facing the IJB will be met by savings and recovery actions.

51. The overall outlook for the council remains challenging with forecast general fund remaining budget gaps of £3.6 million for 2026/27, and £7.4 million for 2027/28 (after incorporating central planning assumptions based on flat cash settlements, 5% increases in council tax and the planned use of reserves of £3.5 million in 2026/27 and £1.8 million in 2027/28). These gaps will increase if planned savings for 2025/26 are not delivered.

Delivery of the capital programme

52. The council's Capital Investment Programme 2025/26 to 2033/34 includes planned investment of £301.8 million with around £138 million of this total to be met by new borrowing.

53. The auditor reported significant downward revisions to capital programmes in 2022/23 and 2023/24 and recommended the council review its approach. This resulted in the rephasing around 19 per cent of the planned expenditure in 2024/25 and 2025/26 for delivery in later years. Delays to the capital programme will impact the pace of service delivery improvements and increase risks to the delivery of projects within budget as costs rise, something the council continues to monitor.

54. Following rephasing, the revised capital budget for the general fund was £91 million for 2024/25 and £46.5 million for the housing revenue account. Underspends of £0.4 million and £1.5 million were returned for general fund and HRA respectively.

55. The council's ratio of financing costs to net revenue stream remains relatively low at 2.7 per cent for the general fund in 2023/24, lower than family group and Scottish averages and fourth lowest in Scotland. The ratio of financing costs for the housing revenue account was also lower than family group and Scottish averages, at 18.9 per cent. The council was ranked ninth (out of 26).

Housing revenue account

56. Underspends on the HRA were reported in 2023/24 and 2024/25 with the main area of underspend being capital financing costs. The balance on the HRA increased to £22.1 million in 2024/25, with £13.2 million of this held to support the council house building programme. HRA reserves at the end of 2023/24 were the fifth highest in Scotland when expressed as a proportion of dwelling rental income for the year, at around 37 per cent.

Appendix 1

Annual Audit Reports

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

Links to Annual Audit Reports:

[2022/23 Annual Audit Report North Ayrshire Council](#)

[2023/24 Annual Audit Report North Ayrshire Council](#)

[2024/25 Annual Audit Report North Ayrshire Council](#)

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.

Best Value

North Ayrshire Council



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 **Email: info@audit.scot**
www.audit.scot

Local government policy update

Item 6

Policy Manager for the Commission

Meeting date:
9 October 2025

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.

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:

- [Glasgow City Council - Senior officer exit packages](#) (4 September)
 - *Coverage:* Interviews for Good Morning Scotland, Reporting Scotland, STV News, The Times and local radio, and significant coverage across local and national print and online media.
 - *Engagement:* 1,040 downloads in September. Social media: 3,000 views, 275 engagements including 190 link clicks.
 - Coverage focused on the payments and the lack of oversight. Interviews also reflected on the context of financial constraints.
- **Improving care experience: Delivering The Promise** (8 October)
– published after this report was produced – details next month.

Media and Parliamentary monitoring

4. Recent references to the Commission and its reports include:

- The Local Government, Housing and Planning (LGHP) Committee has been taking evidence as part of its [pre-budget scrutiny](#). Andrew Burns, Derek Yule, Blyth Deans and Martin McLauchlan gave evidence on 16 September, and the Committee has also heard from council chief executives, unions, COSLA and Scottish Government. Some of Andrew's evidence was [reported by Holyrood magazine](#).
- Andrew also [gave evidence to the Public Audit Committee](#) on the 'Flooding in communities' joint audit report, alongside the Auditor General and Audit Scotland colleagues.

- Shona Robison regularly references the Commission in relation to real-terms increases in funding for local government. Mentions include in [evidence to the Finance Committee](#) and in answer to questions about [support for community facilities](#), [funding for Aberdeenshire Council](#) and [funding for waste management](#).
- Ms Robison was also asked in Parliament about [transparency, oversight and accountability around senior council officer pay and conditions](#). She noted the Commission's findings regarding Glasgow City Council, saying it has "responded in a very strong manner". She also noted the improvements made by the council under the new chief executive, and highlighted the Commission's letter to all councils, saying it is "important that every council implements the Accounts Commission's recommendations".
- Glasgow City Council leader [Susan Aitken gave her reaction](#) to the Section 102 report on senior officer exit payments, on the 'Planet Holyrood' podcast. Cllr Aitken said she was "personally lied to" and is "very angry" information was withheld, and that she wouldn't have signed off the payments if she had been aware. She called on those involved who have not yet returned their exit payments to do so.
- [The Herald reported on the letter to councils](#) asking them to review their Schemes of Delegation and decision-making processes, and learn lessons from the report. The article recapped many of the Commission's findings, and was accompanied by a [question-and-answer style analysis](#) of the issue and the Commission's actions.
- Two Labour councillors in Glasgow and Aberdeen said Scotland's local authorities [must ensure transparency over their finances](#) to regain public trust and confidence in the wake of recent scandals. Highlighting the Commission's section 102 reports and letters to all councils, Cllr Fiona Higgins and Cllr Deena Tissera said the cases showed failures in governance, culture and financial stewardship.
- Aberdeen City Council says [it has now paid over £300,000](#) of the money owed to those whose council tax refunds were stolen in the fraud case, while it has recovered more than £500,000 from the perpetrator. Officers provided an update to the council's Audit, Risk and Scrutiny Committee on actions to implement the Commission's recommendations following the section 102 report.

Local and Scottish government finance issues

5. Shona Robison [proposed a date of 15 January 2026](#) for the Scottish Budget, due to challenges presented by the UK Government's decision to schedule its Autumn Statement for 26 November. In a letter to the Finance Committee, Ms Robison also proposed delaying the planned Spending Review and Infrastructure Investment Plan and Delivery Pipeline until that date, as they are all closely inter-linked, with the first year of the Spending Review acting as the spending plan for the 2026/27 Budget.

6. A provision in the Housing (Scotland) Bill will allow councils to charge an [uncapped rate of council tax for second homes](#). Currently, councils are able to charge a premium of up to 100 per cent of the applicable rate for homes that are classed as unoccupied or ‘long term empty’ and not up for sale or rent; however, this limit has now been removed from legislation.

7. Falkirk Council has become the first in Scotland to see a [Public Private Partnership \(PPP\) deal for schools reach its end](#). The expiry of a 25-year deal means four high schools have returned to council ownership and management, including a range of auxiliary services and 78 staff. The council says it will save £2 million this year and £3 million a year in future by not paying management fees or borrowing costs. [This analysis by the Herald](#) sets out the scale of costs involved in councils’ PPP contracts.

8. Councillors in Dundee and Falkirk each met to agree budget and financial strategies for the next three to five years.

- A report by Dundee City Council officers showed a [cumulative budget gap of £29 million over the next three years](#), while [Falkirk’s report showed a gap of £43.9 million over the next five years](#), of which £18.8 million is forecast to arise in 2026/27.
- Both reports presented a range of options for meeting the gaps through service reductions, council tax rises and other forms of revenue raising, and highlighted limited scope for savings due to statutory duties and contractual obligations.
- Other councils are likely to be considering similar reports in the coming weeks, particularly with the council budget-setting period being constrained by the later-than-usual Scottish Budget.

9. Three councils all separately decided against introducing a visitor levy:

- [Shetland Islands Council](#) says it will focus instead on alternative sources of revenue.
- [Orkney Islands Council](#) ruled out a tax on overnight stays but may implement a ‘point of entry’ fee – including cruise ship arrivals – in future, if given powers to do so.
- [Argyll and Bute Council](#) warned of the difficult alternative decisions needed in the absence of revenue from a visitor levy.
- All three councils’ decisions followed local consultations alongside analysis by officers, with each concluding that the risks to the local economy outweighed the relatively limited financial benefits.
- Councils in the Western Isles, Scottish Borders and South Ayrshire have already rejected the levy, while there is [vocal opposition to the levy in Dumfries and Galloway](#).

10. Meanwhile, Public Finance Minister Ivan McKee says the Scottish Government is [“actively considering extending powers” to councils](#) in relation to the visitor levy, including giving them the option to introduce a flat rate instead of a percentage charge. However, any legislative change is almost certain not to be possible before the 2026 election.

UK local government finance updates

11. Scrutiny of local government finances in England is being hindered by a lack of understanding among officers and elected members and the absence of standardised reporting requirements, [according to research](#). The report raises concerns about the capacity in finance departments to manage a “relentless” schedule of work due to audit backlogs, and the ability of councillors to understand complex financial information. It calls for the new Local Audit Office to be responsible for creating new standards to improve consistency, accessibility and transparency.

Policy area updates

Child poverty

12. The Scottish Government has announced an [expansion of the Fairer Futures Partnerships \(FFPs\) programme](#) into five more areas. Through FFPs, the Government collaborates with councils to test and improve services aimed at supporting families living in poverty. Originally piloted in Dundee, Glasgow and Clackmannanshire, the latest expansion brings the number of FFPs to 16, covering rural, urban and island council areas including Dumfries and Galloway, Edinburgh and Shetland.

Communities and infrastructure

13. The [ice rink at Moray Leisure Centre in Elgin will reopen](#) after an “unprecedented” community effort led to the agreement of a new operating model. It was announced in July that the facility, owned by the council and run by a charity, would have to close due to spiralling energy costs. However, the board worked with user groups to create a model that ensured the rink’s viability, including a new pricing structure and activity timetable, and a move to a cheaper energy tariff.

14. Four councils in the north and north-east have come together to [help residents be prepared for emergencies](#) including those caused by adverse weather. Aberdeen City, Aberdeenshire, Highland and Moray councils joined forces in a bid to reach as many people as possible through the campaign, in which information and advice was shared around the themes of personal resilience, cyber security, flooding and winter weather.

15. The UK Government announced a new ‘Pride in Place’ fund that is set to provide up to [£292 million of funding to support regeneration projects](#).

- The vast majority of the money will be shared among 12 local authorities to spend on 14 specific projects over a decade.

- The remainder will be distributed between eight local authorities over the next two years for smaller, community-led improvements.
- However, Clackmannanshire Council leader Ellen Forson [criticised the absence of funding for the area](#), despite it being “most in need” of investment given high levels of deprivation.

Education

16. North Lanarkshire Council is [spending £1 million to upgrade walking routes](#) it previously said were acceptable, following changes to school transport provision. The council raised the threshold for free transport as part of its 2025/26 budget, so those living between two and three miles from school were no longer eligible. In response to safety concerns, the council says the routes meet national guidance but not its own enhanced standards. However, the work will not be finished until August 2026.

17. New figures have shown [more than a third of schools in the Highlands](#) are rated as being in poor condition. National statistics show 53 primaries and 11 secondaries in the area are in a state of disrepair. The Highland Council is embarking on a major programme of capital investment, including in school buildings, and the Scottish Government has highlighted projects supported through the Learning Estate Investment Programme.

Health and social care

18. Figures uncovered through Freedom of Information showed Scottish [councils have spent more than £400 million](#) on social care overtime and agency staff in the last five years. The total was evenly split between the two types of expenditure, both of which have been used to plug gaps in the social care workforce. Glasgow City Council spent the most, at about £100 million, which the council said was because, as well as being the largest, it runs care at home and residential services in-house.

19. Deaths in Scotland that are directly caused by alcohol consumption [are at their lowest rate since 2019](#).

- Statistics show 1,185 people died from alcohol-specific causes in 2024 – a 7% decrease from the 15-year record high in 2023.
- Males continued to account for about two thirds of alcohol deaths.
- The rate of alcohol-specific deaths per 100,000 people was 4.5 times higher in the most deprived areas than in the least deprived areas; overall death rates are twice as high in deprived areas.

20. City of Edinburgh Council members have voted to [overturn a decision to withdraw 11 social workers](#) from the new Sick Kids hospital, although the service’s future remains in doubt. Councillors have also backed an investigation into the decision by officers to disband the team, which was made without elected member involvement. Now, the council’s education committee will vote on this and other potential cuts next month.

Housing and homelessness

21. John Mills, head of housing at Fife Council and co-chair of the Association of Local Authority Chief Housing Officers (ALACHO), has warned that [Scotland's housing emergency is getting worse](#) and the system is "broken". He called on the Scottish Government to build at scale, buy more homes and help reduce the number of empty properties. He also called for a change to the housing finance system, which he says is not sustainable as borrowing for new properties is funded by rents.

22. The Scottish Housing Regulator (SHR) has confirmed that it is [scrutinising around half of Scotland's 32 councils](#) for failing to meet legal obligations to provide emergency accommodation for homeless people.

- The SHR says ten councils, including Glasgow and Edinburgh, are either suffering, or at heightened risk of suffering, systemic failure in the services provided to people who are homeless
- A further six are in breach, and seven more are being monitored for being at risk of breaching, statutory duties.
- However, the SHR says Scottish Government-led "systemic interventions", including in relation to housebuilding, are needed to tackle the problems.

23. Issues related to housing and homelessness in Glasgow continued to make headlines.

- The growing pressure on housing in the city was illustrated by figures showing that in 2024/25 the council received more than [1,000 homelessness applications from refugees from other cities](#), including London, Birmingham and Belfast.
- Council leader Susan Aitken warned that job losses, service cuts and increased charges may be needed to cover a projected £66 million overspend on homelessness in 2026/27.
- Meanwhile, new analysis showed the [uneven geographical spread](#) of where asylum seekers are being housed in Scotland.

24. The Scottish Parliament [passed the Housing \(Scotland\) Bill](#). The new legislation includes an 'Ask and Act' duty on local authorities and some other public bodies to be more proactive in trying to prevent people from becoming homeless, as well as powers to introduce rent control zones, and 'Awaab's Law' to ensure landlords tackle damp and mould.

Council leadership

25. South Ayrshire Council has [appointed its next chief executive](#) – Stephen Penman, currently Chief Officer for Strategy and Engagement at North Lanarkshire Council, will take up his new post later this year. Cleland Sneddon will remain as interim Chief Executive until then. Meanwhile,

former council leader [Martin Dowey will face no criminal action](#) after a police investigation over alleged procurement fraud, although he still faces an investigation by the Commissioner for Ethical Standards.

26. Grant Laing resigned as leader of Perth and Kinross Council and as an SNP councillor after being charged with embezzlement. The charges are said to be unrelated to council funds, operations or activities. Mr Laing continues to sit as an independent councillor. Eric Drysdale, who had been deputy leader, was [elected as the new council leader](#).

27. Malcolm Burr announced that [he is to step down as chief executive](#) of Comhairle nan Eilean Siar in March next year, after nearly 21 years in the role. He is the longest-serving council chief executive in Scotland, and was previously Assistant Chief Executive at Orkney Islands Council. His announcement comes as the council is developing plans for a single island authority alongside health and housing partners.

Other updates

28. Initial results from the latest [Scottish Household Survey](#) show a slight decline in satisfaction with local services in 2024, with 39% of respondents agreeing that their council provides high-quality services, down from 42% in 2023. The same trend was reported for whether people think their council “does the best it can with the money available”, and whether their council is addressing the “key issues affecting the quality of life”. Around half feel they cannot influence council decisions, but a third said they would like to be more involved – a slight increase from 2023.

29. The UK Government has introduced a [Public Office \(Accountability\) Bill](#) – to be known as the Hillsborough Law – which proposes a new [professional and legal duty of candour](#) on public officials and authorities to help prevent a repeat of past cover-ups. The new law would essentially require public bodies to be more proactive in demonstrating integrity and transparency, with new and strengthened criminal offences and sanctions for misconduct in public office and for misleading the public. Consideration of implications for public bodies and officeholders in Scotland is ongoing, and the Support Team will keep members informed of developments.

30. The Improvement Service (IS) has recently held a series of workshops in locations across Scotland on ‘[Recommitting to Crerar](#)’. The IS invited colleagues leading quality assurance activity strategically and/or in specific service areas to collaborate on the development of a National Framework for Self-Evaluation, which is intended to be launched in early 2026, and inform the bigger picture of performance and improvement in Scotland.

31. Recent publications of relevance and interest are listed below:

- Local Government Information Unit (LGIU): [Scotland's Public Service Reform Strategy: Myth or reality?](#)
- LGIU: [Thoughts from LGIU's Chief Executive on a new path for Scottish councils](#)

- LGIU: [Local government leading partnerships: A how-to guide](#)
- LGIU: [Evidence, experimentation and evolution: how local government can use 'test and learn' in policy making](#)
- LGIU: [Taxing tourists: how visitor charges are in the spotlight for UK councils](#)
- LGIU: [Building trust, belonging and resilience – local authorities promote community cohesion and overcome tensions](#)
- LGIU: [Building the workforce of tomorrow](#) (*collection*)
- LGIU: [Devolution and local government reorganisation: the essentials](#) (*collection*)
- Improvement Service (IS): [Economic and workforce implications for Scotland's changing population](#)
- IS: [Turning data into collaborative climate action](#)
- IS: [Using data to tackle child poverty: A Challenge Poverty Week series](#)
- IS: [Power of collaboration for Just Transition event](#)
- Scottish Parliament Information Centre (SPICe): [Public Service Reform – briefing for the LGHP Committee](#)
- SPICe: [Accounts Commission – briefing for the LGHP Committee](#)
- SPICe: [What happened to the Housing \(Scotland\) Bill at Stage 2?](#)
- SPICe: [Free personal and nursing care in Scotland](#)
- Scottish Fiscal Commission: [Climate change presents fiscal challenges for Scottish Government](#) (news release) / [Fiscal sustainability perspectives: Climate change mitigation](#) (report)
- Professor Graeme Roy: [Finances weigh on looming Scottish Parliament election](#)
- Institute for Fiscal Studies: [Who enters the public sector?](#)
- Audit Scotland: [Our impact: Monitoring and evaluation report 2025](#)
- Auditor General: [Adult Disability Payment](#)
- Scottish Parliament: [Majority do not support general principles of Right to Addiction Recovery Bill](#)
- Scottish Parliament: [Public bodies failing to promote equality - Holyrood Committee](#)

Conclusion

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

Chair's update

Item 7

Chair of the Accounts Commission

Meeting date:
9 October 2025

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission since the Commission met last in September.

Engagement and Commission business

2. Noting that I was on leave from 15-19 September, details of my engagements and work since the last meeting are as follows:

Audit Scotland engagement

- 22 September – Audit Scotland Board pre-meeting with Sarah Watters and Helena Gray
- 23 September – Audit Scotland Board meeting
- 02 October – Joint work programme meeting with Stephen Boyle, Andrew Burns, Sarah Watters and Performance Audit and Best Value colleagues
- 07 October – monthly catch up with Stephen Boyle
- Regular meetings with Vicki Bibby, Helena Gray, and Alison Cumming

Commission business

- 02 October – Accounts Commission preparation session with Andrew Burns, Sarah Watters, Helena Gray, Joe Chapman and Callum Aitken
- Regular meetings with Sarah Watters, Lee Ovens, and Joe Chapman.
- Six-monthly 'check-in' meetings with Commission members

External engagement

- 24 September – Accounts Commission consultation discussion with Moray Council

- 25 September – bi-monthly meeting with Catriona MacKean, Deputy Director for Local Government, Scottish Government
- 08 October – annual meeting with Shona Robison, Cabinet Secretary for Finance and Local Government

Forthcoming activities

3. My forthcoming engagement activities include:

- 15 October – meeting with Joe Griffin, Permanent Secretary, Scottish Government
- Regular catch ups with Helena Gray, Sarah Watters, Lee Ovens, Vicki Bibby, Alison Cumming and Stephen Boyle

Conclusion

4. The Commission is invited to:

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