

Agenda

Thursday 11 December 2025 10.00am

Audit Scotland office, 102 West Port, Edinburgh
and online via Microsoft Teams
527th 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 10 to 17 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 Lanarkshire Council	Controller of Audit	10:10
<i>Break</i>		11:15
6. Joint Working Agreement: Audit Scotland and Improvement Service – Annual update	Audit Director, Performance Audit and Best Value	11:30
7. Local government policy update	Policy Manager	12:00
8. Chair's update	Chair	12:10
9. Any other public business The Chair will advise if there is any other public business to be considered by the Commission.	Chair	12:20
<i>Lunch</i>		12:20

Private session

10. Controller of Audit's update [Item to be in private as it requires the Commission to consider confidential policy matters.]	Controller of Audit	13:00
11. Best Value: North Lanarkshire Council [Item to be in private as it requires the Commission to consider actions in response to a statutory report.]	Controller of Audit	13:10
12. Audit quality interim report 2025 [Item to be in private as it requires the Commission to consider confidential policy matters.]	Director of Audit Quality and Appointments	13:35

13. Auditor General update [Item to be in private as it requires the Commission to consider confidential policy matters.]	Auditor General for Scotland	13:55
<i>Break</i>		14:30
14. Future Public Audit Model – Summary of decisions [Item to be in private as it requires the Commission to consider confidential policy matters.]	Director of Quality and Support	14:40
15. Future Public Audit Model – Supplemental paper [Item to be in private as it requires the Commission to consider confidential policy matters.]	Director of Quality and Support	15:15
16. Chief Operating Officer update [Item to be in private as it requires the Commission to consider confidential policy matters.]	Chief Operating Officer	15:50
17. Any other private business The Chair will advise if there is any other private business to be considered by the Commission.	Chair	16:00
Close of meeting		16:00

Minutes

Thursday 06 November 2025 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via Microsoft Teams
526th meeting of the Accounts Commission

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
Joe Chapman – Policy Manager for the Commission
Alison Cumming – Executive Director of Performance Audit and Best Value (PABV)
Helena Gray – Controller of Audit
Vicki Bibby, Chief Operating Officer
Claire Gardiner – Audit Director, Audit Services (Items 5 & 12)
Adam Haahr – Senior Audit Manager, Audit Services (Items 5 & 12)
Carol Calder – Audit Director, PABV (Items 9 & 10)
Blyth Deans – Audit Director, PABV (Item 9)
Mark MacPherson – Audit Director, PABV (Item 9)
Kathrine Sibbald – Senior Manager, PABV (Items 9 & 10)
Christopher Lewis – Senior Audit Manager, PABV (Item 10)
Paul O'Brien – Director of Quality and Support (Item 13)
Kenny Oliver – Executive Director of Innovation and Quality (Item 13)
Sally Thompson – Future Public Audit Model Project Manager (Item 13)
Waqas Sanawar – Head of Finance (Item 14)

1. Apologies for absence

Apologies were received from Andrew Cowie.

2. Declarations

Ruth MacLeod declared a connection to items 5 and 12 by way of a family connection to the Chief Executive of Comhairle nan Eilean Siar. Having taken advice from the Director and Ethics Partner in relation to the connection, it was agreed that Ruth would not need to recuse herself from discussion of these items.

Malcolm Bell, Carol Evans, Angela Leitch and Jennifer Henderson declared connections to item 13 due to their roles within audited bodies. Having taken advice from the Director and Ethics Partner, they did not consider their respective connections 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 9 to 16 would be considered in private, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

The minutes of October'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:

- UK Government 'Pride in Place' funding – an update on the methodology for fund distribution is included in today's policy manager update
- Audit delivery – the Controller of Audit (CoA) report will provide an update on audit delivery, including in relation to Clackmannanshire Council.

5. Section 102 report: Comhairle nan Eilean Siar

The Commission considered a statutory Section 102 report by the Controller of Audit (CoA) on the 'Cyber-attack affecting operations and services' at Comhairle nan Eilean Siar, produced following the 2023/24 audit of the council.

The discussion explored the following themes:

- Governance, risk management and audit
 - Monitoring and reporting – pre-attack, cyber risk monitored by a committee at high level; a detailed risk register existed but lacked clear ownership or timescales. Post-attack, committee oversees implementation of recommendations; still work to be done to improve the risk register.
 - Business continuity – auditors have flagged weaknesses in business continuity and disaster recovery plans since 2016/17. A plan was approved in June 2023 and updated in 2024 following the attack.

- Audit opinion – disclaimer opinion for 2023/24 audit due to loss of evidence, modified opinion expected for 2024/25 due to issues with opening balance. Target to return to unqualified opinion is 2026/27. A new finance system was implemented in October 2024 which strengthens controls.
- Preparedness:
 - Control weaknesses – reviews identified gaps in controls despite systems being considered adequate. No indicators of compromise found.
 - Resource and resilience – 30% of IT posts were vacant at time of attack, but almost all now filled, and recruitment ongoing for one remaining vacancy. Cannot say whether this contributed to the likelihood and impact of the attack.
 - Back-up systems - not 'air gapped' i.e. isolated from the main system, this allowed back up systems to be targeted by the attack. Funding for this final part of their response was due to be approved in September 2025.
- Service, staff and financial impacts:
 - Impact on staff morale – increased work volume due to manual processes; some departments impacted more than others; no formal review of staff impact but employee satisfaction survey had a return of 35% and demonstrated a stable picture.
 - Staff sickness – non-teaching staff absence rates for 2024/25 are below Scottish average.
 - Internal communications – business continuity communications plan has not yet been updated since lessons learned exercises undertaken, auditors note this needs to be reviewed.
 - Service performance reporting – 63% of Local Government Benchmarking Framework (LGBF) indicators have improved, 28% have declined; reporting was disrupted by the attack but overall, no marked shift in performance, testament to staff
 - Wider community impact – council recognised that a delay in welfare payments would impact the most vulnerable, council worked closely with DWP to ensure payments were made
 - Staff cyber security training – no formal reporting, 67% uptake as at September 2025, with ongoing actions to chase those yet to receive training, and to establish when refresher training will be due. Members requested figures related to senior leadership uptake on training.
- Improvement actions and lessons to learn:
 - 'Building back better' – priority, building resilience into systems. Direct costs associated with attack were £0.95 million, including £0.3 million of ongoing costs; funding to focus on upgrading what they have to more robust systems.
 - Sharing lessons – auditors not aware of a formal plan to share with other councils, but working with the Scottish Government, National Cyber Security Centre and Cyber and Fraud Centre.

- Shared services – no evidence that collaboration may open councils up to greater risk, but the council acted quickly to alert their networks and prevent spread
- Other comments:
 - Audit recommendations – responsible officers must be assigned to all accepted recommendations to ensure accountability, implementation is an area of focus for audit teams
 - Commission members commended the council in its efforts and timeliness in addressing the attack, and for the punctual completion of its 2024/25 accounts, and ensuring readiness for the annual audit.

6. 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:

- Budgets – speculation about the UK Budget in three weeks' time and its impact on Scottish budget and available funding. Scottish budget bill timetable published, confirming a six-week timescale from announcement to the bill passing stage three.
- General Power of Competence – Cabinet Secretary Shona Robison has written to the Local Government, Housing and Planning Committee noting that the consultation found no clear consensus so proposing interim measures instead, including amendments to the definition of the power to advance wellbeing as set out in the 2003 Local Government in Scotland Act.

During discussion, the following points were raised:

- Engagement rates for Commission reports – bots affecting reliability of figures, ceased quarterly reporting to reflect this, but figures for initial impact are generally reliable.
- Local government settlement – Cabinet Secretary has indicated there is no change to the plan to publish various documents, including a spending review which would include indicative 3-year figures, but that is subject to the information provided by the UK Government.
- UK Government Regeneration funding – community boards in Scottish towns to produce local regeneration plans, unlikely to involve the Local Authority or SG as funding comes from UK Government direct to each community board. Discussion around how well the UK, Scottish and local regeneration schemes are joined up in terms of defining local areas and funding projects.

Following discussion, the Commission noted the report.

7. Chair's update

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

Jo highlighted the following:

- 6-monthly check-in meetings with Commission members are progressing well, good opportunity to understand issues and concerns that members have.
- Recent meeting with Permanent Secretary – discussed desire to look at Commission's role in public service reform and ensure that audit is not, and is not perceived to be, a barrier.
- Upcoming meeting with Ariane Burgess, Convener of the Local Government, Housing and Planning (LGHP) Committee – keen to forge a stronger relationship with this committee, share the Commission's work programme and where it relates to the Committee's scrutiny work.

8. Any other business

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

9. Accounts Commission work programme proposals

Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) presented the report which sets out the proposals for the Commission's work programme for 2026/27.

The discussion covered three key areas, with key discussion points noted below each:

- Proposed Performance Audit programme for 2026/27
 - The schedule of publication very full, scoping will provide more detail on timing.
 - Members agreed that the proposed focus on financial outputs, local services and thematic reviews feels appropriate given these are core areas of local government spend.
 - Consider earlier involvement of sponsors for work programme, how many should be involved, and frequency of sponsor check-ins. Sponsor guidance perhaps needs reviewed.

Action: Executive Director of PABV and Director for Commission

- On the proposed work in relation to 'Digital Innovation' – members feel this is not the right term, highlighted this work is to support better use of digital, including tools already in place. PABV will look at this when scoping the work.
- Several members expressed interest in sponsoring each area, and Alison will follow up in due course.
- Best Value 'Transformation' thematic report – proposal to bring publication forward to spring 2026, with the report to be based on a representative sample of councils due to timing of completion of thematic audit work.

- Members agreed to the proposal. Discussion about the most appropriate timing after the election, and whether it would be feasible to publish the report before the pre-election period. Alison and the team will work to establish a realistic and optimal time for publication.

Action: Executive Director of PABV

- Local Government (LG) and Integration Joint Boards (IJB) Financial Bulletin scopes
 - Sections reflecting the latest Scottish Budget, usually included in the LG Financial Bulletin, will be published separately later, due to the timing of the Budget.
 - LG Financial Bulletin expected to feature more detail on borrowing and debt, analysis against financial sustainability indicators, and initial analysis of the fiscal framework.
 - IJB Chief Financial Officers (CFOs) roundtable – intended to be in depth conversation with a small number of individuals, for practical reasons. The team regularly engage with the IJB CFOs already. Suggested considering Chief Officers with finance backgrounds too, to bring a strategic view.
 - IJB data tool – report tabs – suggestion to add tabs for financial sustainability, transformation, and investments to make searches more effective.

Following discussion, the Commission:

- Noted the contents of the report
- Approved the proposed performance audit work programme for 2026/27
- Considered and approved the proposal to bring forward the publication of the Best Value thematic overview on transformation.
- Approved the proposed scope of work and governance arrangements for the local government and IJB financial bulletin outputs

10. Community health and social care performance 2025: draft briefing

The Commission considered a draft briefing presented by Alison Cumming and her team which accompanied the Integration Authority performance data tool approved at September's Accounts Commission meeting. Alison noted it is expected the Public Audit Committee will consider this briefing and the data tool alongside the Delayed Discharge report, at a future date.

During discussion, the following points were raised:

- Discussion around making recommendations to Public Health Scotland (PHS) – subject to clearance process – and PHS's dual mandate from local and national government; PHS is considered well-placed, given the data it has, to act on the report.

- Limited evidence for reasons or causation behind trends such as higher mortality rates or higher emergency admissions rates in some areas
- Data is drawn from a range of sources including IJBs' own performance reports, and the intent is for local authorities to review trends and investigate them – members suggested clearer messaging on what stakeholders are expected to do with the data
- National and local indicators – suite of local indicators through partnership with Public Health Scotland, agreed what data is needed but acknowledge there are gaps, setting national indicators would be a larger piece of work – reporting environment is not as well-integrated as LGBF is for councils.
- Eligibility criteria – no underlying data to determine whether trends in performance are as a result of changing eligibility requirements
- Discussion about Highland 'lead agency' model – members suggested that auditors could review this approach and share learnings, including trends in performance and any good practice to share

Following discussion, the Commission:

- Considered and approved the draft briefing, key messages and recommendations.
- Agreed to delegate to the sponsors approval of any required final amendments resulting from the Commission's considerations and the clearance processes.
- Agreed to the proposed publication arrangements.

11. Controller of Audit's report

The Commission considered an update by Helena Gray on recent and upcoming activity, including the following:

- 2023/24 audit delivery
 - One late running council audit was signed off on 31 October, with work underway to plan the 2024/25 audit. The council and auditor will write to the CoA shortly to set out plans.
 - One council is experiencing an ongoing issue with ledger migration, which impacts the audit. For the auditor, these delays have an impact on other audits. Council has met with the auditor to agree next steps. Will continue to monitor progress before considering necessary escalation.
 - Clackmannanshire Council's audit has been delayed due to a change of engagement lead in the audit firm. The Commission Chair has written to the auditors regarding this issue to seek assurances around ongoing continuity for the remainder of the audit appointment period. The audit is now at partner review stage which is expected to complete by the end of November.
- 2024/25 audit delivery

- No progress on council sign offs since October Commission meeting, including those expected at end of October.
- Four more IJBs, and a number of audits of other local government bodies including joint boards and a pension fund have completed since October's report.
- Scrutiny Coordination Group (SCG)
 - Focus of August's meeting was on data and performance analytics – Improvement Service attended to present developments to the Local Government Benchmarking Framework and data reporting tool. Food Standards Scotland presented their approach.
 - Discussion on SCG role in reducing data burden, and how the IS tool can be used by other scrutiny bodies
 - Community Planning Partnerships – not a focus of scrutiny partners going forward, no current engagement
 - His Majesty's Inspectorate of Education gave an update on the establishment of the new education inspectorate, and their focus on seeking stakeholder views on shaping their framework, and reduction of scrutiny burden.
- Helena provided an update on her recent engagement with Pippa Milne, incoming Solace chair and Chief Executive of Argyll & Bute Council and discussed upcoming SOLACE priorities and engagement opportunities.

During discussion, the Commission raised:

- Audit delivery – question on how many councils submitted unaudited accounts by the 30 June deadline. Helena referred to her briefing to members in July including those which had not completed their accounts; no new issues or delays since then. Timelines are recovering; there have been improvements in 2024/25. One council has not yet completed annual accounts, and this will be closely monitored.

12. Section 102 report: Comhairle nan Eilean Siar

The Commission considered its response to the Controller of Audit's s102 report on Comhairle nan Eilean Siar. Members agreed to issue findings in response to the report, which will be drafted by the Director and the Chair and circulated to members next week.

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

13. Future Public Audit Model: Discussion paper 2

The Commission considered the Future Public Audit Model Project's Discussion Paper 2 on the theme of Best Value and wider scope in local government, presented by Paul O'Brien, Director of Quality & Support and Sally Thompson, Future Public Audit Model Project Manager.

The report sets out a number of questions for consideration by the Commission, and the Commission agreed its preferred options

14. Accounts Commission 2026/27 budget proposal

Vicki Bibby, Chief Operating Officer, and Waqas Sanawar, Head of Finance presented the 2026/27 budget proposal which asks the Commission to agree the draft budget.

During discussion, a number of points were raised:

- The Commission's sub-group had reviewed the proposal for transparency.
- Employers' National Insurance contributions – baselined this year, built into costs
- Travel and subsistence – no increase to budget for next year
- Salaries – assuming a 3% uplift, but know there is a pressure there as this has already been rejected by PCS as part of SG pay negotiations. We are unlikely to get a formal pay claim in until January 2026 so this is the most up to date working assumption in terms of public sector pay.
- Member remuneration – the uplift is linked to the Scottish Government's public sector pay policy, as was agreed by Commission members last year.

Following discussion, the Commission:

- Noted the engagement process in relation to the Accounts Commission and Audit Scotland budget proposals for 2026/27
- Noted the current position in respect of the draft Audit Scotland 2026/27 budget proposal
- Agreed the Accounts Commission and Support budget for 2026/27

15. Chief Operating Officer update

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

- Audit Planning Conference highlights:
 - independent auditors from Audit Scotland and firms attended, collaborative space, chance to review what has gone well and any issues arising from 2024/25 audit
 - Audit planning guidance issued for 2025/26 audits
 - Auditor General, Commission Chair and Controller of Audit spoke
 - Key themes – auditor's role, identifying good practice, impact, repetition of recommendations and the expectations on governance to manage these, clarity in recommendations, accountability, sharing and escalation of issues, public service reform, leadership capability, and upcoming political change

- Audit Quality and Appointments – interviews underway for Interim Director role, with Senior Manager interviews following later in the month. Director for the Commission is on the interview panels.
- Paul O'Brien gave an update on the CIPFA LASAAC meeting this week (the body responsible for preparing, maintaining, and issuing the Code of Practice on Local Authority Accounting in the UK), discussions focused on:
 - Consultation on 2026/27 UK accounting code – 19% of responses came from Scotland including Audit Scotland, Directors of Finance, and several councils.
 - General support for proposals, changes mainly expected in 2027/28
 - Proposals for improving presentation of local government accounts, which are currently subject to statutory adjustments and as such, very complex
 - Proposal that accounts would be based on International Financial Reporting Standards (IFRS), potential separate accountability report – full update expected in February 2026. Commission members raised that this approach may be resource intense, IFRS accounts have highest area of errors.
 - Simplification of pensions accounts
 - Infrastructure assets – not prioritised in consultation but respondents raised as priority, long term solution needed
 - Sustainability – general support but concerns raised over burden on practitioners

The Commission noted the update.

16. Any other private business

There being no further private business, the Chair closed the meeting.

Close of meeting

Accounts Commission Action Tracker
As at: 3 December 2025

Action No.	Date	Action	Action by	Assigned to	Timescale	Progress	RAG Status	Date complete
25/038	06-Nov-25	Best Value transformation thematic Alison and team to establish a realistic and optimal timescale for publication	Executive Director of PABV	Alison Cumming	Dec-25	PABV have agreed the 21 May publication date and are preparing a project plan on that basis.	Complete	27/11/2025
25/037	06-Nov-25	Work Programme sponsors Sarah and Alison to consider process for involvement of sponsors in future work and review sponsor guidance.	Executive Director of PABV & Director for the Commission	Alison Cumming & Sarah Watters	Jan-26	PABV and AC Support are working together to review the sponsor guidance in advance of the 26/27 work programme	In progress	

Best Value: North Lanarkshire Council

Item 5

Director for the Accounts Commission
(on behalf of the Controller of Audit)

Meeting date:
11 December 2025

Purpose

1. This paper introduces the Controller of Audit's report on Best Value in North Lanarkshire 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 AAR for North Lanarkshire Council and the Best Value thematic report were both presented to the council's Audit and Scrutiny Panel on 24 September 2025.

The Controller of Audit's report

7. The report on Best Value in North Lanarkshire 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 North Lanarkshire on 03 December 2025 (the same day it was issued to Accounts Commission members). 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 15 January 2026, with the previous day being held for any media interviews. It is planned that the Chair 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

North Lanarkshire Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
December 2025

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Accessibility

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

Key facts



181 Square miles

344,540 Population

34.2% Proportion of all data zones in North Lanarkshire which are within the 20% most deprived in Scotland, according to Scottish Index of Multiple Deprivation (2020)

16,830 Number of employees

77 Elected members
32 Scottish Labour, 24 Scottish National Party, 14 Independent, 5 Scottish Conservative Unionist, 1 British Unionist and 1 Scottish Green Party
Labour minority administration

£136.9m General Fund cumulative budget gap for 2026/27 to 2030/31 (based on flat cash settlement and no changes to council tax rates)

£1,024.2m General Fund net revenue budget 2024/25 (revised)

£216.7m Capital expenditure 2024/25: £112.84m General Fund, £103.84m Housing Revenue Account (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 (AAR) 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 Lanarkshire Council (the council) is committed to the principles of Best Value to deliver positive outcomes for the people and communities of North Lanarkshire. Where auditors have recommended improvements, the council has made good and timely progress in implementing agreed actions. A number of recommendations are due for implementation over the coming year, including actions around public performance reporting, acting on staff engagement feedback, monitoring the hybrid working policy, temporary workforce reporting, strategic use of reserves, tracking benefits realisation, and exit packages.
4. The council continues to have effective and appropriate overall arrangements in place for financial management and sustainability, demonstrating resilience in managing financial pressures and maintaining a stronger reserves position than many other councils. It is progressing with transformation activities as part of work to deliver its wider strategic priorities. However, there remains a mixed picture on performance (see para. 23 to 29). Given the scale of emerging challenges and the widening budget gap, a strategic shift is now essential to ensure continued financial sustainability and service delivery (see para. 48).

Best Value Assurance Report (BVAR) follow-up

5. The council received a full BVAR in 2019. The auditor found that the council had demonstrated improvement in most areas since its previous Best Value report in 2008. The auditor also noted that the council had appointed a new Chief Executive in September 2018, which had presented an opportunity to increase the pace of change.
6. The Commission commended the council's vision, as set out in the Plan for North Lanarkshire, as ambitious and well-articulated. It noted that realising this vision would lead to significant regeneration and change in North Lanarkshire, an area with acute socio-economic challenges. Auditors found that the council was well placed to tackle financial challenges and had a clear focus on partnership working. Performance had improved in three of five priority service areas, but had declined in some other service areas.
7. The 2019 BVAR made eight recommendations, which the council has implemented. These related to specific actions within the broad areas of: developing strategies, policies and plans; performance management and reporting; workforce management; self-evaluation follow-up actions; and investigating reasons for falling satisfaction levels in some service areas, particularly in care services. The council continues to face challenges around care services and declining satisfaction levels, while, in line with the 2019 BVAR findings, housing remains an area of strength (see para. 26 and 28).

Leadership review

8. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The Plan for North Lanarkshire was approved in 2019 and established the strategic direction for the area. It sets out a vision where North Lanarkshire is the place to live, learn, work, invest, and visit. This vision is shared by the council's partners and underpinned by a place-based approach. Auditors found that the council's vision is clear, ambitious, and driven by effective leadership.
9. The Plan for North Lanarkshire is supported by a Programme of Work, which was refreshed in 2023. The latest Programme of Work sets out seven priorities for delivery over the period to 2028.
10. Though elected members were involved in a review and approval capacity, the refresh of the Programme of Work was heavily officer-led. Auditors therefore recommended that the council improve its processes for engaging elected members on strategic planning.
11. The council subsequently updated its guidance to reflect the importance of elected member engagement on council strategies, policies, and plans. Ongoing effective collaboration between elected

members and officers will be important in managing risks and delivering positive outcomes for the council and the wider area going forwards.

12. Auditors made two further recommendations in the leadership review, both of which have been implemented:

- Auditors recommended that the council work with elected members to understand the reasons for poor attendance at its elected member training and development programme. It has taken appropriate steps to address this.
- Auditors found that the council was proactive in engaging with communities, but should consider how it measured its level of engagement. The council addressed this in its 2024 Communication and Engagement Strategy, which set out plans to monitor community engagement and participation.

Citizen and community engagement

13. Enhancing participation, capacity and empowerment across communities is one of the five priorities in the Plan for North Lanarkshire. The council's nine Community Boards play a key role in achieving this.

14. Each Community Board supports the delivery of a Local Outcome Improvement Plan for its local area. Board members include representatives from community groups and community planning partners. The council's Communities Committee provides oversight, receiving summary reports after each cycle of Community Board meetings.

15. For the most recent cycle of Community Board meetings, the council reported a slight decrease in the number of attendees since the previous cycle, but increased attendance from community representatives. Reporting assesses the level and nature of engagement with individuals and organisations, with specific consideration of seldom-heard voices, minorities, and young people.

16. The council regularly engages with communities on specific activities, including around transformation. In their 2024/25 Best Value thematic report on transformation, auditors noted that feedback from communities and vulnerable groups was reflected in Equality Impact Assessments, and that plans were updated accordingly.

17. The council relied on prior year budget engagement to inform its 2025/26 budget, on the basis that it remained relevant. Consultation for the 2024/25 budget included focus groups and in-depth interviews with residents across a range of demographics, including vulnerable groups. The council also gathered views more widely through an online survey accompanied by a digital information campaign. Officers

summarised the results of these engagement activities for elected members' consideration during 2025/26 budget setting. The council will need to continue assessing the need for further budget consultation on an ongoing basis.

Effectiveness of performance reporting

- 18.** The council has a Strategic Performance Framework that summarises its performance reporting arrangements, including how it measures and monitors progress against its strategic priorities. This framework is one of six key strategies aligned with the council's vision set out in the Plan for North Lanarkshire, contributing to a one council approach.
- 19.** The Strategic Performance Framework supports the council's Programme of Work and is reviewed annually (alongside the council's other strategic frameworks) to ensure it remains aligned to the Plan for North Lanarkshire and supports delivery of the Programme of Work.
- 20.** Local Government Benchmarking Framework (LGBF) reporting is integrated into the Strategic Performance Framework. The framework outlines performance measurement at three levels to assess the impact of the council's activities on service improvement and outcomes for communities:
 - The North Lanarkshire context – a suite of 28 Health Check indicators
 - Improving outcomes – a suite of indicators and information enabling assessment of progress towards priorities and ambitions. This includes outcomes, targets and identified areas for improvement.
 - Day-to-day operations – made up of performance indicators, targets and standards.
- 21.** Performance is monitored through reporting to service committees with an overarching report summarising the council's various performance reports reported quarterly to the Audit and Scrutiny Panel. This provides a holistic view of the council's performance against the range of performance indicators underpinning the Plan for North Lanarkshire.
- 22.** The council has suitable arrangements for the preparation and publication of statutory performance information. However, in the previous two Annual Audit Reports, auditors have noted that there is further scope to strengthen public performance reporting, including by reporting progress against the 28 Health Check Indicators, which the council has committed to do by June 2026. Auditors will continue to monitor this as part of the 2025/26 Annual Audit Report.

Reported performance

23. In 2024/25, the auditor reported a mixed picture of performance, with a trend of improvement in several areas whilst challenges remain in others. Positives included growth in the local economy, above average gross weekly pay for local residents, and increasing waste recycling rates. Performance challenges remained, specifically in relation to an increase in the proportion of children in poverty over the period of the Plan for North Lanarkshire, an increase in recorded crime, and a lower than targeted proportion of the working age population who were economically active.
24. Performance was reported as part of the council’s management commentary in the 2024/25 annual accounts. In addition, performance against the 28 Health Check indicators was reported to the council’s Audit and Scrutiny Panel and Policy and Strategy Committee in March and September 2025 respectively. The latter showed 57 per cent of indicators have improved over the period of the Plan for North Lanarkshire, an improvement of 7 percentage points since the previous update with reductions in recorded crime, children living in poverty and benefit claimant rates observed.
25. An overview of movements on all LGBF indicators is shown in Exhibit 1 alongside the averages for all Scottish councils. The exhibit shows a good level of improvement since base years, but in the most recent year more indicators have declined than improved.
26. The majority of performance indicators have improved or stayed the same since base year and in the most recent year. Cost indicators have shown an overall improvement since base year but more have declined in the most recent year than improved. In contrast, satisfaction indicators have displayed sustained deterioration since base year, including in the most recent year.
27. The proportion of the council’s indicators in the top two quartiles, when compared to other councils, has declined by 4 percentage points since the base year, suggesting the pace of improvement has slowed slightly in the short term compared to others driven by the decline in satisfaction indicators.

Exhibit 1

North Lanarkshire Council – LGBF indicator summary October 2025

Council movements are shown alongside Scotland averages in brackets.

	Cost indicators	Performance indicators	Satisfaction indicators	All indicators
Movement in last year	%	%	%	%
- Improved	35 (47) ¹	39 (42)	27 (25)	37 (41)

- Stayed the same	5 (9)	28 (23)	0 (5)	21 (19)
- Declined	60 (44)	33 (35)	73 (70)	42 (40)
Movement since base year				
- Improved	60 (52) ¹	70 (65)	0 (10)	61 (56)
- Stayed the same	0 (2)	5 (6)	9 (2)	5 (5)
- Declined	40 (47)	25 (29)	91 (88)	35 (39)
Indicators in the top two quartiles				
- Most recent year	40	50	9	44
- Base year	40	49	55	48

1. Scotland average movements are shown in brackets

Source: LGBF October 2025

28. At service level, LGBF indicators show strong improvement since base year for all service areas other than Adult Social Work Services, Culture and Leisure Services and Environmental Services. Housing Services continues to be an area of strength for the council with 100 per cent of indicators now in the top two quartiles. In contrast only 18 per cent of indicators for Adult Social Work Services remain in the top two quartiles.

29. In addition to enabling national comparisons, the LGBF includes 'family groups' based on type of population (e.g. level of deprivation) and type of area (e.g. rural, urban). As of October 2025, the council ranks in the top two in both of its LGBF family groups for the percentage of indicators improved since base year (at 61 per cent). Contrastingly, the council ranks in the bottom two in each family group for the percentage of indicators improved in the most recent year (at 37 per cent).

Workforce planning

30. In 2023/24 the Best Value thematic review focused on workforce innovation and how councils are responding to workforce challenges.

31. The council's workforce planning approach is integrated with the Plan for North Lanarkshire, with a focus on developing the workforce of the wider North Lanarkshire area.

32. The council approved its One Workforce Plan in October 2023. The plan is integrated into the Programme of Work to 2028. It is supported by robust service workforce plans, following a recommendation in the 2019 BVAR to put these in place.

- 33.** As part of the One Workforce Plan, a revised hybrid working scheme was implemented during 2024, with hybrid staff required to split their time equally between office and home working according to a defined rota. Auditors recommended that the council monitor the impact of this relatively structured arrangement, which the council has committed to do by January 2026.
- 34.** The council has initiatives to address skills shortages in particular service areas and is working on developing digital skills across its workforce as part of its Digital North Lanarkshire programme. This programme also aims to promote an innovative sustainable culture and to position the council as a digital leader for a transformed North Lanarkshire. The council has incorporated the programme into its Digital and IT Strategy for 2024-27.
- 35.** The council monitors workforce matters through a variety of channels. The Business Management Team receive regular reports on sickness absence levels and monitoring arrangements are in place for the delivery of workforce-related strategies. Auditors noted that the council could strengthen its public reporting on agency and temporary staff. The council is progressing this.
- 36.** Auditors recognised that the council engages with both staff and trade unions while developing its plans. Recent staff engagement included 72 roadshow events in 2024, which were attended by over 2,200 staff. Auditors recommended that the council evidence how it is acting on findings from its roadshow events (as well as wider feedback from staff and trade unions) to support transparent decision making. The council are taking this forward, with work underway on a refreshed staff survey and a review of trade union consultation arrangements.

Transformation

- 37.** In 2024/25 the Best Value thematic review focused on transformation and how councils are redesigning and delivering services to achieve planned outcomes.
- 38.** Reflecting the nature of the Plan for North Lanarkshire, the council sees transformation through the lens of the wider area. Transformation is embedded in the council's Programme of Work to 2028, the delivery plan for which included 243 projects/activities as of May 2025. These included projects such as the Chryston and Riverbank Community Hubs, the purchase of Cumbernauld Town Centre to facilitate significant town centre regeneration, and the development of digital classrooms.
- 39.** The council has demonstrated its commitment to transformation through its innovative Community Investment Fund. This was created in 2018 to support capital investment and economic regeneration activity, facilitated by increased council tax income. In December 2024,

the council reported an expected fund value of £793.1 million over the 15 years from its inception to 2033/34. To date, the fund has supported projects such as community hubs, the regeneration of Cumbernauld town centre, and the development of digital classrooms.

- 40.** The council has effective governance arrangements in place to oversee its work on transformation. Six Strategic Boards, each chaired by a Chief Officer, are accountable for the delivery of Programme of Work priorities. Officers also provide comprehensive updates on the Programme of Work to elected members.
- 41.** The council is working on projects with a range of partners. For example, it is creating community hubs to provide a range of council and partner services (such as NHS clinics) around school sites. The council has also collaborated with construction firms to create an Industry Skills Board and worked with the community on the Driving Digital Locally Intergenerational Project, in which school pupils provide digital skills training for older residents.
- 42.** As set out in para. 20, the council monitors the impact of the Plan for North Lanarkshire through its performance reporting to determine whether places and services are improving, but it is important that it also demonstrates the extent to which project benefits through the council's investment in transformation are realised. The council does not currently track or report transformation benefits at project level but is in the process of developing a benefits realisation tool to monitor the delivery of both financial and non-financial benefits.
- 43.** The council recognises that transformation needs to be financially sustainable and has worked to direct resources to key priority areas. However, officers are clear that transformation will not close the budget gap alone. The council recognises that there needs to be a clear link between it transforming its services and addressing its budget gap by delivering transformation in a financially sustainable way.

Financial management and sustainability

- 44.** The auditor has concluded that overall the council has appropriate and effective overall arrangements in place for financial management and sustainability.
- 45.** Key financial information for the council is included in Exhibit 2.

Exhibit 2**North Lanarkshire Council – key financial information**

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget setting				
Budget gap	3.1	11.0	22.6	13.6
Additional investment	-	3.1	-	1.7
Planned to be met via:				
- Savings & flexibilities ¹	-	0.8	19.1	-
- Use of reserves ¹	-	7.0	3.5	-
- Additional Council Tax ¹ (% increase in Council Tax) ²	3.1 (3%)	6.4 (5%)	- (0%)	15.3 (10%)
Actual				
Savings delivered ³	5.3	7.4	20.2	
Reserves				
Contribution to / (Use of) reserves	35.4	17.2	3.7	
Total usable reserves carried forward	325.4	342.6	346.3	
General Fund:				
Earmarked	210.8	253.7	282.0	
Uncommitted	39.0	30.2	-	
HRA	26.3	16.8	22.2	
Capital and other	49.2	41.9	42.2	

Source: The council's annual accounts and Policy and Strategy Committee papers

Financial sustainability

46. The medium term financial plan is updated annually and forms the basis of the council's savings plans. The plan includes a range of risk-based outcomes which are presented over three scenarios: optimistic, envisaged and pessimistic. The council projected a budget gap of £13.6 million for General Fund revenue in 2025/26 under the envisaged scenario. This represents 1.2 per cent of the council's annual General Fund revenue budget of £1,103.4 million. The council increased council tax by 10 per cent to bridge the budget gap for

¹ Figures reflect amounts agreed at budget setting to meet the budget gap and fund any additional investment, but not amounts already included when calculating the budget gap.

² This represents the approval percentage council tax increase and is not directly related to the additional council tax value noted.

³ Savings delivered reflects all savings delivered within the financial year, regardless of the year the saving was approved.

2025/26. Over the period from 2026/27 to 2030/31, the council projects that the cumulative budget gap will increase to £136.9 million.

47. The council also projected a £7.0 million budget gap for its Housing Revenue Account in 2025/26, taking its total budget gap for the year to £20.6 million.
48. The council's 2025/26 budget gap is relatively low compared to other councils in Scotland when taken as a percentage of total budget.⁴ However, the forecasted budget gap continues to widen over the five years to 2030/31 and it is not yet clear how the council will fully address it. Given the scale of emerging challenges and the widening budget gap, a strategic shift is now essential to ensure continued financial sustainability and service delivery.

Financial management

49. The council has demonstrated effective financial management in consistently delivering savings, managing in year pressures to operate within its budget, identifying sustainable recurring solutions to manage budget gaps, and setting aside reserves to safeguard against future financial pressures.
50. The council delivered £20.2m of £21.7m planned savings from its 2024/25 budget with the shortfall of £1.5 million being met through alternative savings. The 2024/25 savings were achieved through changes to service operating models, reducing levels of service provision, and efficiency measures. They take the cumulative total of savings delivered by the council since 2020/21 to over £80 million.
51. The council's 2025/26 budget included £5.6 million use of reserves to manage the cost pressure from increased employer national insurance contributions (£4.4 million) and to support the delivery of approved savings (£1.2 million). These are factored into the calculation of the 2025/26 budget gap.
52. The council's reserves have increased in recent years and now sit at a relatively high level, reflecting a trend of underspends at service level (2024/25 net underspend: £12.2 million). These have been earmarked to support future budget pressures and strategic change activity. While the council does not hold any unearmarked reserves, its £282.0 million General Fund balance includes a £12.6 million Change Management

⁴ The Accounts Commission's [Local government budgets 2025/26](#) publication sets out Scottish councils' budget gaps as a percentage of their revenue budgets, but notes that budget gaps are not directly comparable owing to councils using different methodologies.

Fund, an £8.0 million Contingency Fund, and £31.9 million to address future budget pressures.

- 53.** In considering its financial sustainability, the council will need to ensure that it applies its reserves strategically. This will include reviewing how its reserves earmarked for future budget pressures can be used to support investment in long-term sustainability or improved outcomes. The council plans to undertake a review of reserves to determine target levels and timings of use.

Delivery of the capital programme

- 54.** The council approved its five-year General Fund Strategic Capital Investment Programme in March 2024. As of March 2025, the council planned investment of £856 million over the five years of the programme (2024/25 to 2028/29). To support the capital programme, the council increased its long-term borrowing from £590.6 million at 31 March 2024 to £689.6 million at 31 March 2025.
- 55.** The council also has a 30-year business plan for its Housing Revenue Account. This forecasts investment of £828 million in housing provision over 2024/25 to 2028/29.
- 56.** Capital spend has been lower than planned in recent years. A number of external factors have contributed to this, including inflationary pressures and availability of materials and labour in the construction industry. The council has reprofiled capital spend of £15.7 million from 2024/25 to later years of its five-year capital programme, but still expects to incur planned expenditure in full over the course of the programme.

Exit packages

- 57.** During 2024/25, two Chief Officers were granted early retirement on efficiency grounds as part of a restructure that reduced the number of Chief Officers in the Chief Executive service area from six to five. The restructure was incorporated into the 2024/25 budget as part of a range of savings initiatives.
- 58.** The approval process for the early retirements was in line with the council's internal policy. However, auditors found that it was not always clear how the council had considered whether alternative options to early retirement would have a) been feasible and b) represented better value for money. From discussions with officers, auditors understand that while alternatives were considered, they would not have been suitable and were therefore documented as 'not applicable'. Auditors also concluded there was scope for greater transparency with elected members on the wider implications and risks of the proposed restructure, particularly around the potential for associated early retirement costs.

- 59.** Auditors recommended that the council enhance the standard of its documentation of early retirement decisions and review its policies and procedures to ensure that exit packages for senior officers are subject to additional scrutiny. The council plans to address this as part of a wider upcoming governance review.

Contract management

- 60.** In their [2023/24 Annual Audit Report](#), auditors reported on concerns raised by a whistleblower regarding the council's housing and property maintenance contract with Mears Scotland LLP (Mears). The council's internal auditors investigated and concluded that there was evidence of Mears staff changing completion dates for repair jobs. Internal auditors were satisfied that this had not resulted in any monetary loss to the council. However, internal auditors noted significant scope for improvements in how the relevant service was monitoring and overseeing performance under the contract.
- 61.** The council entered into a new contract with Mears during the 2024/25 financial year following the end of the previous contract in June 2024. External auditors reviewed performance reporting arrangements for the new contract (as well as for a new contract with Hochtief for roads and infrastructure maintenance). They reported in their [2024/25 Annual Audit Report](#) that while performance reporting is still developing due to the early stage of implementation, the necessary tools are in place to support effective contract management.

Appendix 1

Annual Audit Reports

These reports summarise the findings from the 2022/23, 2023/24 and 2024/25 annual audits of North Lanarkshire 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 Lanarkshire Council](#)

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

[2024/25 Annual Audit Report North Lanarkshire 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 Lanarkshire Council



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Joint working agreement: Audit Scotland and Improvement Service

– Annual update

Item 6

Meeting date:

11 December 2025

Audit Director, Performance Audit and Best Value

Purpose

1. This report provides the Accounts Commission with an update on collaborative work undertaken by Audit Scotland and the Improvement Service (IS) over the past year.
2. It reflects on a strategic decision made in 2024 to recalibrate the partnership approach, placing greater emphasis on fostering strong and effective collaboration at an operational level rather than maintaining a primarily strategic focus. This shift was intended to enhance practical engagement, streamline joint activities, and mitigate any risks to the Commission's independence.

Recommendations

3. The Commission is invited to:
 - Note the constructive joint work undertaken and seek the views of Commission members in relation to the collaborative working undertaken.
 - Consider and agree proposals for further joint work for the year ahead as set out in paragraph 26 to 35.

Background

4. At their respective meetings in March 2021, the Commission and the IS Board endorsed a Joint Statement of Intent establishing a Strategic Alliance between the two organisations and agreed a set of joint priorities for the subsequent 12 months. However, in October 2024, following consideration of potential risks relating to perceived conflicts of interest and the need to safeguard the Commission's independence, it was decided to reframe the agreement. The revised arrangement was repositioned as a Joint Working Agreement between IS and Audit Scotland, acting on behalf of the Accounts Commission.
5. It was further agreed that joint working should continue at an operational level to mitigate any identified risks. Given the existing relationship between Audit Scotland and the Accounts Commission, this

adjustment was not expected to diminish the added value of collaboration, nor was any material impact anticipated for staff within either organisation.

6. In reaching the decision to reframe the relationship, both the Commission and IS reaffirmed their recognition of the distinct yet complementary roles of each organisation. Both parties emphasised the importance of maintaining clarity around roles and confirmed their commitment to ensuring that the respective responsibilities of IS and Audit Scotland are fully acknowledged and respected as joint activities progress.

Annual progress

7. Across the past year, substantial progress has been made in delivering the priorities outlined in the Joint Working Agreement between Audit Scotland and the Improvement Service. This collaboration has strengthened alignment between audit, scrutiny, and sector-led improvement, ensuring a more coherent approach to supporting local government performance and governance.

Joint use of data, benchmarking, and performance reporting

8. Audit Scotland and the Accounts Commission continue to be represented on the Local Government Benchmarking Framework (LGBF) Board, ensuring effective intelligence sharing to support performance analysis and improvement planning. In April 2025, the Improvement Service accompanied the LGBF Board Chair to a meeting with the Accounts Commission to discuss the LGBF Overview Report and agree future strategic priorities for the framework, as well as consider the implications of the data and findings for the Commission's work programme.

9. During 2024/25, the Accounts Commission undertook a comprehensive consultation process and subsequently set its Statutory Performance Information (SPI) Direction 2024, which applies from 2025/26 onwards. This Direction establishes the framework for how councils report on performance, ensuring transparency and accountability in line with statutory requirements. The Commission remain fully supportive of a sector-led approach to benchmarking and improvement.

10. The consultation engaged a wide range of stakeholders, with Improvement Service officers submitting a response and members of the LGBF Board also playing a key role. Their input was valuable in shaping the Direction to align with sector priorities and maintain consistency with the benchmarking approach. This collaborative process reinforced the importance of integrating performance reporting with improvement planning, supporting councils to deliver better outcomes for communities.

Supporting the Solace/IS Transformation Programme

11. Throughout 2024/25 and into 2025/26, Audit Scotland has maintained its commitment to supporting the [transformation programme](#), with a particular focus on contributing to the steering of progress of the Crerar

implementation workstream. Acting as an independent expert, Audit Scotland has provided input and guidance from an audit and scrutiny perspective, helping to ensure that the project continues to move forward effectively.

12. Central to this work has been close collaboration between Audit Scotland and IS. This has involved contributing to discussions around the practicalities of implementing a national self-evaluation framework, and exploration of options for further collaboration on self-assessment activities, specifically as part of the Best Value thematic work on asset management.

13. This joint approach has provided support to the sector's commitment to continuous improvement, with an aim to embed robust self-assessment processes within councils to support the wider aims of the transformation project. It is anticipated that further updates will be provided to the Commission by Solace and IS in due course.

Change Managers' Network

14. Audit Scotland continued its active support for Improvement Service-led networks, including the Change Managers' Network. In October 2024, members of Audit Scotland's Performance Audit and Best Value (PABV) team presented key findings from the *Transformation in Councils* report, published under the Local Government Overview banner. This session was effective in delivering key messages and recommendations from the report to colleagues from councils with direct responsibility for delivery of transformational activity, while also providing a useful feedback loop on the overall usefulness and relevance of the audit report.

15. In July 2025, members of the Best Value (BV) team within PABV delivered a session to the Network, presenting emerging findings from BV thematic work on transformation. The session also provided an opportunity for broader discussion and reflection on the BV process and experiences to date, supporting shared learning and continuous improvement across the sector.

16. This engagement reflects Audit Scotland's longstanding commitment to collaboration with the Network and provides a valuable opportunity to maximise the impact of the Commission's work while gathering feedback from sector colleagues well-placed to inform future improvement activity.

PSIF Annual Learning Event

17. Audit Scotland again played a supportive and strategic role in the Public Service Improvement Framework (PSIF) Annual Learning event, reinforcing the link between external scrutiny and sector-led improvement. This event is led by IS and provides an opportunity for Audit Scotland to contribute insights from its audit work, particularly Best Value and thematic reports, to help councils understand how audit findings can inform self-assessment and continuous improvement under PSIF.

18. Audit Scotland uses the event as an opportunity to listen to feedback from councils and other public bodies, helping shape the Commission's future audit work and supporting collaborative approaches to improvement.

Climate change

19. Representatives of Audit Scotland's PABV team meet with colleagues from IS every two months to discuss their respective work relating to climate change. Most recently, discussions have focused on the Scottish Climate Intelligence Service, which is provided by IS in partnership with the Edinburgh Climate Change Institute to help councils build capacity and capability to deliver area-wide emissions reduction programmes.

Other examples of collaboration

20. During 2025, initial steps were taken to establish an informal intelligence-sharing group involving IS, Audit Scotland, the Ethical Standards Commissioner, and the Standards Commission for Scotland. This collaborative initiative was formed in recognition of the shared interest each organisation has in promoting high standards of conduct and governance across Scottish local government.

21. Through regular dialogue, the group shares high-level intelligence on emerging issues, poor conduct, and suboptimal relationships within councils, drawing on publicly available audit findings and regulatory insights. This collaboration helps identify systemic challenges and informs targeted improvement actions.

22. Key activities of the collaboration include:

- Sharing insights and trends to highlight priority areas for intervention.
- Disseminating key messages through national publications and guidance.
- Providing tailored support to councils via IS where concerns are identified.
- Leveraging audit intelligence to pinpoint councils experiencing ineffective governance dynamics.

23. This joint approach is designed to foster a culture of respect, accountability, and ethical governance across Scottish local government. Two meetings were held in 2025, with all partners reaffirming their commitment to building on the positive progress made to date and continuing collaborative efforts into 2026.

24. In November 2025, IS was invited by the Controller of Audit to engage with the Scrutiny Coordination Group (SCG) in relation to how scrutiny bodies could make better use of the LGBF. This session included a demonstration of new dashboard features, explored links with the Peer

Collaborative Improvement (PCI) project and considered an assessment of the current local government data reporting landscape.

25. Further detail on proposed ongoing work in this area is provided at paragraphs 34 and 35.

Opportunities for collaboration – 2026

26. Subject to approval by the Accounts Commission and the IS Board, IS and Audit Scotland will continue to pursue opportunities for joint working and collaboration over the coming year. Further discussions will be undertaken to develop an agreed plan, with initial options outlined below for early consideration:

Sector-led improvement and audit integration

27. Work is currently progressing on piloting a thematic approach to Peer Collaborative Improvement, informed by local Best Value activity. IS and Audit Scotland are expected to collaborate closely on the further development of this phase, maintaining a strong emphasis on delivering measurable impact and driving improvement.

Further development and implementation of a self-evaluation framework

28. The IS, on behalf of the Solace/IS transformation programme established a project to renegotiate, test and standardise improved approaches to Local Government self-evaluation/assessment and peer collaborative improvement as a foundation to strengthen the working dynamic between scrutiny bodies, local and central government. The project was established to work with councils and scrutiny bodies across Scotland to re-invigorate the aspirations and recommendations of the Crerar review (2007). Audit Scotland is participating in a time-limited steering group to support this initiative, contributing independent expertise throughout the development phase.

29. Looking ahead to 2026, there are strong prospects for continuing to build on the collaborative work already underway. Engagement with scrutiny partners, particularly through the SCG and the Strategic Public Sector Scrutiny Network (SPSSN), will provide valuable opportunities to further embed these initiatives.

Providing support for elected members

30. Officers from IS and Audit Scotland intend to reinstate the programme of joint online webinar sessions for elected members following the publication of key Accounts Commission reports (such as the LG Financial Bulletin 2024/25 and LG Budgets Briefing 2026/27). These sessions are intended to strengthen understanding of audit findings and support the implementation of improvement actions at council level.

31. Officers will also explore whether there are opportunities to provide direct support to elected members and council audit committees in fulfilling

their responsibilities effectively. This could include tailored training on interpreting audit reports and translating findings and recommendations into actionable improvement plans.

32. The development of elected member workshops on self-evaluation and performance reporting in councils, aligned to the Commission's new SPI Direction, will also be subject to discussion by officers.

Public Service Reform and Transformation

33. It is anticipated that IS will continue to provide advisory group input to audit reports, with reform and transformation likely to exist as a key theme across the Commission's agreed programme of work. The IS and Audit Scotland will also work together as part of the SPSSN's 'tests of change' subgroup that is investigating new joined-up scrutiny models for place-based reform and will engage on the role of Community Planning Partnerships in public service reform.

Local government data

34. Audit Scotland and IS will continue working with the SCG to promote understanding of how the LGBF and Online Data Return Register (ODRR) can strengthen audit and scrutiny activity. The initial session demonstrated the practical benefits of these tools, highlighting the LGBF dashboard's customisable features and the ODRR's capacity to streamline data access and reporting, reducing duplication and improving transparency.

35. By considering how these resources support proportionate and coordinated scrutiny in line with Crerar principles and inviting feedback to inform tailored solutions, this engagement has created a strong foundation for ongoing collaboration. Building on this, both organisations will explore opportunities to embed these tools within scrutiny processes and enhance data-driven decision-making across the sector.

Conclusion

36. This report outlines examples of collaboration between Audit Scotland and IS as part of the Joint Working Agreement agreed in October 2024. The document also highlights forward-looking opportunities for further sector-led improvement and joint initiatives in 2026.

Appendix 1

Summary of progress

Opportunities for collaboration – 2025 and 2026

Area of collaboration	Activities completed in 2025	Activities planned in 2026
Further development of local government's approach to sector-led improvement and how that relates to independent audit and inspection.	<ul style="list-style-type: none"> • Close working between IS and Audit Scotland on the development of the next phase of PCI work. • Active input to the Crerar working group, as part of the wider SOLACE/IS transformation programme. • Development of new SPI Direction to reflect continued emphasis on sector-led improvement including through use of LGBF. 	<ul style="list-style-type: none"> • Piloting a thematic approach to PCI activity, informed by local BV work. • Further development and implementation of a self-evaluation framework for local government in Scotland. • Exploration of options for further collaboration on self-assessment activities, specifically as part of the Best Value thematic work on asset management. • Continued engagement with the SCG to promote understanding of how the LGBF and ODRR can strengthen audit and scrutiny activity.
Co-hosting of events for elected members to support Accounts Commission reports.	<ul style="list-style-type: none"> • Limited progress in this area – most post-publication activity has focused on engagement with improvement networks. 	<ul style="list-style-type: none"> • Intention to engage with elected members through online webinar sessions following publication of LG Financial Bulletin 2024/25 and LG budget output 2026/27. • Potential opportunity to provide support to elected members and audit committees in the effective scrutiny of audit reports.
Ongoing discussions about public service reform and local government transformation.	<ul style="list-style-type: none"> • Audit Scotland, on behalf of the Commission, has actively involved IS in all local government related overview reports and performance audits which have taken 	<ul style="list-style-type: none"> • SPSSN tests of change work • Continued advisory group input from IS, particularly in relation to audit work focused

	<p>place over the last 12 months.</p> <ul style="list-style-type: none"> • The IS has played a particularly active role as an advisory group member in helping shape the Commission's work on transformation, primarily on the <i>Transformation in councils</i> report. 	<p>on digital capacity and solutions.</p> <ul style="list-style-type: none"> • Engagement on the role of CPPs in public service reform
Annual Thematic Best Value reports and s102 Best Value reporting.	<ul style="list-style-type: none"> • PABV colleagues attended the Change Managers' Network to present early findings from local BV thematic work on transformation. 	<ul style="list-style-type: none"> • Collaboration on the development of a self-assessment approach in the delivery of BV thematic audits. • Potential for a learning event(s) following annual BV thematic report on transformation and for other engagement with councils on BV.
Use of the Local Government Benchmarking Framework (LGBF) to inform the Accounts Commission's assessment of the performance of local authorities.	<ul style="list-style-type: none"> • Analysis of LGBF data played a key role in preparation of the Commission's LG Spotlight report, published in Autumn 2025. 	<ul style="list-style-type: none"> • Opportunities for the Commission to more formally incorporate LGBF analysis as a fundamental pillar of ongoing work programme development.
Audit Scotland attendance at IS-supported improvement networks, such as the Change Managers Network and the PSIF Annual Event Meeting.	<ul style="list-style-type: none"> • Ongoing engagement with networks through 2024/25 and into 2025/26. 	<ul style="list-style-type: none"> • Potential for greater engagement with IS-supported networks in 2025/26 and 2026/27, covering all aspects of the Commission's work programme.

Local government policy update

Item 7

Policy Manager for the Commission

Meeting date:
11 December 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:

- **[Best Value: North Ayrshire Council](#)** (28 October)
 - *Coverage:* Interview on Clyde Radio, story on BBC Good Morning Scotland, [detailed article on BBC News website](#) and coverage on local newspaper websites.
 - *Engagement:* 250 downloads in first 4 days; 240 in November. 3,100 views, 340 video views, 175 engagements including 90 link clicks. Good engagement and sharing on LinkedIn.
- **[Comhairle nan Eilean Siar: Cyber-attack affecting operations and services](#)** (27 November)
 - *Coverage:* Interviews for BBC Scotland and STV News North. Articles on newspaper, industry and Holyrood websites. Radio Scotland interviewed CEO of Cyber & Fraud Centre Scotland.
 - *Engagement:* 810 downloads in first 4 days. 2,750 views, 210 engagements including 120 link clicks. Audit Scotland's most-shared LinkedIn post in November, with interactions from a wide variety of public sector and IT security stakeholders.

Media and Parliamentary monitoring

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

- The Commission is mentioned and referenced several times in the [Local Government Housing and Planning Committee's summary of its pre-budget scrutiny](#). The letter to Finance and Local Government

Secretary Shona Robison references the Commission in relation to directed funding, the need for transformation, shared services, digitalisation, examples of financial planning for investment, barriers to reform, and the need for multi-year funding.

- The Commission's [Spotlight report on culture and leisure services](#) is mentioned in the [Constitution, Europe, External Affairs and Culture Committee's pre-budget scrutiny report](#) in relation to funding cuts and charges, and their impacts on equalities and outcomes.
- In Finance & Local Government Questions on 19 November, SNP MSP Audrey Nicoll [asked about COSLA's call for more funding for local government](#) and cited the £528 million budget gap faced by councils this year reported in the Council budgets briefing. Shona Robison referred to budget engagement with COSLA, the fiscal framework, and a 50 per cent increase in funding since 2013/14.
- Andrew Burns [gave evidence to the Public Audit Committee](#), alongside the Auditor General and Audit Scotland colleagues, on the [Improving care experience: Delivering The Promise](#) report.
- The Commission's [Local government budgets 2025/26 briefing](#) is referred to in the Local Government Information Unit's (LGIU's) latest overview of Scottish local government finance challenges: [Filling Scottish councils' financial black hole](#).

Local and Scottish government finance issues

5. The Chancellor announced the UK Budget 2026/27 on 26 November. Points of relevance or interest to the Commission include the following:

- Scotland to receive an extra £820 million over the next five years – £510 million in resource funding and £310 million of capital funding – as a result of this Budget, according to the Chancellor
- Shona Robison says the increase in funding equates to less than half the cost of the rise in employer national insurance contributions
- Income tax and National Insurance thresholds frozen until at least 2030, leading to a reduction in the UK block grant to Scotland
- Two-child benefit cap lifted from April 2026, removing the need for equivalent mitigation the Scottish Government had planned to introduce, with an expected net saving of about £121 million
- English regional mayors – but not councils – to be given powers (subject to consultation) to introduce a visitor levy
- Properties in bands F, G and H in England to be revalued in 2026, and a £2,500-£7,500 surcharge to be levied on council tax – but paid to the Treasury – from 2028 for homes worth over £2 million

- Mileage-based tax for electric vehicles and plug-in hybrid cars from 2028; fuel duty 'cut' of 5p to be phased out from September 2026.

6. The [Scottish Parliament Information Centre](#) (SPICe), the [Fraser of Allander Institute](#) (FAI) and the [Local Government Information Unit](#) (LGIU) each produced detailed overviews of the Budget. The SPICe and FAI briefings look at the implications for the Scottish Government and the extent to which the changes announced apply to people in Scotland; the LGIU's details the implications for local government, mainly in England.

7. Some councils have produced reports and opened consultations on options for savings in their 2026/27 budgets. The below list of examples is not exhaustive or authoritative; other councils are taking similar actions. The council budgets briefing in spring 2026 will include analysis of all councils' consultation and engagement activities.

- [Aberdeen City Council](#) – service reduction and revenue-raising proposals include shortening the school week, cutting education-related services including additional support for learning, various social care service changes, moving non-urgent enquiries to online only, and options for council tax increases.
- [Argyll and Bute Council](#) – explaining the “harsh reality” of council budget gaps and asking residents to say “[yes to fair funding](#)”. The council says £3.1 million of efficiency savings have been agreed with no impact on staffing, but a further £3 million of options to be considered in February could mean cutting 38.2 full time equivalent jobs involving 67 employees, alongside service reductions.
- [Dundee City Council](#) – options put to members include cutting the frequency of waste collections and recycling centre opening hours, closing school swimming pools, reducing school transport provision and winter road maintenance, and withdrawing funding for cultural and community organisations.
- [Dumfries and Galloway Council](#) – detailed consultation document with background information on the council's budget, as well as projected cumulative savings over the next three years for more than 50 policy options; however, [the consultation was criticised by a community council](#) for a lack of publicity and limited scope.
- [East Lothian Council](#) – “budget insights” including where funding comes from and how it is spent, pressures of a growing population, directed spending and its impact on available options, and different means of funding local projects and supporting communities.
- [North Ayrshire Council](#) – an ‘Our Budgets Explained’ series of short animated videos on [YouTube](#) illustrating the budget process and supporting two surveys, one of which is dedicated to schools and related services for children and young people. The general survey considers participatory budgeting and regional collaboration.

- [West Lothian Council](#) – an eye-catching format explaining how funding works and the challenges it faces, and its five main areas of focus in budget-setting – developing new ways of working, generating income, reducing its estate, responding to population change, and cutting spending on non-statutory services.

8. COSLA and the Association of Local Authority Chief Executives and Senior Managers have [agreed a new pay framework for council chief executives](#) that will mean large pay rises especially for those at smaller councils. The average rise is almost £20,000, or 12 per cent, but some will see their salary increase by as much as 24 per cent – more than £30,000. COSLA says chief executive pay had not been reviewed since 2001, and must be competitive and reflect the demands of the role, but unions and some councillors have criticised the proposals in the context of the cost of living, service cuts and council tax rises.

9. There has been [controversy over the UK Government's Pride in Place programme and Local Growth Fund \(LGF\)](#), after councillors in Glasgow received a presentation from UK Government explaining that together they replace the Shared Prosperity Fund (SPF), with overall funding for Scotland to remain at the same level in cash terms as it is under the SPF in 2025/26. Because of changes to how funding is allocated, the Glasgow City Region is set to receive much less funding than previously planned.

10. Deputy First Minister [Kate Forbes criticised the UK Government](#) for a lack of engagement, particularly compared to Wales, and its use of the Internal Market Act to fund activity in devolved areas in Scotland. Ms Forbes said the Pride in Place programme “does not align” with the Scottish Government’s approach to regeneration, and that the funding should have been allocated through the Barnett formula. More information on these two programmes is available in [this briefing for members](#).

11. Recent developments regarding the visitor levy include the following:

- [West Dunbartonshire](#) has become the fourth council – and the first that isn’t a city – to decide to introduce the levy, despite 60 per cent of consultation responses opposing it. The charge is set to apply for visits to the area (which stretches from Clydebank to Dumbarton and Balloch) from 1 July 2027, and could raise £1.7 million a year.
- [Perth and Kinross](#) Council has deferred further consideration of the levy until there is more clarity about possible legislative changes that could allow a flat rate as an alternative to a percentage charge. The council has held early engagement with residents, and believes many issues raised may be addressed by changes at national level.
- [Argyll and Bute](#) councillors are to discuss the visitor levy again next month, having put plans on hold in September pending more clarity about the potential legislative changes. The council agreed at that time to revisit the issue in January, but there is still uncertainty about if and when the changes will happen.

12. The Scottish Parliament [passed an emergency bill to rectify an error](#) in legislation that may have led to thousands of properties being eligible for refunds on business rates. The Non-Domestic Rates (Scotland) Act 2020 was intended to give councils powers to levy rates on empty business properties, but the error meant they were not actually entitled to do so from April 2023. Ministers estimated between 24,000 and 34,000 properties could have been eligible for repayments totalling up to £400 million, with councils facing up to £370,000 in admin costs to process claims.

Local government in England

13. The UK Government has published its [response to its consultation on the Fair Funding Review 2.0](#), setting out a revised approach to allocating funding to councils in England from 2026/27. Overall, the government says its new approach is “modern and fairer”, based on “true local need”, that it will simplify more than 30 separate funding streams and “properly account for areas’ ability to raise resources locally”. Key points include:

- New funding formula to be based on 2025 indices of deprivation, population projections and service demands
- Ten per cent most deprived authorities should see a “significant increase in core spending power per head” by 2028/29
- Multi-year settlements to be provided, and fragmented ring-fenced grants and bidding processes to be reduced or scrapped
- Ringfenced three-year grant of £2.4 billion to tackle homelessness and move away from over reliance on temporary accommodation
- £600 million recovery grant maintained for areas with the greatest immediate needs and less ability to raise income locally

14. There has been [a mixed response overall to the announcement](#). The Local Government Association reflected this, welcoming the reforms but warning there will be winners and losers. It called for all councils to be protected from real-terms cuts and given a “significant boost in resources” to deal with huge cost increases in areas such as adult social care, homelessness and special educational needs and disabilities. The Institute for Fiscal Studies also issued an [initial analysis of the funding reforms](#).

Policy area updates

Communities and infrastructure

15. The Court of Session ruled in favour of Argyll and Bute Council over a bid for a judicial review of the council’s decision-making about a waterfront development in Helensburgh. The [community council, which raised the petition for a review, is considering an appeal](#) and said the case could have been avoided if council chiefs or leaders had met with them. [The council welcomed the verdict](#) and said it is ‘saddened’ that “democratically made decisions and potential for inward investment have been stalled”.

16. The case concerned the council's decision to select a preferred developer – which proposes a supermarket – for a commercial site that is part of a wider regeneration project. The [Court's judgement](#) concludes that councils are not legally obliged to consult on or give reasons for disposals of their own land, although it also affirms that community councils are entitled to bring a judicial review. The Court and the council both point out that residents can lodge objections to subsequent planning applications.

Education

17. Education Secretary [Jenny Gilruth has unveiled new proposals](#) aimed at addressing the dispute over teacher workloads and class contact time. Under the proposals, which are likely to be subject to negotiations with unions and councils, teachers could spend four days a week in the classroom, with a fifth day set aside for other activities including lesson preparation, marking and training.

18. However, the EIS and NASUWT unions questioned how the plans would work in practice and are continuing with balloting members on strike action over the issue. [COSLA Leaders have also expressed “significant concerns”](#) about the financial and practical implications of the proposals, which COSLA says could cost as much as £310 million per year (although the Scottish Government disputes this figure).

Health and social care

19. Councillors in Argyll and Bute [voted against declaring an “emergency” in health and social care](#) in the area. A motion was tabled by the leader of the Conservative group who said the system locally “is at a crossroads and needs a model to achieve long-term sustainability”. However, it was defeated amid concerns about the over-use of the term ‘emergency’.

20. [Scotland's home care system has a funding gap of £320 million](#) this year alone and some councils are in danger of failing to meet statutory obligations, according to the Homecare Association. Meanwhile, [new figures from Public Health Scotland](#) showed an increase of 30 per cent in one year in the number of people waiting on a care assessment – to 7,800 – and a slight rise in those awaiting a home care package (3,300). COSLA has said the social care system is “at breaking point” and [called for urgent investment of £750 million](#) from the next Scottish Government.

Housing and homelessness

21. City of Edinburgh Council is to set aside an annual £5 million of the expected £45-50 million income from the visitor levy for a [“housing and tourism mitigation fund”](#) which will be used to deliver almost 500 affordable homes across three new developments. The legislation requires revenue raised by the levy to be used for “developing, supporting and sustaining facilities and services which are substantially for or used by” visitors. The council says providing more affordable homes will enable homeless households to move out of B&Bs, freeing them up for tourism.

22. Funding of £4 million has been allocated for [a series of pilot projects aimed at preventing homelessness](#). The fund, administered by Advice Direct Scotland, is intended to support implementation of the ‘ask and act’ duty introduced by the new Housing (Scotland) Act, which requires public bodies to take reasonable steps to prevent people becoming homeless.

Council leadership

23. The following changes in officer and political leadership have taken place in the past month:

- [The SNP has taken over control of Stirling Council](#), having formed an administration following a win in a by-election in November. Susan McGill was appointed as Council Leader.
- [Shetland Islands Council is considering a management restructure](#) aimed at reducing duplication and improving efficiency, and partly prompted by an ageing workforce. Chief executive Maggie Sandison hopes changes could be in place by May 2026.

24. Meanwhile, [Cllr Ricky Bell has been appointed as COSLA’s interim Resources Spokesperson](#), in place of Cllr Katie Hagmann who is taking a break from the role. Cllr Bell is Treasurer at Glasgow City Council and was appointed at COSLA Convention in November. Cllr Hagmann was recently announced as a candidate for the 2026 Scottish Parliament election.

Other updates

25. The Improvement Service (IS) has published [an update on the duties and powers project](#) – part of the transformation programme with Solace. The project aims to build a shared understanding of the duties and powers councils hold, including via a register of statutory and non-statutory responsibilities. The IS say the project is also intended to help identify opportunities for improvement and reform through the development of “actionable change propositions”.

26. The IS has also published a briefing on a recent Local Government Benchmarking Framework event exploring how councils can continue to deliver [best value in the time of a housing emergency](#) (*PDF link*). The event provided an opportunity for councils to share experiences and practice, and the briefing contains a number of case studies from presentations and group discussions, covering themes including service modernisation, collaboration, technology, policy innovation and engagement.

27. Other recent publications and updates of possible interest to members are listed below.

- LGIU: [Filling Scottish councils’ financial black hole](#)
- LGIU: [Scotland’s voluntary sector: An essential partnership for local government](#)

- LGIU: [Aiming high: Innovation and entrepreneurialism at Highland Council](#)
- LGIU: [Beyond the bins: local government must rebrand for Gen Z](#)

- IS: [National Planning Improvement Workforce and Capacity Report](#)
- IS: [ELC \(early learning and childcare\) Workforce Planning Discovery session summary](#)
- IS: [Community groups receive free training on Local Place Plans](#)
- IS: [Community Wealth Building case studies](#)

- COSLA: [Local Government Promise Annual Report 2025](#)
- COSLA: [COSLA calls for urgent national action on social care crisis](#)
- COSLA: [Council teams named winners in Excellence Awards](#)

- Scottish Government: [Scotland's Climate Change Plan – 2026-2040](#)
- Scottish Household Survey: [Satisfaction with Local Health Services and Sport and Leisure Facilities](#) and [Satisfaction with Schools](#)

- Scottish Parliament: [Scottish Government response to the Stage 1 Report on the Community Wealth Building \(Scotland\) Bill](#)

- Scottish Parliament Information Centre (SPICe): [Climate Change Plan: what's the background and what does it need to do?](#)
- SPICe: [Non-Domestic Rates \(Liability for Unoccupied Properties\) \(Scotland\) Bill](#) *(short briefing on the Bill and financial memorandum)*
- SPICe: [How might the UK Budget impact Scottish Government's funding?](#) *(pre-budget background on funding mechanisms)*
- SPICe: [Introduction to Community Wealth Building \(Scotland\) Bill](#)
- SPICe: [How will seats change at the 2026 election?](#)

- Carnegie UK: [Life in the UK 2025 Scotland](#)
- Enlighten: [Revitalising local democracy in Scotland](#)
- Poverty & Inequality Commission: [Advice on the Scottish Government's Child Poverty Delivery Plan 2026-2031](#)
- Scottish Labour / Sir Anton Muscatelli: [Independent report on regional economic development in Scotland \(PDF\)](#)

Conclusion

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

Chair's update

Item 8

Meeting date:
11 December 2025

Chair of the Accounts Commission

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 November.

Engagement and Commission business

Audit Scotland engagement

- 10 November: Deep dive into data analytics and AI with Audit Committee support team
- 11 November: Audit Scotland Audit Committee meeting
- 11 November: Audit Scotland Board Meeting – budget discussion
- 11 November: Audit Scotland Remco (Remuneration and Human Resources Committee) meeting
- 25 November: Audit Scotland Board meeting
- 25 November: FPAM (Future Public Audit Model) Sounding Board - Summary of Decisions paper
- Regular meetings with Vicki Bibby (Chief Operating Officer), Helena Gray (Controller of Audit); Alison Cumming (Executive Director of Performance Audit and Best Value)

Commission business

- 26 November: Comhairle nan Eilean Siar (Western Isles Council) section 102 report on 2023 cyber-attack - media day
- Regular meetings with Sarah Watters (Director for the Commission) and Lee Ovens (Executive Assistant)
- Six-monthly 'check-in' meetings with Commission members

External engagement

- 26 November: Audit Scotland / Accounts Commission / Deloitte joint meeting

- 27 November: Local Government Information Unit (LGIU) interview / podcast, with Andrew Burns – discussing the Commission's role, how we work and what matters to us.
- 27 November: Ethical Standards Commissioner public appointments diversity strategy refresh event
- A meeting with Ariane Burgess MSP (Local Government, Housing and Planning Committee Convener) was scheduled for 04 December but Ms Burgess asked to rearrange it to January

Forthcoming activities

2. Recognising the festive break, my forthcoming engagement activities include:

- Regular catch ups with Helena Gray, Sarah Watters, Lee Ovens, Vicki Bibby, Alison Cumming, and Stephen Boyle (Auditor General)
- Visit to Western Isles Council, following publication of the section 102 report
- Engagement meeting with COSLA Presidential team

Conclusion

3. The Commission is invited to:

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