

**Council response to the findings in the Controller of Audit’s report on Best Value in North Lanarkshire Council
Considered at the Council meeting on 2nd April 2026**

Findings in the Controller of Audit report	Council response (as at March 2026)
<p>1. As one of Scotland’s largest councils, and with significant and persistent socio-economic challenges, we are impressed with North Lanarkshire’s commitment to improving outcomes for its communities and its outward-facing approach to working with partners across and outwith the region. Examples include its partnership working with NHS Lanarkshire and North and South Lanarkshire Integration Joint Boards in the delivery of health and social care services, and with the construction sector in relation to skills.</p>	<p>The council’s commitment was first recognised in the Best Value Assurance Report, presented to Council in 2019, where the Accounts Commission commended the “<i>ambitious and well-articulated vision of the council and its partners in their Plan for North Lanarkshire. Realising this vision would lead to significant regeneration and change in North Lanarkshire, an area with some acute socio-economic challenges.</i>” The report also recognised that “<i>the council and its partners understand the key challenges facing the area</i>”.</p> <p>The extent of the outcomes achieved for the people and communities of North Lanarkshire through the delivery of The Plan for North Lanarkshire by the council and partners was recognised in the Best Value thematic audit outcome report on Transformation, which was presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025.</p> <ul style="list-style-type: none"> • A dedicated section of the Best Value thematic report highlighted the impact of transformation, noting significant improvements made across the 28 Health Check Indicators used to assess whether changes in service delivery are improving outcomes for people and communities (e.g. gross weekly wages, economic growth, school exclusion rates). As at March 2025, 50% of these indicators had improved over the period of delivering The Plan for North Lanarkshire. • By September 2025, the proportion of improving indicators had risen to 57%, increasing further to 68% (over two-thirds) by March 2026. The deep dive reported to the Policy and Strategy Committee in March 2026 shows encouraging progress across several key economic and social measures, including continued improvements in gross weekly wages, economic growth, and benefit claimants, as well as record-high rates for breastfeeding and recycling. • The March 2026 deep dive report includes comparisons with the national position and with the average for similar councils. These show that the council performs above both benchmarks on several key measures.
<p>2. The council has an ambitious vision for the area that is shared with partners, underpinned by a well-established programme of work. Combined with effective financial and performance management, a track record of delivering savings, integrated workforce planning, and prioritisation of community engagement, the council has strong foundations for addressing its widening budget gap.</p> <ul style="list-style-type: none"> • Given the significant financial challenges ahead, we expect the council to address the auditor’s recommendation around reviewing its approach to the use of reserves and to now set out clearly how it intends to close the budget gap. 	<p>The audit recommendation in relation to the council’s strategic use of reserves was set out in the Annual Audit Report (AAR) 2024/25 presented to the Audit and Scrutiny Panel in September 2025. The management response in this report advised that “<i>The council will undertake a review of reserves to determine a planned / target level appropriate and timing of use</i>”. The agreed implementation date for this is June 2026.</p> <ul style="list-style-type: none"> • An updated Reserves Policy was approved at Policy and Strategy Committee in December 2025 which reviewed and updated the council’s approach to utilisation of reserves. • The council set its Revenue Budget and Council Tax for 2026/27 in February 2026 and agreed an update to its contingency reserve position to align with the revised reserves policy, and provide a forecast Revenue Budget position for 2027/28. Council also agreed to proceed to the next phase of the council’s transformation journey to redesign services to maximise effectiveness and efficiency.
<p>3. Transformation is embedded at a service level, and the</p>	<p>The Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny</p>

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<p>council is taking an innovative place-based approach to addressing future financial sustainability and improving outcomes, including creating community hubs with partners such as the NHS.</p> <ul style="list-style-type: none"> Ensuring that financial and non-financial benefits are tracked is essential, as is establishing what's worked well and what lessons can be learned when deciding where to focus limited resources going forward. We look forward to seeing progress on its benefits realisation tool in the next annual audit report, given the increasing role that transformation needs to play in closing the budget gap. 	<p>Panel and the Policy and Strategy Committee in September 2025, recognised the council <i>“has made a strategic decision to integrate transformation activity across its Programme of Work, giving services direct responsibility for delivering change. The Programme of Work and the council’s accompanying Delivery Plan set out how it will deliver The Plan for North Lanarkshire, the council’s transformative, place-based strategic plan that focuses on improving outcomes and the lives of its people and communities by transforming the area’s physical environment, bringing about economic, social and health benefits.”</i></p> <ul style="list-style-type: none"> Six-monthly reports to the Policy and Strategy Committee provide ongoing updates on delivery of the Programme of Work and wider transformation activity, most recently in March 2026. Progress continues to be supported by consistent decision-making by the Policy and Strategy Committee and the wider committee structure, helping maintain momentum while safeguarding financial sustainability. These reports also acknowledge the established benefits reporting arrangements for major programmes, such as new supply and city deal. The audit recommendation in relation to benefits realisation was set out in the Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025. The management response advised that following sign off by the One Service Programme of Work Board, arrangements are being made to roll this out to all of the other Programme of Work Boards. The agreed implementation date for this is June 2026.
<p>4. The council’s approach to housing and homelessness should be recognised and its Local Government Benchmarking Framework performance indicators in this service area are amongst the best in Scotland, demonstrating the impact of its sustained investment and preventative approaches.</p> <ul style="list-style-type: none"> However, there is mixed performance in other service areas and like many others, the council has seen a sustained deterioration of satisfaction indicators since 2010/11 which should be further explored. Addressing future financial challenges is likely to continue to involve a mix of transformation, redesign and some service reductions, so we would urge the council to continue to monitor the impact on service performance and customer satisfaction. It should also ensure that work to improve public reporting of performance across its strategic key health check indicators is concluded so that wider impacts on outcomes are visible. 	<p>The council has integrated reporting of Local Government Benchmarking Framework (LGBF) indicators into each Chief Officer’s performance report to service committees, alongside the full suite of indicators within their portfolio. This supports a more complete and informed assessment of performance in line with the Strategic Performance Framework which supports The Plan for North Lanarkshire. This recognises that a single performance indicator on its own rarely provides the full picture and that a balanced range of indicators is required to demonstrate continuous improvement and ensure services are delivering Best Value.</p> <ul style="list-style-type: none"> In place for 15 years, the LGBF draws on a defined set of indicators to benchmark aspects of service performance, such as cost, efficiency, and satisfaction. As a result, it does not provide comprehensive coverage of all areas of activity within a service function. LGBF satisfaction data comes from the Scottish Household Survey - an annual survey of around 10,000 people nationally - only about 5% of whom live in North Lanarkshire and who may not necessarily be service users. Comprising benchmarking measures which are classed as <i>can openers</i>, the LGBF provides high level performance data that is not designed to give final answers, but rather to open up conversations and prompt questions into why variations occur in the data between similar councils. With such significant challenges faced across the whole local government sector before, during, and after the pandemic it is surprising that 2010/11 was used as the baseline for assessment in the Controller of Audit report as there are many factors which can impact on performance over 15 years. An analysis carried out the same way across all 32 councils also does not take into consideration each council’s strategic priorities or local priorities that have been decided upon. The council monitors performance across all service indicators within each Chief Officer’s portfolio and, as noted above, these reports are scrutinised by the relevant service committee. Existing arrangements will

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	<p>therefore continue to ensure the council monitors the impact on service performance and customer satisfaction in line with the Controller of Audit report. This can already be evidenced in the aforementioned reports which are required to follow a standard template to ensure consistency; this includes:</p> <ol style="list-style-type: none"> a. Setting out the current context within which the service is operating. b. Highlighting areas of good performance evidenced in the accompanying data. c. Providing a summary of areas of performance requiring improvement, including narrative explaining performance levels and the remedial actions taken or planned. d. Demonstrating that the improvement loop has been closed through the implementation and ongoing monitoring of actions and subsequent performance levels. <p>The audit recommendation in relation to public reporting of performance against the 28 Health Check Indicators was set out in the Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025. The management response advised that the dedicated performance section of the council's website was being redeveloped to create a single portal for all council and Programme of Work performance reporting. The agreed implementation date for this is June 2026.</p> <ul style="list-style-type: none"> • As reflected in the report to Policy and Strategy Committee in March 2026 (The latest North Lanarkshire context, challenges, and next steps), this year's deep dive into the 28 Health Check Indicators adopted a less technical approach, presenting the information in a clearer way with focused sections to enable readers to more easily interpret meaning from the data. This information will also inform the contents of the council's website.
<p>5. We are pleased to see that the council has responded positively to the auditor's recommendations around improving processes for elected member engagement, including in strategic planning. Maintaining members' commitment to the council's vision, priorities and transformation will be essential as we approach an election year. The council's commitment to a review of democratic, committee and decision-making governance procedures is also welcomed.</p> <ul style="list-style-type: none"> • We expect to see evidence of enhanced scrutiny in relation to senior officer restructuring, which should include documented consideration of options around achieving value for money. 	<p>The audit recommendation in relation to elected member engagement in strategic planning was set out in the Best Value thematic audit outcome report on Leadership of strategic priorities, presented to the Audit and Scrutiny Panel in October 2023 and the Policy and Strategy Committee in December 2023.</p> <ul style="list-style-type: none"> • The subsequent Annual Audit Report (AAR) 2023/24, presented to the Audit and Scrutiny Panel in October 2024, confirmed that this action had been implemented and was therefore complete. • Nevertheless, the council ensures ongoing elected member engagement in strategic planning. A report to the Policy and Strategy Committee in March 2026 (The latest North Lanarkshire context, challenges, and next steps) outlined the next steps following the mid-term review of the Programme of Work. This includes a spring 2026 engagement programme to further enhance elected member involvement ahead of a follow-up report to Policy and Strategy Committee in June 2026. <p>Elected members on the Policy and Strategy Committee receive six-monthly Programme of Work updates on the council's strategic plan. These reports reaffirm the Committee's strategic oversight role, as defined in the Scheme of Administration, including oversight of The Plan for North Lanarkshire, Programme of Work, and associated transformation activity.</p> <ul style="list-style-type: none"> • The significant transformation delivered across North Lanarkshire has been supported by consistent decision-making through the Policy and Strategy Committee and the wider committee structure, enabling progress at pace while maintaining the financial sustainability of the council.

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	<ul style="list-style-type: none"> • Service committees also receive regular reports on individual Programme of Work projects and activities (consistent with their defined role as per the Scheme of Administration). This ensures continued engagement, scrutiny, and oversight across all levels of the organisation. <p>The audit recommendation regarding enhanced scrutiny in relation to senior officer restructuring was set out in the Annual Audit Report (AAR) 2024/25 presented to the Audit and Scrutiny Panel in September 2025. The management response in this report advised that <i>“The council intends to undertake a wider review of its democratic, committee and decision-making governance procedures.”</i></p> <ul style="list-style-type: none"> • As outlined in the report approved at Policy and Strategy Committee in September 2025 (i.e. Review of the council’s democratic, committee, and decision making governance procedures), <i>“Phase 4 of this review includes a review and update of the Scheme of Administration and Delegation, which will now incorporate consideration of the governance around early release of senior staff.”</i> • The agreed implementation date for this is December 2026.
<p>6. The council has made its expectations of staff very clear in relation to hybrid working.</p> <ul style="list-style-type: none"> • We would encourage it to monitor the impacts of this policy on productivity, performance, staff wellbeing, recruitment and retention. • Ongoing engagement and effective relationships with staff and trade unions will be essential to achieving financial sustainability and the council’s vision for the area. 	<p>The audit recommendations in relation to (a) acting on staff feedback, (b) monitoring the impact of the hybrid working policy, and (c) reporting data on the temporary workforce were set out in the Best Value thematic audit outcome report on Workforce Innovation, presented to the Audit and Scrutiny Panel in August 2024 and the Policy and Strategy Committee in September 2024.</p> <p>An update on implementing these recommendations was reported to the Policy and Strategy Committee in December 2025 (through the One Workforce annual update report). Highlights in this report included:</p> <ul style="list-style-type: none"> • Development of a new staff survey based on the fair work first framework which had been piloted in three service areas initially (covering more than 800 staff) with a plan to roll out to all services in the coming year. The content of the survey was agreed with Trade Unions and includes questions relating to the Programme of Work and The Plan for North Lanarkshire. • Development of the council’s final hybrid working survey which was issued to all relevant staff to assess the effectiveness of the permanent hybrid working policy (which was implemented in 2024), as well as key highlights from the survey results - which are encouraging. This shows that most staff feel well supported by the permanent hybrid policy with the majority spending 10 or more days in the office each month. These positive perceptions provide a strong foundation for the council’s hybrid approach and reinforce its value for both staff and the organisation. Key highlights show that: <ul style="list-style-type: none"> - 80% of hybrid staff feel that the permanent hybrid scheme supports them well in their role and responsibilities or has no impact. - 91% of hybrid staff have reported that they are doing 10 or more days in the office with some reporting that they are doing between 10 and 15 days in the office. • An update that data on temporary workforce is now included within the workforce dashboard and data regarding agency workers is currently reported through the workforce steering group, proving oversight and governance. Reports on agency spend will be produced every six months to ensure that there is regular oversight on levels of agency spend and the business reasons for it.