ORKNEY
ISLANDS COUNCIL

Item: 19

Policy and Resources Committee: 16 June 2026.

Performance Monitoring – Local Government Benchmarking Framework.

Report by Director of Education, Communities and Housing.

1. Overview

1.1. This report presents the annual performance information against the Local Government Benchmarking Framework measures, for members' information.

1.2. The Council has been reporting performance information in accordance with the requirements of the Local Government Benchmarking Framework (LGBF) since 2011, which is a statutory function of Scottish local government.

1.3. The Improvement Service – the national improvement service for local government in Scotland – co-ordinates and facilitates the LGBF process. The Council reports some measures directly to the Improvement Service. The Improvement Service gathers information for other measures from other various sources.

1.4. The Improvement Service publishes LGBF data annually in its National Benchmarking Overview Report. The 2024/25 report, published in March 2026, is attached as Annex 1 to this report.

1.5. The Accounts Commission's 2024 Direction on Statutory Performance Information makes specific reference to the LGBF in requiring councils to develop their use of benchmarking information when reporting to the public.

1.6. In terms of the Strategic Planning and Performance Management Framework, performance in respect of the LGBF is reported to the Policy and Resources Committee annually in June.

1.7. Annex 2 sets out the Council's performance against the LGBF measures for 2024/25 which are included in the Council Plan 2023 to 2028.

1.8. Annex 3 sets out the Council's performance against all other performance measures included in the LGBF. This includes the data for 2024/25, compared to the previous reporting period.

1.9. In the case of some performance measures, the available data applies to a different period, and this is highlighted in the annex where this is the case.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Note the Local Government Benchmarking Framework's National Benchmarking Overview Report for 2024/25, attached as Annex 1 to this report, which sets out a national summary of councils' performance.
ii. Note the Council's performance against the Local Government Benchmarking Framework indicators, as set out in Annexes 2 and 3 to this report.

3. Performance

3.1. The Council's performance is benchmarked by comparing with previous years' performance, the Scottish average, and other councils in Orkney's benchmarking family groups.

3.2. For Children's Services, Adult Social Care Services, Housing and Climate Change measures, similar councils are grouped by their level of deprivation (grouping from most to least deprived). For these indicators Orkney's family group includes:

- East Renfrewshire.
- East Dunbartonshire.
- Aberdeenshire.
- City of Edinburgh.
- Perth and Kinross.
- Aberdeen City.
- Shetland.

3.3. For Environmental, Culture and Leisure, Economic Development, and Corporate and Property measures, similar councils are grouped by their population density (grouping from urban to rural). For these indicators Orkney's family group includes:

- Western Isles.
- Argyll and Bute.
- Shetland.
- Highland.
- Scottish Borders.
- Dumfries and Galloway.

- Aberdeenshire.

3.4. The monitoring period for some measures differ. This is because these are national figures, and they are generated by different organisations for different purposes. The report uses the most up to date information available in all cases.

3.5. Where councils have presented revised values for previous years, the data has been refreshed to reflect this. This may mean historical data presented in the annexes differs from data presented in previous years for some measures.

3.6. It should be noted the Improvement Service recognises that expenditure and performance are driven by local strategic priorities. Therefore, there is no specified 'ranking order' within the LGBF, and no ranks are included within the annual National Overview Report or within the corresponding online publication. The Improvement Service stresses that the ranking order used in the LGBF data set is optional and has been proposed by Local Government as being the order which is of most use to them for each of the measures.

4. National Overview Report – Key Messages

4.1. The National Overview Report emphasises a number of key points about the common challenges local government faces across Scotland.

4.2. Structural Pressure: Scottish local government is facing deepening financial, workforce and demand pressures that are now structural, with performance improvements slowing and some reversing, raising serious concerns about long-term service sustainability.

4.3. Financial constraints: Funding is not keeping pace with inflation, demand or policy commitments; rising ring-fencing and statutory pressures mean over 70% of spend is locked into core services, leaving limited scope for local prioritisation or prevention.

4.4. Workforce Capacity: Councils are delivering services with fewer staff than in the past, alongside high absence levels and acute recruitment challenges in key roles (especially social care), significantly constraining service resilience.

4.5. Adult Social Care: Increase in demand has outpaced the available funding and capacity is constrained. Factors including workforce challenges, rising costs and demographic pressures are contributing to the situation.

4.6. Financial hardship: Poverty remains widespread and persistent, driven by structural factors such as high costs for housing and energy. Demand for additional financial support from councils remains high, with many councils overspending against crisis and discretionary payment budgets.

4.7. Performance: Many performance measures show long-term improvement, but recent gains have stalled. Non-statutory services in particular have the most notable declines in performance, although outcomes vary significantly between councils.

4.8. Innovation: Councils are actively re-designing services, strengthening partnerships and using digital and data solutions to protect outcomes, but the report is clear that innovation along is insufficient without long-term funding, workforce investment and systemic reform.

For Further Information please contact:

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Implications of Report

1. **Financial:** All 32 Scottish Councils pay an annual rate to the Improvement Service for participation in the LGBF. For this, the Improvement Service provides councils with data services and co-ordination of family group activity. The fee paid by Orkney Islands Council for 2025/26 was £3,783.
2. **Legal:** Further to powers contained in section 1(1)(a) of the Local Government Act 1992 as amended, the Council is directed by the Accounts Commission to report on its performance against indicators contained within the Local Government Benchmarking Framework.
3. **Corporate Governance:** Not applicable.
4. **Human Resources:** Not applicable.
5. **Equalities:** Not applicable.
6. **Island Communities Impact:** Not applicable.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
   ☒Growing our Economy.
   ☒Strengthening our Communities.
   ☒Developing our Infrastructure.
   ☒Transforming our Council.

8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
   ☐Cost of Living.
   ☒Sustainable Development.
   ☒Local Equality.
   ☐Improving Population Health.
9. **Environmental and Climate Risk:** Not applicable.
10. **Risk:** Not applicable.
11. **Procurement:** Not applicable.
12. **Health and Safety:** Not applicable.
13. **Property and Assets:** Not applicable.
14. **Information Technology:** Not applicable.
15. **Cost of Living :** Not applicable.

Background papers

None.

Annexes

Annex 1 – National Benchmarking Overview Report.
Annex 2 – LGBF 2024/25 – Council Plan Indicators.
Annex 3 – LGBF 2024/25 – Other Indicators.

Annex 1

Local Government Benchmarking Framework

National Benchmarking Overview Report 2024-25

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COSLA

improvement service

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Preface

This is the fourteenth annual report of the Scottish Local Government Benchmarking Framework (LGBF). The Framework represents a longstanding joint commitment by Solace (Scotland) and COSLA to strengthening the use of high quality, comparable data to support improvement, target resources and enhance accountability. Over more than a decade, this sector led approach has enabled all 32 councils to work and learn together, and as the Framework has matured, the use of LGBF data has become increasingly strategic, diagnostic and embedded in local planning and decision making.

This year's report is published at a time when councils continue to navigate sustained and deepening financial, workforce and demand pressures. The data shows clearly that the performance and efficiency improvements built up over previous years are now slowing, and in some service areas beginning to reverse. This shift presents a stark warning about the future resilience of essential local services. While long term progress remains evident, the risk of losing hard won gains is growing as pressures intensify.

Yet, the report also demonstrates the scale and breadth of what councils have achieved in the face of these pressures. Across Scotland, they have redesigned services, modernised workforces, strengthened digital capacity and transformed partnership working. Innovation remains strong, with councils using data driven planning, community based approaches, shared services and digital solutions to protect core services, support vulnerable communities and improve outcomes in areas such as early years, attainment, employability, waste and digital connectivity.

At the same time, councils are meeting an expanding range of national policy commitments – including early learning and childcare, Additional Support Needs, net zero delivery, housing compliance, homelessness duties, workforce reforms and increasing assurance requirements – while managing limited funding growth, rising demand and reduced local flexibility as more resources are directed toward ring fenced priorities.

The national picture masks significant local variation. Communities are experiencing the current challenges in different ways, and councils' responses highlight the importance of local flexibility and local solutions. Local democracy depends on councils being able to tailor services to the needs, priorities and circumstances of their communities, and each council has developed structures and service models that it believes are most appropriate and cost effective for those it serves.

Transparency and accountability remain central strengths of the LGBF. Councils use the Framework within their local reporting arrangements to provide clear, comparable information to communities, supporting scrutiny, public accountability and learning. ‘Family group’ comparisons further enable councils to benchmark with similar areas and deepen shared improvement.

The LGBF’s purpose has always been to improve outcomes for people and communities across Scotland. As pressures on local services intensify, this role is increasingly important. The Framework remains a cornerstone of sector led improvement – helping councils strengthen their evidence base, learn from each other and focus resources where they have greatest impact. Its value is reinforced by wider national initiatives, including the Local Government Data Platform, Peer Collaborative Improvement, the National Self Evaluation Framework and the SOLACE-IS Transformation Programme.

The LGBF will continue to provide the robust evidence the sector needs to navigate pressures, support improvement and strengthen outcomes for communities across Scotland.

Pippa Milne
Chair of Solace (Scotland)

Councillor Shona Morrison
Chair, Improvement Service
COSLA President

Key messages

Scotland's local government is operating under sustained financial, workforce and demand pressures that are now structural in nature. Despite significant innovation, service redesign and partnership working, councils are reaching the limits of what can be delivered within existing resources. The LGBF highlights areas of continued improvement but also deepening pressures that threaten long-term sustainability.

1. Financial pressures: structural strain

Local government finances face escalating stress as funding consistently fails to keep pace with inflation, demand growth and expanding national commitments. Increasing ringfencing and new statutory obligations continue to restrict flexibility, and Scottish Government's forward spending plans indicate further pressure on council budgets. Over 2026/27–2028/29, councils face a £10m cash reduction alongside a real terms funding fall of up to 3.8%. Demographic demand pressures contribute to a £10bn long-term gap. Reserves have been depleted below prudent levels, increasing reliance on debt – especially within the Housing Revenue Account, where financing costs now consume over 20% of rental income.

Statutory services, primarily education and social care, absorb over 70% of expenditure, leaving limited scope for discretionary or preventative investment. Infrastructure continues to deteriorate faster than councils can fund repairs.

Key structural pressures include:

- Funding not keeping pace with inflation, demand or policy commitments
- Demographic pressures outstripping resources
- Declining reserves and rising debt dependency
- Reduced local flexibility due to ringfencing
- Significant risks in the Housing Revenue Account
- Deteriorating assets, especially roads

This year's pressures have intensified as reserves fall and overspends rise, while long standing issues like demand growth, rising workforce costs and funding that lags inflation continue to drive structural strain.

With limited options remaining for efficiencies, Council Tax is becoming the main balancing mechanism. Without fundamental change, the Accounts Commission warns that councils could become financially unsustainable within 3–5 years. To address this challenge, councils continue to explore wider transformation opportunities through whole-system redesign, shared services, digital modernisation, automation, better use of data and stronger partnership working.

2. Workforce challenges: capacity, recruitment, demographics

Workforce pressures remain one of the biggest risks to service continuity. Staffing levels sit below those of twenty years ago while costs now represent nearly 70% of council spending. Absence rates have reached record highs.

Recruitment and retention challenges are acute in social care, social work, planning and environmental health. High turnover and pay constraints create ongoing fragility across essential services.

An ageing workforce (over half aged 45–64) presents succession risks, while minority ethnic and disabled employees remain under represented. Gaps in data quality hamper effective planning.

Service specific workforce pressures persist, including fragile care sector staffing and specialist teacher shortages in STEM and rural areas.

National and local workforce planning is strengthening, with improved data use and modernised employment practices. However, sustainable service delivery requires continued investment in skills, data and shared workforce solutions.

3. Health and social care: rising demand, limited capacity

Demand for adult social care continues to grow sharply due to ageing populations and increasing complexity. Although expenditure has risen by 31% since 2010/11, most additional funding is absorbed by inflation and pay rather than expanded capacity.

System capacity remains constrained by workforce shortages and provider fragility. Readmissions, delayed discharge bed days and unmet need are increasing. Homecare and care home spend for older adults has fallen in real terms, reflecting not only affordability pressures but also wider system constraints, including limited workforce availability, provider instability and competing statutory demands that restrict councils' ability to sustain or expand provision despite rising need.

Structural pressures include insufficient workforce capacity, reduced availability of intermediate and community services, and rising complexity among adults aged both 18–64 and 65+.

Partnerships continue to collaborate on digital tools, staff wellbeing and joint resource planning. The Care Reform Act's requirement for a 10 year national projection will support more consistent understanding of demand and resource needs.

4. Education: recovery amid rising complexity

Education services show signs of recovery but continue to face growing complexity and workforce pressures. Although real terms spending has risen by 19.8% since 2010/11 reflecting national policy commitments, Additional Support Needs (ASN) have grown substantially, now affecting over 40% of pupils.

Pupil Support Assistant capacity is at its highest ever level, reflecting increased reliance on wellbeing support. Specialist ASN teacher numbers continue to fall.

Primary attainment has surpassed pre pandemic levels and poverty related gaps continue to narrow. However, attendance remains below historic norms and a small but growing cohort of pupils experience entrenched non attendance linked to anxiety and complex ASN.

Early years developmental outcomes are improving in relation to 27-30 month health reviews, but are uneven across Scotland, shaped by differences in workforce capacity and specialist support; and while quality of provision remains high overall, the mixed provider model – particularly increasing reliance on private and voluntary settings – brings added pressures around workforce stability and quality assurance.

Continued progress requires strengthened collaboration on ASN, equity and curriculum development.

5. Tackling poverty: persistent structural pressures

Despite easing inflation, poverty pressures remain significant. Households face high housing and energy costs, limited income growth and entrenched labour market inequalities.

Child poverty fell slightly in 2023/24 but remains above 2014/15 levels. Rent arrears have fallen for the first time in years and Council Tax collection is stable, but demand for crisis support remains consistently high. The Scottish Welfare Fund continues to exceed core allocations and Discretionary Housing Payments have risen to £89.3m, driven by the widening gap between rent levels and benefit uprating.

Councils are strengthening strategic approaches to poverty through improved data, spatial analysis and whole system initiatives such as Fairer Futures Partnerships and Whole Family Support. However, without wider reform in income, housing and social security, pressures on local safety net services will persist, limiting opportunities for more preventative action.

6. Performance of local government services

Two thirds of LGBF indicators have improved since the baseline, but recent progress has slowed significantly due to compounding pressures.

Long term gains are evident across educational attainment, positive destinations, personalisation in social care, older people supported at home, recycling, carbon emissions and local procurement.

However, several areas that previously showed improvement – such as placement stability, planning performance and road condition – are now stagnating or declining. Persistent challenges – such as high absence levels, delayed discharges and declining public satisfaction – underscore deeper structural pressures.

Innovation remains strong, with councils modernising services through digital tools, data driven models, community hubs and cross sector partnership working. Good practice continues to emerge through peer collaborative improvement and LGBF Practice Sharing events, helping councils to learn from each other and scale effective approaches. Performance continues to vary widely between councils, influenced by local demographics, economic conditions and the maturity of service redesign and digital transformation. Sustaining and spreading these gains will require coordinated long-term investment, strengthened capability across the sector and system wide reform.

Conclusion

Local government is at a pivotal moment. Rising demand, financial constraint and workforce shortages are reshaping services and limiting preventative investment. Councils continue to respond with innovation, partnership working and a strong focus on protecting vulnerable communities.

However, structural pressures threaten long-term sustainability. Without sustained and predictable funding, strengthened workforce capacity and a more flexible funding model, Scotland's councils risk entering a period of service contraction, widening unmet need and reduced ability to meet statutory duties.

The LGBF provides a strong foundation for evidence based reform. National initiatives – including the Local Government Data Platform, Peer Collaborative Improvement, the National Self Evaluation Framework and the SOLACE–IS

Transformation Programme – continue to support modernisation and shared services.

Long-term financial sustainability, workforce stabilisation and system capacity building remain essential to protecting Scotland’s local services and enabling councils to meet the country’s wider social and economic ambitions.

About this report

1. This report provides a high level analysis of council performance during 2024/25 and over the longer term. It also highlights the challenges facing councils, including current funding and workforce pressures, increasing demand, and the ongoing impacts of the cost of living crisis.

2. The main source of information for this report is the LGBF dataset, which offers longitudinal data on how councils allocate resources, how key services perform, and levels of public satisfaction with major services delivered or commissioned by councils. This rich dataset supports evidence based comparisons between similar councils (family groups) and over time, providing an essential tool for policy makers and the public. Full LGBF data and all source information is available through the LGBF Dashboard, which includes indicator level, service level, family group level and council level analysis, along with narrative to support meaningful interpretation. A summary of trends across all LGBF indicators is presented in Annex 1.

3. The LGBF provides high level 'can openers', designed to prompt local discussion about why variations in cost and performance occur between similar councils and to identify opportunities for learning. It does not provide a simple "league table" assessment. Local context and decision making are essential for interpreting and making best use of the LGBF. The 'good practice principles' set out how the framework supports strategic and budget planning, improvement, scrutiny and public performance reporting. Further information, briefing notes and case studies can be found in the *How Councils Are Using the LGBF* publication and on the LGBF website.

4. The benchmarking data in this report should not be considered in isolation. An interactive tool links the LGBF with outcomes data from the Community Planning Outcomes Profile, which provides trend data at both local authority and locality levels. LGBF indicators have also been mapped to the National Performance Framework outcomes and public health priorities to help councils demonstrate their contribution to progress in these key national areas.

5. References to 'real terms' changes in this report show past and future financial information presented at 2024/25 prices, adjusted for inflation to ensure comparability. Inflation adjustments use GDP deflators published quarterly by HM Treasury – the standard approach used by both the UK and Scottish governments when analysing public expenditure. GDP deflators capture broad inflation across the domestic economy, including wage rises, material costs, energy prices and interest rates. While this helps reflect costs linked

to demographic change, it does not fully capture the increasing demand for higher cost services associated with population shifts.

6. Covid 19 created volatility in GDP during 2020/21 and 2021/22. To provide meaningful comparisons, we have therefore used an average GDP growth rate across these years to separate inflation driven changes from variations largely attributable to Covid 19 spending. As 2024/25 is the base year for this methodology, cash and real terms figures match for this year.

7. The Covid pandemic has significantly affected some of the LGBF timeseries data. In several key areas – such as senior phase attainment, satisfaction with council services (Scottish Household Survey) and quality ratings for early years and adult social care – assessment, survey or inspection methods changed during Covid. These changes require caution when drawing conclusions or comparing trends over time.

8. Challenges remain regarding the timeliness of some key datasets used in the LGBF. At the time of publication, 2024/25 data is not yet available for several important policy areas relating to children and young people. As a result, analysis of care experienced children, child development, and child poverty is not included in this report. These datasets will be published on the LGBF Dashboard as soon as they become available.


BREAK TIME!
horse
cow

Introduction

This year's report introduces data from 2024/25, a period in which communities and households across Scotland continued to experience significant pressure. Rising living costs, housing affordability challenges and persistent labour market inequalities placed sustained strain on people's daily lives, contributing to greater demand for local services at a time when councils were already under prolonged financial and workforce pressure.

Local government entered this period facing an increasingly constrained fiscal environment. Core funding continued to fall behind inflation, national policy commitments and rising demand, while workforce shortages, demographic change and growing complexity of need further reduced capacity. As a result, councils are having to make increasingly difficult decisions about how services are delivered – including where services may need to stop, reduce or change – to meet their statutory duty to deliver balanced budgets. Current funding levels remain insufficient to absorb rising operational costs, support nationally agreed pay awards or meet the scale of demand.

The evidence presented in this year's LGBF provides a stark warning that councils are in a precarious financial position, reinforcing wider concerns about the long-term sustainability of local government and the need for urgent change. This assessment – echoed by the Accounts Commission and other national bodies – highlights widening budget gaps, rising debt costs, declining reserves and increasing levels of ring-fenced or directed funding. There is broad consensus that these challenges are unlikely to reduce in the coming years.

The 2024/25 data reveal that long-term financial, workforce and demand pressures are disrupting performance gains built up over previous years, and several services are beginning to show signs of decline as pressures intensify. Yet councils have continued to innovate, redesign services and protect frontline provision wherever possible, reflecting a sector working at or beyond capacity but still striving to meet the needs of communities.

Despite these pressures, the LGBF continues to show the vital contribution local government makes to national and local priorities. Councils remain committed to prevention, partnership working and place-based approaches, and there is strong confidence that – with the right investment and greater flexibility – local government can play an even stronger role in improving outcomes and supporting communities. Realising this ambition will require wider public service reform, consistent with the Christie vision, and recognition that councils cannot deliver the scale of change needed on their own.

This year's report focuses on:

1. Financial pressures
2. Workforce challenges
3. Health and social care pressures
4. Education for children and young people
5. Tackling poverty and financial hardship
6. Performance of local government services

Financial pressures

Local government in Scotland continues to operate under severe and persistent financial pressures. The fiscal environment has become increasingly constrained in recent years, with councils expected to deliver a growing range of statutory and policy responsibilities despite limited growth in their core funding. At the same time, demographic and societal changes are significantly increasing demand for services. This combination of flat resources and growing pressures is structural and long term in nature, leaving councils facing increasingly difficult decisions about service prioritisation, investment, and sustainability.

Reflecting these pressures, the Accounts Commission's recently published Local Government Financial Bulletin reports that "the cost of delivering services is rising faster than available funding," with councils increasingly reliant on non-recurring measures and facing a budget gap approaching £1 billion by 2027 – developments that "raise concerns around councils' medium term financial sustainability."[1]

Funding pressures

The financial outlook for Scottish local government is shaped most acutely by a widening gap between available funding and what is required to meet current and future needs.

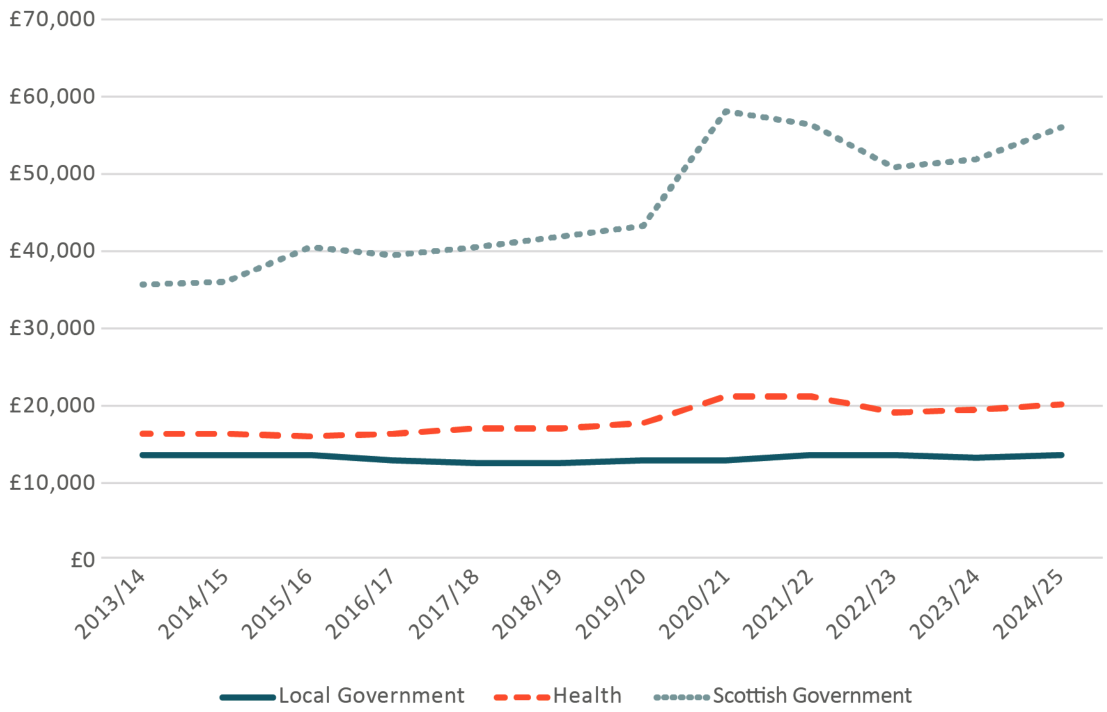
Stagnant growth in core funding

Scottish Government funding for local government has not kept pace with inflation, demand, or growing policy commitments. In real terms, the sector's overall spending power has become increasingly constrained, limiting the ability of councils to maintain service levels or invest in transformation. Scottish Government funding for local government increased by 1.1% in real terms in 2024/25, and by 0.2% since 2013/14.

By contrast, funding for the health sector continues to grow at a significantly faster rate than for local government. Funding for health grew by 4% in 2024/25, and by over 24% since 2013/14. This shifting balance reflects Scottish Government priorities but results in a smaller share of public expenditure being available for local services, many of which are preventative in nature and critical to long-term wellbeing and demand management.

1 https://audit.scot/publications/local-government-in-scotland-financial-bulletin-202425

Figure 1: Change over time in Scottish Government, Health and Local Government Revenue Budgets (£m)



Source: Scottish Government budget documents (spring revision) for 2015/16 to 2024/25 and actual figures for 2013/14 and 2014/15 (from local government finance circular) as budget documents were not available.

The Scottish Government's spending review[2] published early 2026 presents a stark picture for local government, reflecting its lower prioritisation relative to other portfolios over the next three years. Unlike most other portfolios, Local Government is set to face not only a real terms reduction but an actual cash decrease, falling by £10 million between 2026/27 and 2028/29 (–0.07%). In real terms, the position is significantly worse: after adjusting for inflation, Local Government funding is projected to fall by 2.0% in 2027/28 and by 3.8% by 2028/29, representing a substantial erosion of spending power over the period. This stands in sharp contrast to major uplifts elsewhere – such as Health and Social Care (+£1.94 billion; +8.86%), Social Justice (+£851 million; +10.61%), Transport (+£383 million; +9.68%) and Housing (+£165 million; +13.66%). Several other portfolios also experience declines, but none so structurally important or as sizeable in scale as the services delivered by Local Government. With overall Scottish spending rising by £2.9 billion over the same period (+4.68%), the figures underline a clear shift in Scottish Government priorities and signal intensifying financial pressures for councils. The cumulative real terms impact for Local Government is therefore substantially more severe than the headline cash reduction suggests, reflecting a meaningful contraction in the resources available to meet statutory duties.

2 Annex A: Summary of Portfolio Spending Plans - Scottish Spending Review 2026 - gov.scot

Ring-fenced funding

An increasing share of funding is ring-fenced, reducing local flexibility. Ring-fenced and directed funding amounted to £3.2 billion in 2024/25 (24 per cent of the total revenue funding to councils). This is higher than the 21 per cent of funding that was directed in 2023/24.[3] The rise in ring-fenced funding reflects growth in nationally directed allocations, which sit mainly in education and social care, including areas such as teacher-number protection, targeted attainment funding, early learning and childcare and social care pay and care-rate uplifts. This means a larger portion of budgets must be spent on national priorities, leaving councils with less freedom to respond to local needs. For communities, this can result in reduced scope for locally tailored services and greater pressure on non-statutory provision when budgets tighten – for example, culture and leisure spending has fallen by over a quarter since 2010/11, illustrating the scale of reductions in discretionary services.

Increasing policy expectations

Alongside constrained and increasingly directed funding, councils face a growing set of statutory duties, new national policy commitments, and heightened scrutiny – without corresponding increases in funding.

In recent years, councils have been required to deliver an expanding set of national policy obligations, including ring-fenced commitments in education and social care and nationally mandated measures such as the partly funded council tax freeze. Expectations have also grown around major transformation, new operating models, and stronger partnership working across local, regional and national bodies. Councils are further expected to contribute to climate and net zero ambitions, drive digital transformation, and play a central role in tackling poverty and inequalities. These pressures sit alongside heightened obligations in areas like homelessness, where greater scrutiny and national direction place additional emphasis on meeting statutory duties. Councils have also faced increased compliance demands relating to the safety and condition of the public estate, including managing RAAC risks in schools and other buildings.

These additional responsibilities intensify pressure on already stretched budgets, widening the gap between what councils are funded to deliver and what they are expected to deliver. As a result, councils must absorb these pressures by reprioritising spending or making further savings.

Rising demand pressures

Alongside constrained funding, councils are experiencing substantial and growing demand for services driven by demographic and societal factors.

3 https://audit.scot/publications/local-government-in-scotland-financial-bulletin-202425

Scotland's ageing population is the most significant long-term driver of cost pressure. The number of older people with complex needs is rising, increasing demand for social care, health and community support, and specialist housing. These pressures are unavoidable and intensifying.

Wider societal challenges – including persistent poverty, greater mental health needs, and increased expectations for personalised and responsive public services – add further strain. More households require targeted support across education, social care, welfare and housing services.

The demographic demand gap

Demographic modelling demonstrates a widening gap between what councils currently spend on key services and what would be required to maintain existing service levels as demand grows.

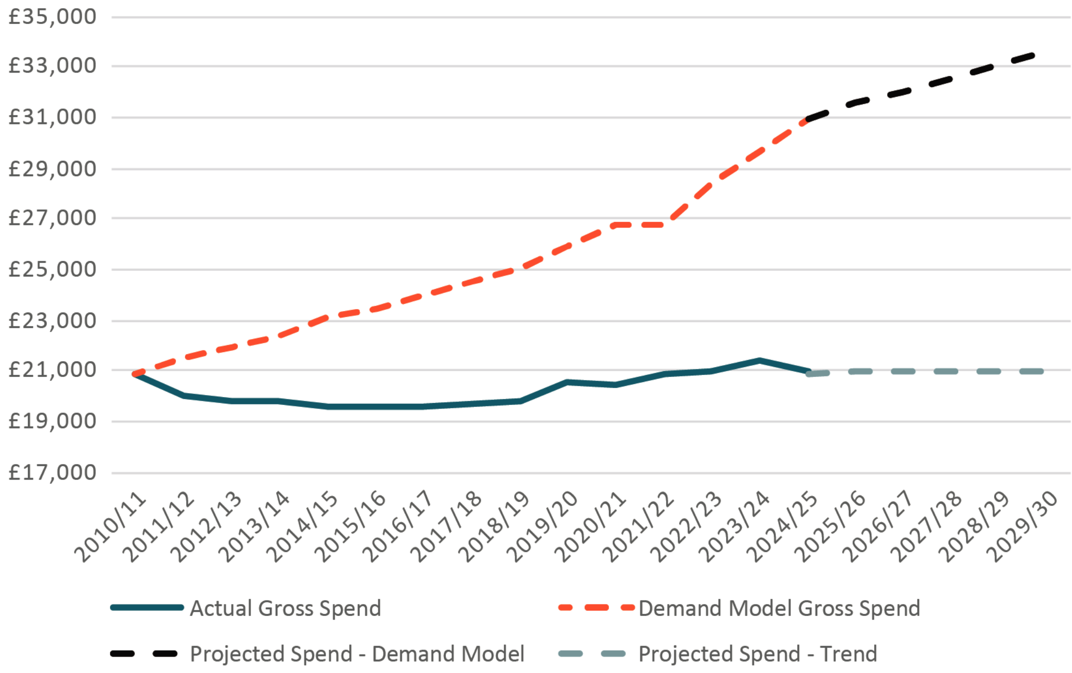
Projections show that, without significant additional investment or service redesign, the cost of meeting future need will exceed available resources by an increasing margin.

The modelling shows that the current shortfall for 2024/25 is £10 billion, an increase from £8 billion in 2023/24. Based on existing projection patterns, this gap is expected to grow by a further £2.8 billion over the next five years, taking the forecast to 2029/30.[4]

The scale of the gap indicates that councils have been managing rising demographic pressures through efficiencies, service redesign and some unmet need, but with reserves now at historically low levels, this approach is no longer sustainable and has important implications for future planning and prioritisation.

4 The methodology used for this modeling was first set out in the following publication. https://www.improvementservice.org.uk/__data/assets/pdf_file/0012/10731/projected-cost-pressures-for-scottish-local-government.pdf

Figure 2: Actual and required gross spend (based on modelled demographic demand) (£m)[5]



Source: Local Government Finance Statistics and NRS Population projections

This shortfall can be seen clearly across key local government service areas where demand is rising while spend is falling, widening current and future gaps. Environmental services now face a gap of £1.3 billion, which is projected to reach £1.5 billion by 2029/30. Roads and transport show a current shortfall of £280 million, which is expected to grow to £458 million by 2029/30. Culture and leisure also have a £280 million gap, with the shortfall projected to increase to £443 million by 2029/30. Adult social care faces by far the largest overall pressure, with a £7.4 billion shortfall in 2024/25, projected to expand further to £8.5 billion by 2029/30.

5 The figures in this graph show a comparison between 2010/11 and 2023/24 of actual gross spending and the modelled demand for spending, shown as two solid lines. Modelled figures are based on the historic relationship between population size and gross expenditure and therefore estimate the level of spending that would have been required to keep pace with changes in the population size, especially growth in older age groups. Two future projections in spending for the years 2025/26 to 2029/30 are also included. These are shown as dashed lines. The first projection is a continuation of the modelled expenditure and uses population projections to estimate where demand would be by 2029/30 if spending kept pace with population growth. The second projection uses the average annual growth rate in actual spending between 2010/11 and 2023/24 and continues this to 2029/30.

These widening gaps highlight how demographic change is already stretching core services. One of the contributing factors to rising costs and demand is the expansion of universal entitlements, with modelling showing that growing demand from an ageing population outweighs falling demand from declining child cohorts, further increasing pressure on local authority budgets.

Consequences for local services

As funding and demand pressures intensify, councils face increasingly difficult decisions about what to prioritise, where to reduce, and how to reshape services.

Shifting patterns of expenditure

Long-term trends highlight a clear pattern of protection for essential statutory services – adult social care, education, and looked after children's services – with these areas increasing their share of total spend over time due to rising need and statutory duties. As these protected services account for over 70% of benchmarked expenditure within the LGBF, councils have very limited flexibility elsewhere in their budgets. This results in non protected services facing disproportionately higher savings requirements in order to balance statutory and ring-fenced commitments. Consequently, many unprotected services – such as culture and leisure, roads, planning, environmental services, and other discretionary or preventative areas – have experienced substantial and sustained reductions in expenditure.

Since 2010/11, in real terms, this has included:

- 35% reduction in trading standards and environmental health spending
- 34% reduction in street cleaning spending
- 32% reduction in planning spending
- 32% reduction in tourism spending
- 26% reduction in culture and leisure spending
- 25% reduction in corporate support services spending
- 12% reduction in roads spending
- 5% reduction in waste service spending.

Table 1: Real change in Council Revenue Expenditure since 2010/11 (£000s)

	2010-11	2019-20	2020-21	2022-23	2023-24	2024-25	Change since 2010-11	Change since pre-Covid	Change since 2023-24
Education	£5,775,076	£6,269,138	£6,566,597	£6,882,810	£6,900,287	£6,916,362	19.8%	10.3%	0.2%
Adult Social Care	£3,696,578	£4,262,712	£4,523,215	£4,716,804	£4,753,339	£4,843,299	31.0%	13.6%	1.9%
Looked After Children	£536,710	£644,252	£637,079	£620,968	£646,312	£639,122	19.1%	-0.8%	-1.1%
Economic Development	£496,690	£401,203	£434,842	£524,676	£520,481	£554,217	11.6%	38.1%	6.5%
Culture & Leisure	£740,244	£552,506	£540,918	£588,996	£579,640	£547,339	-26.1%	-0.9%	-5.6%
Environmental Services	£1,000,082	£876,495	£871,140	£850,709	£874,798	£851,289	-14.9%	-2.9%	-2.7%
Roads	£836,710	£645,875	£604,764	£753,325	£771,562	£737,290	-11.9%	14.2%	-4.4%
Planning	£178,403	£133,571	£130,048	£129,733	£133,509	£121,357	-32.0%	-9.1%	-9.1%
Central Support Services	£1,134,621	£816,892	£825,389	£845,458	£870,393	£847,773	-25.3%	3.8%	-2.6%

Note: Table 1 includes expenditure covered by the LGBF measures. While the LGBF measures reflect the significant areas of local government expenditure, there are some minor areas of spend excluded, which accounts for differences with Scottish Government published expenditure data. All trends represent gross expenditure.

Impact on prevention

Reductions in non protected services have important implications for prevention and long-term sustainability. Cuts to early intervention, community capacity building, and place-based services reduce councils' ability to address needs at an early stage and moderate future demand on statutory provision. Many preventative and community focused services – such as culture and leisure, planning, roads, and environmental health – contribute to the conditions that support wellbeing, resilience, and local economic activity. Sustained reductions in these areas diminish the system's capacity to manage risk, maintain local outcomes, and contain future pressures. Over time, this can lead to higher levels of acute demand and increased costs for both local government and wider public services.

Against this backdrop, Public Health Scotland's 10 year strategy[6] sets a national expectation to build a prevention focused system, committing to embed prevention into planning, budgeting and accountability, and asking local government and community planning partners to put health and equity at the heart of local planning and investment. However, the scale and nature of

6 https://publichealthscotland.scot/about-us/what-we-do-and-how-we-work/together-we-can-our-10-year-strategy-to-2035/how-well-deliver-our-strategy/building-a-prevention-focused-system/

reductions in preventative services make it increasingly challenging for councils to meet these ambitions in practice.

Variation reflecting local priorities

While national trends are clear, there is significant variation between councils in how spending patterns have changed. These differences reflect local context, demand pressures, political choices, and organisational priorities, demonstrating the complexity of managing financial pressures across diverse communities. In addition, the emergence, and prevalence of a number of pilots across a range of areas and services, e.g. Fairer Futures Partnerships, Invest to Save and Collaboration for Health Equity, may also provide additional context around the spending decisions taken at a local level.

Financial sustainability pressures

Councils are now facing acute and systemic pressures that threaten their financial sustainability. Four interconnected themes characterise the current pressures on councils' financial sustainability:

1. The depletion of reserves and erosion of financial resilience.
2. Escalating capital and debt risks, particularly within the Housing Revenue Account (HRA) and local infrastructure portfolios.
3. A tightening fiscal environment with limited tolerance for financial risk or shock absorption.
4. Economic development emerging as a key determinant of long-term fiscal sustainability.

Table 2: Local Government Financial Sustainability

Scotland	2013-14	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2013-14	Change since pre-Covid	Change since 2023-24
Usable reserves as a % of council annual budgeted net revenue	16.0%	16.9%	23.7%	24.4%	24.5%	23.7%	20.4%	**3.4**	**2.4**	**-4.4**
Uncommitted General Fund Balance as a % of council annual budgeted net revenue	3.7%	2.8%	3.1%	2.9%	2.9%	2.3%	1.9%	**-1.8**	**-0.9**	**-0.4**

Scotland	2013-14	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2013-14	Change since pre-Covid	Change since 2023-24
Ratio of Financing Costs to Net revenue Stream - General Fund	8.4%	7.2%	6.2%	5.9%	5.4%	5.6%	6.0%	-2.4	-1.1	0.4
Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account	25.9%	22.6%	22.9%	22.6%	21.8%	19.9%	20.7%	-5.2	-1.9	0.7
Actual outturn as a percentage of budgeted expenditure	99.1%	99.4%	97.4%	98.3%	98.4%	99.6%	100.1%	1.0	0.8	0.6

Reduction in reserves

A key indicator of growing financial fragility is the sharp reduction in both usable and unallocated reserves. Unallocated reserves have now fallen below 2 per cent, breaching the long established prudent range of 2–4 per cent. The unallocated General Fund balance stands at just 1.9 per cent of annual net revenue in 2024/25, compared with 2.8 per cent pre COVID and 3.7 per cent in 2013/14. Usable reserves have similarly declined from their post pandemic peak, reflecting the cumulative impact of cost of living interventions, pay settlements, and the need to support in year budget delivery. They now sit at 20.4 per cent of annual net revenue in 2024/25, down from 23.7 per cent in 2023/24 and 24.5 per cent in 2022/23. This sustained erosion of reserves has weakened local government's financial resilience, significantly reduced flexibility for one off interventions, and increased exposure to volatility and risk.

With reserves no longer able to act as a viable mechanism for mitigating structural financial pressures, the forward financial outlook requires a shift towards more sustainable and predictable long-term funding, alongside large scale service redesign and transformation. This may involve changes to eligibility, service models, and the overall scope of provision, including difficult decisions about scaling back or exiting non-statutory services in order to prioritise statutory duties. Choices previously viewed as difficult have now become structural, with no remaining flexibility available within budgets, reserves, or revenue funded capital.

Capital, debt and the Housing Revenue Account: increasing structural risk

Capital related pressures are intensifying across the sector, with the Housing Revenue Account (HRA) emerging as one of the most significant areas of vulnerability. Financing costs now account for over 20 per cent of rental income on average, rising to around 50 per cent in some councils, with projections indicating this could increase to as much as 60 per cent in certain areas. These high and rising debt servicing costs severely constrain the sector's ability to maintain and improve existing housing stock, meet statutory requirements such as RAAC remediation, progress new build programmes, and deliver on decarbonisation and energy efficiency obligations. Long-term interest rates of 4–5 per cent further reduce investment capacity and affordability. With such a substantial share of rental income committed to servicing historic debt, the HRA's ability to respond effectively to Scotland's housing emergency is significantly curtailed, creating a material financial, social, and service risk.

Consistent with this wider pattern of rising capital pressures, the Accounts Commission reports that councils' net debt reached £21.9 billion in 2024/25 – a 13.5% increase on the previous year – reflecting greater reliance on borrowing at a time when grant support for capital investment is falling.[7]

Infrastructure and roads: accelerating asset deterioration

Local infrastructure – particularly the roads network – demonstrates a wider systemic challenge. Roads represent one of local government's largest asset classes, yet the rate of deterioration is now outpacing councils' ability to maintain them. Councils face a persistent trade off between revenue funded patching and capital funded reconstruction, with the latter increasing future borrowing requirements and placing additional pressure on already stretched revenue budgets. Backlogs have grown to unprecedented levels, reflecting both long-term underinvestment and the cumulative impact of prioritising statutory services over local infrastructure. This dynamic shows how protecting core services compresses investment in assets that are fundamental to economic activity, local safety, and public confidence. Continued deterioration increases future costs, heightens risk exposure, and contributes to rising public dissatisfaction.

Tightening financial tolerance and system capacity

The wider financial environment shows a progressively tightening fiscal position across local government. Financing costs have been rising for several years, reversing a decade of relative stability and reflecting a growing reliance on borrowing. General Fund financing costs now account for 6 per cent of the net revenue stream, while Housing Revenue Account financing costs have increased to 20.7 per cent. This escalation narrows the scope for discretionary spending and reduces councils' financial flexibility.

Budget outturns are now almost exactly aligned with financial plans, with actual outturn at 100.1 per cent of budgeted expenditure – the tightest position in over a decade. This highlights a very limited capacity to absorb in year financial shocks.

7 https://audit.scot/publications/local-government-in-scotland-financial-bulletin-202425

At the same time, reserves can no longer offset structural pressures, and debt financed investment options are increasingly constrained.

The cumulative impact of depleted reserves, rising borrowing costs, and intensifying demand is significantly reducing the system's ability to manage emerging risks or invest in the transformation required for long-term sustainability. These pressures are now structural rather than cyclical and can no longer be addressed through short-term or temporary measures.

These tightening financial conditions sit within the new Fiscal Framework between Scottish Government and Local Government 2025,[8] which aims to improve funding predictability, strengthen transparency, and support more effective multi year planning. The Framework provides important context for understanding the limits of current system tolerance and reinforces the need for sustainable, long-term approaches.

Economic development as a strategic lever for fiscal sustainability

Economic development is increasingly recognised as a core component of long-term fiscal sustainability rather than a discretionary local service. Its contribution to Scotland's national fiscal position is significant, supporting increased tax yield, growth in GDP per capita, and wider improvements in overall fiscal capacity. These factors are now regularly referenced in national fiscal sustainability analyses as essential to addressing structural budget gaps over the long term.

Despite this strategic importance, the funding landscape for economic development remains volatile and highly constrained. The sector continues to rely heavily on ring-fenced, time limited or centrally designed programmes, limiting local flexibility and undermining stability. Continued uncertainty surrounding the UK Shared Prosperity Fund further affects employability, regeneration, and local investment planning, while limited discretion over local priorities reduces the capacity to tailor interventions to local economic conditions. Together, these factors inhibit multi year planning and constrain economic development's ability to operate as a strategic lever for fiscal resilience.

Given its central role in supporting sustainable public finances, economic development should be understood as a cross cutting enabler of public service reform and a driver of future revenue sustainability, rather than solely an area of expenditure. However, its reliance on unstable funding streams places it at heightened risk, despite its long-term value. As a result, economic development merits significantly greater prominence within financial sustainability planning and national policy discussions.

8 https://www.gov.scot/publications/draft-fiscal-framework-between-scottish-government-local-government/

Workforce challenges

Workforce sustainability remains one of the most significant and persistent challenges facing Scotland's local government. Rising service demand, demographic change, labour market constraints, financial pressures, and widening inequalities continue to place strain on capacity across the sector. High sickness absence and ongoing recruitment challenges further reduce resilience, compounding the pressures experienced by frontline services. These challenges are systemic, long-term, and structurally embedded, influencing councils' ability to sustain services, develop workforce capability, and support effective organisational planning.

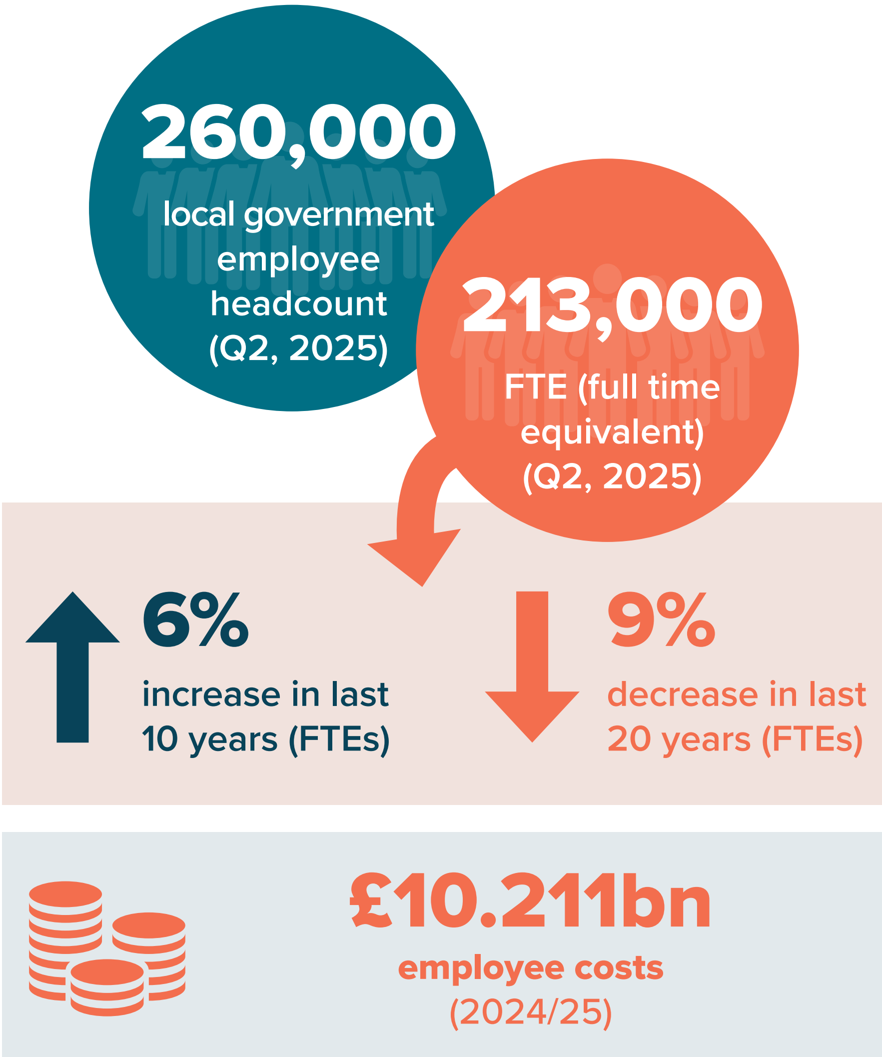
Workforce size and costs

Scotland's local government employs approximately 260,000 employees (213,000 FTE), making it the largest and one of the most diverse workforces in the public sector. Employment costs now stand at £10.2 billion (up 24% since 2015), and account for 69% of councils' net revenue spending.[9]

Workforce numbers have grown modestly over the past decade (+6% FTE), though this rise is primarily driven by ring-fenced funding for social care and education rather than broad expansion across services. Overall, staffing levels remain lower than twenty years ago (–9%), leaving councils to deliver services with fewer resources than in the early 2000s despite escalating and increasingly complex demand, especially in social care, education, and community services.

These pressures are unfolding within a context of tight fiscal constraints and a highly competitive labour market. Together, they create structural vulnerabilities across all major workforce indicators, shaping councils' ability to sustain services, support employees, and plan for the future.

9 Costs relate to salaries and wages, national insurance and superannuation contributions, cash allowances paid to employees, redundancy and severance payments and any other costs relating to employees.

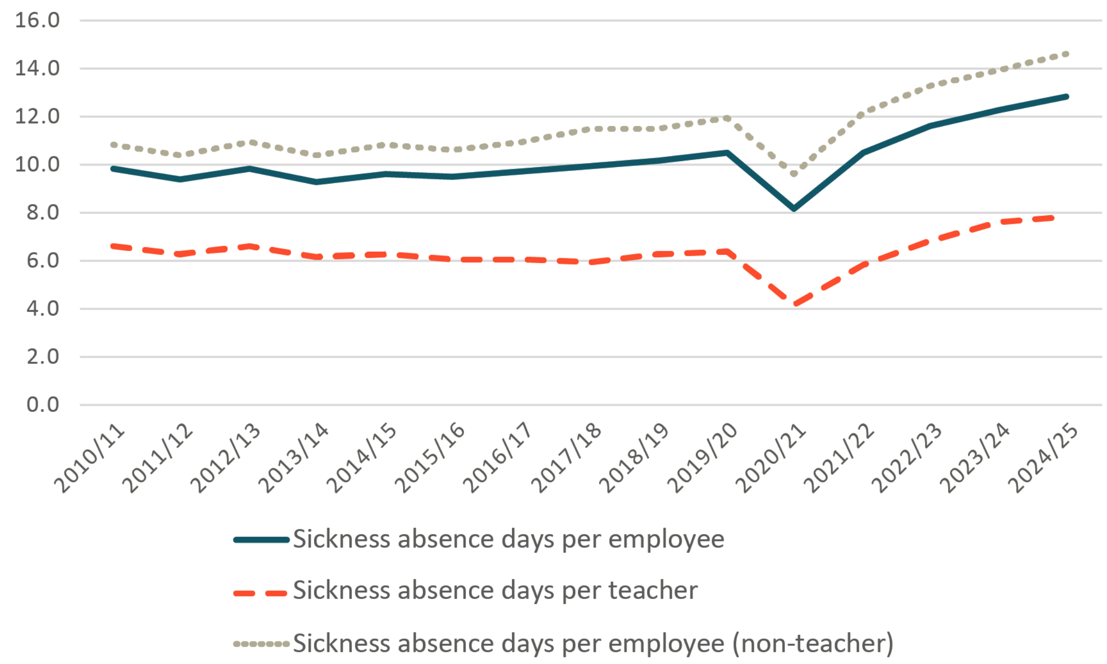


Source: Public Sector Employment Statistics and Local Government Finance Statistics

Sickness absence at the highest recorded levels

Sickness absence continues to rise across local government, reaching the highest level in the available time series. This trend reflects a combination of workload intensity, emotional and physical fatigue, and the demographic profile of key services, where older workforces are more vulnerable to health related absence. In the most recent year of reported data (2024/25), teachers recorded 433,299 days lost, equivalent to 7.8 days per FTE, while non teaching employees lost 2,317,794 days, or 14.5 days per FTE. These absence levels place significant pressure on service resilience, increasing the need for temporary cover, disrupting continuity of provision, and adding further strain to already stretched teams.

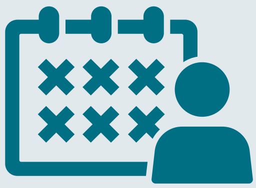
Figure 3: Local government sickness absence trends (days)



Sickness absence days lost 2024/25

Teachers

433,299
(7.8 per FTE)



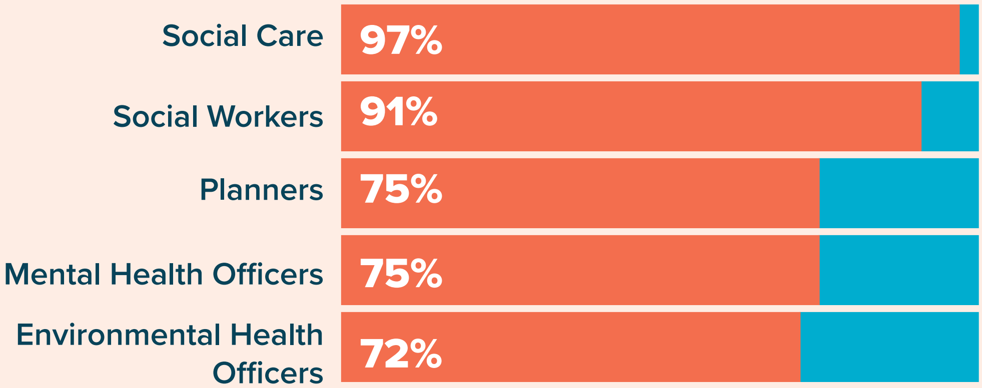
Non-teachers

2,317,794
(14.5 per FTE)

Ongoing recruitment and retention challenges

Recruitment and retention pressures remain acute across a wide range of statutory and specialist roles, with councils continuing to report critical shortages in social care (97%), social workers (91%), planners (75%), mental health officers (75%), and environmental health officers (72%). These challenges are driven by intense competition from other sectors (97%), shortages of skilled workers (90%), and pay related constraints (90%), alongside financial pressures that limit investment in apprenticeships and grow your own pathways (88%). Collectively, these conditions constrain workforce supply, weaken service resilience, and highlight the need for more robust recruitment pipelines, targeted skills development, and coordinated national and local interventions.

Critical workforce gaps: top five occupational groups by percentage of councils reporting



Challenges reported

97%
Competition from other sectors

90%
Shortage of skilled workers

90%
Pay-related issues

Barriers to addressing issues

94%
Financial pressures meaning budget savings required

88%
Insufficient funding for grow your own and apprenticeship schemes

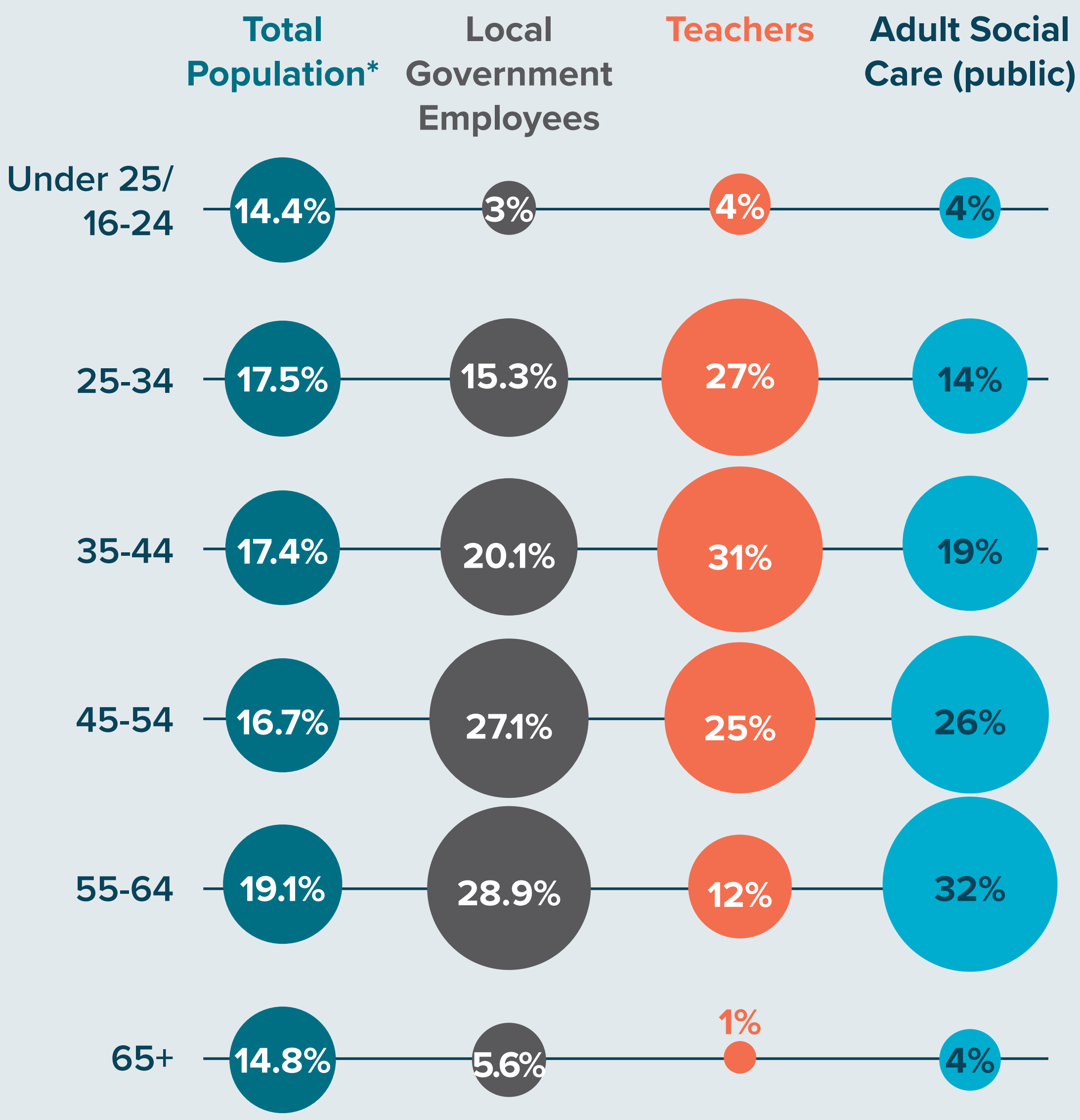
84%
Labour market issues (inc. recruitment)

Source: Scotland's Local Government Workforce Report 2024

Demographic pressures and workforce profile challenges

An ageing workforce remains a significant structural risk. More than half of council employees (56%) are aged 45–64, a proportion substantially higher than in the wider working age population. Social care, planning, and other specialist professions show particularly high concentrations of employees approaching retirement. This age profile heightens risks around succession planning, leadership continuity, and the potential loss of specialist skills, while also contributing to higher levels of health related absence.

Local government age profile 2024

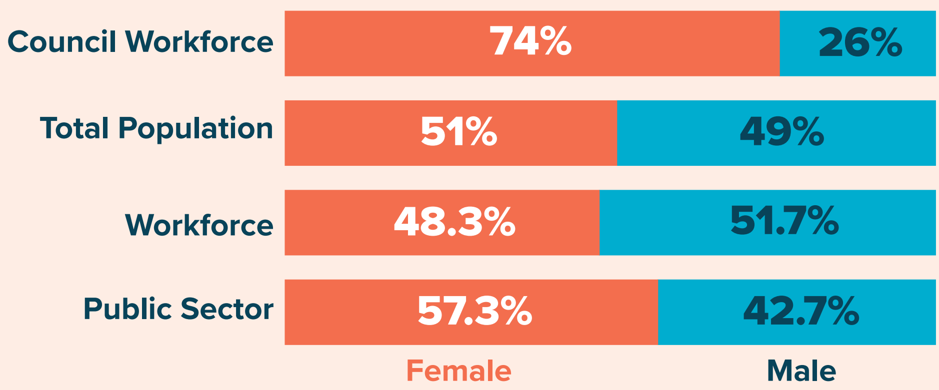


* Proportion of working age population only

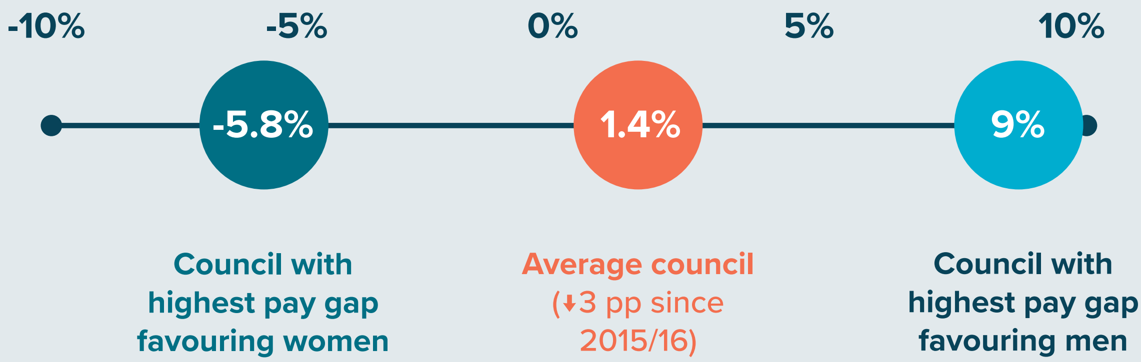
Source: Scotland's Local Government Workforce Report 2024

Gender patterns continue to influence workforce structure. Women make up 74% of council employees, rising to 88% within council social care roles. These occupational patterns shape the overall gender pay gap, which currently sits at 1.4%. This figure reflects differences in role distribution and contracted hours rather than unequal pay for equal work, and therefore requires careful contextual interpretation to avoid misrepresentation. The gender pay gap may also appear smaller or even reversed in some councils if lower-paid, female-dominated roles are employed through trusts and ALEOs and therefore not included in council workforce statistics.

Local government gender breakdown 2024



Gender pay gap



60% Top 5% highest paid employees who are women

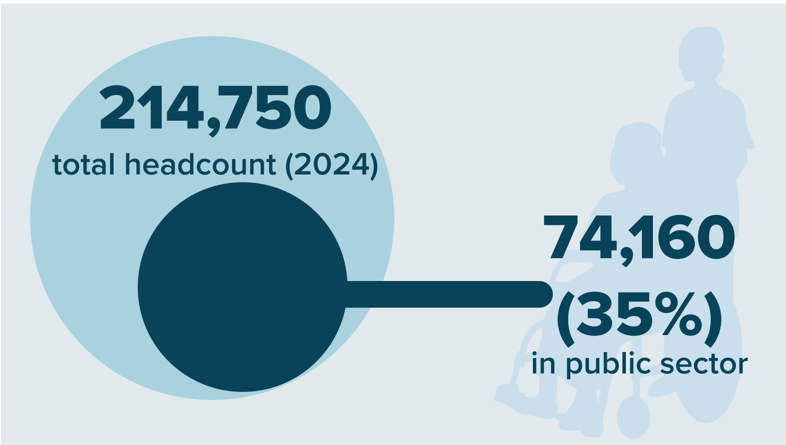
Persistent under representation across key equality, diversity and inclusion (EDI) characteristics remains a significant concern. Minority ethnic employees make up just 2.5% of the local government workforce compared with 7.1% of Scotland's population, while only 4.5% of council employees report a disability compared with 19.6% in the wider Scottish workforce.

However, it is important to note that EDI figures are based on employee self reporting, and reporting rates remain low across many authorities. The very small proportions recorded may therefore reflect under reporting as much as genuine under representation. Continued improvement in data quality – particularly around disability and ethnicity – is essential to understanding the true profile of the workforce and ensuring EDI interventions are grounded in accurate, comprehensive evidence.

While the data may under represent the true workforce profile, the patterns point to a possible lack of diversity of insight and experience within councils, reinforcing the importance of inclusive recruitment practices, better progression pathways, and targeted action to widen participation.

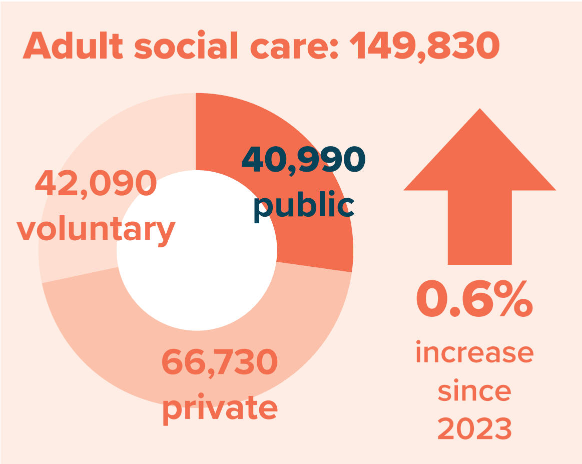
Service specific workforce pressures

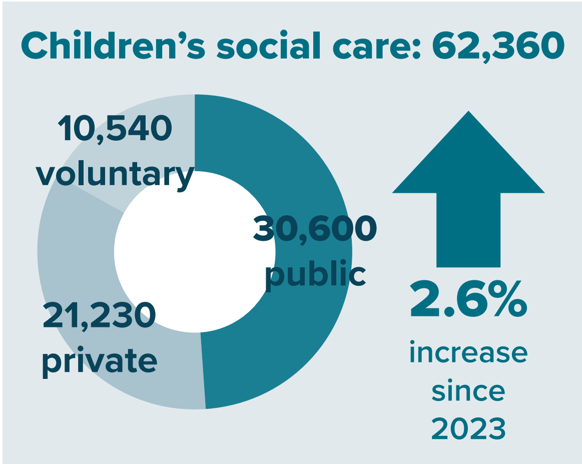
Social care



The social care workforce – 214,750 employees across public, private, and voluntary sectors – continues to face the most significant and persistent pressures in local government. High turnover, the prevalence of part time roles, and the complexity of delivering services within a mixed economy model all contribute to ongoing fragility. With councils employing only 35% of the total social care workforce, sustainable improvement requires coordinated planning across government, providers, regulators, and sector partners to ensure workforce capacity keeps pace with rising demand and increasingly complex care needs.

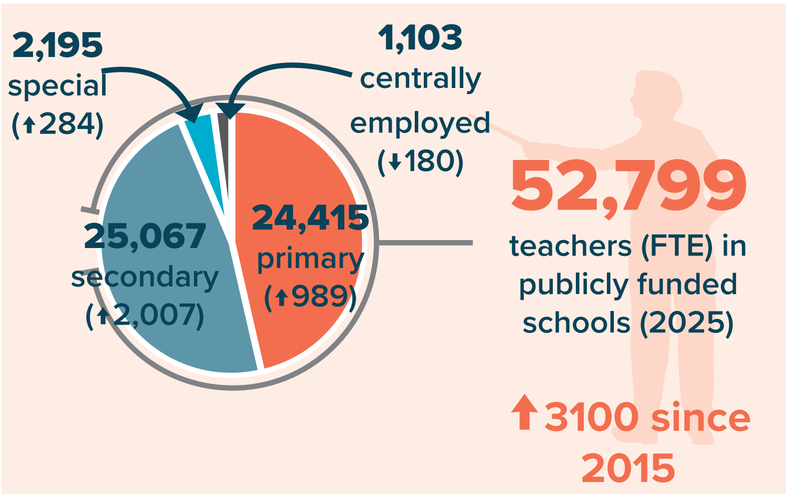
Building on this, recruitment and retention challenges remain particularly acute across frontline care roles, social work, allied health professionals, and nursing. Despite national efforts to improve pay and conditions, social care remains less competitive than both the wider labour market and the NHS, and rural and island communities continue to face additional barriers due to small labour pools. These workforce gaps – combined with rising demand and financial pressures – are undermining service sustainability, contributing to reduced care at home availability, increased delayed discharges, and delays in assessment, rehabilitation, and early intervention. A coordinated national approach to workforce planning and sustainable funding remains essential to stabilising the system.





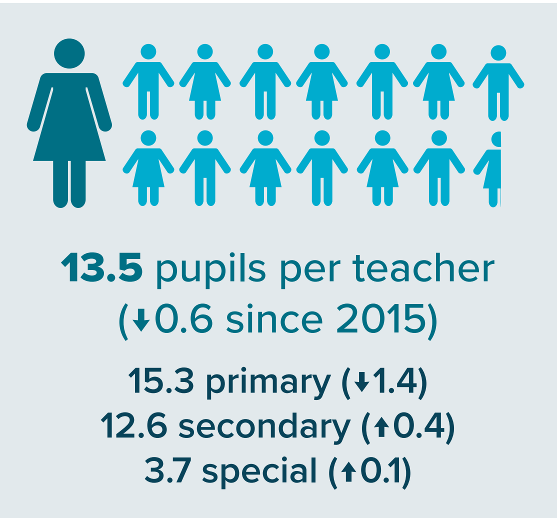
Teaching workforce: ongoing complexity and demand

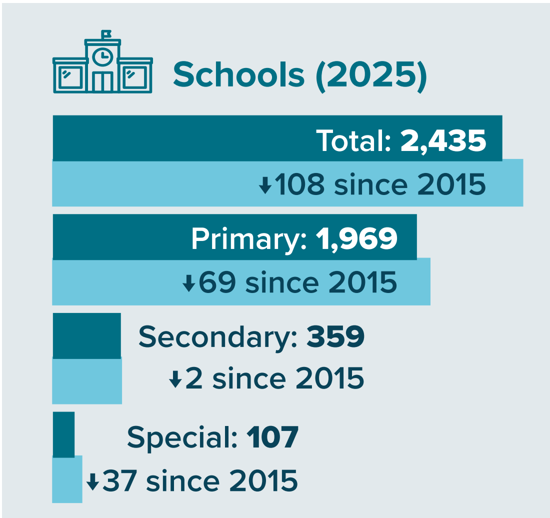
The teaching workforce has grown to 52,799 FTE in 2024/25, an increase of 3,100 FTE (approximately 6.5%) since 2015. Within this, the pupil-teacher ratio has fallen by 0.6 since 2015, as FTEs have risen faster than pupil numbers (especially in primary schools).



Education spending and performance have both moved in a positive direction, and teaching ratios have improved as the workforce has grown faster than the school roll. Despite this, teacher sickness absence is at a record level and pressure remains across the system. Wider pressures across public services, including strain within social work, also shape the context in which schools operate. Understanding teacher workload and wellbeing therefore needs a wider system view to explain why these challenges persist even as investment and staffing rise.

Despite this workforce growth, significant pressures remain across the education system. Secondary schools continue to face sustained subject specific shortages, particularly in STEM and technical disciplines, while rural areas experience chronic recruitment and retention difficulties. Demand linked to additional support needs (ASN), broader inclusion requirements, and ongoing curriculum expectations is intensifying pressure on staffing levels. These challenges are further shaped by structural changes in the school estate, including a reduction of 110 schools since 2014, which affects workforce deployment and resource planning. Addressing these pressures requires targeted approaches to teacher recruitment, deployment, workforce planning, and professional development to ensure that staffing levels and skillsets remain aligned with evolving educational needs. A further priority is jointly planned approaches to initial teacher education, with a clearer focus on recruiting students into subjects with the greatest need and revisiting probationer placement arrangements so recruitment into local authorities and schools is fair and balanced.





Workforce planning maturity

Councils are placing increasing strategic importance on strengthening the maturity of their workforce planning arrangements. This reflects a clear recognition that effective workforce planning is essential for managing demand, supporting transformation, and sustaining service delivery within tightening financial constraints. Across the sector, councils are making tangible progress: workforce plans are becoming more systematic, data use is improving, and many authorities are beginning to embed more forward looking approaches to succession planning, skills development and workforce redesign.

The Accounts Commission's recent report Delivering for the future: Responding to the workforce challenge[10] reinforces both the urgency of this agenda and the areas where further improvement is needed, including ensuring workforce plans are more clearly aligned to corporate and service priorities, improving the quality

10 https://audit.scot/publications/delivering-for-the-future-responding-to-the-workforce-challenge

and availability of workforce data, making greater use of shared roles and shared services to build resilience, ensuring planning keeps pace with demand and financial pressures, and investing in digital skills and capacity to support future service transformation.

Addressing data gaps and strengthening the workforce evidence base

The Local Government Workforce Board is working to improve the collection and presentation of workforce data, helping to enhance the visibility and coherence of workforce information across the sector. A stronger evidence base will enable more informed planning, benchmarking, and alignment across national programmes. This approach will directly respond to the Accounts Commission's recommendation to strengthen both the availability and effective use of workforce data.

Despite this progress, key data gaps remain. High quality local authority level data is not consistently available, and reporting on equality and diversity – particularly disability and minority ethnic characteristics – requires improvement. More robust data on recruitment, retention, mobility and skills shortages would also enhance long-term workforce forecasting.

Addressing these issues is a central priority for the Local Government Workforce Board. The Board is working to improve data quality and consistency, clarify data ownership, develop national infrastructure, and support councils to enhance reporting practices. Together, this work aims to ensure workforce planning is underpinned by timely, reliable evidence, supporting a more sustainable and resilient local government workforce.

Local Government Workforce Board

The Local Government Workforce Board is the national forum responsible for providing the strategic direction and oversight needed to fully deliver the recommendations of Scotland's Local Government Workforce Report 2024.[11] Its principal purpose is to build long-term workforce capacity and resilience across local government, working collaboratively with stakeholders and public bodies to create solutions and drive innovative approaches to addressing identified workforce gaps.

In addition to strengthening the national workforce evidence base the Board is also coordinating efforts to mature workforce planning across councils, working with the Society of Personnel and Development Scotland (SPDS) and national partners to share tools, guidance, training and good practice, and to build a more

11 https://www.improvementservice.org.uk/__data/assets/pdf_file/0027/53559/Local-Government-Workforce-Report-2024-v4.pdf

consistent and future focused approach to planning and forecasting.

Alongside this analytical and strategic work, the Workforce Board is advancing practical actions to address the core workforce pressures described throughout this chapter. It does this by providing national coordination and strategic engagement with key partners to strengthen talent pipelines, raise the profile of local government careers, and support a more aligned approach to building long-term workforce capacity and resilience.

Health and social care pressures

Health and social care continues to operate within a structurally challenging environment characterised by rising demographic demand, constrained fiscal growth, and persistent workforce shortages. Demographic change remains the most significant driver of demand: since 2010/11 the population aged 65+ has increased by 29.1% (to 1.14 million), while the 75+ cohort has grown by 30.5% (to 527,000). Over the same period, real-terms expenditure on adult social care has risen by 31.0%, including a further 1.9% increase in 2024/25. However, much of this investment has been absorbed by inflationary pressures – such as the National Living Wage, wider pay settlements, and provider cost increases – rather than by expanded service capacity or coverage.

As outlined in the preceding Workforce chapter, ongoing recruitment and retention challenges, high absence levels, and market instability remain key constraints on delivery capacity. These pressures influence what partnerships are able to provide, how quickly they can respond to changing needs, and the extent to which additional investment can translate into expanded coverage.

Underlying demand growth and increasing complexity are driving a sharper rise in total hours of care than in the number of individuals supported. This indicates a shift towards more intensive support needs. At the same time, limited workforce availability and provider fragility continue to constrain community care capacity, contributing to persistent pressures across the wider system, including delayed discharges and hospital flow.

The pressures outlined in this chapter continue to unfold within a wider national reform landscape. The establishment of the Interim National Care Service Advisory Board and the Reform Oversight Board are intended to provide enhanced national governance and strategic direction for social care reform. These bodies are currently progressing work on oversight, improvement, and system assurance, reflecting the Scottish Government's ongoing commitment to strengthening the social care system. Their work forms an important backdrop to current operational pressures, reinforcing the need for robust evidence and performance data to inform long-term reform.

Expenditure and workforce

Real-terms expenditure

Real-terms expenditure on adult social care reached £4.84 billion in 2024/25, representing 31.0% growth since 2010/11, 13.6% since the pre-Covid period, and 1.9% since 2023/24. However, this overall growth masks divergent patterns across service areas.

Expenditure on care homes for older people stood at £1.084 billion in 2024/25, a real terms reduction since 2023/24 (–1.4%), though still 8.4% higher over the longer term. Homecare expenditure fell slightly to £862.2 million (–1.1% since 2023/24) but remains 36.9% above 2010/11 levels.

While real-terms spending on adult social care for people aged 65+ fell in 2024/25, expenditure on adult social care for the 18–64 age group continued to rise, reaching £2.104 billion – an increase of 5.0% from the previous year and 30.4% higher than in 2010/11.

Within this broader 18–64 group, growth has been driven particularly by services for adults with learning disabilities, where expenditure has risen 33% in real terms since 2010/11 and now stands at £1.264 billion. Significant increases have also been seen in support for adults with physical and sensory disabilities (+39% to £423.6 million) and for adults with mental health needs (+27% to £285.9 million). All three areas continued to increase in real terms in 2024/25, with spending growth ranging from 4% to 9%.

These contrasting patterns reflect sustained fiscal constraint and provider fragility, which limit opportunities to expand coverage or shift resources toward preventative interventions. In-year reductions in homecare and care home spend do not signal falling demand; rather, they reflect that affordability and workforce availability increasingly determine what can be delivered.

Recent Scottish Government Budget announcements provide additional funding for Real Living Wage commitments and Free Personal and Nursing Care (2026/27 Budget); however, these allocations do not address the wider structural funding gap facing the sector and do not fully cover pressures within those policy areas. The absence of new investment relative to the scale of demographic and complexity driven demand reinforces the widening divergence between required and actual expenditure. As a result, financial pressures on Integration Joint Boards and councils continue to intensify, deepening the challenge of maintaining statutory services within constrained budgets.

Demographic pressure and the structural spend gap

Modelling of demographically driven demand provides further insight into these pressures.[12] The chart below compares actual gross expenditure with the level of spend required to maintain current service levels in the face of population ageing and rising complexity. While actual spend has grown gradually, required spend has risen far more steeply, creating a widening structural divergence.

12 The methodology used for this modeling was first set out in the following publication. https://www.improvementservice.org.uk/__data/assets/pdf_file/0012/10731/projected-cost-pressures-for-scottish-local-government.pdf

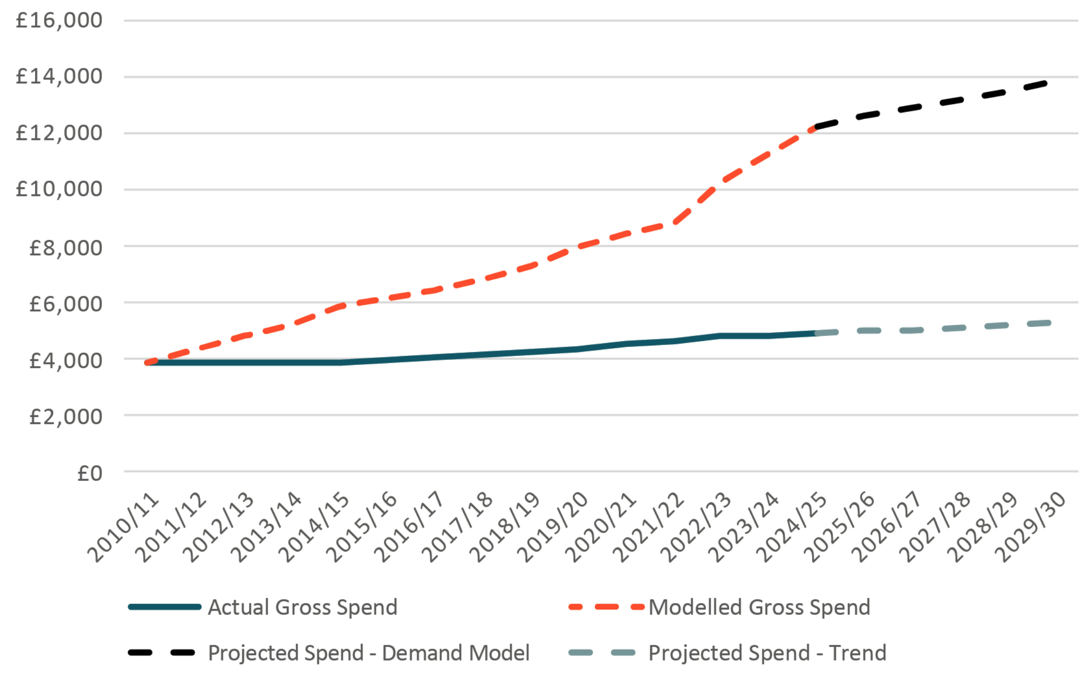


Figure 4: Actual and required gross spend on social care (based on modelled demographic demand) (£m)

By 2024/25, the gap between actual expenditure and the level required to meet demographic demand is estimated at £7.4 billion. This gap has grown by £768 million since 2023/24 and is estimated to grow by a further £1.6 billion by 2029/30. This gap reflects the compound effect of sustained population ageing, increasing support needs, inflationary cost growth, and constrained budgets.

This structural shortfall helps explain several observed patterns:

- Stagnating or declining spend in home-based and residential services despite rising need
- Increasing concentration of resources on the most complex individuals, with tightening eligibility at the margins
- Ongoing pressures on providers
- System-wide impacts, including delayed discharge and constrained hospital flow.

Taken together, these trends indicate that the adult social care system is increasingly shaped by the gap between what is required and what is affordable within existing fiscal and workforce constraints.

Adult social care provision

Adult social care provision for over 65's

Adult social care provision for people aged 65 and over continues to operate under significant system pressure, with constraints on resourcing, staffing and capacity increasingly shaping what councils can deliver.

Care at home

In 2024/25, 26.6 million hours of care at home were delivered to people aged 65 and over (+6.7% since 2023/24; +23.3% since 2010/11). Over the same period, the number of individuals receiving personal care at home rose modestly to 47,505 (+3.3% since 2023/24; +1.2% since 2010/11). Consequently, the share of the 65+ population with long-term care needs supported at home remained stable at 62.0% (+0.8pp since 2023/24; +3.3 pp since 2010/11).

The faster growth in hours relative to client numbers indicates a continuing shift toward more intensive packages. Eligibility thresholds appear to be tightening at the margin, with capacity absorbed by those with the most complex needs.

Care homes

The number of long-stay residents aged 65+ remained stable at 28,765 in 2024/25, representing a 7.4% reduction from the baseline period. When considered alongside substantial demographic growth in older age groups, this equates to a real contraction in care home capacity over time.

This contraction is unlikely to reflect a straightforward shift in demand from institutional to home based care. Instead, it more plausibly represents the combined effect of budgetary constraints, provider fragility, and prioritisation of resources toward those with the highest and most complex needs. As a result, the system's ability to absorb demand pressures has been increasingly constrained, with spillover effects visible across the wider system, including hospital flow and delayed discharge performance.

Table 3: LGBF Social Care Trends

	2010-11	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2010-11	Change since pre-Covid	Change since 2023-24
Number of Care at home Hours per year 65+	21.6M	23.6M	24.5M	24.4M	24.0M	24.0M	25.0M	26.6M	**23.3%**	**8.9%**	**6.7%**
Number of Clients receiving personal care at home 65+	46,950	48,360	46,220	46,930	45,223	45,095	45,993	47,505	**1.2%**	**2.8%**	**3.3%**
% of people aged 65+ with long-term care needs who received personal care at home	58.9%	61.8%	60.3%	62.5%	61.8%	61.5%	61.5%	62.3%	**3.35**	**1.98**	**0.8**
Number of long stay residents 65+ supported in Care Homes	31,050	29,940	30,420	28,120	27,935	28,283	28,773	28,765	**-7.4%**	**-5.4%**	**0.0%**

Adult Social Care provision for 18–64s

Although the LGBF does not yet provide detailed insight into adult social care for people aged 18–64, the Board recognises the growing strategic importance of this area and is taking steps to strengthen the framework. This includes work to improve understanding of provision for adults with learning disabilities, mental health needs, and physical or sensory impairments, aligning with national developments in data visibility and performance improvement.[13]

Adult social care for people aged 18–64 in Scotland is characterised by a stable overall share of service users (around one-quarter of all people supported), but with increasing complexity of need, particularly among those with learning disabilities and complex care requirements. Scotland's Dynamic Support Register (DSR) recorded 1,533 adults on local registers as of June 2025, including 425 in urgent categories, such as hospital stays and delayed discharges – highlighting ongoing reliance on institutional settings and the need to strengthen community alternatives.[14] [15] At the same time, Scotland's Census 2022[16] shows a sharp rise in

13 https://www.gov.scot/publications/draft-scottish-learning-improvement-framework-adult-social-care-support-community-health/

14 https://publichealthscotland.scot/publications/insights-into-learning-disabilities-and-complex-needs-statistics-for-scotland/insights-into-learning-disabilities-and-complex-needs-statistics-for-scotland-23-september-2025

15 DSR figures are not solely for 18-64; they include 65+, though they account for a small proportion. No breakdown is available by age group.

16 https://www.scotlandscensus.gov.uk/2022-reports/scotland-s-census-2022-health-disability-and-unpaid-care/

mental health conditions – from 4.4% in 2011 to 11.3% in 2022 – with the largest increase among younger adults, signalling sustained growth in demand for preventative and responsive mental health and social care supports.

Additional Free Personal and Nursing Care (FPNC) data reinforces these trends, showing continued growth in community based support for adults aged 18–64. While the number of long stay care home residents fell by 2% in the last year, levels remain 9% higher than in 2018/19, reflecting ongoing demand for complex residential care. In contrast, Care at Home activity has increased substantially, with client numbers up 6% in the past year and 20% since 2018/19, and personal care recipients rising by 28% over the same period. Personal care hours grew even more sharply – up 7% in the last year and 46% since 2018/19 – indicating rising complexity and more intensive support needs. In 2024/25, around 76% of Care at Home clients aged 18–64 received personal care, averaging 20.7 hours per week across reporting authorities – roughly twice the level received by older adults. A small share of younger adults in care homes (4%) also received FPNC in 2024/25, following the extension of entitlement under Frank's Law. Collectively, these trends highlight a system delivering increasingly intensive support in the community while continuing to meet significant levels of complex residential need.[17]

Provision continues to shift towards community based, personalised and preventative models, supported by self-directed support and integrated arrangements. Strategies such as Keys to Life and See Hear promote early intervention, accessible supports and rights based practice for people with learning disabilities and sensory impairments. Core support modes – allocated social work and technology enabled care – remain central for 18–64s, but pressures in assessment capacity and care at home delivery continue to limit local systems' ability to fully realise preventative ambitions.[18]

Key challenges include persistent workforce shortages, provider fragility, and the particular difficulties faced by rural and island communities in securing specialist provision. Rising demand – driven by mental health prevalence, complex disability and demographic pressures – intensifies these issues. Adults with learning disabilities and complex needs continue to face barriers including out of area placements, delayed discharge and a shortage of suitable housing and specialist workforce capacity, all of which are highlighted within national Coming Home policy work.[19]

Prison based social care is also becoming an increasingly significant area of operational responsibility for local systems. National work is underway to develop

17 https://www.gov.scot/publications/free-personal-and-nursing-care-scotland-2024-25/

18 https://publichealthscotland.scot/publications/insights-into-learning-disabilities-and-complex-needs-statistics-for-scotland/insights-into-learning-disabilities-and-complex-needs-statistics-for-scotland-18-march-2025

19 https://www.gov.scot/news/coming-home-implementation-report/

the required service model, workforce, eligibility criteria and resource framework needed to support individuals in custody with social care needs. This includes the development of multi disciplinary approaches and supporting governance, procurement and practice structures. While still at an early stage, prison based social care has important implications for local specialist capacity, workforce planning, and future resource requirements, particularly given the complex and intensive nature of need within the prison population.

Looking ahead, national programmes such as the Coming Home Implementation work and the Draft Scottish Learning and Improvement Framework (SLIF) emphasise strengthening local specialist capacity, improving data visibility, and embedding co production in service design. Future priorities include expanding preventative and anticipatory care, stabilising the provider market and workforce, enhancing integration across health, housing and social care, and improving the quality and consistency of data – ensuring the system continues to move toward sustainable, community based and person centred support for Scotland's 18–64 population.

Unmet need and assessment capacity

National oversight data show a growing level of unmet need across adult social care, reflecting pressures that extend beyond what is captured in activity based measures for either age group. Increasing numbers of people are waiting for a social care assessment, for care at home packages after assessment, and for approved hours of care that cannot be delivered due to capacity constraints. These backlogs have been rising more quickly than hospital related pressures in recent months, highlighting acute pressures within the community workforce and provider market.

Unlike the service specific trends outlined in Sections 3.1 and 3.2, unmet need reflects the invisible demand that local systems are unable to respond to. It therefore provides an important indicator of the true scale of pressure on assessment functions, care at home capacity and specialist provision. Incorporating unmet need measures into future improvement and performance work will be essential to understanding the full extent of system demand, the impact on outcomes, and the risks associated with delayed or unavailable support.

Hospital discharge and care pathway pressures

Flow through the health and social care system continues to be shaped by rising complexity of need, demographic change, and limited capacity across community and residential services. Trends in hospital activity, readmissions, and delayed discharges highlight both progress made and persistent structural pressures.

Table 4: Readmissions, hospital discharges, and delayed discharges.

Adult Social Care	2011-12	2018-19	2019-20	2020-21	2022-23	2023-24	2024-25	Change since 2011-12	Change since pre-Covid	Change since 2023-24
Number of readmissions to an acute hospital within 28 days of discharge	90,012	107,663	109,924	112,894	98,277	97,261	104,963	**16.6%**	**-4.5%**	7.9%
Number of hospital discharges	1,003,688	1,046,866	1,062,895	1,076,404	919,768	950,638	1,005,096	**0.1%**	**-5.4%**	5.7%
Number of bed days people spend in hospital when they are ready to be discharged 75+	391,389*	360,451	360,463	227,524	439,596	431,429	474,153	**21.1%***	**31.5%**	9.9%

Figure and change from 2013/14

Hospital discharges

In 2024/25, total hospital discharges reached 1,005,096, a 5.7% increase from the previous year and broadly unchanged from 2010/11. While the overall volume has remained stable, the underlying profile of patients has shifted significantly. People are increasingly discharged with more complex and multi morbid conditions, reflecting an ageing population and the accumulated impact of long-term health conditions. As a result, even steady discharge volumes now represent a higher level of clinical and social care need at the point of transition out of hospital.

Readmissions within 28 days

Readmissions within 28 days increased to 104,963 in 2024/25 (+7.9% since 2023/24; +16.6% since 2010/11), though still slightly below pre-pandemic levels. The rise is consistent with growing frailty, higher complexity of need, and rapid transitions out of hospital during periods of pressure on acute beds. Earlier discharge, while necessary to maintain flow, can heighten the risk of return if follow-up supports are not available quickly or if care needs escalate. Variation in local access to homecare, rehabilitation, and intermediate care also contributes to differences in readmission patterns across areas.

Delayed discharge bed days (75+)

Delayed discharge bed days for people aged 75+ increased to 474,153 (+9.9% since 2023/24; +21.1% since 2010/11; +31.5% since pre-pandemic). This sustained growth reflects ongoing challenges in securing appropriate community based or residential care pathways once individuals are clinically ready to leave hospital. Key contributory pressures include limited care-at-home capacity, constrained care-home availability, and the increasing complexity of the packages required to safely support older adults at home.

Combined pressures on discharge pathways

The combined trends in discharges, readmissions, and delayed discharge underline how pressures are distributed across the full care pathway. Stable discharge volumes coexist with rising readmissions and delays because:

- Demand has shifted from volume to complexity
- Community and residential capacity have not kept pace
- Workforce shortages limit how quickly packages can be arranged
- Provider fragility reduces the flexibility of the care market.

Improving patient flow depends on capacity in community-based, preventative, and post-acute care. Without additional capacity, pressures at the front door of the system will re-emerge at the back door.

Experience and outcomes

User-reported experience indicators continue to show a long-term downward trajectory across all core domains. Data from the biennial 2023/24 Health & Care Experience Survey show sustained deterioration:

- Quality of life improved or maintained: 69.8% (down from 85.0% in 2013/14);
- Supported to live independently: 72.4% (down from 82.8% in 2013/14);
- Involvement in decisions: 59.6% (down from 83.1% in 2013/14);
- Carers who feel supported: 31.2% (down from 43.0% in 2013/14).

These results reflect the combined effects of rising complexity of need, reduced availability of preventative supports, instability in the care market, inconsistent continuity of care, and a stretched workforce. As more resource is drawn toward individuals with higher-complexity needs, fewer opportunities remain for proactive, relationship-based, and personalised forms of care that typically drive positive reported experience.

Expectations have also risen, shaped by the rights based, person centred vision emphasised in national reform debate. Capacity, however, has not expanded at the same pace, creating an expectations gap that contributes to declining satisfaction and outcomes.

Future pressures

Looking ahead, the Care Reform Act introduces a statutory requirement to produce a 10 year projection of Scotland's social care needs by the end of 2026. This work aims to strengthen national understanding of current and unmet need, future population driven demand and the resource profile required for a sustainable social care system. The LGBF's modelling of demographic pressure and structural expenditure gaps will form an important part of this evidence base, reinforcing the case for long-term investment, capacity building and a more resilient system.


Conjunctions
Subordinating
Conjunctions

Education for children and young people

Education services continue to experience a period of gradual recovery and restructuring following the significant disruptions of recent years. Services continue to face sustained pressure as councils balance falling pupil numbers with sharply rising levels of need and complexity. While primary attainment shows steady improvement, overall progress across the system remains uneven, with persistent challenges in attendance and widening variation in outcomes for disadvantaged and care experienced children. Despite comparatively protected funding, structural and demographic pressures continue to reshape demand and strain workforce capacity, leaving recovery fragile and highly variable across councils.

Expenditure, workforce and demand pressures

Spend on education has been comparatively protected within local government, reflecting national commitments. Commitments to maintain or restore teacher numbers, freeze learning hours and invest through the Scottish Attainment Challenge have insulated the service from the deeper reductions experienced elsewhere. In 2024/25, real terms expenditure on education increased slightly by 0.2%, with modest growth in primary and secondary spending offset by a 2.3% reduction in pre school expenditure. Over the longer term, education spending has grown by 19.8% in real terms since 2010/11 – including sustained growth in primary and secondary – and early years spending has risen by 144% over the same period, largely reflecting the early years expansion programme. These trends reflect national policy commitments, alongside demographic change, pay settlements and wider workforce cost pressures.

Commitments to maintain teacher numbers continue to constrain local authorities, restricting the scope for local savings in teachers and increasing pressure to reduce spending in other key services, with staffing costs remaining the dominant driver of expenditure. Recent teacher pay awards have further amplified underlying cost growth, while reductions in pre school spending reflect both demographic shifts and efficiencies associated with the maturing mixed delivery model.

Pupil numbers are now beginning to fall, declining by around 3,100 in 2024, largely in primary. Although teacher FTE has increased over the long term, workforce numbers have dipped in recent years, with only a modest recovery in 2025. As a result, pupil–teacher ratios remain lower than a decade ago, but year to year fluctuations are becoming more pronounced as workforce protections interact with falling rolls.

At the same time, need and complexity are rising sharply. The proportion of pupils identified with Additional Support Needs (ASN) reached 40.5% in 2024 and around 43% in 2025, driven by increases in conditions such as autism, dyslexia and mental health related needs. This shift has fundamentally reshaped workforce requirements and remains the primary driver of rising demand for specialist and support roles across the system.

Councils have expanded classroom and wellbeing support in response. Pupil Support Assistant (PSA) capacity is now at its highest recorded level, and universal school counselling and wider community mental health services have strengthened provision for emotional and behavioural needs. However, pressures are uneven. Specialist ASN teacher numbers continue to fall, behaviour support staffing remains very limited nationally, and schools report increasingly complex behavioural and wellbeing challenges. This has increased reliance on pastoral, inclusion and wellbeing roles, and heightened expectations on class teachers and PSAs to support a broader range of needs.

Structural factors further reinforce this demand. The presumption of mainstreaming means most ASN learners are educated in mainstream settings, while the number of special schools has declined over time. This increases the need for high quality support directly within classrooms and for strong multi agency collaboration. In parallel, targeted investment to close the poverty related attainment gap has embedded a range of additional specialist roles – such as literacy and numeracy intervention teachers, attainment leads and care experienced coordinators – across local workforce plans.

Taken together, rising need, shifts in workforce mix and policy driven entitlements mean councils must balance falling pupil numbers with growing complexity and increasing intensity of support requirements. Even with demographic decline, these pressures continue to drive demand and exert sustained pressure on education budgets.

Child development and early years provision

Child development outcomes show a mixed picture, with only the 27 to 30-month review showing any recovery after the pandemic, while the 13 to 15-month and 4 to 5-year reviews show no signs of improvement. The proportion of children meeting expected developmental milestones at the 27–30 month review rose consistently from 80.8% in 2014/15 to a peak of 85.7% in 2019/20, before falling sharply to 82.2% in 2021/22. Recent improvement to 83.3% in 2023/24 indicates a gradual rebound, though performance remains 2.4 percentage points below the pre pandemic high.

Recovery in the 27 to 30-month reviews is strongest in speech, language and communication, reflecting the national focus on early and preventative support.

However, progress is uneven across Scotland. Some areas have stronger local capacity, including a more skilled workforce and better access to speech and language therapy, while others face higher levels of disadvantage and limited specialist support. A third of authorities reported a decline in 2023/24.

Early intelligence for 2024/25 suggests continued but varied recovery. The forthcoming national dataset for 2024/25 will be critical in assessing whether the current upward trajectory is accelerating, plateauing or widening between areas.

To provide a richer understanding of child development, we will closely monitor improvements in the coverage of the 4-5-year-old review as we consider the potential to include this important area within the LGBF.

Table 5: Developmental milestones and quality ratings for early years provision

	2013-14	2014-15	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2013-14	Change since pre-Covid	Change since 2023-24
Percentage of Children Meeting Developmental Milestones (27-30 month review)	80.8%	80.8%	85.7%	85.1%	82.2%	82.1%	83.3%	dna	2.5	-2.4	1.2
Quality of Early Years Provision	92.6%	93.5%	90.2%	90.9%	89.4%	90.1%	89.8%	89.0%	-3.6	-1.2	-0.8

Quality in early learning and childcare has declined gradually over the past decade in the context of rapid sector expansion. In 2024/25, 89% of settings were rated good or better by the Care Inspectorate, falling from the pre expansion peak of 93.5% in 2014/15. Despite this downward drift, overall quality remains high.

Quality varies notably by provider type. Local authority settings continue to deliver the strongest performance, with 93% rated good or better. This compares with 87% in the voluntary sector and 81% among private providers, reflecting differences in workforce qualifications, stability, and reported access to specialist support. As the expansion to 1,140 funded hours embedded, councils have become increasingly reliant on partner providers, heightening the importance of consistent quality assurance and workforce development across the mixed delivery model.

Workforce pressures – including recruitment challenges and turnover – continue to shape service patterns and contribute to variation in quality. Nonetheless, the overall picture suggests a system that is adjusting to expansion, maintaining high standards while navigating demand growth and structural change.

Taken together, these trends point to an early year's system adjusting to sustained workforce pressures and greater reliance on partner providers yet continuing to deliver high overall quality.

Primary attainment (ACEL)

Primary attainment continued to improve in 2024/25, with performance now exceeding pre pandemic levels across both literacy and numeracy. 74.5% of pupils in P1, P4 and P7 achieved the expected level in literacy, up substantially from 66.9% in 2020/21 and 2.2 percentage points above 2018/19. Numeracy performance remained stable at 80.3%, matching last year and sitting 1.2 points above 2018/19.

The poverty related attainment gaps have continued to narrow and are now slightly smaller than pre pandemic levels. The literacy gap has reduced from 24.7 percentage points in 2020/21 to 19.4 points in 2024/25, below the 20.7 point gap recorded in 2018/19. Similarly, the numeracy gap has fallen from 21.4 points to 16.6 points, also marginally below the 16.8 point pre Covid level. This marks a sustained recovery from the pandemic peak, although the scale of improvement remains modest and continued targeted support will be essential to maintaining progress.

Table 6: Achievement of Curriculum for Excellence Levels (ACEL)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2018-19/ pre-Covid	Change since 2023-24
% of P1, P4 and P7 pupils combined achieving expected CFE Level in Literacy	72.3%	-	66.9%	70.5%	72.7%	74.0%	74.5%	2.2	0.5
% of P1, P4 and P7 pupils combined achieving expected CFE Level in Numeracy	79.1%	-	74.7%	77.9%	79.6%	80.3%	80.3%	1.2	0.0
Literacy Attainment Gap (P1,4,7 Combined) - % point gap bewteen the least deprived and most deprived pupils	20.7	-	24.7	21.3	20.5	20.2	19.4	-1.3	-0.9
Numeracy Attainment Gap (P1,4,7 Combined) - % point gap bewteen the least deprived and most deprived pupils	16.8	-	21.4	17.8	17.0	17.4	16.6	-0.2	-0.8

Note: Due to the COVID pandemic and the closure of schools, the Scottish Government suspended the collection of the literacy and numeracy attainment data in 2020 to avoid adding further pressures on schools during this challenging period and citing potential comparability issues with previous years. 2019/20 data is therefore not available.

While overall achievement has improved nationally in 2024/25, the pace and pattern of progress vary across local authorities. Some areas are making faster gains and reducing their attainment gaps more significantly, whereas others are seeing slower improvement or even a widening of the gap over the most recent year.

These gains may reflect the impact of the Scottish Attainment Challenge and its associated equity programmes – including Pupil Equity Funding, Strategic Equity Funding, enhanced tutoring, and small group literacy and numeracy interventions – supported by strengthened assessment and moderation practices across schools. While the profound effects of the pandemic continue to influence achievement for some learners, the sustained improvement seen in ACEL results demonstrates the significant efforts undertaken by councils and schools to accelerate recovery. Together, these actions are helping to restore and surpass pre pandemic performance levels and provide strong evidence of progress towards the 2025/26 stretch aims.

Pupil attendance

Attendance has improved for the second year in a row, with modest gains seen in both primary and secondary schools. This progress is almost universal, with 31 of 32 local authorities reporting better attendance over the past year. These gains may reflect a mix of increased engagement efforts, expanded pastoral and attendance support, and greater routine stability following the pandemic, though the influence of each factor is likely to differ across local areas. Despite recent improvement, overall attendance remains below pre pandemic and historic levels, particularly in secondary schools.

Primary attendance increased from 92.2% in 2022/23 to 92.5% in 2023/24, rising further to 93.1% in 2024/25. While this marks steady improvement, rates remain below previous norms such as 94.5% in 2018/19 and 95.1% in 2014/15.

Secondary attendance followed a similar pattern. After a small dip from 87.7% in 2022/23 to 87.6% in 2023/24, attendance rose to 88.4% in 2024/25. Although this represents a welcome recovery, levels remain well below those recorded a decade ago – for example, 91.8% in 2014/15 – highlighting the longer term challenge of re establishing sustained attendance in the secondary phase.

Socio economic inequalities in attendance remain marked. The gap between the least and most deprived pupils widened from 5.0 percentage points in 2010/11 to 6.7 points in 2022/23, with a slight improvement to 6.5 points in 2024/25. Care experienced pupils continue to have the lowest attendance nationally, consistent with longstanding evidence on the impact of placement instability, unmet additional support needs and wider wellbeing challenges on engagement in school.

Schools nationally also report ongoing challenges with a small but significant cohort of pupils with entrenched non attendance, often linked to anxiety, complex ASN profiles and reduced re engagement following the pandemic. Close monitoring of future data will be important in determining whether the recent improvements represent a sustained shift or a short-term fluctuation.

Table 7 – Pupil attendance rates

	2010-11	2012-13	2014-15	2016-17	2018-19	2020-21	2022-23	2023-24	2024-25	Change since 2010/11	Change since pre-Covid	Change since 2023/24
Primary school	94.8	94.9	95.1	94.9	94.5	94.0	92.2	92.5	93.1	-1.7	-1.4	0.6
Secondary School	91.1	91.9	91.8	91.2	90.7	89.1	87.7	87.6	88.4	-2.7	-2.3	0.8
Most deprived (total attendance)	90.4	91.4	91.4	90.9	90.4	88.7	86.8	86.9	87.6	-2.8	-2.8	0.7
Least deprived (total attendance)	95.4	95.6	95.7	95.6	95.3	95	93.5	93.6	94.1	-1.3	-1.2	0.5

Senior phase attainment

Senior phase attainment has stabilised following the volatility associated with pandemic era assessment arrangements. In 2024/25, the overall average tariff score rose slightly to 922, up from 919 in the previous year and the pre pandemic high of 895 recorded in 2018/19. Attainment levels remain significantly above early 2010s levels, indicating a sustained long-term upward trend despite recent fluctuations. Interpreting trends over the past five years, remains complex, reflecting the shift between different assessment models used during the pandemic.[20]

Table 8: Senior Phase Attainment

	2011-12	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2011-12	Change since pre-Covid	Change since 2023-24
Overall Average Total Tariff	770	895	925	963	972	918	919	922	19.8%	3.1%	0.3%
Average Total Tariff SIMD Quintile 1	478	627	645	678	691	661	661	655	37.0%	4.5%	-0.9%
Average Total Tariff SIMD Quintile 2	618	742	754	807	818	783	764	772	24.9%	4.0%	1.0%
Average Total Tariff SIMD Quintile 3	759	875	901	965	958	908	892	895	17.9%	2.3%	0.3%
Average Total Tariff SIMD Quintile 4	909	1015	1025	1099	1105	1054	1051	1049	15.4%	3.3%	-0.2%
Average Total Tariff SIMD Quintile 5	1101	1195	1236	1311	1310	1268	1262	1269	15.3%	6.2%	0.6%

Source: Average total tariff by SIMD quintile provided by the Scottish Government.[21] Overall average total tariff calculated from this by the Improvement service.

20 Any changes between the attainment levels of the 2019/20 - 2021/22 cohorts, and those of previous or future years should not be seen as an indication that performance has improved or worsened, without further evidence.

21 Note: As the school leaver data is not yet available for 2024/25, the basis for the data included here is different from published data available on the Learning Analysis School Summary Dashboard, which is based on school leavers. To allow 2025 data to be included, the Scottish Government has provided pupil's attainment by S6 based on the S4 cohort. All years included are based on this calculated measure of pupil attainment by S6 based on the S4 cohort

Persistent inequalities remain a significant challenge. In 2024/25, pupils from the most deprived communities (SIMD Quintile 1) achieved an average tariff score of 655, compared with 1269 among the least deprived (Quintile 5), leaving a 614 point gap. While temporary narrowing of this gap occurred during years of modified assessment, this has since reversed as standard examination approaches were reinstated. Evidence suggests that learners in more disadvantaged circumstances experienced greater disruption during this transition, reinforcing the need for targeted senior phase pathways, strengthened S4–S6 planning, and sustained assessment support.

Councils remain strongly committed to the ambitions of the National Improvement Framework, including raising senior phase attainment and closing the poverty related attainment gap. Locally identified stretch aims continue to guide improvement efforts and now feed directly into the Framework for Recovery and Accelerating Progress within the Scottish Attainment Challenge, providing a shared structure for recovery and equity.

Taken together, senior phase outcomes reflect a system steadily regaining equilibrium, with performance stabilising as assessment arrangements normalise. Continued focus on equity, curricular flexibility, reform of the qualification system and targeted senior phase support will be essential to delivering further improvement and narrowing long standing gaps.

Positive destinations and participation

Positive destinations – such as higher or further education, employment, training, or personal development – remain a key indicator of how well schools support young people in transitioning beyond education.

After a decade of steady improvement, progress has now plateaued. National performance remains high, but recent years show little movement, with small declines emerging for some groups, particularly in the most deprived areas. Initial positive destinations rose from 90.3% in 2011/12 to 95.0% in 2018/19, dipped during the pandemic, and peaked at 95.9% in 2022/23. Performance has since stabilised at 95.7% in 2023/24 and 2024/25.

The long-term narrowing of the deprivation gap has stalled slightly. Positive destinations for the most deprived pupils increased from 84.1% in 2011/12 to 94.0% in 2022/23, before easing to 93.6% in 2023/24 and 93.2% in 2024/25. Rates for the least deprived have remained steady at 97–98%, resulting in the gap reducing from 11 points in 2011/12 to 3.7 in 2022/23, then widening marginally to 4.3 points in 2024/25. This suggests increased volatility in outcomes for disadvantaged learners, influenced by shifts in entry level labour markets and uneven local opportunities.

Despite this, the broader participation measure continues to improve, rising from 90.4% in 2015/16 to 93.3% in 2024/25.[22] This indicates that even where initial transitions are less secure, most young people remain engaged in learning, work or training over time, supported by employability programmes, college pathways and training routes.

Continued labour market uncertainty – particularly in hospitality, retail and other entry level sectors – remains a key factor shaping early destinations. Forthcoming 2024/25 data will be crucial in determining whether recent shifts are temporary or indicate a longer term structural change.

Table 9: Positive destinations

	2011-12	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2011-12	Change since pre-Covid	Change since 2023-24
Proportion of pupils entering positive destinations	90.3%	95.0%	93.3%	95.5%	95.7%	95.9%	95.7%	95.7%	5.4	0.6	0.0
Positive Destinations for the most deprived school leavers	84.1%	92.4%	90.0%	92.8%	93.4%	94.0%	93.6%	93.2%	9.1	0.8	-0.4

Future priorities

Continued collaboration across Scottish Government, COSLA, ADES and the new Education Assurance Board will be central to strengthening national improvement efforts and ensuring alignment between the LGBF, the National Improvement Framework and local stretch aims. As curriculum review progresses, there is a growing need for measures that better reflect the full breadth of the Curriculum for Excellence, including outcomes linked to wellbeing, participation, and wider learner development.

Rising levels of additional support needs remain one of the most significant pressures facing councils, and future LGBF development will need to enhance how ASL demand, provision and outcomes are captured. Close alignment with the emerging National Measurement Framework for Additional Support needs will be important here.

With increasing complexity, persistent inequalities, and workforce and financial pressures shaping education delivery, the LGBF will continue to play a critical role in supporting system learning, strengthening assurance, and helping partners understand where improvement is taking hold – and where further action is required to ensure every child and young person can thrive.

22 The 2024/25 participation data reflects a methodological improvement, with new HMRC employment records incorporated for the first time. This reduced unconfirmed statuses and increased recorded participation in employment, creating a step change in the time series; comparisons with previous years should therefore be treated with caution

Tackling poverty

Reducing poverty and mitigating financial hardship is a core priority for local government. While inflation eased during 2024, many households continued to face elevated living costs and constrained budgets, with national analysis pointing to persistent financial stress despite improvements in headline indicators.[23] UK wide inflation fell from its 2022 peak, but national poverty evidence highlights ongoing pressure from high housing and energy costs and shows that poverty remains widespread, deepening for some groups. For example, in work poverty rates are rising, and nearly one in ten people are now in very deep poverty (below 40% of the median).[24] This underlines the continuing need for targeted, place-based action by local government to support households most exposed to sustained cost pressures.

Against this backdrop, councils remain at the forefront of local anti poverty efforts – providing income maximisation support, delivering welfare assistance, maintaining collection services, and working with partners to support those most at risk. This year's LGBF data presents a mixed picture, with improvements emerging in key areas such as welfare grant processing times and early indications that rent arrears are beginning to fall. However, long-term pressures linked to inflation, high housing costs, persistent labour market inequalities and in-work poverty continue to drive financial vulnerability, especially for families with children.

Child poverty

Child poverty levels in Scotland fell in 2023/24 for the first time in three years, decreasing from 21.8% in 2022/23 to 20.7%. This improvement reflects the impact of national measures such as the Scottish Child Payment, alongside local anti poverty interventions delivered by councils and community partners.

However, this short-term improvement masks a longer term upward trend. Since the 2014/15 baseline, child poverty has increased by 1.5 percentage points. Rising housing costs continue to be a principal driver of structural poverty, contributing to pressure on family budgets and increasing reliance on local support services.

Data for 2024/25 is not yet available, but councils anticipate continued volatility given ongoing pressures on rents, energy costs, and household income.

23 https://www.ons.gov.uk/releases/publicopinionsandsocialtrendsgreatbritainoctober2024

24 https://scvo.scot/research/reports/evidence-library/poverty-in-scotland-2025

Table 10: Child Poverty rates

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Change since 2014-15	Change since pre-Covid	Change since 2023-24
Child Poverty	19.2%	20.3%	20.6%	20.7%	20.2%	21.7%	19.8%	21.6%	21.8%	20.7%	1.5	-1.0	-1.2

Councils play a central role in Scotland's efforts to reduce child poverty, and their strategic approaches are shaped and reported through Local Child Poverty Action Reports (LCPARs). These annual reports provide a crucial framework for coordinating local activity, enabling councils and Community Planning Partnerships (CPPs) to align actions across services, target resources more effectively, and demonstrate how they are working with partners to prevent and mitigate child poverty in their areas. The LCPAR process has become an important driver of improvement, encouraging clearer prioritisation, stronger partnership working, and more consistent use of evidence to inform decision making.

These strategic efforts are increasingly supported by wider whole system programmes, including initiatives such as Fairer Futures Partnerships, Whole Family Support pilots and public service reform activity which are placing more emphasis on strengthened multi-agency planning, accountability, and preventive approaches in local service design. Many councils are also enhancing their analytical capacity, making better use of local evidence, spatial analysis, and place-based planning to identify where child poverty is most concentrated and which families are most at risk. This includes more sophisticated use of data to understand patterns of low income, work intensity, childcare needs, and cost of living pressures at neighbourhood level.

Alongside analytical improvements, councils are also beginning to explore improved data sharing approaches, supported by approaches such as Scalable Approach to Vulnerability Via Interoperability (SAVVI), which enable earlier identification of vulnerable families and more coordinated support across agencies. In rural and island communities, councils are tailoring their responses to reflect specific challenges such as higher living costs, limited childcare and transport options, and reduced access to services. These local adaptations are helping ensure that child poverty strategies remain relevant to different contexts across Scotland.

These system level improvements complement focussed actions across the three drivers of child poverty – income from employment, income from social security, and costs of living - including income maximisation in schools and housing, targeted employability for priority parents, improved access to flexible childcare with third sector partners, targeted cost of living measures, and whole family wellbeing models for those facing multiple disadvantages.

Taken together, this points to a clear shift towards more data driven, prevention focused and partnership based practice designed to deliver more durable reductions in child poverty over time.

Council tax collection and rent arrears

The pressures on household finances remain evident in key measures such as Council Tax collection and rent arrears, which together offer a clear picture of how financial strain is affecting communities and underscore the importance of sustained action to tackle poverty. While Council Tax collection performance has remained stable, rent arrears have shown their first meaningful reduction in several years, suggesting early signs of easing strain for some residents, even as wider affordability challenges persist.

Council Tax collection performance remained stable in 2024/25 at 95.5%, unchanged from the previous year. This steady position follows a temporary dip in 2023/24, itself occurring after a one off uplift in 2022/23 when Cost of Living Awards were channelled through Council Tax accounts, temporarily boosting in year collection rates.

Table 11: Council Tax Collection Rates

	2010-11	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2010-11	Change since pre-Covid	Change since 2023-24
Council Tax Collection Rates	94.7%	95.8%	94.8%	95.7%	96.2%	95.5%	95.5%	0.7	-0.3	0.0

Note: Council Tax collection rates refer to 'in-year' collection rates

Despite these short-term fluctuations, the longer term trajectory remains positive. Collection rates continue to sit above the 2010/11 baseline and remain robust, demonstrating the resilience of local revenue collection systems at a time when wider financial pressures continue to affect households and services. This reflects councils' continued efforts to balance effective income recovery with approaches that support households experiencing financial difficulty. These efforts include ongoing refinement of early intervention practices, clearer and more proactive communication with taxpayers in arrears, and the use of flexible repayment arrangements designed to prevent debts from escalating.

At the same time, the data shows that collection rates remain sensitive to wider financial pressures. The decline since 2022/23, and the small reduction compared with pre Covid levels, illustrate the challenges posed by rising living costs, increasing household debt, and affordability pressures for lower income residents.

Sustaining current performance will require continued emphasis on preventative, customer centred collection strategies, alongside close monitoring of emerging risks that may affect households' ability to pay.

Table 12: Rent Arrears

	2013-14	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2013-14	Change since pre-Covid	Change since 2023-24
Rent Arrears	5.6%	7.3%	8.2%	8.7%	9.6%	9.5%	8.6%	3.0	1.3	-0.9

Rent arrears levels showed early signs of improvement in 2024/25, falling from 9.5% to 8.6% after several years of sustained increase. This is the first meaningful reduction since arrears began rising sharply from 2018/19, a period characterised by the cumulative effects of welfare reform, the pandemic, and the prolonged cost of living pressures faced by households. The latest data suggests that although pressures on household finances remain significant, recent efforts by councils to strengthen tenancy support, income maximisation services and arrears management practices are beginning to have an impact.

Despite this improvement, arrears remain higher than pre pandemic levels and continue to reflect underlying structural pressures in the housing system. Higher living costs, gaps between rent levels and benefit uprating, and the broader affordability challenges faced by low income households continue to drive financial stress. As a result, the modest reduction observed in 2024/25 should be interpreted as an early sign of stabilisation rather than a clear shift in direction. Continued progress will depend on sustained investment in prevention focused tenancy support, early intervention models and close partnership working with advice services and community organisations.

Maintaining the downward trend in arrears will require wider system level measures—ensuring benefits keep pace with housing costs, addressing gaps between rent levels and uprating, and tackling underlying pressures in the housing market – through coordinated national and cross sector action.

Scottish Welfare Fund (SWF)

The Scottish Welfare Fund provides a vital safety net for people on low incomes, offering Crisis Grants for emergencies and Community Care Grants to help individuals live independently. Demand is largely driven by households under exceptional pressure, with awards often used to cover essentials such as food, energy costs and basic household items amid ongoing cost of living challenges. These pressures are compounded by the fact that administrative funding for the Fund has remained flat for five years, during a period when demand has peaked several times. This constrains councils' capacity to manage applications quickly and maintain service quality.

Demand for the Scottish Welfare Fund eased for the second year in a row in 2024/25, with total applications falling by 6.4% to 324,830, driven by reductions in both Crisis Grant and Community Care Grant demand. Crisis Grant applications decreased to 244,840 (5.8%), while Community Care Grant applications fell to 79,995 (8%), reaching their lowest level since 2015/16. While this softening suggests that the extreme peaks in demand seen during the pandemic and early cost of living crisis may be beginning to settle, it is important to emphasise that current demand remains far above historic levels. Total applications are still 88% higher than in 2013/14 and overall spend remains 32% above pre Covid levels, demonstrating that the underlying level of need remains structurally elevated even as immediate pressures moderate. This illustrates that households continue to face significant financial insecurity. Rising living costs, the erosion of real terms benefit value, and limited financial resilience mean that many households still rely on the Fund, not just for crisis incidents but for essential day to day items.

Table 13: Scottish Welfare Fund Demand and Expenditure

	2013-14	2018-19	2019-20	2020-21	2022-23	2023-24	2024-25	Change since 2013-14	Change since pre-Covid	Change since 2023-24
SWF Spend	£39.2M	£44.6M	£46.5M	£59.2M	£61.0M	£52.0M	£46.6M	18.9%	4.4%	-10.4%
CCG Applications	58,020	71,040	77,900	84,900	94,480	86,965	79,995	37.9%	12.6%	-8.0%
CCG Awards	35,875	40,470	42,260	48,035	48,825	41,680	37,695	5.1%	-6.9%	-9.6%
Crisis Applications	114,525	193,315	222,070	271,570	291,585	259,985	244,840	113.8%	26.7%	-5.8%
Crisis Awards	81,995	125,145	140,360	188,350	185,995	160,675	153,260	86.9%	22.5%	-4.6%
SWF Applications	172,545	264,355	299,970	356,470	386,065	346,950	324,830	88.3%	22.9%	-6.4%
SWF Awards	117,870	165,615	182,620	236,385	234,820	202,355	190,955	62.0%	22.2%	-5.6%
% SWF Budget Spent	87.0%	99.9%	108.0%	83.0%	131.0%	129.5%	82.9%	4.1	-24.9	-46.6

Previous spikes in demand have also had lasting impacts on delivery capacity. Sharp increases during the pandemic – combined with the additional responsibility of processing Self Isolation Support Grants and other emergency funding streams – placed significant pressure on councils' ability to process SWF applications at pace. As SWF functions are non-statutory, they have also been subject to capacity reductions linked to wider budget savings, contributing to longer processing times during peak demand periods.

Budgetary pressure within the SWF remains acute. The apparent fall in the proportion of budget spent in 2024/25 is entirely driven by the late year £17.5 million Scottish Government top up. Once this is adjusted for, underlying spend continues to exceed councils' core allocations by around 20%. This demonstrates that structural pressures remain unchanged, and the headline reduction does not represent a genuine easing of demand or financial strain.

The reliance on late in year top ups – and the resulting £11 million that will carry forward into 2025/26 – further highlights the misalignment between baseline SWF funding and the persistently high levels of need. Although 2024/25 shows a modest improvement compared with the exceptionally high overspends of the previous two years, councils continue to face significant financial pressure.

Overspends in recent years reflect the extent to which local authorities have had to supplement the SWF from their own budgets, drawing on wider poverty related funds to meet rising demand. Local variation in the data indicates differing approaches to managing these pressures, with some authorities capping provision or prioritising only the most urgent cases to contain spend. This persistent overspend, occurring despite falling volumes of applications and awards, underscores the ongoing challenge of meeting need within a constrained budget environment and the continued structural mismatch between available funding and the level of support required.

Table 14: Processing of Scottish Welfare Fund Grants

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2018-19/ pre-Covid	Change since 2023-24
SWF Crisis Grants – Decisions within 1 Day	95.8%	95.1%	93.5%	92.7%	91.4%	93.9%	96.0%	2.1	2.1
SWF Community Care Grants – Decisions within 15 Days	89.5%	82.3%	84.1%	85.6%	87.0%	83.6%	90.7%	7.1	7.1

Processing times improved in 2024/25, with Crisis Grant decisions made within one day increasing to 96.0%, and Community Care Grant decisions within 15 days rising to 90.7%. These gains reflect strengthened operational performance, though delivery capacity continues to be sensitive to demand fluctuations and local resource pressures.

Discretionary Housing Payments (DHP)

Discretionary Housing Payment (DHP) expenditure continued to rise in 2024/25, despite a slight reduction in the proportion of budget spent. Total DHP spend increased to £89.3 million, up 1.5% on the previous year, and remains on a clear long-term upward trajectory – 16.6% higher than in 2017/18 and 13% above pre Covid levels.

This sustained growth reflects ongoing pressures associated with housing affordability, including the widening gap between rising rents and the uprating of housing related benefits. National evidence shows that housing costs are now a major driver of poverty, with around one in ten renters in Scotland pulled into poverty due to rent levels.[25] Successive freezes to Local Housing Allowance

25 https://scvo.scot/research/reports/evidence-library/poverty-in-scotland-2025

(LHA) have further detached benefit support from actual market rents, increasing reliance on DHPs to bridge shortfalls and mitigate the impacts of UK welfare policy. These patterns mirror wider trends in household financial vulnerability, with growing numbers of tenants requiring help to manage escalating housing costs.

Table 15: Discretionary Housing Payments

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change since 2017-18	Change since pre-Covid	Change since 2023-24
DHP Spend	£76.6M	£79.M	£81.3M	£91.8M	£92.1M	£86.7M	£88.M	£89.3M	16.6%	13.0%	1.5%
% DHP Budget Spent	101.2%	102.6%	104.5%	97.2%	96.0%	94.4%	101.0%	99.0%	-2.2	-3.6	-2.0

While the percentage of budget spent decreased from 101% to 99% in 2024/25, this stabilisation should be interpreted cautiously. It is not yet clear whether this reflects any easing of underlying pressures, or simply that demand – while still substantial – has temporarily come closer to matching the available budget. The continued pattern of spend at or near 100% – including periods of overspend – demonstrates the extent of ongoing reliance on DHPs to mitigate housing related financial hardship and prevent insecurity for low income households. These pressures sit alongside wider financial constraints facing councils, reducing their capacity to absorb overspends through local top ups or to expand preventative housing support.

Overall, the data demonstrates that DHPs remain a critical but increasingly stretched component of the housing support landscape. Rising expenditure coupled with near full budget utilisation highlights the structural pressures facing households, particularly those impacted by rent inflation, Local Housing Allowance (LHA) freezes, and gaps between actual housing costs and benefit entitlements. Recent and sustained declines in affordable housing supply are further increasing pressure on low income renters and constraining options for those facing financial stress.[26]

These pressures reflect not only the immediate affordability challenges facing households, but also deeper structural gaps within the housing and social security systems. Without wider reforms to housing affordability, demand for DHPs is likely to remain elevated, placing sustained pressure on local authority budgets and constraining opportunities for more preventative, long-term interventions. Collectively, these dynamics reinforce both the essential role of DHPs in local anti poverty strategies and the limits of discretionary support in the absence of broader systemic change.

26 https://www.gov.scot/publications/quarterly-housing-statistics-june-2025/

Future priorities

Local government will continue to play a critical preventative role, supporting households and addressing the structural drivers of poverty. Looking ahead, councils will prioritise, where possible within increasingly constrained budgets, coordinated, place-based action through Community Planning Partnerships, working with third sector and public sector partners to ensure support reaches households most exposed to financial stress. Key areas of focus include:

- Supporting essential welfare provision, including managing SWF pressures and maintaining access to Crisis Grants.
- Reviewing debt recovery practices, including approaches to Council Tax and school meal debt, to ensure they remain fair, proportionate and supportive.
- Enhancing housing related support, including rent setting approaches, energy cost assistance, tenant support and links with wider housing programmes.
- Maximising local assets, such as warm hubs and community facilities, to support household resilience.
- Strengthening third sector capacity, through targeted funding for advice services and local support networks.
- Expanding welfare advice partnerships in health settings, enabling more households to access income maximisation support earlier.

These priorities reflect the direction of travel, but implementation varies. Some areas, such as debt recovery, are still at an early stage and councils have raised concerns about the practical and financial challenges involved.

Alongside these immediate priorities, councils will remain committed to deepening preventative, evidence led approaches by improving the use of spatial analysis, local intelligence and data sharing frameworks such as SAVVI. Strengthening Local Child Poverty Action Reports (LCPARs) will remain central to aligning local planning around shared priorities. Fairer Futures Partnerships and Whole Family Support pilots may inform aspects of service redesign, although it remains unclear how far this work will influence wider practice or lead to more substantial change in national funding policy or in the balance of flexibility available to councils and CPPs.

Finally, with national and local housing emergencies continuing, councils will continue to prioritise work on affordability, supply and the role of social housing. National housing statistics show declines in affordable housing approvals, starts and completions in 2024/25,[27] placing increasing strain on

27 https://www.gov.scot/publications/quarterly-housing-statistics-june-2025/

low income households and limiting access to secure, affordable homes. Independent research also estimates that Scotland will require over 15,000 additional affordable homes annually between 2026–31 to meet housing need.[28] Recognising the central contribution of affordable housing to preventing poverty, reducing homelessness and providing stability, councils will seek to maximise local levers while working with national partners to address long-term structural shortages.

28 https://scotland.shelter.org.uk/professional_resources/policy_library/affordable_housing_need_in_scotland_post-2026

Performance of local government services

Local government performance shows a mixed and increasingly pressured picture. Although two thirds of LGBF performance indicators have improved since the base year, progress has slowed significantly in recent years as financial, workforce and demand pressures intensify. While the most recent data shows a slight shift back towards improvement, this is marginal and does not counter the wider trend of growing strain. Performance varies across Scotland, and the most deprived communities have seen the greatest reductions in improvement. Alongside this, public satisfaction continues to fall across almost all service areas. Despite the challenging environment, local government continues to demonstrate strengths – particularly in long-term improvement areas and in the early recovery visible in some previously declining indicators. Examples of innovation and good practice across councils underscore opportunities for shared learning and improvement.

System wide performance overview

Long-term progress

Over the longer term, performance remains positive: 66% of LGBF indicators have improved since the base year. This progress reflects more than a decade of reform, investment, and service redesign across councils.

Recent trends

Recent performance trends present a more complex picture. Year on year, the proportion of indicators in decline has grown. In the previous two years, the rate of deterioration exceeded the rate of improvement. In 2024–25, this pattern begins to shift, with the rate of improvement (42%) now slightly exceeding the rate of deterioration (39%). While welcome, the margin is narrow, and the wider direction of travel continues to signal increasing strain on council services.

Local variation

Council performance varies significantly across Scotland. These differences reflect a mix of demographic, geographic and economic conditions, alongside varied strategic choices, levels of digital maturity, and differing approaches to innovation, redesign and transformation. Local flexibility remains a strength of local government, allowing services to be shaped around community need. As councils navigate ongoing pressures, collaboration, shared learning and place-based innovation will be essential to sustaining effective services.

Performance trends by service area

What is working well – sustained long-term improvement

A number of core service areas show consistent and sustained long-term improvement, with performance now above pre Covid levels. These include:

- Educational attainment (primary and senior phase)
- Exclusion rates (overall, though pressures remain for looked after children)
- Positive destinations and participation for 16–19 year olds
- Personalisation in social care
- Care at home for older people
- Area wide and corporate carbon emissions
- Household recycling
- Digital connectivity
- Local procurement
- The gender pay gap
- Corporate asset condition

These trends demonstrate resilience within the system and sustained progress on key national priorities.

Emerging pressures – decline following previous improvement

Some previously improving indicators are now showing recent decline or stagnation, including:

- Placement stability for looked after children
- Housing repairs performance
- Council Tax collection
- Share of jobs paying the living wage
- Planning application processing times
- Road condition across A, B and C classifications

These represent emerging risks requiring targeted intervention.

Persistent long-term structural challenges

A smaller group of indicators shows clear long-term decline, reflecting deeper, systemic pressures:

- Employee absence (teaching and non teaching)
- Delayed discharges and hospital readmissions
- Business Gateway start ups
- Public satisfaction with council services

These remain the most entrenched areas of challenge for councils and partners.

Areas showing recovery

Several indicators previously in decline are now showing early signs of improvement, including:

- Children's development in relation to 27-30 month health reviews
- Pupil attendance
- Housing quality
- Housing voids
- Rent arrears
- Scottish Welfare Fund Crisis Grant processing times
- Child poverty (after housing costs)
- Employability outcomes
- Sports and leisure attendance and libraries attendance

While encouraging, most remain below pre Covid levels and require continued focus.

Public satisfaction

Public satisfaction with council services continues to decline across almost all service areas, with parks and open spaces and refuse collection being the only exception. While this downward trend is evident in the vast majority of councils, a small number have experienced improvements in satisfaction over the longer term. Importantly, public expectations of local services have not reduced, despite significant financial pressures, rising demand, and wider demographic change. These satisfaction results reflect the views of the general public, not service users. Satisfaction among those who directly use services consistently remains higher than that reported by the wider population.

It is essential for local government to work closely with communities to explain how growing fiscal, workforce, and demand pressures are affecting services, and to support conversations about local priorities. In a context of rising need and tightening budgets, community expectations of what councils can realistically deliver must evolve to reflect the challenging circumstances in which local government is operating.

Table 16: Public satisfaction with council services

	2010-11	2016-17	2017-18	2018-19	2019-20	2020-21	2022-23	2023-24	2024-25	Change since 2010-11	Change since pre-Covid	Change since 2023-24
Leisure facilities	74.6%	73.0%	72.0%	69.3%	69.0%	77.0%	65.0%	65.0%	65.0%	-9.6	-4	0
Libraries	83.5%	73.0%	72.0%	72.1%	73.0%	78.0%	64.0%	66.0%	66.0%	-17.5	-7	0
Parks & Open Spaces	83.1%	87.0%	85.0%	82.5%	83.0%	91.0%	83.0%	84.0%	84.0%	0.9	1	0
Museums & galleries	75.5%	70.0%	69.0%	68.9%	70.0%	75.0%	65.0%	69.0%	67.0%	-8.5	-3	-2
Schools	83.1%	73.0%	70.0%	72.5%	73.0%	78.0%	69.0%	69.0%	69.0%	-14.1	-4	0
Refuse collection	80.9%	79.0%	75.0%	74.9%	73.0%	78.0%	79.0%	79.0%	77.0%	-3.9	4	-2
Street cleaning	73.3%	70.0%	66.0%	62.9%	59.0%	58.0%	58.0%	57.0%	56.0%	-17.3	-3	-1

Note: Due to methodological changes, the lower response rates, and the change in the profile of respondents, results for 2020/21 and 2021/22 are not comparable with earlier or later years. While annual data is presented here, the LGBF uses 3-year rolled averages to improve precision at local levels, meaning the values in this table will differ from those within the LGBF dashboard and from similar figures in population surveys such as the Scottish Household Survey.

Sharing good practice

The Local Government Benchmarking Framework (LGBF) provides a national platform for councils to come together to share practice, collaborate and learn from one another. Through peer collaborative improvement (PCI) work and a programme of practice sharing events, councils are collectively exploring challenges, testing new ideas and developing practical solutions that can be applied across Scotland. Some of the key learning emerging from this activity is summarised below, with full details available on the LGBF website. The following sections reflect learning emerging from both PCI activity and themed LGBF practice sharing events held over the year.

Housing

Learning from Peer Collaborative Improvement

Peer Collaborative Improvement (PCI) is a voluntary, peer led process that supports councils to diagnose challenges, share learning, and drive improvement through structured review and constructive challenge from sector peers. As a key pillar of Scotland's sector led improvement model, PCI strengthens local government's capacity for self assessment, collective responsibility, and continuous improvement, building on foundations such as the LGBF and other self evaluation approaches.

The Housing Voids Peer Collaborative Improvement Pilot brought together Aberdeenshire, South Lanarkshire, Highland, and Perth & Kinross Councils to explore how void management could be strengthened during a period of acute housing pressure. The work surfaced clear, practical learning and recommendations councils can apply immediately:

- **Streamline processes** – Simplifying the voids workflow, clarifying roles, and using visual tools (e.g., flowcharts) reduces delays and creates a more consistent and efficient approach.
- **Strengthen communication and coordination** – Closer alignment between repairs and allocations teams improves turnaround times and strengthens visibility of progress.
- **Make smarter use of existing technology** – Better use of current digital systems enables consistent monitoring, automated reporting and early issue spotting without the need for new investment.
- **Increase accountability and oversight** – Exception reporting for voids exceeding agreed timescales sharpens ownership and drives timely action.

- **Enhance tenant engagement and support** – Direct engagement, tailored support for vulnerable tenants and targeted approaches to harder to let homes (such as social media promotion and open days) improve outcomes and customer experience.

Collectively, these insights demonstrate the power of peer collaborative improvement to generate actionable solutions quickly, build shared capability, and foster a strong culture of continuous improvement across the sector.

We remain committed to strengthening Peer Collaborative Improvement, with the next phase testing both council led pathways – where councils volunteer for a peer collaborative improvement process tailored to their own priorities – and thematic pathways developed with audit and scrutiny partners to utilise existing audit, scrutiny and inspection findings as the evidence base for collaborative improvement and peer learning. We are also working through the Solace/IS Transformation Programme Crerar workstream to embed PCI more deeply within sector led improvement and to help shape a more coherent and coordinated scrutiny landscape.

Further information

Housing voids improvement plan, housing voids pilot evaluation, and housing voids shared resources are all available on the Peer Collaborative Improvement Website.

LGBF practice sharing event: Best value in the time of a housing emergency

Tackling homelessness

Councils including Glasgow, Fife, East Renfrewshire and Edinburgh are responding proactively by reshaping allocations policies, offering downsizing incentives, and expanding buy back programmes to free up family sized homes and reduce B&B use. Flexible approaches – such as those in Fife and East Lothian are enabling single applicants to access two bedroom properties, helping accelerate access to settled housing and improve outcomes for households in need.

New supply

Authorities such as Edinburgh, East Lothian, Glasgow, South Lanarkshire, North Ayrshire and East Renfrewshire are advancing sustainable supply through mid market rent schemes, large scale energy efficient developments, and local housing plans informed by wider data. Strategic investment programmes across Glasgow, Edinburgh and South

Lanarkshire, including new builds, acquisitions and retrofit, are helping ensure future housing provision meets both urban and rural needs.

Service modernisation

Councils including Stirling, Renfrewshire, Angus and Edinburgh are modernising services through smarter digital tools such as environmental sensors, broadband enabled monitoring and tenant facing apps, enabling earlier intervention and data led repairs. Creative expansion of temporary accommodation in Edinburgh – including purchasing completed homes and repurposing student residences – supports more flexible and responsive provision.

Collaboration

Strong partnership working across Fife, South Lanarkshire, Edinburgh and Glasgow is unlocking new solutions. Examples include converting empty homes into supported youth housing in Fife, developing a supported modular village with Social Bite in South Lanarkshire, and Edinburgh's multi agency hub that coordinates housing, health, social work and voluntary sector assistance. Collaboration in Glasgow through Section 5 lets and private sector partnerships is also broadening access to settled homes.

Tenant engagement

Councils such as Edinburgh, South Lanarkshire and North Ayrshire are deepening engagement by gathering structured feedback from new build tenants and using digital tools such as YouTube to support understanding of new technologies. Ongoing rent and investment consultations in South Lanarkshire, along with established tenant and resident groups in North Ayrshire, ensure that services continue to be shaped by lived experience.

Further information

- Housing Briefing

Case studies

- Citywide Housing Transfer Incentive Scheme - Glasgow City Council
- Healthier Homes in Stirling - Stirling Council
- Western Villages - City of Edinburgh Council

Recycling

LGBF practice sharing event: Rethinking recycling – local strategies for smarter recycling

Innovating for a circular economy

Councils across Scotland are embracing creative approaches to reuse, repair and recycling, supporting national ambitions for a circular economy. Aberdeen City and Aberdeeshire are leading the way with thriving reuse and repair hubs, offering DIY materials, bike refurbishment and community education. Similar reuse expansions in Aberdeenshire and Dumfries & Galloway demonstrate strong environmental and social returns, diverting items from disposal while supporting local organisations.

Improving recycling quality through smarter collections

A number of councils are redesigning collection systems to boost material quality and reduce contamination. Perth & Kinross' twin stream system has significantly cut contamination and increased recycling capture, supported by clear communication and digital tools. Moray and Falkirk are also modernising communal and household systems with restricted-aperture bins, locks and QR codes, helping residents recycle correctly.

Using technology to drive performance

Councils are increasingly adopting in cab technology, QR coded bins, and thermal imaging cameras to monitor contamination, optimise routes, manage fire risks and improve customer engagement. Real time data is helping Scottish Borders, Renfrewshire and others target hotspots and streamline operations.

Boosting reuse, reducing waste

Reuse continues to grow through strong partnerships with charities and community groups. Mattress reuse trials, pop up reuse shops for students, and simplified reuse contracts are helping councils maximise value from items that would otherwise be landfilled.

Engaging communities for behaviour change

Targeted campaigns – from food waste initiatives in South Ayrshire to sorting station trials in Angus – are helping residents recycle more and recycle better. Social media, tagging, in person engagement and education programmes are strengthening public understanding and participation.

Delivering large scale operational change

Despite budget pressures, councils are successfully delivering major rollouts – such as East Ayrshire's 180,000 bin transition – through careful planning, workforce flexibility and strong contractor coordination. These efforts ensure high quality services while preparing for upcoming national policy changes.

Further information:

- Recycling Briefing

Case studies

- Beyond the Bin: Reuse and Repair in Local Authority Waste Services - Aberdeen City Council
- Twin Stream Recycling - Perth and Kinross Council
- Reuse within Household Recycling Centres - Aberdeenshire Council

Culture and leisure

LGBF practice sharing event - Beyond books: the evolving role of libraries in local communities

Libraries as vibrant community anchors

Across Scotland, libraries are redefining their role as trusted, inclusive and flexible community spaces. Midlothian's Warm and Well hubs and Library Natter spaces show how libraries are supporting residents during the cost of living crisis – offering warmth, company, activities and seamless access to wider council and third sector support. These examples highlight libraries' unique strengths as welcoming, stigma free places where people feel safe to seek help.

Multi functional hubs meeting local needs

Glasgow Life's vision places libraries at the heart of community wellbeing, bringing together culture, health, learning, digital inclusion and economic opportunity. Initiatives such as family support programmes, coding classes, health partnerships, instrument lending and repair cafés demonstrate how libraries can deliver high impact services from existing community infrastructure. Similar co location models in North Ayrshire, Moray and West Dunbartonshire are increasing access and strengthening collaboration.

Wellbeing, inclusion and social connection

Councils are expanding wellbeing focused services. Falkirk's Words for Wellbeing, Stirling's sensory spaces, Inverclyde's health partnerships, and Dumfries & Galloway's multilingual and ESOL programmes all show how libraries reduce loneliness, support mental health, and embrace diverse communities. These initiatives reinforce libraries' role as vital connectors in local support networks.

Innovation for a modern library service

Many councils are broadening the scope of library services through innovation and partnerships. Examples include Western Isles exploring esports, Orkney's carbon literacy hub, and Falkirk's device lending and digital inclusion outreach. East Renfrewshire's creative use of planning gain funding has transformed services, investing in sensory equipment, digital resources and inclusive programming.

Empowering communities through co design

Libraries are increasingly involving residents in shaping services. Stirling's community led workshops, East Lothian's area partnership model, and Western Isles' major consultation work are helping ensure that programmes reflect local priorities and aspirations – strengthening trust, engagement and service relevance.

Further information:

- Libraries Briefing

Case studies

- Vision for Glasgow Libraries - Glasgow Life
- Libraries at the Heart of the Community - Midlothian Council

LGBF practice sharing event: The contribution of museums to Scotland's culture and economy

Museums driving cultural access and innovation

Despite financial pressures, museums across Scotland are transforming how they engage communities. Many have expanded access through digital innovation, virtual collections and creative use of technologies like 3D modelling and augmented reality – helping collections reach new audiences and re energising interest. Institutions such as the Watt Institution are leading the way by combining digitisation with hands on learning, environmental education and contemporary relevance.

Reimagining spaces and experiences

Councils and cultural organisations are developing fresh, place-based approaches that take museums beyond traditional buildings. Alchemy Film & Arts' "expanded venue" model, Timespan's People's Mobile Archive, and open air initiatives like the Big Border Bogle Hunt show how exhibitions can inhabit parks, classrooms and community streets – breaking down barriers, inspiring participation and embedding heritage in everyday life. These models champion inclusivity, fair work and creative co design.

Wellbeing, social connection and community impact

Museums are increasingly part of local wellbeing strategies. Creative programmes such as West Dunbartonshire's Finding Your Place, Timespan's home delivered heritage packs, and South Lanarkshire's cultural social prescribing provide meaningful social connection, reduce loneliness and support mental health. These initiatives highlight museums as trusted, welcoming spaces that contribute to broader public health goals.

Partnerships strengthening delivery

Collaboration with libraries, schools, community groups and regional bodies is enhancing reach and resilience. Joint initiatives – such as Inverclyde's school partnerships and cross sector cultural collaborations in Dumfries and Galloway – ensure museums can deliver richer programmes, link collections to curriculum, and support shared ambitions around learning, creativity and community wellbeing.

Sustaining services through innovation and advocacy

Despite funding challenges, councils are adapting through redesigned service models, embedded community museum spaces, smart storage solutions, and strong advocacy using clear impact evidence. Rising visitor numbers, queues at museum doors, and high engagement with new programmes all demonstrate the public's continued appetite for museum services – and reinforce their essential role in Scotland's cultural and economic landscape.

Further information

- Museums Briefing

Case studies

- Embrace the Strange - Alchemy Film and Arts, Scottish Borders
- Co-designing Care: The People's Mobile Archive - Timespan, Highland
- Reanimating the Past - The Watt Institution

LGBF practice sharing event – Physical activity impacts on wellbeing

Strengthening prevention focused systems and partnerships

Across Scotland, councils and leisure trusts are redefining how physical activity drives wellbeing by aligning services, governance and communities around a proactive, prevention first approach. Clackmannanshire's Family Wellbeing Partnership puts community voice at the heart of early support. Active Stirling and Stirling Council have shifted from contract management to a dynamic partnership across CLD, schools and health, embedding physical activity firmly within wider wellbeing outcomes. West Dunbartonshire Leisure Trust has brought together the HSCP, council and third sector partners to advance a new Facility for Health framework, while Fife Council is positioning physical activity as a core component of whole system wellbeing through its Communities & Wellbeing Partnership. Moray Council has launched a new strategy aligned with the national physical activity framework, strengthening prevention through integrated community planning.

Active health and social prescribing

Active Stirling's exercise referral pathway supports around 400 people each year, with strong sustained participation, and is complemented by a six month Fit for Work programme delivered with employability partners. Angus Alive has boosted referrals through Active Start, a free 12 week behaviour change programme that has significantly increased overall referrals, particularly from mental health teams. Live Life Aberdeenshire has embedded a dedicated wellbeing team delivering a wide range of programmes – including ESCAPE Pain, weight management and SeaFit – with a clear focus on supporting people to stay active long after initial programmes end.

Supporting children and young people through physical activity

Active Stirling uses participation data and modern apprentices to drive more equitable extracurricular access and offers free Peak memberships for care experienced young people, with plans to strengthen supported uptake. West Dunbartonshire Leisure Trust has co funded modern apprentices with employability services to support pupils with additional needs in curriculum and lunchtime activity. Angus Alive is piloting SAMH's Changing Room for 18–30 year olds through a community sport hub, while Moray Council is testing a "Gamer to Mover" pathway that uses VR as a gateway into regular participation.

Inclusive communities and targeted support

Active Stirling partners with the Forth Valley Recovery Community and leads targeted health walks, including dementia friendly routes, school mental wellbeing walks, and support for resettled communities. Fife Council's Recovery Through the Outdoors supports people in recovery and is expanding into wider crisis support. Moray Council's Active Recovery Moray now includes asylum seekers and people experiencing homelessness. Clackmannanshire Council has introduced a Family Leisure Pass linked to child wellbeing criteria, enabling whole family participation.

Active places and community wellbeing

Clackmannanshire Council is developing a new multi sport Wellbeing Hub – scheduled to open in late summer to early autumn 2027. Fully accessible and co located with Lochies School, the Hub will integrate education, health, community and physical activity services under one roof. It will also create new employment opportunities and unlock long-term revenue support through its innovative co location model.

Further information

- Physical Activity Briefing

Case studies

- Be Active Live Well: The Journey Towards Becoming a Sustainable Part of Health and Social Care in Angus – Angus Alive
- Creating Healthier Futures in Clackmannanshire: The Wellbeing Hub & Lochies School Journey – Clackmannanshire Council
- Breaking Barriers: Tackling Inequality and Inactivity in Stirling – Active Stirling and Stirling Council

Conclusion

This year's report highlights the growing impact of fiscal, workforce and demand pressures on local government services and the communities they serve. Core funding has not kept pace with the scale of demand or with growth in other parts of the public sector such as health, leaving councils with increasingly difficult choices about how to sustain services. While councils continue to deliver substantial progress in a challenging environment, these pressures – combined with wider economic conditions – are disrupting the performance and efficiency gains achieved in previous years.

In response, councils are taking proactive steps to mitigate these challenges. Digital technology is being embedded more deeply in service design, data is being used more effectively to target resources, and council estates are being reconfigured to support new delivery models. Collaborative leadership with partners, the third sector and communities is strengthening place-based approaches. Councils are also redeploying employees more flexibly, investing in workforce wellbeing, and renewing their focus on planning, development and skills. Alongside this, services are increasingly prioritised around areas of greatest need, with continued focus on supporting the most vulnerable.

To build on this progress – and ensure the long-term sustainability of services – local government has committed to a significant programme of sector led performance improvement and transformation. The LGBF sits at the centre of this architecture, with the LGBF Board providing strategic direction and steering wider national programmes that strengthen assurance, evidence and improvement across the sector. Together, these initiatives are embedding a more coherent, proportionate and sector owned approach to assurance, data and improvement.

Key Elements of Sector Led Performance Improvement and Transformation

1. LGBF strategic priorities (2025–2028)

The LGBF remains a cornerstone of sector led improvement – providing trusted, comparable evidence across all 32 councils to support scrutiny, decision making and shared learning.

Following a comprehensive review, the LGBF Board has agreed refreshed strategic priorities for 2025–2028, endorsed by Solace Scotland and aligned with Scotland's evolving assurance and transformation landscape. These priorities focus on:

- Strengthening sector wide improvement, aligned with wider tools such as Peer Collaborative Improvement (PCI) and the National Self Evaluation Framework (NSEF).
- Deepening insight into priority service pressures, through targeted indicator development in areas such as housing, adult social care, additional support for learning, workforce sustainability, leisure and physical activity, and economic development.
- Enhancing analytical capacity and data use, improving the timeliness, accessibility and application of evidence.
- Supporting a modernised data and scrutiny system, with the LGBF positioned at the centre of streamlined, integrated reporting enabled by the Local Government Data Platform (LGDP).

These priorities set a clear, coherent direction for strengthening evidence led improvement. As pressures continue to intensify, the LGBF will remain central to understanding system challenges, directing improvement and supporting long-term transformation.

2. Peer Collaborative Improvement (PCI)

PCI is central to strengthening sector wide improvement. Building on the Scottish Local Government Assurance and Improvement Framework and learning from early PCI pilots – which have already demonstrated clear, measurable benefits – national standards are being developed to support a consistent, proportionate model of peer led improvement and assurance. PCI has strong sectoral backing and will form a core pillar of a modernised, improvement focused assurance landscape.

3. Aligning self assessment with Best Value audits

The IS and Audit Scotland are strengthening the role of self assessment within the Best Value framework by aligning PSIF self assessment tools with thematic audits. New co designed checklists – piloted this year on the Asset Management theme – aim to give auditors stronger upfront assurance and reduce the audit burden on councils, while supporting more consistent, evidence led improvement across the sector.

4. Local Government Data Platform (LGDP)

The LGDP represents a major opportunity to modernise local government data. Moving toward a full business case, the platform will streamline reporting, support automation, strengthen data quality and provide richer, more timely insights. The LGBF will sit at the centre of this system, ensuring integrated, reliable and consistently used performance evidence.

In addition, the Solace led programme of transformation supported by the Improvement Service is centred on delivering a future for local authorities and aligns with the direction of the LGBF Board.

5. Solace–IS Transformation Programme

The SOLACE–IS Transformation Programme is delivering practical outputs that strengthen system wide reform. Key areas of progress include:

Workstream One: Public service reform

- Public service reform workstream: Convening national leaders, strengthening the evidence base, mapping system pressures, embedding local government's voice in national reform, and shaping a unified sector position to support the next phase of whole system reform.

Workstream Two: Shorter term transformation projects which provide the building blocks for more complex reform

- Scaling shared services: Mapping opportunities to expand and standardise shared arrangements across councils.
- Collaborative procurement: Strengthening cross council procurement to improve value and reduce duplication.
- Duties & Powers Portal: Developing a national portal to support consistent understanding of statutory responsibilities and enable aligned reform.
- Digital shared services: Testing streamlined, citizen centred delivery models through initiatives such as Public Information Notices (PINs) and a national Blue Badge service.
- Crerar workstream: Developing a national approach to self evaluation underpinning a proportionate, improvement focused assurance landscape. The National Self Evaluation Framework (NSEF) provides a consistent, sector owned approach to evidencing performance, governance and improvement through rigorous self assessment. Developed in tandem with PCI, it will recognise and build on existing models such as the Public Service Improvement Framework (PSIF), enabling councils to draw on established practice while strengthening their ability to articulate risk, demonstrate impact and target improvement activity more effectively.
- Future digital operating model: Defining a long-term digital model for local government.

Workstream Three: Developing Leadership Capacity

- Leadership Practitioner Forum: Strengthening leadership capability to support long-term, system wide transformation.

Looking ahead

Collectively, these programmes set a clear and ambitious direction for the next phase of sector led improvement. They will enhance councils' ability to use evidence effectively, strengthen accountability, support sustainable and preventative services, and enable more coherent and collaborative public service reform.

As local government continues to operate in a context of rising demand and constrained resources, the LGBF and the wider suite of sector led improvement tools will remain essential to understanding system pressures, directing improvement and supporting long-term transformation. This architecture is well positioned to contribute meaningfully to Scotland's broader reform ambitions – helping to deliver improved outcomes for communities across the country.

Appendix:

Overview table for all LGBF data 2024-25

Full data and metadata, including data sources for all indicators is available via LGBF Dashboard

Note: The majority of data for LGBF indicators is financial year, however some indicators are calendar or academic year. Detail on the reporting period for each indicator is provided in the metadata data within the LGBF dashboard.

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Children's Services	Cost per Primary School Pupil	£6,287	£6,289	£6,447	£6,616	£6,913	£7,101	£7,404	£7,467	£7,480	£7,606	1.7%
	Cost per Secondary School Pupil	£8,928	£8,909	£8,893	£9,053	£9,281	£9,191	£9,234	£9,272	£9,289	£9,338	0.5%
	Cost per Pre-School Education place	£5,133	£5,503	£5,732	£6,348	£8,318	£11,131	£12,044	£12,010	£12,090	£12,055	-0.3%
	% of Pupils Gaining 5+ Awards at Level 5	61.0%	62.2%	64.4%	64.3%	67.5%	70.4%	67.7%	66.3%	66.6%	68.6%	0.27
	% of Pupils Gaining 5+ Awards at Level 6	34.0%	34.5%	35.5%	36.0%	40.2%	42.1%	38.7%	37.9%	39.0%	40.8%	1.05
	% of Pupils from 20% most Deprived Areas Gaining 5+ Awards at Level 5	41.0%	42.6%	45.2%	46.4%	49.2%	53.3%	50.4%	49.8%	49.6%	53.0%	-0.24
	% of Pupils from 20% most Deprived Areas Gaining 5+ Awards at Level 6	16.0%	16.6%	17.9%	19.2%	22.4%	23.6%	22.0%	21.9%	22.6%	24.3%	-0.68
	Gross Costs of 'Children Looked After' in residential-based services per child per week	£4,552	£4,437	£4,530	£4,846	£4,738	£5,336	£5,590	£5,245	£5,477	dna	4.4%
	Gross Cost of "Children Looked After" in a community setting per child per Week	£389.65	£414.31	£430.02	£434.00	£428.89	£460.13	£475.66	£461.00	£492.23	dna	6.8%
	Proportion of children being looked after in the community	90.4%	89.9%	89.6%	89.8%	90.1%	90.4%	89.9%	89.2%	88.8%	dna	-0.37
	Proportion of pupils entering positive destinations	93.5%	93.9%	94.6%	95.0%	93.3%	95.5%	95.7%	95.9%	95.7%	95.7%	-0.15
	Overall Average Total Tariff	877	888	893	894	925	962	972	918	919	922	0.3%
	Average Total Tariff SIMD Quintile 1	603	625	620	627	645	678	691	661	661	655	-0.9%
	Average Total Tariff SIMD Quintile 2	741	751	752	742	754	807	818	783	764	772	1.0%
	Average Total Tariff SIMD Quintile 3	864	882	899	875	901	965	958	908	892	895	0.3%
	Average Total Tariff SIMD Quintile 4	998	1002	1019	1015	1025	1099	1105	1054	1051	1049	-0.2%
	Average Total Tariff SIMD Quintile 5	1197	1210	1224	1195	1236	1311	1310	1268	1262	1269	0.6%
	% of P1, P4 and P7 pupils achieving expected CFE level in Literacy				72.3%	-	66.9%	70.5%	72.7%	74.0%	74.5%	0.50
	% of P1, P4 and P7 pupils achieving expected CFE level in Numeracy				79.1%	-	74.7%	77.9%	79.6%	80.3%	80.3%	0.00
	Literacy Attainment Gap (P1,4,7 Combined)				20.7	-	24.7	21.3	20.5	20.2	19.4	-0.88

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Children's Services	Numeracy Attainment Gap (P1,4,7 Combined)				16.8	-	21.4	17.8	17.0	17.4	16.6	**-0.80**
	Proportion of Children meeting developmental milestones	81.6%	82.4%	84.6%	85.5%	85.7%	85.1%	82.2%	82.1%	83.3%	dna	**1.20**
	Proportion of funded early years provision which is graded good/better	91.9%	91.7%	91.0%	90.6%	90.2%	90.9%	89.4%	90.1%	89.8%	89.0%	**-0.76**
	School attendance rates (per 100 pupils)	-	93.3%	-	93.0%	-	92.0%	-	90.2%	90.3%	91.0%	**0.68**
	School attendance rates (per 100 'looked after pupils')	-	88.2%	-	86.8%	-	87.9%	-	84.4%	83.7%	dna	**-4.20**
	School exclusions rates (per 1,000 pupils)	-	26.8	-	21.7	-	11.9	-	16.6	-	15.2	**-8.4%**
	School exclusions rates (per 1,000 'looked after pupils')	-	210.2	-	152.2	-	77.8	-	96.9	-	dna	**24.6%**
	Participation rate for 16-19 year olds (%)	90.4%	91.1%	91.8%	91.6%	92.1%	92.2%	92.4%	92.6%	92.7%	93.3%	**0.57**
	Proportion of Child Protection re-registrations within 18 months	6.2%	6.5%	6.0%	7.2%	6.9%	7.0%	8.0%	5.6%	5.8%	dna	**0.19**
	Proportion of LAC with more than 1 placement in the last year	20.7%	21.2%	20.1%	19.5%	16.7%	16.8%	16.0%	17.2%	17.5%	dna	**0.30**
	Proportion of children living in poverty (after housing costs)	20.3%	20.6%	20.7%	20.2%	21.7%	19.8%	21.6%	21.8%	20.7%	dna	**-1.16**
	Proportion of adults satisfied with local schools	74.0%	73.0%	70.0%	72.5%	73.0%	78.0%	74.0%	69.0%	69.0%	69.0%	**0.00**
Adult Social Care Services	Home care costs per hour for people aged 65 or over	£28.32	£29.66	£30.75	£31.24	£31.29	£33.15	£34.54	£35.03	£34.90	£32.37	**-7.3%**
	SDS (DP + MPB) spend on adults as a % of total adult social work spend	6.7%	6.4%	6.8%	7.2%	7.7%	8.1%	8.4%	8.7%	9.0%	9.4%	**0.34**
	% of people 65+ with long-term care needs who are receiving personal care at home	60.4%	59.8%	61.4%	61.8%	60.3%	62.5%	61.8%	61.5%	61.5%	62.3%	**0.77**
	Residential costs per week per resident for people aged 65 or over	£602.13	£615.33	£645.52	£652.23	£657.94	£772.04	£763.38	£748.00	£735.08	£725.09	**-10.0%**
	Rate of readmission to hospital within 28 days per 1,000 discharges	98.1	101.0	102.8	103.4	104.9	120.3	106.9	102.3	104.4	102.8	**-1.6%**
	Proportion of adult care services graded good or better	82.9%	83.8%	85.4%	82.2%	81.8%	82.5%	75.8%	75.0%	77.0%	81.9%	**4.90**

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Adult Social Care Services	% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	84.0%	-	80.0%	-	80.0%	-	78.1%	-	69.8%		-8.37
	% of adults supported at home who agree that they are supported to live as independently as possible	82.7%	-	81.1%	-	80.8%	-	78.8%	-	72.4%		-6.43
	% of adults supported at home who agree that they had a say in how their help, care or support was provided	78.8%	-	75.6%	-	75.4%	-	70.6%	-	59.6%		-11.0
	% of carers who feel supported to continue in their caring role	40.0%	-	36.6%	-	34.3%	-	29.7%	-	31.2%		1.50
	Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)	916.0	841.7	763.2	794.3	775.6	485.4	749.7	882.9	841.5	898.9	6.8%
Corporate Services	Support services as a percentage of Total Gross expenditure	5.3%	5.0%	4.4%	4.3%	4.0%	4.0%	4.1%	4.0%	4.1%	4.0%	-0.02
	Proportion of the highest paid 5% of employees who are women	51.9%	52.9%	54.6%	55.5%	56.7%	58.1%	59.0%	58.8%	59.8%	60.3%	0.52
	Gender pay gap (%)	4.5%	4.2%	3.9%	4.2%	3.4%	3.7%	3.5%	2.5%	2.0%	1.4%	-0.58
	Cost per dwelling of collecting Council Tax	£13.82	£11.75	£9.51	£8.75	£8.13	£7.97	£7.72	£7.47	£6.11	£5.98	-2.2%
	Sickness absence days per teacher	6.1	6.1	5.9	6.2	6.4	4.1	5.8	6.8	7.6	7.8	2.0%
	Sickness absence days per employee (non-teacher)	10.6	10.9	11.4	11.5	11.9	9.6	12.2	13.3	13.9	14.5	4.6%
	Percentage of income due from Council Tax received by the end of the year	95.7%	95.8%	96.0%	96.0%	95.8%	94.8%	95.7%	96.2%	95.5%	95.5%	-0.02
	Percentage of invoices sampled that were paid within 30 days	92.8%	93.1%	93.2%	92.7%	91.7%	91.8%	92.2%	90.5%	92.9%	93.1%	0.24
	Proportion of SWF Crisis Grant decisions within 1 day				95.8%	95.1%	93.5%	92.7%	91.4%	93.9%	96.0%	2.14
	Proportion of SWF Community Care Grant decisions within 15 days				89.5%	82.3%	84.1%	85.6%	87.0%	83.6%	90.7%	7.14
	Proportion of SWF budget spent	94.3%	97.8%	95.3%	99.9%	108.0%	83.0%	115.2%	131.0%	129.5%	82.9%	-46.6

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Corporate Services	Proportion of DHP funding spent			101.2%	102.6%	104.5%	97.2%	96.0%	94.4%	101.0%	99.0%	-2.00
Corporate Services	% of operational buildings that are suitable for their current use	79.6%	79.8%	80.8%	82.2%	82.5%	82.3%	85.3%	86.1%	85.5%	85.7%	0.26
Corporate Services	% of internal floor area of operational buildings in satisfactory condition	81.5%	84.5%	86.3%	87.2%	88.6%	89.2%	90.1%	89.7%	89.8%	91.0%	1.20
Culture and Leisure	Cost per attendance at Sports facilities	£3.90	£3.80	£3.52	£3.30	£3.30	£48.37	£7.52	£5.34	£4.51	£3.77	-16.4%
Culture and Leisure	Cost per Library Visit	£3.27	£2.59	£2.68	£2.59	£2.45	£3.46	£3.40	£3.07	£2.48	£2.72	9.7%
Culture and Leisure	Cost per Museum Visit	£4.06	£4.34	£4.53	£4.39	£4.03	£12.27	£5.54	£3.35	£3.64	£4.19	15.1%
Culture and Leisure	Cost of Parks & Open Spaces per 1,000 Population	£29,247	£27,453	£25,805	£25,692	£25,025	£23,182	£24,055	£25,718	£24,172	£21,998	-9.0%
Culture and Leisure	Proportion of adults satisfied with libraries	73.0%	73.0%	72.0%	69.3%	69.0%	77.0%	71.0%	65.0%	65.0%	65.0%	0.00
Culture and Leisure	Proportion of adults satisfied with parks and open spaces	74.0%	73.0%	72.0%	72.1%	73.0%	78.0%	71.0%	64.0%	66.0%	66.0%	0.00
Culture and Leisure	Proportion of adults satisfied with museums and galleries	85.0%	87.0%	85.0%	82.5%	83.0%	91.0%	88.0%	83.0%	84.0%	84.0%	0.00
Culture and Leisure	Proportion of adults satisfied with leisure facilities	71.0%	70.0%	69.0%	68.9%	70.0%	75.0%	74.0%	65.0%	69.0%	67.0%	-2.00
Environmental Services	Net cost per Waste collection per premises	£85.85	£84.56	£85.35	£85.01	£84.87	£86.84	£81.96	£82.50	£81.63	£77.26	-5.4%
Environmental Services	Net cost per Waste disposal per premises	£130.22	£129.40	£131.17	£123.16	£121.74	£127.09	£117.27	£104.02	£108.24	£104.45	-3.5%
Environmental Services	Net cost of street cleaning per 1,000 population	£20,725	£19,093	£20,126	£18,932	£18,917	£17,579	£17,444	£16,955	£17,635	£17,869	1.3%
Environmental Services	Street Cleanliness Score	93.4%	93.9%	92.2%	92.8%	92.2%	90.1%	89.7%	90.6%	92.1%	91.7%	-0.40
Environmental Services	Cost of roads per kilometre	£13,661	£13,545	£13,059	£12,547	£12,030	£11,257	£12,954	£14,126	£14,299	£13,629	-4.7%
Environmental Services	Cost of Trading Standards and environmental health per 1,000 population	£29,982	£28,169	£27,859	£26,483	£24,815	£23,045	£26,224	£24,911	£23,579	£21,671	-8.1%
Environmental Services	Cost of Trading Standards, Money Advice & Citizens Advice per 1,000 population	£7,697	£7,240	£7,673	£7,514	£7,669	£7,190	£7,015	£8,063	£7,513	£7,203	-4.1%
Environmental Services	Cost of environmental health per 1,000 population	£22,285	£20,929	£20,186	£18,969	£17,145	£15,854	£19,209	£16,848	£16,066	£14,469	-9.9%

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Environmental Services	Proportion of total household waste arising that is recycled	44.1%	45.1%	45.6%	44.7%	44.9%	42.1%	43.0%	43.3%	43.5%	44.3%	**0.80**
	Proportion of adults satisfied with refuse collection	82.0%	79.0%	75.0%	74.9%	73.0%	78.0%	77.0%	79.0%	79.0%	77.0%	**-2.00**
	Proportion of adults satisfied with street cleaning	73.0%	70.0%	66.0%	62.9%	59.0%	58.0%	59.0%	58.0%	57.0%	56.0%	**-1.00**
	Percentage of A class roads considered for maintenance treatment	29.0%	29.5%	30.2%	30.0%	30.6%	29.8%	27.6%	27.4%	28.9%	30.6%	**1.71**
	Percentage of B class roads considered for maintenance treatment	34.8%	34.8%	35.9%	35.7%	35.0%	34.0%	33.6%	31.5%	32.5%	34.6%	**0.01**
	Percentage of C class roads considered for maintenance treatment	34.7%	34.6%	36.2%	36.3%	35.1%	33.6%	33.2%	32.7%	33.4%	34.2%	**0.01**
	Percentage of unclassified roads considered for maintenance treatment	40.1%	39.5%	39.0%	38.2%	37.8%	38.3%	36.7%	36.4%	36.2%	36.2%	**0.00**
Tackling Climate Change	CO2 emissions area wide per capita	6.1	5.7	5.5	5.5	5.2	4.6	5.0	4.7	4.6	dna	**-2.0%**
	CO2 emissions area wide: emissions within scope of LA per capita	5.6	5.2	5.1	4.9	4.7	4.2	4.6	4.2	4.0	dna	**-4.1%**
	CO2 emissions from Transport per 1000 population			26.7	30.6	29.4	21.5	27.3	27.8	28.6	dna	**2.7%**
	CO2 emissions from Electricity per 1000 population			91.5	70.7	56.2	44.2	46.8	44.2	47.6	dna	**7.8%**
	CO2 emissions from Natural Gas per 1000 population			64.9	60.8	56.7	59.9	61.9	58.2	57.2	dna	**-1.7%**

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Economic Development	Percentage of Unemployed People Assisted into work from Council Programmes	14.1%	14.0%	14.3%	12.6%	12.7%	6.0%	17.4%	12.6%	11.8%	14.2%	**1.39**
	Cost of Planning & Building Standards per planning application	£5,358	£5,018	£5,233	£5,629	£5,473	£5,985	£5,062	£6,084	£6,926	£6,938	**0.2%**
	Average time per business and industry planning application (weeks)	9.9	9.6	9.3	9.1	10.5	11.1	11.7	12.0	10.7	14.3	**34.2%**
	Proportion of procurement spent on local enterprises	25.4%	26.5%	27.4%	28.7%	28.5%	29.1%	29.9%	29.6%	30.0%	31.5%	**1.56**
	No of business gateway start-ups per 10,000 population	18.9	16.7	16.9	16.8	16.6	11.3	14.5	14.4	13.5	12.3	**-9.4%**
	Investment in Economic Development & Tourism per 1,000 population	£85,682	£106,649	£120,818	£137,185	£128,696	£107,449	£141,046	£125,377	£122,803	£138,745	**13.0%**
	Proportion of people earning less than the living wage	19.6%	20.1%	18.4%	19.4%	16.9%	15.2%	14.4%	9.4%	10.2%	11.3%	**1.10**
	Proportion of properties receiving Superfast Broadband	78.6%	85.9%	91.1%	92.0%	93.3%	93.8%	94.1%	95.5%	95.9%	97.1%	**0.01**
	Town Vacancy Rates	11.9%	10.2%	11.5%	10.0%	11.7%	12.4%	11.4%	11.9%	12.3%	11.4%	**-0.93**
	Immediate available employment land as a % of total land allocated for employment purposes	27.2%	38.4%	40.8%	37.6%	36.2%	38.9%	27.2%	22.8%	24.5%	21.3%	**-3.21**
	Gross Value Added (GVA) per capita	£29,385	£29,419	£30,304	£30,242	£30,591	£27,197	£29,688	£30,634	£30,581	dna	**-0.2%**
	Claimant Count as a % of Working Age Population	2.3%	2.4%	2.6%	3.1%	3.3%	6.1%	3.8%	3.3%	3.1%	3.1%	**-0.03**
	Claimant Count as % of 16-24 Population	3.0%	3.1%	3.1%	3.6%	3.9%	7.1%	3.6%	3.5%	3.4%	3.3%	**-0.01**

	Indicator Title	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	%/value change since previous year
Housing Services	Gross rent arrears (all tenants) as a percentage of rent due for the year	6.2%	6.5%	6.7%	7.3%	7.3%	8.2%	8.7%	9.6%	9.5%	8.6%	**-0.90**
	Proportion of rent due in the year that was lost due to voids	1.1%	0.9%	0.9%	1.0%	1.1%	1.4%	1.6%	1.7%	1.8%	1.7%	**-0.11**
	Proportion of council dwellings meeting Scottish Housing Quality Standards	92.5%	93.6%	93.9%	94.3%	94.9%	85.2%	68.5%	70.9%	77.8%	82.9%	**5.11**
	Average number of days taken to complete non-emergency repairs	9.4	8.7	7.5	7.8	7.3	7.3	9.2	9.7	10.0	10.1	**0.01**
	Proportion of council dwellings that are energy efficient	65.2%	71.2%	75.3%	80.9%	84.1%	86.4%	87.6%				**1.28**
Financial Sustainability	Total useable reserves as a % of council annual budgeted revenue	18.0%	17.3%	17.0%	16.6%	16.9%	23.7%	24.4%	24.5%	23.7%	20.4%	**-4.38**
	Uncommitted General Fund Balance as a % of annual budgeted net revenue	4.1%	3.9%	3.7%	2.8%	2.8%	3.1%	2.9%	2.9%	2.3%	1.9%	**-0.38**
	Ratio of Financing Costs to Net Revenue Stream - General Fund	7.8%	8.0%	8.0%	7.9%	7.2%	6.2%	5.9%	5.4%	5.6%	6.0%	**0.40**
	Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account	24.7%	24.4%	23.6%	22.8%	22.6%	22.9%	22.6%	21.8%	19.9%	20.7%	**0.73**
	Actual outturn as a percentage of budgeted expenditure	99.0%	99.3%	99.3%	99.4%	99.4%	97.4%	98.3%	98.4%	99.6%	100.1%	**0.56**
	Reliance on Reserves as a % of Net Expenditure								0.9%	1.0%	0.6%	**-0.41**

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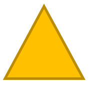
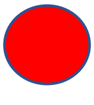
ORKNEY
ISLANDS COUNCIL

Local Government Benchmarking Framework Indicators 2024/25 – Linked to Priorities in the Council Plan 2023 to 2028

Contents

Contents (continued)

	Ranked in the top eight Scottish Councils.
	Ranked between nine and 16.
	Ranked in the bottom 16.

Priority: Growing Our Economy

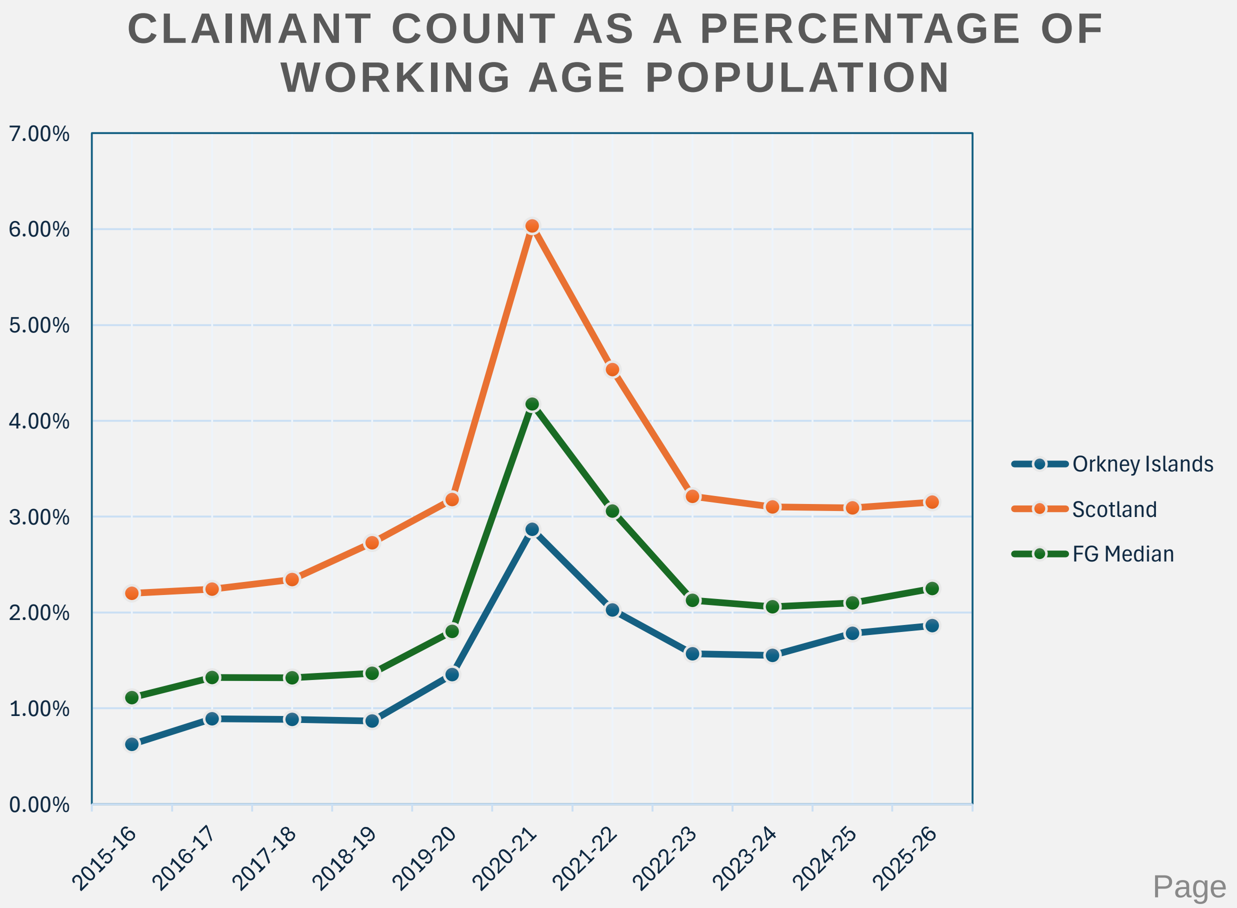
ECON 12a – Claimant Count as a Percentage of Working Age Population.

The low claimant count is linked to the very high employment rate which is a result of multiple job opportunities and an aging population meaning fewer people in the labour market.

Shortage of housing contributes to this as it can be difficult for people to move to Orkney to take up job opportunities.

Baseline 2020/21	Performance 2025/26	Target 2027/28
2.9%	1.86%	2.5%

Rank out of 32 Scottish Councils		
2024/25	3	✓
2025/26	3	



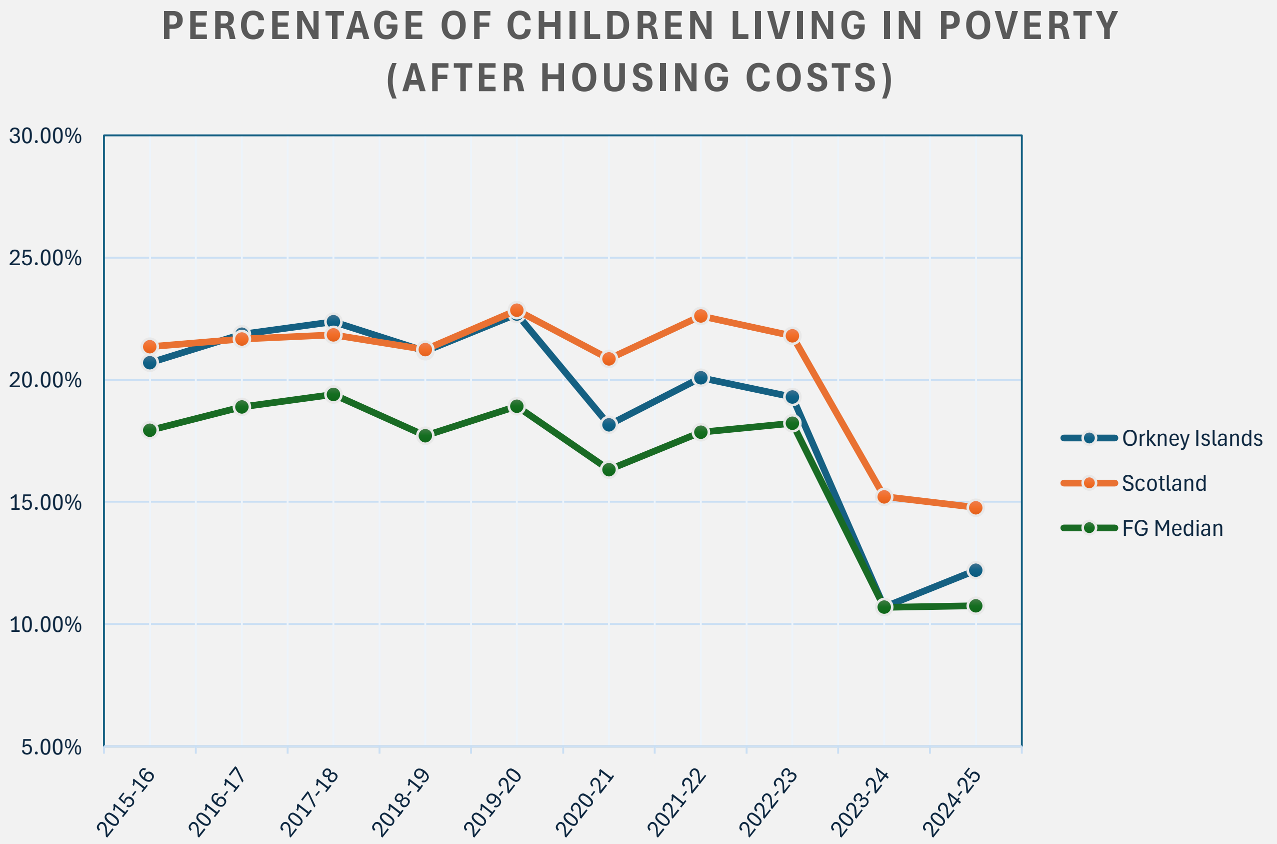
Priority: Growing Our Economy

CHN24 – Percentage of Children living in Poverty (after housing costs)

This indicator is trending in the right direction although there is a lot of further work to be done.
From 2023-24, changes in how the indicator is calculated meant that the percentage is not directly comparable with prior years.

Baseline 2020/21	Performance 2024/25	Target 2027/28
18.16%	12.20%	9%

Rank out of 32 Scottish Councils		
2023/24	5	✓
2024/25	7	



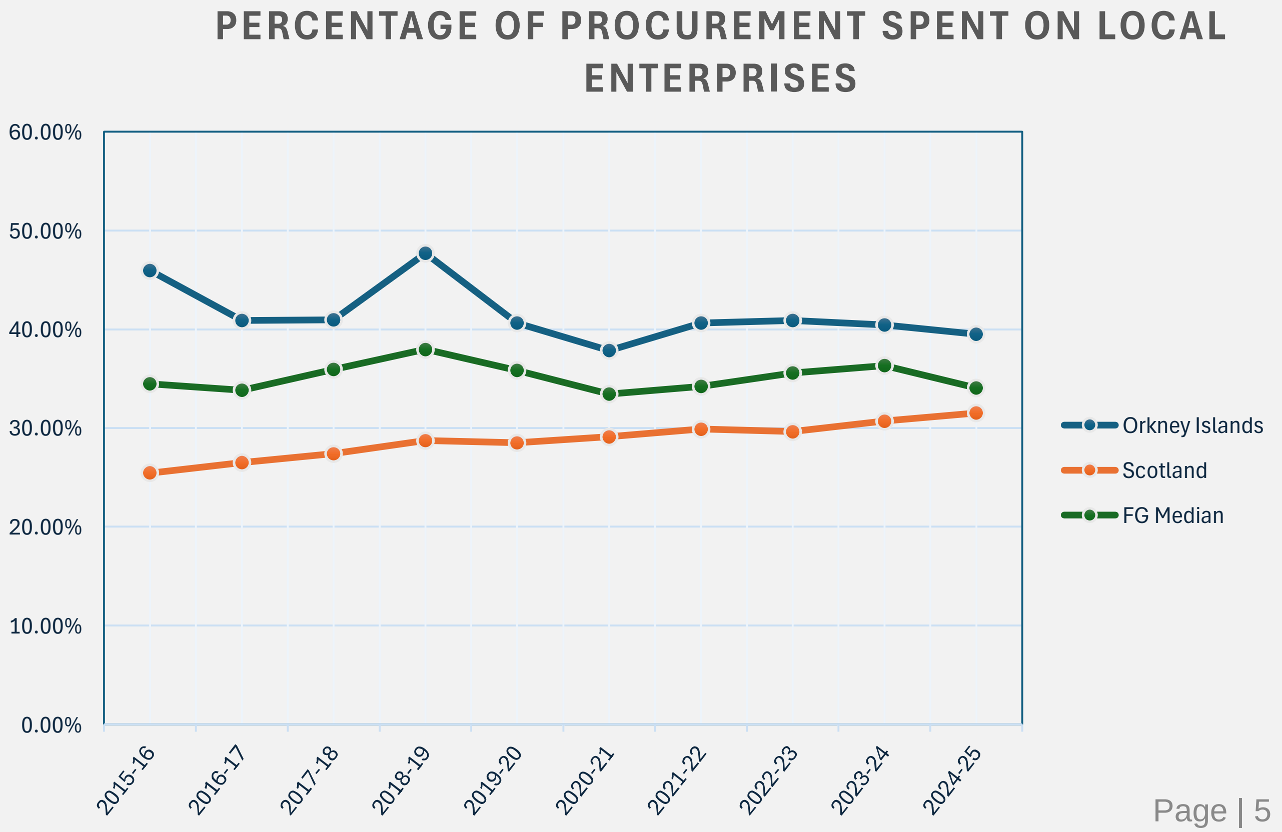
Priority: Growing Our Economy

ECON4 – Percentage of Procurement Spent on Local Enterprises.

The Council has a statutory duty to achieve best value in carrying out its functions, including the procurement of goods and services. On occasions the specification of a service or product required by the Council is able only to be met by suppliers based outwith Orkney.

Baseline 2020/21	Performance 2024/25	Target 2027/28
37.85%	39.50%	45%

Rank out of 32 Scottish Councils		
2023/24	3	✓
2024/25	4	



Priority: Growing Our Economy

CLIM1 – CO_2 Emissions Area-Wide per Capita.

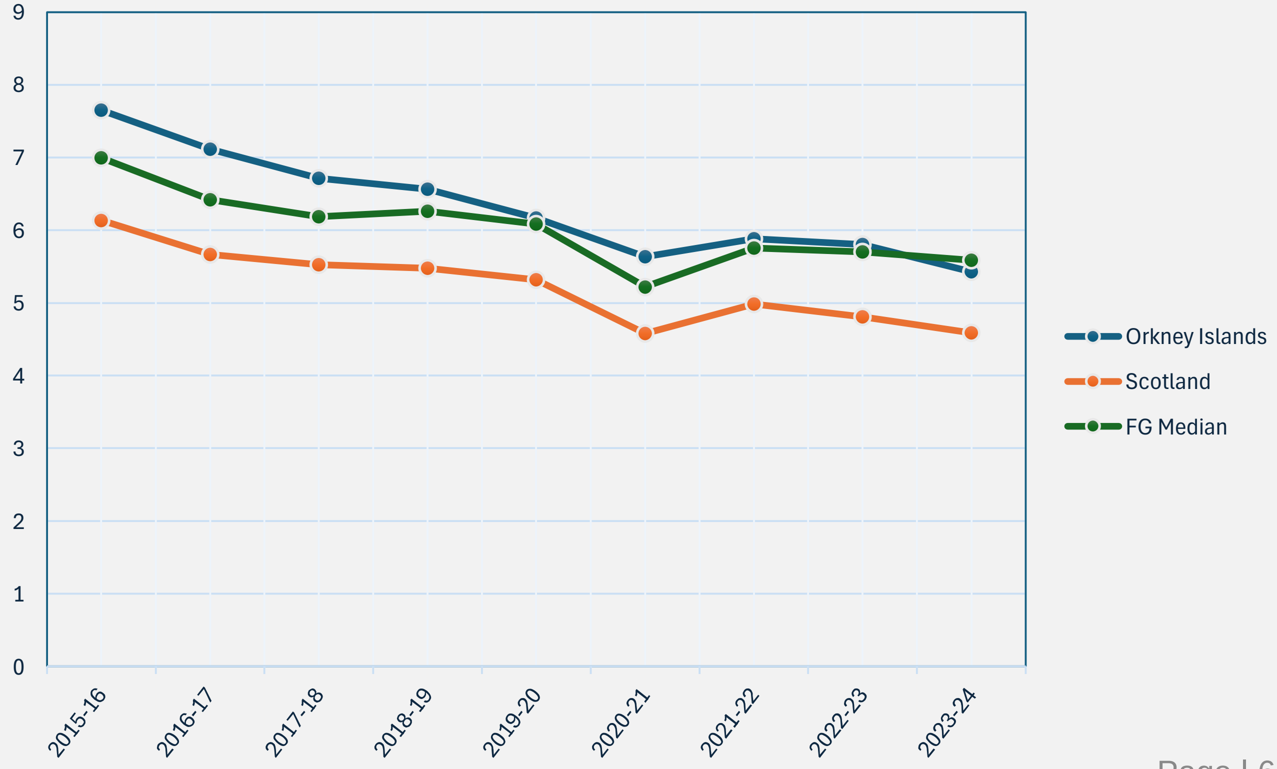
We are working in collaboration to develop projects to minimise emissions of the three Island Groups. Works on new network interconnector will enable more renewable projects in Orkney.

The statistics for these indicators are reported annually but the data provided is always for the previous year so runs behind, the data for this indicator reflects the status for the period 2023/24.

Baseline 2020/21	Performance 2023/24	Target 2027/28
5.64	5.43	9

Rank out of 32 Scottish Councils		
2022/23	24	
2023/24	24	

CO_2 EMISSIONS AREA WIDE PER CAPITA



Priority: Growing Our Economy

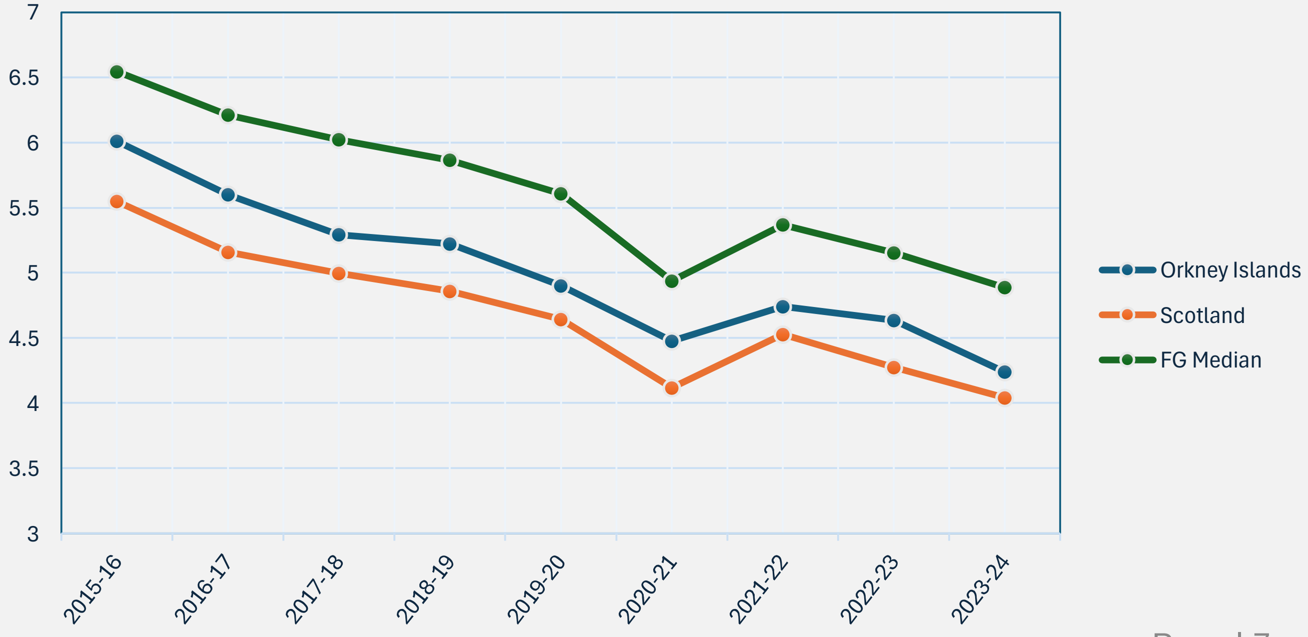
CLIM2 – CO_2 Emissions within Scope of Local Authority per Capita.

This year Orkney Islands Council have completed work on the new Kirkwall Care Home and the new Nursery; both projects are new build replacements for oil heated buildings and will result in significant carbon savings. Trials of an electric bin lorry have been undertaken as a demonstration of low carbon HGVs, in addition, the authority is working with partners Artemis Technologies to develop an electric passenger ferry service to serve the North Isles. The statistics for this indicator are reported annually but the data provided is always for an earlier year.

Baseline 2020/21	Performance 2023/24	Target 2027/28
4.47	4.24	4

Rank out of 32 Scottish Councils		
2022/23	18	
2023/24	17	

CO_2 EMISSIONS AREA WIDE: EMISSIONS WITHIN SCOPE OF LOCAL AUTHORITY PER CAPITA



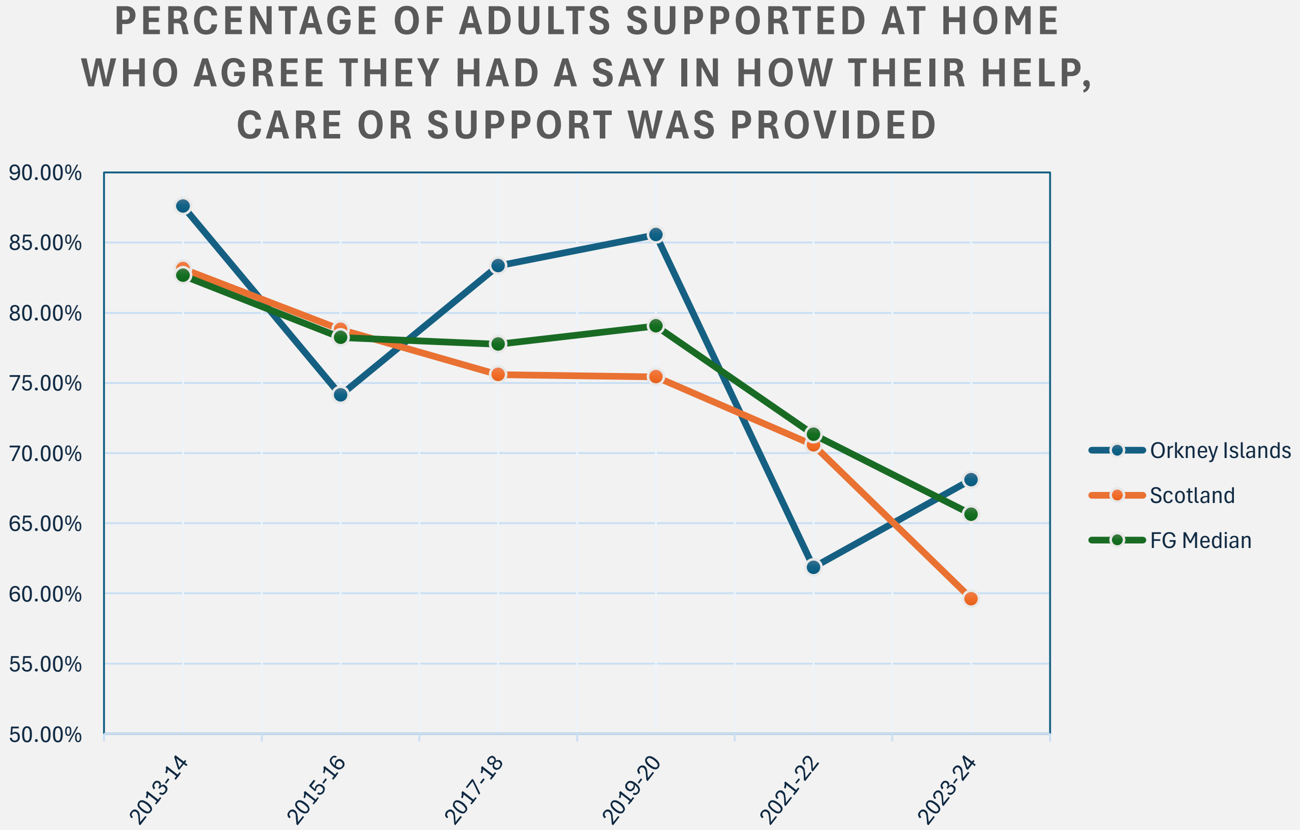
Priority: Strengthening Our Community

SW4d – Adults Supported at Home Who Agree that They had a Say in How Their Care, Help or Support was Provided.

The most recent data, which relates to 2023/24, shows that 68.1% of adults supported at home agree that they are being supported to live as independently as possible. This is better than the Scottish average of 59.6%. We always endeavour to involve individuals in their care plan at the point of assessment and at any subsequent review. This data is collected every second year, so the most recent figure relates to 2023/24

Baseline 2019/20	Performance 2023/24	Target 2027/28
85.56%	68.09%	93%

Rank out of 32 Scottish Councils		
2021/22	30	✓
2023/24	4	



Priority: Strengthening Our Community

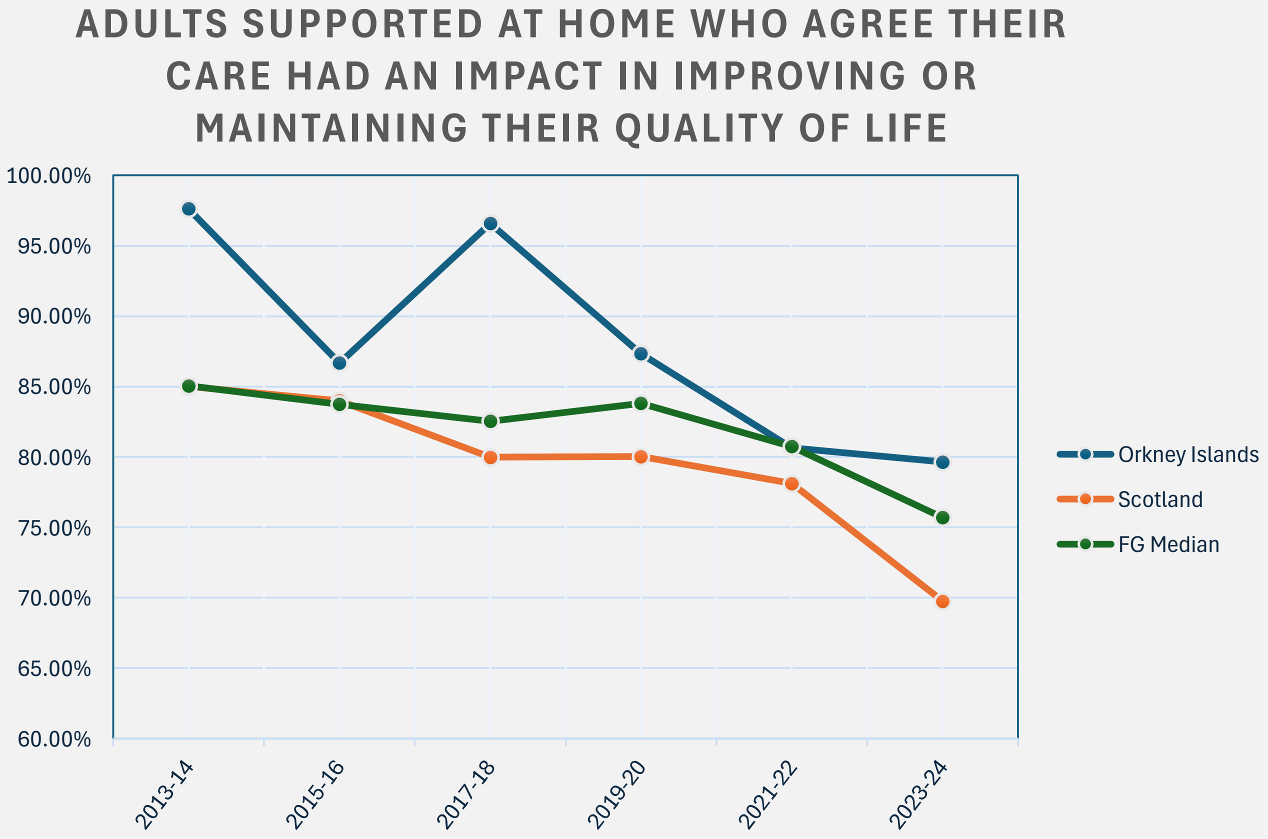
SW4b – Adults Supported at Home Who Agree that Their Services had an Impact in Improving or Maintaining Their Quality of Life.

Although performance is below the target, This is better than the Scottish average of 69.8%, and Orkney Islands Council ranks second among Scottish councils in relation to this measure. We work to ensure services are suitable to meet individual needs, and performance against this measure demonstrates that, despite considerable demand, the service is working well.

This data is collected every second year, so the most recent figure relates to 2023/24.

Baseline 2019/20	Performance 2023/24	Target 2027/28
87.33%	79.64%	93%

Rank out of 32 Scottish Councils		
2021/22	9	✓
2023/24	2	



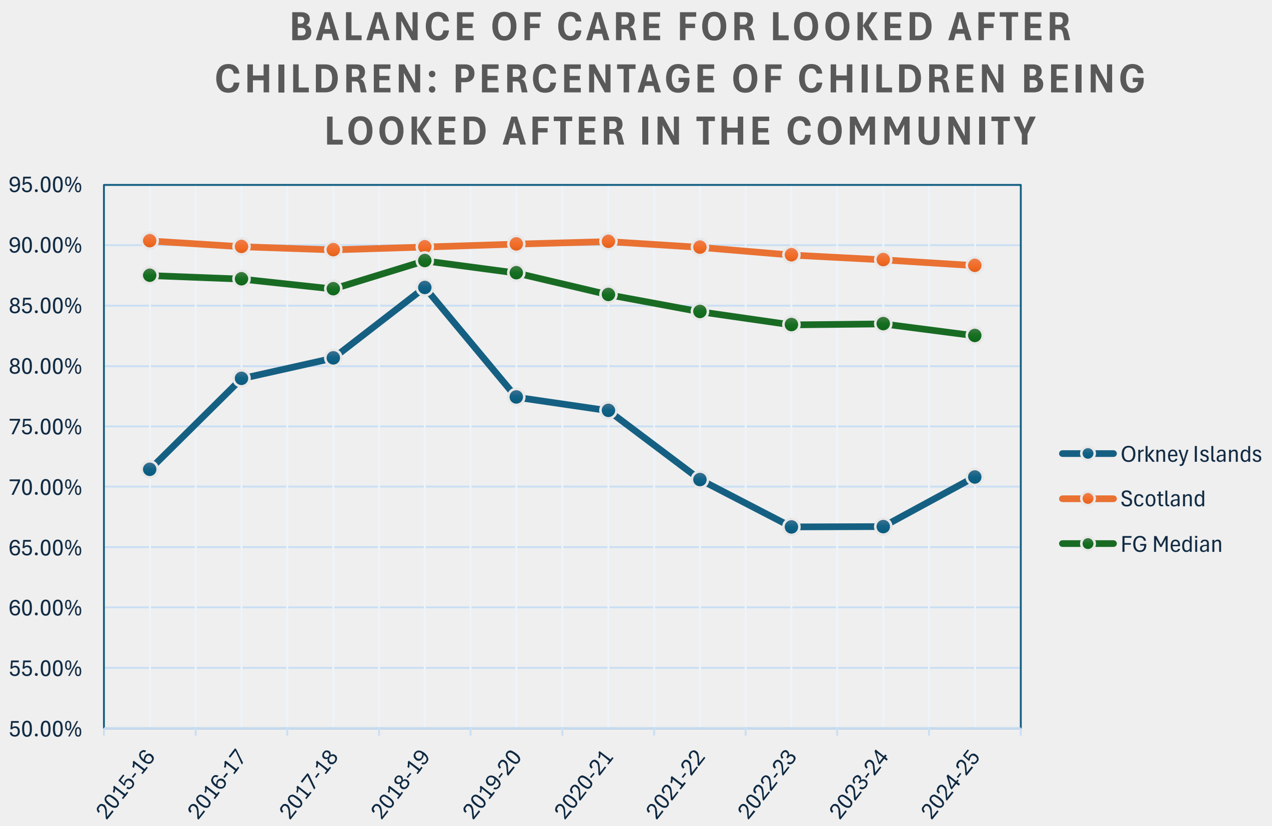
Priority: Strengthening Our Community

CHN9 – Balance of Care for Looked After Children: Percentage of Children Being Looked After in the Community.

Performance against this indicator describes a small number of children so the changes in percentage should be read in that context.
In most cases, the children who remain in outwith placements (foster or residential care) are either there because of needs which cannot safely be met in Orkney or because their care plan has confirmed they are best placed to remain in their current placement i.e. permanence orders achieved/working towards.

Baseline 2020/21	Performance 2024/25	Target 2027/28
76.3%	70.80%	85%

Rank out of 32 Scottish Councils		
2023/24	32	
2024/25	32	



Priority: Strengthening Our Community

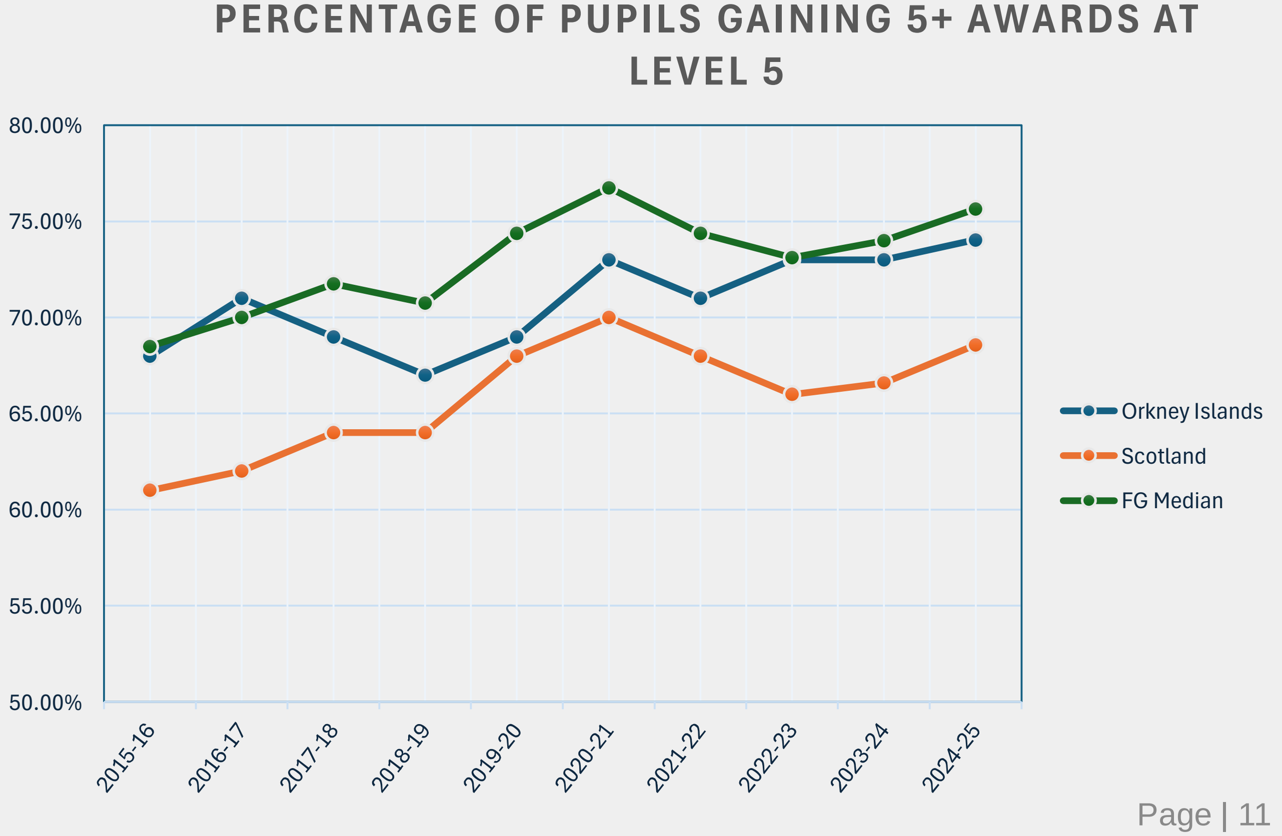
CHN4 – Percentage of Pupils Gaining 5+ Awards at Level 5.

The general trend for Orkney school leavers' attainment of at least 5 level 5 awards is positive and attainment is improving year-on-year.

There remains significant focus on the tracking and monitoring of achievement within the senior phase with the aim to achieve our 80% target.

Baseline 2020/21	Performance 2024/25	Target 2027/28
73%	74%	80%

Rank out of 32 Scottish Councils		
2023/24	5	✓
2024/25	4	



Priority: Strengthening Our Community

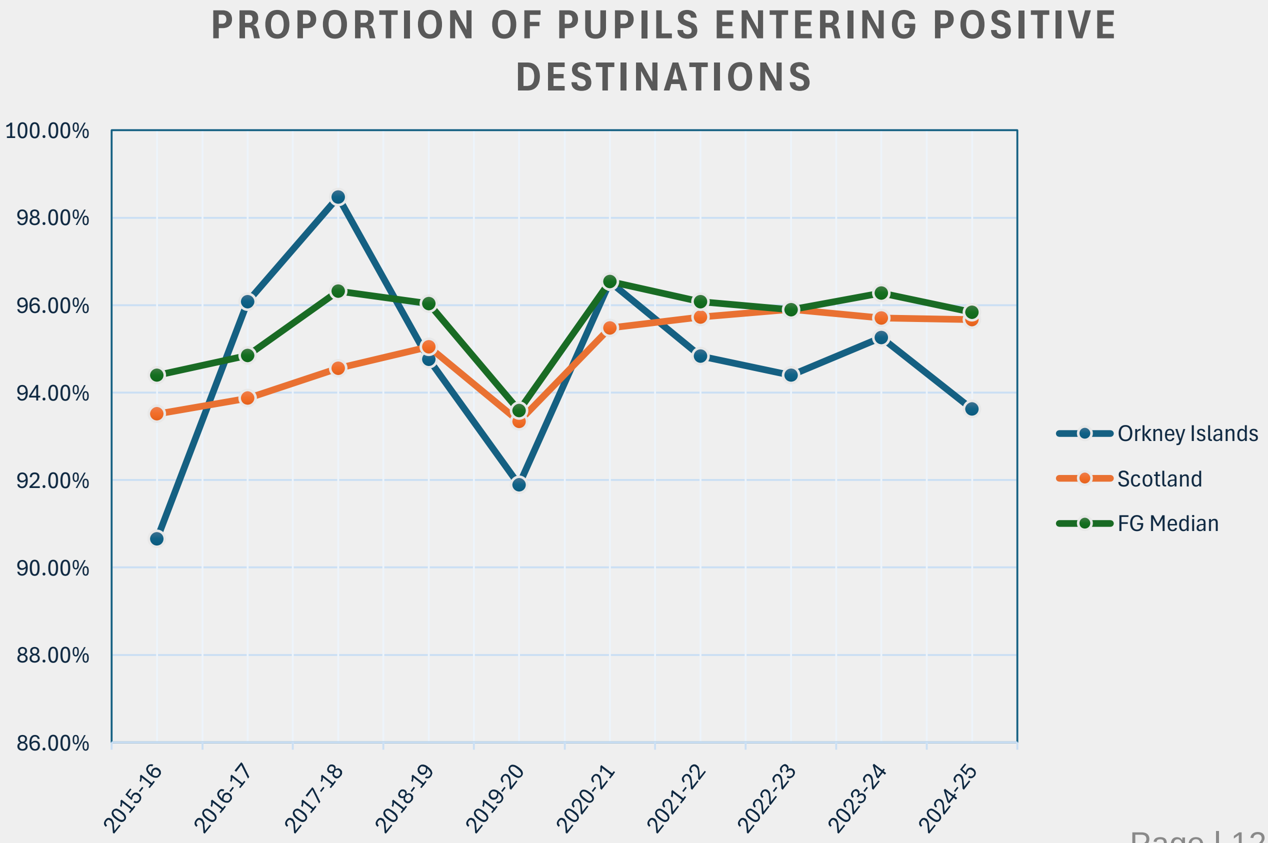
CHN11 – Proportion of Pupils Entering Positive Destinations.

There is a reduction in the percentage of pupils entering positive destinations although this reflects a small number of pupils which has a significant effect on the percentage.

We are carrying out a range of work to improve the situation in this area, including workstreams through the Local Employability Partnership and work with Skills Development Scotland.

Baseline 2020/21	Performance 2024/25	Target 2027/28
96.53%	93.62%	98%

Rank out of 32 Scottish Councils		
2022/23	28	
2024/25	28	



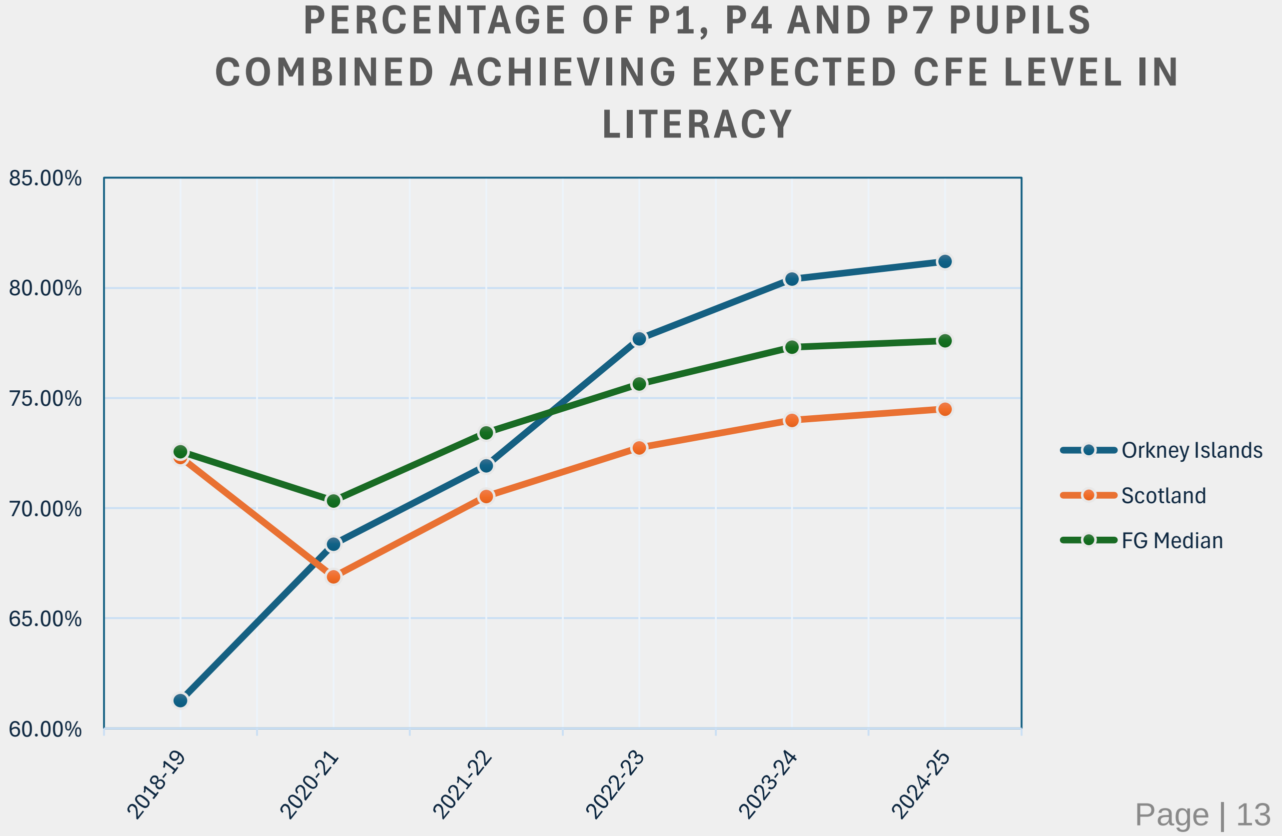
Priority: Strengthening Our Community

CHN13a – Percentage of P1, P4 and P7 Pupils Combined Achieving Expected Curriculum for Excellence Level in Literacy.

We continue to display strong performance against this indicator which has improved year-on-year and we are working to secure further improvement towards the 2027/28 target.

Baseline 2020/21	Performance 2024/25	Target 2027/28
68.4%	81.20%	85%

Rank out of 32 Scottish Councils		
2023/24	3	✓
2024/25	3	



Priority: Strengthening Our Community

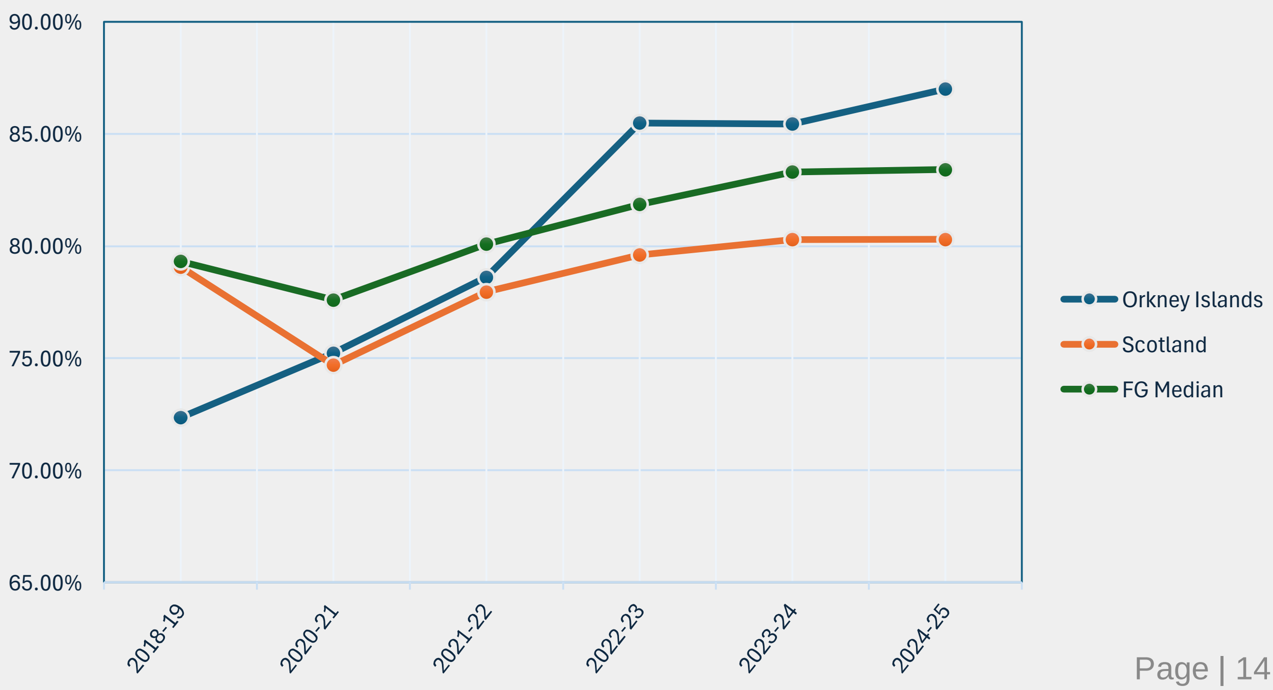
CHN13b – Percentage of P1, P4 and P7 Pupils Combined Achieving Expected Curriculum for Excellence Level in Numeracy.

We continue to display strong performance against this indicator which has improved year-on-year and we are working to secure further improvement towards the 2027/28 target.

Baseline 2020/21	Performance 2024/25	Target 2027/28
75.2%	87.0%	90%

Rank out of 32 Scottish Councils		
2023/24	3	✓
2024/25	3	

PERCENTAGE OF P1, P4 AND P7 PUPILS COMBINED ACHIEVING EXPECTED CFE LEVEL IN NUMERACY



Priority: Strengthening Our Community

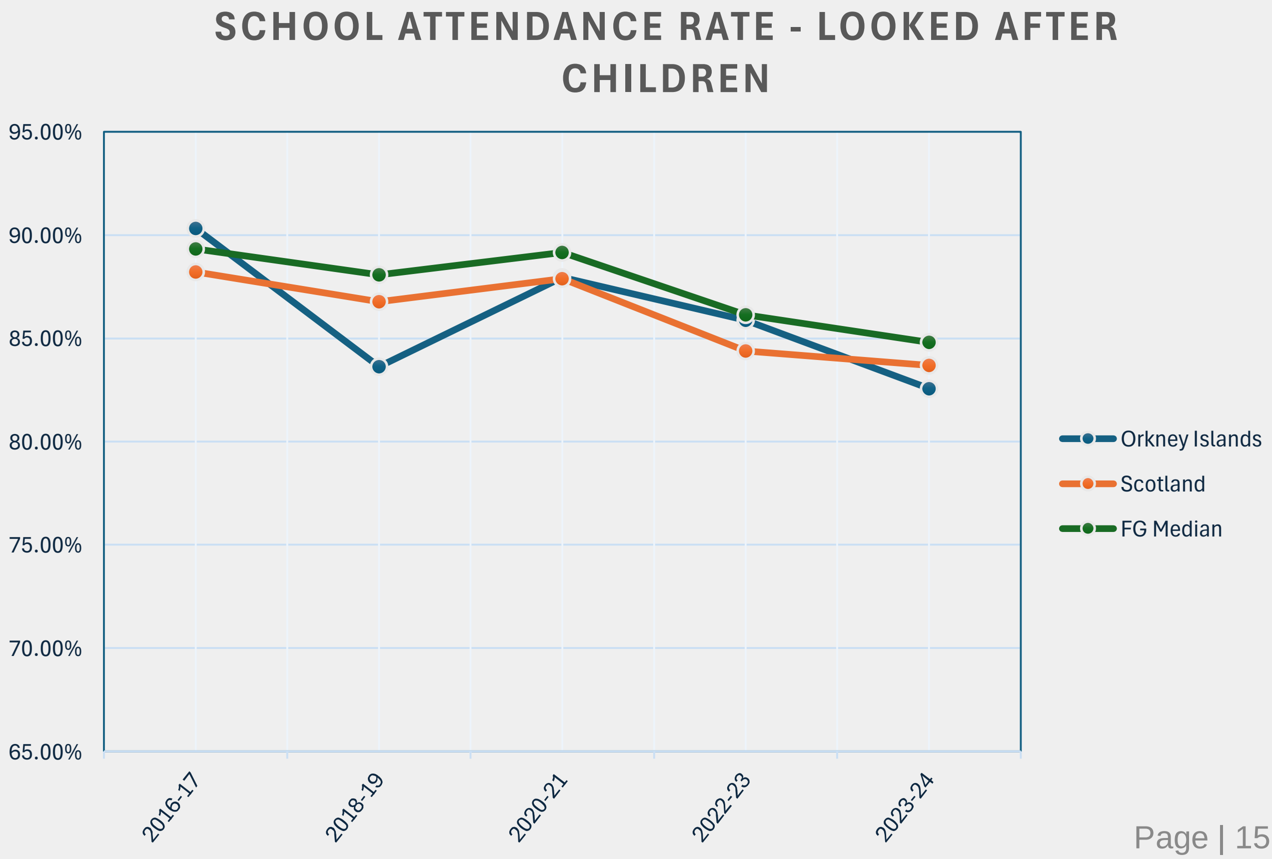
CHN19b – School Attendance Rate for Looked After Children.

The most recent data for this indicator is from 2023/24.

We are working closely with looked after children to ensure their attendance at school whenever possible and this is impacted by a number of factors including placement moves, which can lead to interruptions to attendance and learning. The small number of children included in the reporting means that when one child has a prolonged illness which stops them from attending school, this has a disproportionate impact on the percentage.

Baseline 2018/19	Performance 2023/24	Target 2027/28
83.64%	82.57%	90%

Rank out of 32 Scottish Councils		
2022/23	11	
2023/24	25	



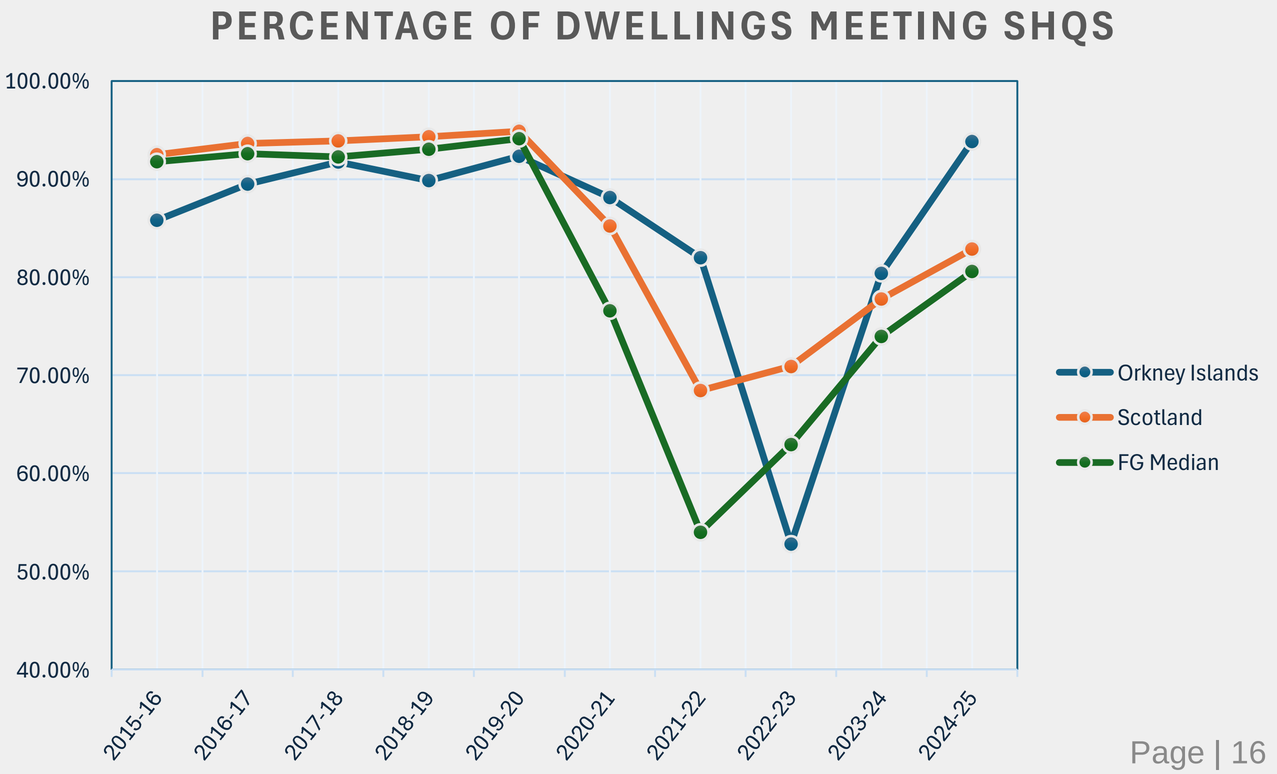
Priority: Developing Our Infrastructure

HSN3 – Percentage of Council Dwellings meeting Scottish Housing Quality Standards.

In 2022/23 issues had been identified with our electrical installation condition reports (EICR). Following the implementation of a focused improvement plan, 99.2% of our properties held valid EICR certificates by 31 March 2024. Additionally, interlinked smoke alarms had been successfully installed in 98.2% of our properties. We continue to work closely with our tenants and contractors to address any residual issues.

Baseline 2021/22	Performance 2024/25	Target 2027/28
81.99%	93.85%	90%

Rank out of 32 Scottish Councils		
2023/24	11	✓
2024/25	4	



Priority: Developing Our Infrastructure

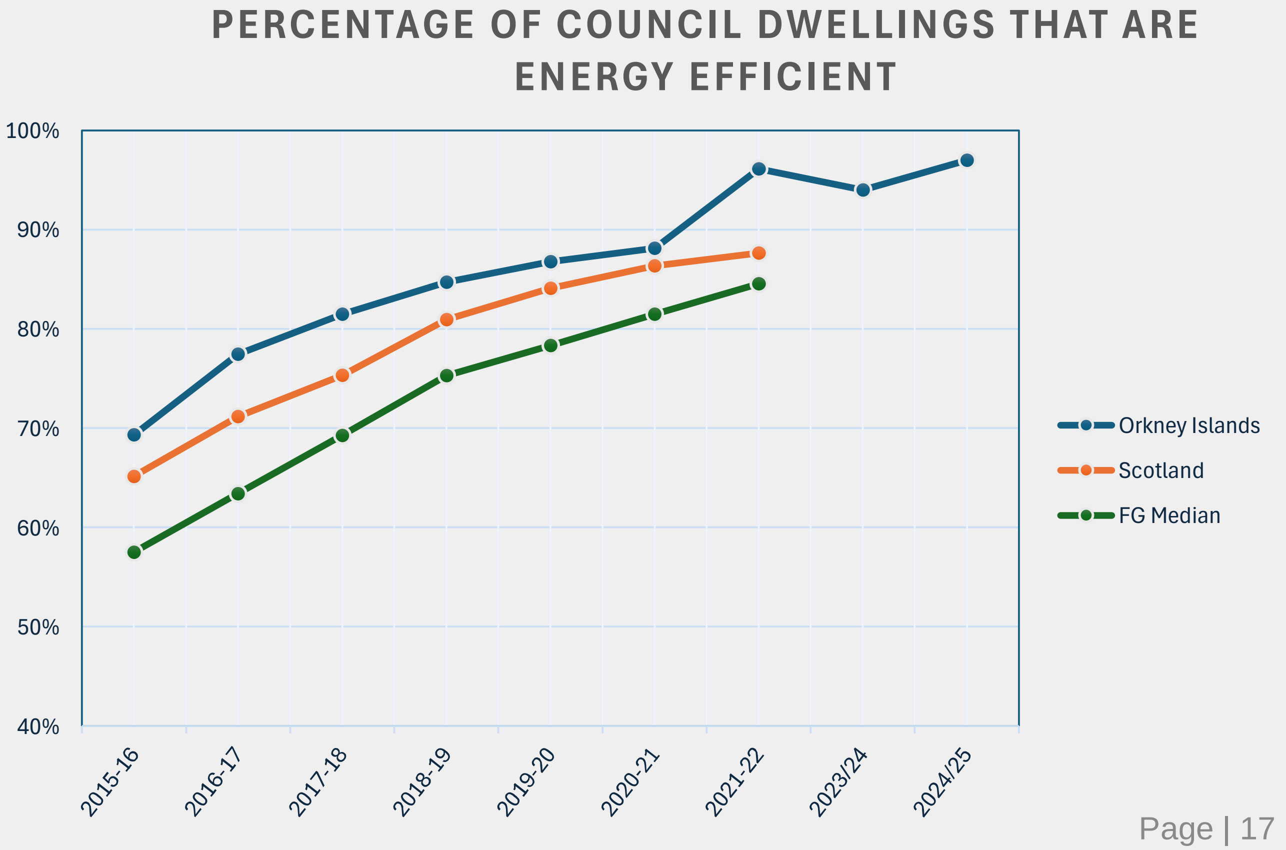
HSN5 – Percentage of Council Dwellings that are Energy Efficient.

This indicator is no longer measured nationally from 2022/23 onwards, so information showing the Council's national rank is no longer available.

Of the Council's housing stock of 1,045 properties, 989 met the Energy Efficiency Standard on 31 March 2026. Of the remaining 56, 28 were exempt or out of scope due to factors such as disproportionate cost or those because the tenant does not want or feel able to cope with any works.

Baseline 2020/21	Performance 2024/25	Target 2027/28
88.12%	95%	90%

Rank out of 32 Scottish Councils		
2021/22	6	
2022/23		



*See additional information on page 22

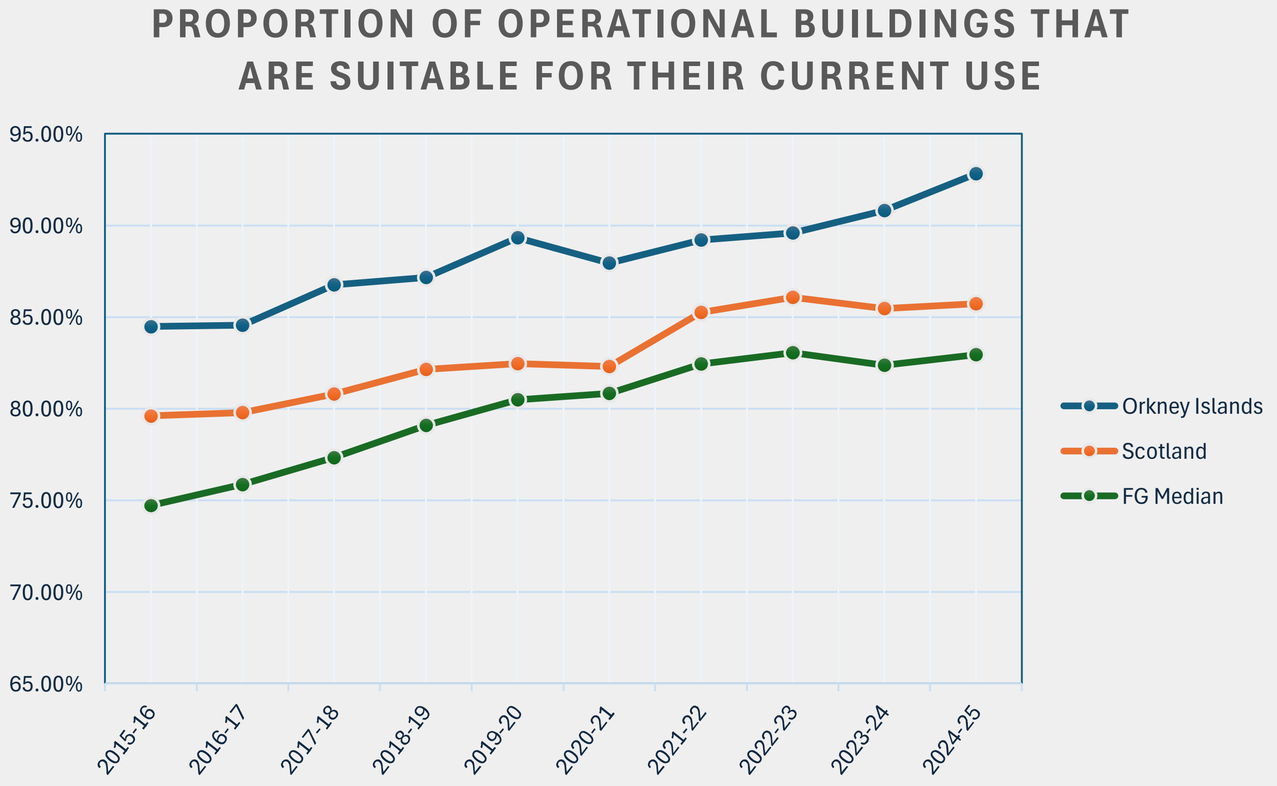
Priority: Transforming Our Council

CORP-ASSET1 – Proportion of Operational Buildings that are Suitable for their Current Use.

There is an improvement in this indicator since the last reporting period. Granular assessment of property has resulted in an increase in numbers and areas, many of which are new builds or relatively new, which come with good ratings.

Baseline 2020/21	Performance 2024/25	Target 2027/28
87.95%	92.83%	90%

Rank out of 32 Scottish Councils		
2023/24	13	▲
2024/25	10	



*See additional information on page 22

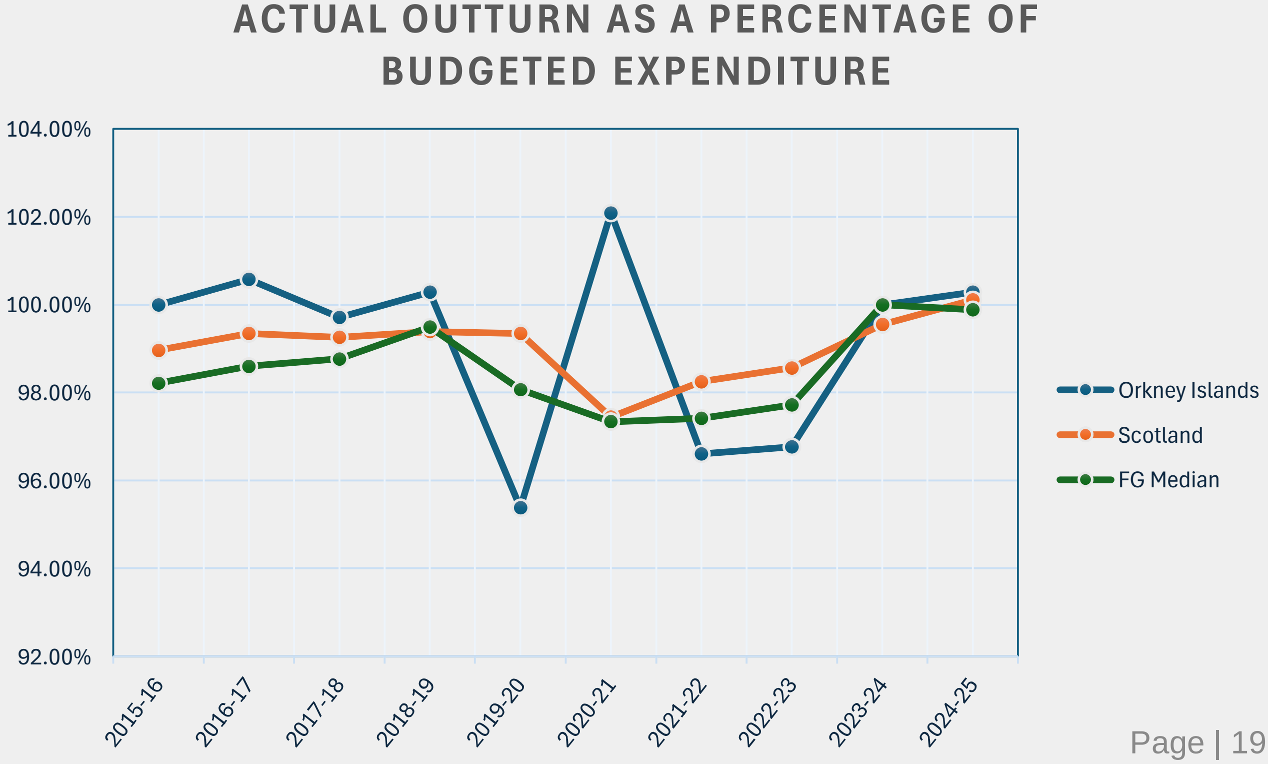
Priority: Transforming Our Council

FINSUS5 – Actual Outturn as a Percentage of Budgeted Expenditure.

The above indicator reflects the 2024/25 final figure per the statutory accounts. The 2025/26 figure is not available as both accounting and budget transactions are still to be processed as part of year end processes.

Baseline 2020/21	Performance 2024/25	Target 2027/28
102.09%	100.29%	100%

Rank out of 32 Scottish Councils		
2023/24	1	✓
2024/25	6	



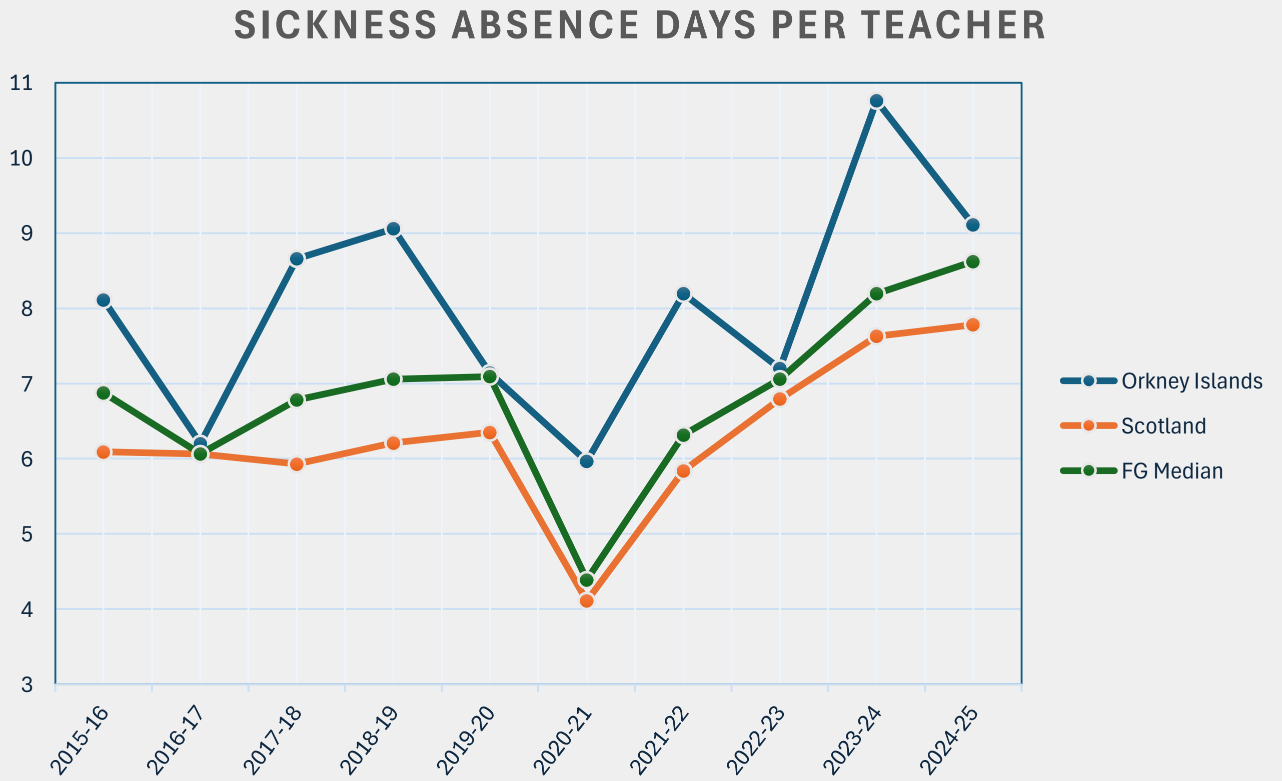
Priority: Transforming Our Council

CORP6a – Sickness Absence Days per Teacher.

Sickness absence has increased since pre-covid levels, which is consistent with the picture elsewhere in the country. The Corporate Leadership Team have agreed to have a renewed focus on reducing absence, and new initiatives in terms of health and wellbeing continue to be rolled out to help support attendance.

Baseline 2021/22	Performance 2024/25	Target 2027/28
8.2	9.11	6

Rank out of 32 Scottish Councils		
2023/24	31	
2024/25	26	



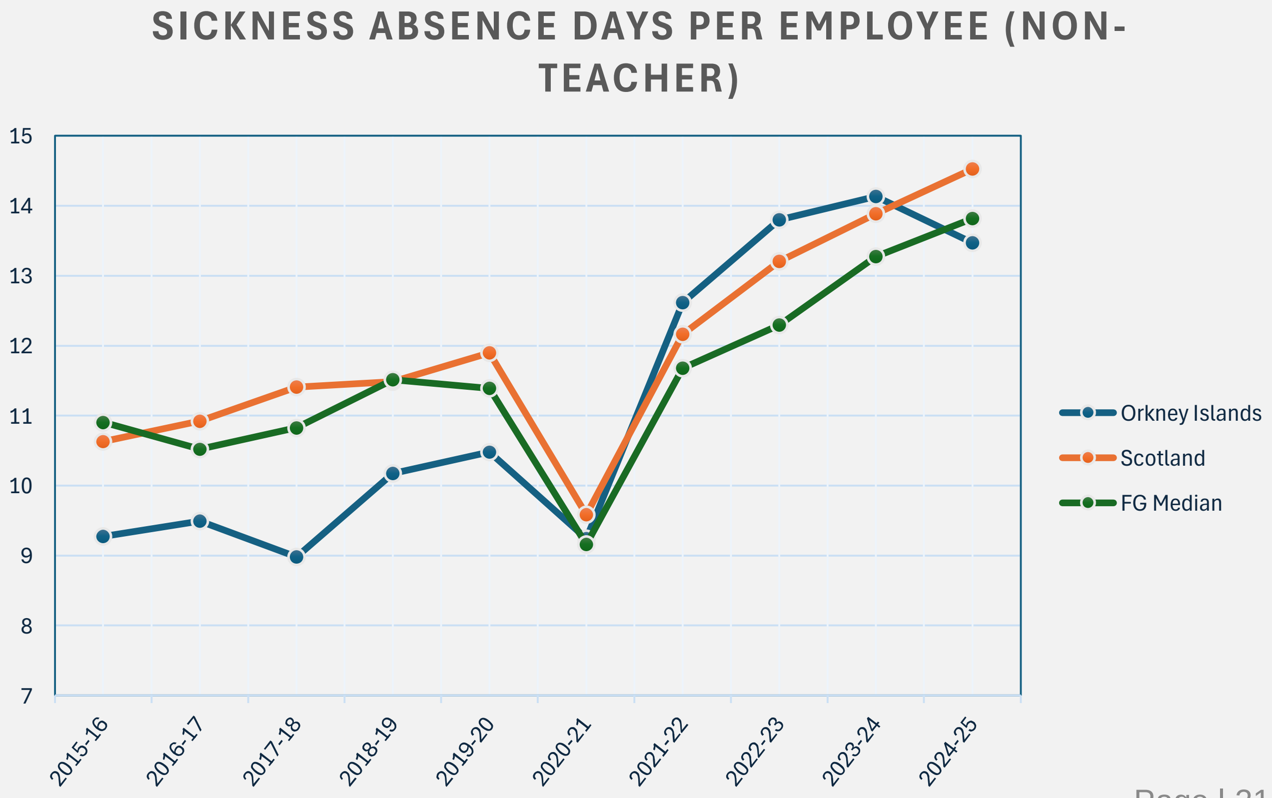
Priority: Transforming Our Council

CORP6b – Sickness Absence Days per Employee (Non-Teacher)

Sickness absence has increased since pre-covid levels, which is consistent with the picture elsewhere in the country. The Corporate Leadership Team have agreed to have a renewed focus on reducing absence, and new initiatives in terms of health and wellbeing continue to be rolled out to help support attendance.

Baseline 2021/22	Performance 2024/25	Target 2027/28
12.62	13.47	9

Rank out of 32 Scottish Councils		
2023/24	19	
2024/25	11	



Local Government Benchmarking Framework

Additional notes on individual indicators

CORP-ASSET01 – Proportion of Operational Buildings that are Suitable for their Current Use:

This indicator reflects the extent to which buildings are suitable for use and delivery of services, and for individual buildings there are 4 categories defined:

A: Good - Performing well and operating effectively (physical element carries out function totally as new including consideration of the transverse elements),

B: Satisfactory - Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements),

C: Poor - Showing major defects and/or not operating adequately (physical element does not carry out function effectively without continuous repair, shows signs of age and does not consider most of the transverse elements),

D: Bad - Economic life expired and/or risk of failure.

HSN5 – Percentage of Council Dwellings that are Energy Efficient.

The data for this indicator is based on the Energy Efficiency Standard for Social Housing (EESSH) which assesses a property's efficiency in terms of the rating given on the property's Energy Performance Certificate (EPC rating).

Further information about how the EESSH thresholds are set and the milestones for improvement are available on the Scottish Government's website using the link below:

https://www.gov.scot/policies/home-energy-and-fuel-poverty/energy-efficiency-in-social-housing/

ORKNEY
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Local Government Benchmarking Framework

2024/25 Indicators not included in Council Plan

Contents

Children's Services

LGBF Indicator	2023/24	2024/25
CHN1 – Cost per primary school pupil.	£12,061	£12,194
CHN2 – Cost per secondary school pupil.	£14,834	£15,253
CHN3 – Cost per pre-school education place.	£12,848	£14,253
CHN5 – Percentage of pupils gaining 5+ awards at level 6.	37%	31%
CHN8a – Gross cost of looked after children in residential-based services per child per week.	£6,519	£7,670
CHN8b – Gross cost of looked after children in a community setting per child per week.	£1,041	£518
CHN10 – Percentage of adults satisfied with local schools.	82.5%	82%
CHN12a – Overall average total tariff.	947	903
CHN12c – Average total tariff SIMD quintile 2.	828	869
CHN12d – Average total tariff SIMD quintile 3.	1037	1686
CHN12e – Average total tariff SIMD quintile 4.	925	971
CHN12f – Average total tariff SIMD quintile 5.	1190	789
CHN17 – Percentage of children meeting developmental milestones.	88%	85%
CHN18 – Percentage of funded early years provision which is graded good / better.	91%	95%
CHN19a – School attendance rate.	91%	92%
CHN20a – School exclusions rates per 1,000 pupils	15.4 (2022/23)	4.8
CHN20b – School exclusions rates per 1,000 looked after pupils	0	0

Children's Services (continued)

LGBF Indicator	2023/24	2024/25
CHN21 – Participation rate for 16 to 19 year olds.	93.5%	94.4%
CHN22 – Percentage of child protection re-registrations within 18 months.	0%	0%
CHN23 – Percentage of looked after children with more than one placement in the last year (August to July).	16.7%	29.2%

Corporate Services

LGBF Indicator	2023/24	2024/25
CORP1 – Support services as a percentage of total gross expenditure.	5.4%	5.0%
CORP3b – Percentage of the highest paid 5% employees who are women.	34.4%	33.3%
CORP3c – The gender pay gap.	3.9%	3.1%
CORP4 – The cost per dwelling of collecting Council Tax.	£20.88	£26.14
CORP7 – Percentage of income due from Council Tax received by the end of the year.	97.5%	95.9%
CORP8 – Percentage of invoices that were paid within 30 days.	87.6%	91.8%
CORP9 – Percentage of crisis grant decisions within one day.	100%	97.2%
CORP10 – Percentage of community care grant decisions within 15 days.	100%	96.7%

Corporate (continued)

LGBF Indicator	2023/24	2024/25
CORP11 – Percentage of Scottish Welfare Fund budget spent.	88%	77%
CORP12 – Proportion of Discretionary Housing Payments funding spent.	82%	72%

Adult Social Care

LGBF Indicator	2023/24	2024/25
SW1 – Home care costs per hour for people aged 65 or over.	£67.39	£58.43
SW2 – Self-directed support spend on adults 18+ as a percentage of total social work spend on adults 18+.	5.4%	5.0%
SW3a – Percentage of people aged 65 and over with long-term care needs receiving personal care at home.	55.6%	59.6%
SW4c – Percentage of adults supported at home who agree they are supported to live as independently as possible.	90.23% (2021/22)	77.67% (2023/24)
SW4e – Percentage of carers who feel supported in their caring role.	42.45% (2021/22)	33.95% (2023/24)
SW5 – Residential costs per week per resident for people aged 65 or over.	£1,359	£1,325
SW6 – Rate of readmission to hospital within 28 days per 1,000 discharges.	65	64
SW7 – Proportion of care services graded ‘good’ or better in Care Inspectorate inspections.	71%	92%
SW8 – Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+).	954	974

Culture and Leisure Services

LGBF Indicator	2023/24	2024/25
C&L1 – Cost per attendance at sports facilities.	£1.46	£1.71
C&L2 – Cost per library visit.	£0.77	£0.98
C&L3 – Cost per visit to museums and galleries.	£4.54	£2.57
C&L4 – Cost of parks and open spaces per 1,000 population.	£20,250	£19,573
C&L5a – Percentage of adults satisfied with libraries.	87%	86%
C&L5b – Percentage of adults satisfied with parks and open spaces.	81%	79%
C&L5c Percentage of adults satisfied with museums and galleries.	84%	84%
C&L5d – Percentage of adults satisfied with leisure facilities.	82%	82%

Environmental Services

LGBF Indicator	2023/24	2024/25
ENV1a – Net cost per waste collection per premise.	£83.23	£25.53
ENV2a – Net cost of waste disposal per premise.	£172.10	£192.17
ENV3a – Net cost of street cleaning per 1,000 population.	£17,612	£13,623
ENV3c – Street cleanliness score.	96.89	99.41
ENV4a – Cost of roads per kilometre.	£6,199	£5,963

Environmental Services (continued)

LGBF Indicator	2023/24	2024/25
ENV4b – Percentage of A class roads that should be considered for maintenance treatment.	29%	34%
ENV4c – Percentage of B class roads that should be considered for maintenance treatment.	21%	27%
ENV4d – Percentage of C class roads that should be considered for maintenance treatment.	17%	22%
ENV4e – Percentage of unclassified roads that should be considered for maintenance treatment.	21%	23%
ENV5 – Cost of trading standards and environmental health per 1,000 population.	£46,716	£45,277
ENV5a – Cost of trading standards, money advice and citizen advice per 1,000 population.	£12,244	£12,897
ENV5b – Cost of environmental health per 1,000 population.	£34,472	£32,379
ENV6 – Percentage of household waste arising that is recycled.	21%	21%
ENV7a – Percentage of adults satisfied with refuse collection.	77%	79%
ENV7b – Percentage of adults satisfied with street cleaning.	71%	66%

Housing Services

LGBF Indicator	2023/24	2024/25
HSN1b – Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year.	12.58%	9.43%
HSN2 – Percentage of rent due in the year that was lost due to voids.	1.49%	1.47%

Housing Services (continued)

LGBF Indicator	2023/24	2024/25
HSN4b – Average number of days taken to complete non-emergency repairs.	17.23	15.62

Corporate Assets

LGBF Indicator	2023/24	2024/25
CORP-ASSET2 – Proportion of internal floor area of operational buildings in satisfactory condition.	93%	93%

Economic Development

LGBF Indicator	2023/24	2024/25
ECON1 – Percentage of unemployed people assisted into work from Council operated / funded employability programmes.	30%	19%
ECON2 – Cost of planning and building standards per planning application.	£6,555	£6,350
ECON3 – Average time per business and industry planning application (weeks).	10.55	13.05
ECON5 – Business Gateway start-ups per 10,000 population	15.89	15.89
ECON6 – Investment in economic development and tourism per 1,000 population.	£171,418	£271,662
ECON8 – Proportion of properties receiving superfast broadband.	77%	85%
ECON9 – Town vacancy rates.	9.1%	8.4%

Economic Development (continued)

LGBF Indicator	2023/24	2024/25
ECON10 – Immediately available land as a percentage of total land allocated for employment purposes in the Local Development Plan.	87%	0%
ECON11 – Gross Value Added per capita.	£29,142 (2022/23)	£29,609 (2023/24)
ECON12b – Claimant count as a percentage of population aged 16 to 24.	2.4%	2.7%

Financial Sustainability

LGBF Indicator	2023/24	2024/25
FINSUS1 – Total usable reserves as a percentage of Council annual budgeted revenue.	251%	215%
FINSUS2 – Uncommitted general fund balance as a percentage of Council annual budgeted net revenue.	3.4%	3.7%
FINSUS3 – Ratio of financing costs to net revenue stream – general fund.	1.3%	1.4%
FINSUS4 – Ratio of financing costs to net revenue stream – housing revenue account.	19.5%	17.7%
FINSUS6 – Reliance on reserves as a percentage of net expenditure	18.9%	14.9%

Tackling Climate Change

LGBF Indicator	2023/24	2024/25
CLIM03 - CO2 emissions from transport per capita	539	622
CLIM04 - CO2 emissions from electricity per capita	143	211