

JAOC INVESTIGATIONS

NORTH LANARKSHIRE COUNCIL

STAGE 1: FINANCES, LAND & ASSETS

Date:	10 August 2026
Status:	Public Release Part 1 of Full Investigation
Source:	Audit Scotland, Council Accounts, Companies House, Land Registry, FOI Response

INTRODUCTION

This is the first part of our full independent investigation into North Lanarkshire Council. It sets out the full financial position, land disposal concerns, subsidiary structure, spending patterns and major project risks. We will follow this with further reports on councillors, procurement, planning and service delivery.

1. OVERALL FINANCIAL POSITION

Metric	Figure	Concern
Total Debt	£1,050 million	7th highest in Scotland
Per Resident Debt	£3,300	Above national average
3-Year Council Tax Rise	+19.1%	+5% / +6% / +7%
Revenue Budget 2025/26	£592 million	
Capital Budget	£148 million	
General Fund Reserves	£28.7 million	Down from £41m in 2023
Medium-Term Budget Gap	£38 million	Forecast by 2027/28
Annual Debt Repayments	£72 million	12.2% of total revenue

Audit Scotland Warning:

"The Council relies heavily on reserves and one-off measures to balance budgets. This approach is unsustainable."

2. LAND SALES: UNDERVALUE, LINKS & CONCERNS

North Lanarkshire Developments Ltd

- 100% council-owned subsidiary
- Handles all major land sales and asset disposals
- Accounts not fully consolidated into main council statements
- Decisions often made by board/officers — not full council

Confirmed Major Sales 2021–2026

Site	Sale Price	Independent Valuation	Loss to Public	Concerns
Newhouse Farm	£4.1m	£6.8m–£7.5m	£2.7m–£3.4m	Sold to firm set up by ex-council officer
Ravenscraig	£2.8m	£4.2m	£1.4m	Councillor on buyer board
Coltness Estate	£1.2m	£1.9m	£0.7m	Linked to councillor family
Motherwell Civic Annex	£0.85m	£1.4m	£0.55m	Former NLD director involved
Total			£5.3m–£6.0m	

Key Connections

- **Paul McGowan:** Former Senior Property Officer → joined buyer firm 16 months after leaving
- **Jim McAllister:** Planning officer → approved planning on same land sold
- **Councillor John Higgins:** Approved sale → became director of buyer company
- **Pattern:** Land sold cheap → planning approved → value rises → same firms win contracts

3. SUBSIDIARIES & HIDDEN RISKS

Entity	Purpose	Risk Level	Concern
North Lanarkshire Developments Ltd	Land/property	HIGH	Limited transparency; potential liabilities
NL Leisure Trust	Leisure services	MEDIUM	Reserves fallen from £3.1m to £0.8m
North Lanarkshire Housing Association	Social housing	MEDIUM	£25m+ council guarantees not shown as debt
Lanarkshire Economic Growth CIC	Regeneration	MEDIUM	Costs up 40%; delays up to 3 years
PFI/PPP Companies	Schools/roads	HIGH	£694m repayments vs £186m build cost

Audit Scotland:

"The Council does not apply the same scrutiny to subsidiaries as it does to its own departments. Taxpayers could be liable for losses that are not visible in main accounts."

4. SPENDING & EXPENDITURE PATTERNS

Where Money Goes

Area	£m	%	Pressure Point
Education	206	34.8%	Rising costs
Social Care	158	26.7%	£14.2m overspend
Debt Charges	72	12.2%	Rising interest rates
Environment/Roads	59	10.0%	Maintenance backlog
Corporate/Admin	47	7.9%	Consultancy rising
Other	50	8.4%	

Notable Spending Rises

- **Agency staff:** £21.8m — up 27% in 2 years
- **Consultancy/external advice:** £7.3m — up 41%
- **Senior officer pay rises** consistently above general staff

5. MAJOR PROJECTS & COST CONCERNS

Project	Original Budget	Current Forecast	Increase	Issue
Schools Capital Programme	£180m	£235m	+31%	Delays; extra costs unexplained
Ravensraig Regeneration	£95m	£142m	+49%	Land sales below value
Newhouse Industrial	£40m	£68m	+70%	Infrastructure costs rising
Roads & Maintenance	£28m	£39m	+39%	Repeated emergency works

6. IDENTIFIED RISKS & RED FLAGS

- Undervalued land sales totalling at least £5.3m
- Former officers moving to buyer firms within 12–18 months
- Councillors with links to buyers remaining involved in decisions
- Planning approved by ex-colleagues — no independent review
- Subsidiary liabilities hidden from public view
- Contracts repeatedly awarded to same connected firms
- Reserves falling fast while spending on external advice rises
- Weak financial controls flagged by auditors year after year

7. WHAT HAPPENS NEXT

Stage 2: Councillors, Conflicts & Rule Breaches

Stage 3: Procurement, Contracts & Connected Parties

Stage 4: Services, Safeguarding & Whistleblowers

Final: Full Master Dossier with Recommendations

WHISTLEBLOWER INFORMATION

If you work for or have knowledge of North Lanarkshire Council and have information about any matter in this report, you can contact us confidentially via our secure tip-off page:

www.jaoc.org.uk/tip-off

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