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Press release

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Commission urges councils to take further action to cope with tough times

The Accounts Commission for Scotland says councils and services are improving. But the scale of the budget challenge they face means councils need to take urgent action. It is essential that they continue to develop and implement plans to cope with the tough times ahead, including thinking radically about service design and delivery.

Today's local government annual overview report looks at how councils performed in 2009, how they plan and deliver services and how they use resources. It also highlights a number of areas where auditors say more action is needed.

Chair of the Accounts Commission John Baillie welcomed improvements in council performance, commenting: "Councils have continued to work towards providing best value for their communities and there is evidence of areas in which they are providing good quality outcomes for citizens. For example, care services are being targeted more effectively to meet people's needs and there are examples of councils working well with other organisations to deliver services."

The impact of the recession, with reduced income and increased demand for some council services, is already apparent in the period covered by today's report. But, as councils are very much aware, their future budget position is expected to be substantially more difficult and demand for services is set to increase further.

The Commission says that this combination of pressures is extremely challenging and requires urgent action. Councils need to develop a fresh approach to the way in which they prepare budgets and plan services so they are best placed to generate the efficiencies and savings required.

John Baillie said: "It is encouraging to see a significant number of councils now giving serious consideration to developing shared services. With budgets set to tighten even further and demand for services set to increase councils need to continue to think radically about service design – looking at what they are delivering, how they are meeting the needs of communities and how they get best value for money.

"More effective workforce planning and management and further progress on asset management and procurement are also essential. And the Commission is again emphasising the need for significant improvements in performance management and reporting"

Better quality information about service performance and costs is also needed.

John Baillie said: "Councillors have difficult decisions to make. They urgently need more accurate and relevant information so they can properly weigh up options before deciding how to use the money, workforce and other assets available to them."

The report includes a list of possible questions for councillors to ask in their councils to help check how key issues are being dealt with and to identify where further action may be required.

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Notes to editors

1. The Accounts Commission for Scotland checks whether local authorities, fire and police boards spend public money properly and effectively. Audit Scotland carries out work on its behalf.

2. The financial year runs from 1 April – 31 March each year. The financial information in the report is based mainly on the financial statements for the period 1 April 2008 – 31 March 2009. The report also draws on performance and other information published in calendar year 2009.

3. Each council receives an annual audit report from its external auditors. This details the financial position and also highlights areas for improvement. All 08/09 reports are available at http://www.audit-scotland.gov.uk/work/local_audit.php?year=2008

4. Best Value is the duty placed on local authorities to demonstrate their on-going commitment to providing better services to local people. The Audit of Best Value is undertaken by Audit Scotland on behalf of the Accounts Commission. It responds to the Local Government in Scotland Act 2003, which gave councils a new power to promote or improve the well-being of their area and the people living within it and responsibilities including:

- making arrangements which secure Best Value, defined as ‘continuous improvement in the performance of the authority’s functions, having regard to efficiency, effectiveness, economy and equal opportunities.
- working in a way which contributes to sustainable development
- maintaining a community planning process
- making arrangements for reporting to the public on their performance
- meeting rules relating to trading.