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REVIEW OF PUBLIC SECTOR SERVICES TO BUSINESSES IN PIPELINE

Audit Scotland will review the economic development services provided to businesses in Scotland by councils and local enterprise companies. It will examine the progress made by Local Economic Forums (LEFs) in streamlining the way public sector bodies provide support services to businesses. A preliminary report published today outlines the problems that currently exist and how the LEFs propose to tackle them.

Auditor General, Robert Black, says:

“Local Economic Forums were set up following recommendations by the Scottish Parliament’s Education and Lifelong Learning Committee to reduce overlap and duplication in the delivery of local business support services. The Committee asked if Audit Scotland would monitor the progress LEFs are making and we have agreed to do so.”

Today’s report establishes the position inherited by the LEFs and it will be used as a benchmark to measure their progress.

According to a survey commissioned by the Scottish Executive 40% of businesses say there is overlap between public sector providers of business services although nearly half of the businesses surveyed did not express a view one way or the other. More than half of businesses were unclear about which organisations provide which services.

The 22 Forums have themselves identified a number of examples of overlap, including:

1. duplication in the provision of financial assistance, business skills training, ICT advice, and property letting services by the local enterprise companies and councils
2. duplication in the provision of assistance for young people by councils and the Prince’s Scottish Youth Business Trust
3. multiple application forms and processes.

LEFs estimate the potential for over £3 million of public money to be saved or used more effectively by streamlining the way that business services are provided. Forums plan a range of actions to improve effectiveness including:

1. agreeing single entry point for business enquiries
2. improving literature to clarify the roles of local agencies and the services they provide
3. appointing a lead agency for the delivery of each type of business support service.

Alastair MacNish, Accounts Commission Chairman says:

“Today’s report provides a snapshot at a point in time. It sets out the actions the LEFs intend to take and provides a benchmark for assessing their performance against. We will publish a more detailed report late in 2003 which will look in detail at the progress made by each forum.”

The report, *Local Economic Forums: a baseline performance statement*, will be available on the Audit Scotland web site at: <http://www.audit-scotland.gov.uk> from 22 October.

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Notes to editors

1. The Audit Scotland report was prepared for the Auditor General and the Accounts Commission.
2. The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.
3. The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The Commission ensures that local authorities, fire and police boards spend £9 billion of public money properly and wisely.
4. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Accounts Commission and the Auditor General for Scotland.
5. Last year (2001/02), around £154 million was spent by public sector bodies, including local authorities, Local Enterprise Companies, colleges and area tourist boards, on support services for local businesses.