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WORKING News release

Embargoed until 00:01 hours, Thursday 28 November 2013

Public sector workforce reduced but new approaches needed to deliver future savings

Current approaches to managing staff numbers and costs in the public sector are unlikely to achieve the savings needed in the future, according to a report by Audit Scotland.

Scotland's public sector workforce says in the four years to March 2013 the number of whole time equivalent posts in councils, the NHS, the Scottish Government and other central government bodies reduced by 26,600. Almost 16,000 left through early departures and just under 10,000 were transferred to arms length organisations (ALEOs) or other non-public sector bodies.

Audit Scotland says it is difficult to get reliable information on staff costs but the report estimates these reduced by £1 billion, or eight per cent, between 2009/10 and 2011/12. In 2011/12 staff costs were around £12.7 billion. Public bodies pay ALEOs to deliver services so some other staff costs are still being met indirectly through public funds.

Public bodies have used a range of measures including pay restraint, redeploying staff and changing working patterns to manage staff numbers and costs.

However continuing financial pressures mean current approaches are unlikely to deliver the savings needed in the future. Fifty public bodies are planning to use early departure schemes over the next two years but the report found that repeated schemes are attracting fewer applicants each time.

The report says bodies will need to consider other ways of delivering services such as redesigning services and more joint and collaborative working in addition to their current approaches to workforce planning.

John Baillie, chair of the Accounts Commission, said: "Public bodies are already beginning to work together to share resources and find different ways to deliver services but with public sector finances set to be under pressure for the foreseeable future they need to come up with new ways to do this.

The public service reform agenda will create opportunities for this kind of work, for example through the integration of health and social care services. Public bodies should also be using existing collaborations like community planning partnerships to jointly plan how to use resources."

Caroline Gardner, the Auditor General for Scotland, said: "While it is difficult to get reliable information in this area, we estimate that staff costs in the public sector have reduced by around £1 billion in the three years up to 2011/12. Public bodies record these costs in different ways and an element of the money paid to ALEOs to deliver services will also be spent on staffing.

One of our recommendations is that that the Scottish Government and the Convention of Scottish Local Authorities work with public bodies to help them improve the data they collect on staff costs."

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Notes to editors

1. Our report excludes the 39,500 whole time equivalent staff employed by colleges, police and fire and rescue services. They were excluded because they were going through major reform at the time of the audit.

2. Audit Scotland has prepared this report for the Auditor General for Scotland and the Accounts Commission for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- The Accounts Commission is the public spending watchdog for local government. It holds councils and various joint boards and committees in Scotland to account and help them improve. It operates impartially and independently of councils and of the Scottish Government, and meets and reports in public
- 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 Auditor General for Scotland and the Accounts Commission for Scotland.