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News release

Embargoed until 00:01 hours, Thursday 27 March, 2014

More new thinking needed as councils face tougher choices

Councils need to keep an open mind in deciding how to best deliver services

In its annual overview report published today, the Accounts Commission says councils need to look at other options to reduce costs in the longer term. Savings have been made in recent years largely by reductions in staff.

While the financial position across councils remains relatively stable this year and next, councils have identified medium-term funding gaps and need to make substantial savings, at least over the next four years. As choices on how to address funding gaps become increasingly difficult, councils need to focus on making the very best of the resources they have available.

Councils face rising demand for services alongside managing major reforms in welfare and health and social care. This underlines the need for strong governance and leadership and decision-making based on good cost and performance information.

Accounts Commission chair Douglas Sinclair said: "Councillors need to have an open mind on how they organise the services they provide. That means looking afresh at what people need, how it can be delivered and who can best deliver it.

"Councils face increasingly difficult choices as budgets continue to tighten. So they need look at all the options available, and engage openly with the public so that they make the best decisions."

Last year Scotland's 32 councils spent nearly £21 billion, employed 204,500 staff and used buildings and other assets with a value of around £38 billion.

Although total reserves held by councils rose again last year, most of this was already allocated for future spending. The level of money set aside as a contingency fell for the first time in recent years as councils used reserves to reduce funding gaps.

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Notes to editors

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

- 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.