

## News release

Embargoed until 00:01 hours, Thursday 25 January 2018

### "Serious concerns" over Clackmannanshire Council

**Clackmannanshire Council must take urgent and decisive action to sort out its financial problems, says the Accounts Commission.**

In a new report published today, the local authority watchdog highlights serious concerns about the council's financial position as it faces making savings of £29 million over the next three years out of an annual budget of £118 million.

Clackmannanshire is Scotland's smallest mainland council and has relatively high levels of deprivation. It is one of three of the 32 councils that the Commission recently identified at risk of running out of general fund reserves within two or three years, if they continued to spend reserves at the same rate in recent years.

The Commission says strong leadership is now essential in the wake of previous political instability. This also requires close working between councillors and officers. In addition, the Commission recommends the council seeks external support, for example from other councils.

The report focuses on how Clackmannanshire is meeting the duty on all councils to demonstrate Best Value in what it does - a duty that needs to be fulfilled by the whole council by councillors working collectively.

The council works well with other organisations to identify local priorities and deliver services. Against a backdrop of budget reductions and service cuts, Clackmannanshire has maintained service performance and customer satisfaction in a number of key areas, although this isn't the case across all services.

Graham Sharp, chair of the Accounts Commission, said: "This report is a wake up call. Councillors and officers in Clackmannanshire urgently need to work together to make the fundamental changes required to address its financial position, so that it can continue to deliver the key services people depend on.

"This means taking difficult decisions it has put off in the past. But not taking them now is not an option and will only make things worse in the longer term."

The Commission has asked the Controller of Audit to report on progress at the council by June 2019 or, if needed, earlier.

**For further information contact Chris Holme: 0131 625 1653 [cholme@audit-scotland.gov.uk](mailto:cholme@audit-scotland.gov.uk) or Joanna Mansell 0131 625 1652 [jmansell@audit-scotland.gov.uk](mailto:jmansell@audit-scotland.gov.uk)**

#### Notes to editors

1. The Accounts Commission considered this report by the Controller of Audit on 11 January and agreed to reach findings which are published with the report. It is the sixth of the new Best Value Assurance Reports (BVAR), which aim to offer a more rounded and comprehensive analysis of a council's performance than previous Best Value reports.

2. The new reports cover how effectively councils are managing changes in services, involving the public in decisions, ensuring enough skills and time to deliver clear priorities, and providing good information so the public can gauge improvement.
3. Clackmannanshire is the smallest council on the Scottish mainland and has an annual budget of £118 million. It was one of three councils noted in the November 2017 [Local Government Financial Overview](#) as facing running out of reserves if the trend in use continued. The previous 2007 Best Value report on Clackmannanshire is available [here](#).
4. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://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.