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News release

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Councils can deliver services more effectively with a closer focus on costs

Local authorities spend almost £40,000 every minute (£21 billion a year) providing vital services. But they can do more to ensure every pound delivers maximum value for the people they serve.

An Accounts Commission report published today calls for more focus on actively applying cost information to plan services, scrutinise performance and demonstrate value for money.

It says cost information is an important tool to look back at how budgets have been spent. But it can also be used more by councils to ensure high quality services meet current and future needs. This can sometimes be done simply through asking the right questions of officials and councils sharing best practice with each other.

Councillors need good cost information to make well informed policy decisions and scrutinise performance. Officers also need it to help them manage services efficiently, assess performance and demonstrate value for money.

Using cost information to improve performance: are you getting it right? features case studies from West Lothian, Edinburgh, North Ayrshire, Glasgow, Dundee, Aberdeen and East Ayrshire councils, showing how the active use of cost information has, for example, helped to reduce the impact of vandalism at school buildings or improved fostering services.

The report says better use of cost information is all the more important given the current pressures on public spending. Being open about costs can also help communities understand the difficult choices councils face and help staff develop more informed policy.

Chair of the Accounts Commission John Baillie said: "The new councillors elected last Thursday have to get up to speed very quickly. We hope this report will help them scrutinise policy and get the right information on both quality and cost of services.

"It can be down to simply asking the right questions of officials and sharing information and best practice with other councils. This is a big challenge but it can deliver real dividends for councils and their communities."

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Notes to editors

1 This report is the third in the How Councils Work series. This series draws on audit work in all councils to highlight concerns, issues and good practice. The first report looked at councillors' and officers' roles and working relationships and the second at Arm's Length Organisations (ALEOs).

2 Today's report has been prepared by Audit Scotland for the Accounts Commission. The Accounts Commission for Scotland checks whether local authorities, fire & rescue services and police boards spend public money properly and effectively. Audit Scotland provides services to the Accounts Commission. More background is available at www.audit-scotland.gov.uk