

Audit - Local Government Overview

March 2012

The Accounts Commission has published their perspective on local government in Scotland based on their recent audit work. In 2011, councils spent £21 billion, employed about 240,000 full-time equivalent staff and used buildings and other assets with a value of about £35 billion.

Some points to note in the report include:

- Councils are facing substantial reductions in budgets. Savings have been delivered “mainly through pay restraint and by reducing staff numbers.”
- Most councils operated within budget in 2010/11 and are in a relatively stable financial position with the overall level of reserves higher (up 16% or £204m) than the previous year. However, demand pressure in social care, housing and roads maintenance are highlighted. The diagram on page 11 is a good summary of the challenges facing local government.
- Funding overall reduces by 3% between 2011/12 and 2012/13 and, cumulatively, by 6.3% by 2014/15. Capital funding also falls significantly and have less flexibility due to past commitments including PPP/PFI. It is hard not to say “we told you so” – but UNISON did! Despite this warning, later in the report (p28) they highlight SFT proposals for more PPP.
- The report highlights the costs and time involved in the delivery of shared services and report that progress has been slow and, “in our view, significant savings in the short term remain unlikely.”
- The number of ALEOs set up to provide leisure services have almost doubled in recent years and more councils are considering this option. “ALEOs offer the potential for reduced costs and greater flexibility, but there are potential disadvantages and risks.”
- The risks posed by reducing staff numbers and loss of experience and skills (see p27) and impact on the local economy. They highlight increasing evidence of non-compliance with financial regulations and procedures, “internal audit has been unable to complete its planned programme of work due to lack of resources.”
- Police branches will wish to note that “Our reports on police authorities have expressed concern that reducing non-police staff numbers may reduce the level of support available leaving police officers to perform administrative tasks and reducing their time on frontline duties.”
- On equal pay councils had paid £450m and future costs are likely to be of the order of £180m.
- The section on LGPS pensions (p28) is somewhat selective and does not reflect the current agreements.
- Councils spend around £4 billion annually on goods and services to deliver services to their communities.

Overall, while we may not agree with everything in this report, it is a useful resource for branches.

Useful links

- [Full Accounts Commission report](#)
- [Public Service reform](#)
- [Front Line Starts Here](#)

UNISON Scotland’s key campaigns

- [Public Works](#)
- [Protect Our Pensions](#)
- [UNISON Scotland website](#)

For more information please contact UNISON’s Bargaining and Campaigns team on 0141 342 2811, or email [Dave Watson](#), Scottish Organiser.

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