

News release on behalf of the Accounts Commission - reporting independently on the performance of local government in Scotland.

Embargoed until 00:01 hours, 17 May 2023

Radical change is needed across Scotland's councils

Scotland's councils must radically change how they operate – particularly how they collaborate with partners – if they are to improve and maintain services to their communities.

Councils worked well with their partners to address the impacts of Covid-19. They need to implement the lessons learned during the pandemic in order to now cope with reducing budgets, growing demographic and workforce pressures, and declining performance across some services.

The Scottish Government and COSLA urgently need to finalise the planned 'New Deal' settlement for local government, allowing for more long-term planning, flexibility and transparency in councils' budgeting process. Currently, an increasing proportion of funding is ringfenced for national priorities; this constrains councils from making decisions about how to best use money to address the local needs of their citizens and communities.

Councils must now rethink how they work together, and with local partners and communities, to provide financially sustainable services whilst tackling national issues such as climate change, child poverty and inequalities. Few councils provide services jointly or share support services across different councils.

Councils also need better data in order to ensure that they can demonstrate that their services are meeting their citizen's needs.

Tim McKay, Acting Chair of the Accounts Commission said:

"The New Deal for local government, agreed between the Scottish Government and COSLA, is long overdue. Putting this in place will give councils longer-term financial stability, supporting them to make decisions and make the fundamental changes that are urgently needed.

"Councils have gone beyond the point where making savings is enough. If the change needed doesn't happen now, some services will continue to get worse or deeper cuts will be made. This will impact communities and individuals that are already at crisis point with the effects of inequality and persistently high poverty.

"Councils need to have open and honest conversations with their communities and staff about the future of council services."

For further information contact Joanna Mansell Tel: 07970331858
jmansell@audit-scotland.gov.uk or media@audit-scotland.gov.uk

Notes to Editor:

1. In January 2023 the Accounts Commission [published a bulletin providing a high-level independent analysis of the financial performance of councils](#) during 2021/22 and their financial position at the end of that year. It also sets out some of the longer-term financial challenges facing councils in the context of the Scottish Government's Resource Spending Review and the cost-of-living crisis.
2. Previous Local Government Overview reports can be found on the [Accounts Commission website](#).
3. The May 2022 resource spending review set out plans to agree a New Deal for local government. The Scottish Government, COSLA and SOLACE are working together to advance this. The New Deal is anticipated to include three elements: a partnership agreement with councils, a fiscal framework to support greater transparency and accountability and a working group to explore different options for the funding of local government in the future.
4. All reports by the Accounts Commission and Auditor General published since 2000 are available on the [Audit Scotland website](#).
5. 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 helps 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.