

News release on behalf of the Accounts Commission

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Clackmannanshire Council has made progress but must urgently address its financial sustainability

Clackmannanshire Council has demonstrated continuous improvement on key areas over the last five years. These include community engagement, addressing climate change and setting priorities. But the council must now urgently address its financial situation.

Like many councils across Scotland, Clackmannanshire is facing significant financial pressures, and needs to make £22 million of savings by 2026/27. Whilst it has made savings in the past, this has depended on reserves and one-off savings, an approach that cannot continue.

Our report, based on the 2022/23 annual audit, highlights that the council must develop and deliver its programme of transformation to ensure financial sustainability. More detail is needed regarding the projects and programmes that will deliver savings and improve outcomes. The council also needs to ensure it has the resources in place to deliver this change.

The Commission urges the council to develop a medium-term financial strategy, clearly linked to its other strategic plans for transformation, workforce and investment in buildings and infrastructure. Importantly, financial plans must also show how current funding challenges with the local Health and Social Care Partnership will be addressed.

In recent years, some services for local people deteriorated, with challenges in maintaining staffing levels in some areas, further reducing performance. The council must be clearer on the action being taken to tackle this poor performance.

Jo Armstrong, Chair of the Accounts Commission, said:

“Today’s report highlights the progress made by Clackmannanshire Council. The council should rightly be proud of these achievements. There are positive working relationships between councillors and staff and across political parties, with evidence of collaborative working to agree priorities and budgets. But we cannot ignore the fact that the council faces a particular combination of challenges, including strain across recruitment, staff capacity and high sickness absence.

“This is alongside the financial challenges faced by all local authorities in Scotland. The council must develop in more detail and deliver on its plans to transform how it works and the services it will deliver in the future. This is critical to ensure it can operate within budget. We look forward to reviewing the progress made in the 2023/24 annual audit report.”

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Notes to Editor:

1. This report reflects the Accounts Commission's new approach to Best Value. It is fully integrated into annual audit work, reported in Annual Audit Reports, and includes detailed work each year on a national theme. For 2022-23 the national theme is strategic leadership.
2. The Controller of Audit will report to the Accounts Commission on each council's performance on their duty of Best Value at least once over the five-year audit appointment. The Commission will then choose how it wishes to respond.
3. The Accounts Commission [last reported on Clackmannanshire Council in 2018](#). A [progress report followed in 2019](#).
4. The Accounts Commission holds councils and local government bodies 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.
5. 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.
6. All reports by the Accounts Commission and Auditor Scotland published since 2000 are available on the [Audit Scotland website](#).