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Press release

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Accounts Commission urges Shetland Islands Council to increase pace of change

The Accounts Commission for Scotland has published its findings today, based on Audit Scotland's progress report on Best Value at Shetland Islands Council. The Commission says that Shetland Islands Council has made a start in addressing the issues raised in the Commission's March 2005 findings, but it remains concerned at the pace and extent of change in delivering improvements.

In the first best value report on Shetland Islands Council, published in March 2005, the Commission said that the council had not yet laid the foundations for Best Value. Areas of particular concern, included:

- insufficient strategic planning and target setting, the fact that planned activity was not prioritised and matched to available resources
- a lack of evidence to show how well the council was delivering services to the people of Shetland
- the need for a more corporate approach to procurement
- the council's complex arrangements for delivering some services through local trusts and the need for the council to better monitor its own funds to ensure that these are being spent effectively
- the use of reserves to meet the shortfall in the council's budget between expenditure and income.

Today's findings accept the conclusion of Audit Scotland's progress report, which says that Shetland Islands Council has made a start in addressing the issues raised in the Commission's previous findings. The Commission particularly acknowledges the council's introduction of a Corporate Improvement Plan and service planning and performance management frameworks, as well as moves towards achieving the longer term ambition of financial sustainability. However, the Commission remains concerned about the pace and extent of change.

Alastair MacNish, Chairman of the Accounts Commission said:

"Shetland Islands Council has now made a good start on addressing Best Value however we urge the council to increase the pace of change in delivering its Improvement Plan.

"A number of initiatives are relatively recent and not yet fully established. There particularly needs to be early improvement in developing community planning, clarity in the lines of accountability between the council and the Trusts and whilst we welcome the steps the council has taken in the direction of establishing better scrutiny processes, it is essential to have an audit committee separate from other deliberative and decision-making bodies."

The Commission will monitor progress through Audit Scotland's annual audit process.

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Notes to Editors:

1. Best Value is the duty placed on local authorities to demonstrate their on-going commitment to providing better services to local people. The audit of Shetland Islands Council is the 17th in a rolling programme affecting all local authorities in Scotland.

2. The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The Commission checks whether local authorities, fire & rescue services and police forces spend nearly £16 billion of public money properly and effectively.

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.

The Audit Commission operates only in England.

3. The Audit of Best Value is undertaken by Audit Scotland on behalf of the Accounts Commission. It responds to the Local Government in Scotland Act 2003, which gave councils a new power to promote or improve the well-being of their area and the people living within it and new responsibilities including:

- making arrangements which secure Best Value, defined as 'continuous improvement in the performance of the authority's functions, having regard to efficiency, effectiveness, economy and equal opportunities.
- discharging their duties in a way which contributes to sustainable development
- maintaining a community planning process
- making arrangements for reporting to the public on their performance
- meeting new rules relating to trading.

4. Key Features of the Audit are:

- The focus is on each council's performance over time rather than comparisons between councils. It takes account of differences in local priorities, constraints and opportunities and therefore league tables and scores are inappropriate.
- All 32 councils in Scotland will be audited, on a rolling programme basis
- Each audit results in a report to the Accounts Commission for Scotland
- A report will be published after each individual audit.

A full press briefing on the process and aims of Best Value is available on Audit Scotland's website: www.audit-scotland.gov.uk/accounts/pdfs/BestValuebriefingnote.pdf