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## News release

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# Scotland's public bodies follow good practice with early departures but need to show the value for money

**Scotland's public bodies need to demonstrate the value for money from schemes allowing staff to take early retirements and redundancies.**

An Audit Scotland report published today, *Managing early departures from the Scottish public sector*, is designed to help public bodies improve their management and reporting of early release schemes.

The report says such schemes can provide significant savings, and public bodies generally follow good practice. But there are striking differences between the schemes and a marked inconsistency in how public bodies report the costs and expected savings. The report, for the Accounts Commission and the Auditor General, gives pointers on good practice, including:

- demonstrating that schemes are value for money
- making sure schemes are clear, well-designed and meet business needs
- reporting openly on the costs and savings
- and ensuring good scrutiny over schemes and particularly of exit packages for senior executives.

Almost 14,000 employees took such packages between 2010 and 2012 – around one in 40 of all public sector staff. While the cost of these amounts to more than £550 million, organisations generally expect to make savings from their action over a number of years.

### **Chair of the Accounts Commission for Scotland, John Baillie, said:**

“Both the public and private sectors have used early release schemes for many years to help change the size, shape and cost of their workforces. It is a useful way of both avoiding compulsory redundancies and quickly reducing costs. Public bodies need to ensure early departure schemes represent value for money for the public and demonstrate this. Board members and councillors have a duty to scrutinise and oversee these schemes effectively. This is to ensure their organisations follow the correct processes and authorisations. They should pay particular attention to deals proposed for senior managers.”

### **Auditor General for Scotland, Caroline Gardner, said:**

“Scotland's public bodies are generally following good practice, and there is evidence that they are making savings as a result of voluntary releases. But they need to be more consistent in how they manage schemes, and tell the public more about the costs and the expected savings.”

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### **Notes to Editors:**

1. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
2. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report jointly for the Auditor General for Scotland and the Accounts Commission for Scotland:
  - The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.

- The Accounts Commission looks at whether local authorities, fire and police boards spend public money properly and effectively. It is independent of both central and local government. Commission members are appointed by Scottish ministers.