

**FALKIRK COUNCIL**

**Subject: SCOTLAND'S PUBLIC FINANCES – ADDRESSING THE CHALLENGES**  
**Meeting: AUDIT COMMITTEE**  
**Date: 24 March 2014**  
**Author: CHIEF FINANCE OFFICER**

**1. INTRODUCTION**

- 1.1 Attached is a local follow up report from Audit Scotland as to how Falkirk Council is responding to the challenges contained in the national performance audit report “Scotland’s public finances : Addressing the challenges”.
- 1.2 Members are asked to note the report and the progress on the planned management actions.

**2. KEY FINDINGS**

- 2.1 It is pleasing to note that Audit Scotland have identified several areas of good practice:
- The Council has a clear understanding of future financial pressures
  - Work is progressing on strengthening the link between the budget and corporate plan
  - Participation in the SOLACE/Improvement Service benchmarking project
  - Participation by members of the Administration is a series of meetings with officers to discuss, consider and agree savings proposals
  - Regular budget monitoring and reserve strategy updates.
- 2.2 The report does however identify some areas for improvement which are noted below along with the latest update on their status.
- Approval of proposals for dealing with the £35m budget gap

Update

Proposals have now been agreed for dealing with year 1 of that gap. A similar gap does however exist for the 3 years to 2017/18. Officers have already begun to piece together savings proposals covering that period.

- Review and monitoring by Members of specific savings plans

Update

It remains our view to the extent that budget savings are not achieved, this will be apparent in the financial position reports to Members. The main “cross cutting” saving is in relation to procurement and savings in this area are subject to continued monitoring.

- Consultation with Members to ensure they are confident that the financial information they receive is sufficient for their purposes

#### Update

Regular contact with Members is being maintained in this area and this will evolve as appropriate.

- The Council's approach to stakeholder consultation.

The procedure for consultation on the 2015/16 and subsequent budgets will be subject to review in the next few months.

### **3. RECOMMENDATION**

- 3.1 Members are invited to note the findings from the report and progress against the Action Plan.

**Chief Finance Officer**

**Date: 6 February 2014**

**Contact Officer: John Flannigan**

#### **LIST OF BACKGROUND PAPERS**

NIL