

**DIRECTION TO LOCAL AUTHORITIES TO 'FOLLOW THE PUBLIC POUND'**

**DIRECTION UNDER SECTION 51 OF THE LOCAL GOVERNMENT IN  
SCOTLAND ACT 2003**

The Scottish Ministers, in exercise of the powers conferred by sections 51(1) and (2) of the Local Government in Scotland Act 2003<sup>(1)</sup>, and all other powers enabling them in that behalf, hereby give every local authority<sup>(2)</sup> in Scotland the following direction.

**Compliance with Code**

1. Every local authority shall-
  - (a) in entering any arrangement or agreement with a body corporate; and
  - (b) in implementing any such arrangement or agreement,

comply with the Code of Guidance on Funding External Bodies and Following the Public Pound<sup>(3)</sup> as amended or re-issued from time to time which is to have effect for the purposes of regulating local authorities in entering and implementing such arrangements or agreements.

**Requirement on proper officers to provide auditors with information to ensure compliance by local authorities with their duty to secure best value**

2. The proper officer<sup>(4)</sup> of every local authority who has responsibility for the proper administration of financial affairs is hereby required to provide information held by the local authority in relation to arrangements or agreements with a body corporate to the Accounts Commission for Scotland<sup>(5)</sup> or any person authorised by it to enable the Commission or that person to discharge its functions or the functions of that person under Part VII of the Local Government (Scotland) Act 1973 insofar as those functions relate to the duty of local authorities to secure best value under section 1 of the Local Government in Scotland Act 2003.



Being an officer of the Scottish Ministers

29/06/2005

<sup>(1)</sup> 2003 asp 1.

<sup>(2)</sup> For the purposes of section 51 of the 2003 Act, a local authority is defined by section 61(c)(iii) of that Act as a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c.39), a joint fire board and a joint police board. Joint fire board and joint police board are defined by section 61(a) and (b) of the 2003 Act.

<sup>(3)</sup> Published in 1996 by the Accounts Commission and Convention of Scottish Local Authorities.

<sup>(4)</sup> Proper officer is defined by sections 95 and 235(3) of the Local Government (Scotland) Act 1973 (c.65).

<sup>(5)</sup> The Accounts Commission for Scotland was established by section 97 of the 1973 Act.