

S15. AN OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND 2015 – REPORT FROM ACCOUNTS COMMISSION

The committee considered a report by the Director of Corporate & Housing Services providing information on the key messages and recommendations arising from the Accounts Commission's 'An Overview of Local Government in Scotland 2015' report. The Accounts Commission report was appended for information and is based on the audit and inspection work undertaken by Audit Scotland and other inspectorates across the whole of Local Government. In addition to the report, Audit Scotland prepared a self assessment tool for Councillors which is designed to help implement the recommendations made in the report. Fiona Campbell provided an overview of the report.

The committee discussed the role of the Performance Panel and commented that it facilitated open and frank discussion across the political spectrum in its current format. However, members stated that a better way to communicate performance information with the public was needed. The committee discussed participatory budgeting and asked if a briefing session would be held. Fiona Campbell stated that the Executive had agreed to request a members briefing on the Community Empowerment Act and that examples of participatory budgeting would be included in this. Members commented that in difficult financial times the Council needed to look at doing things differently and being innovative.

Members discussed the recommendations in the report and highlighted that in order to reduce costs a number of options needed to be considered. It was stated that discussion often focuses on reductions but that income generation could be a more significant focus, not through increased charges but through doing business differently. Work on business transformation was seen to be central to developing new ways of working and delivering services.

The committee asked for further information on the Council's Private Finance Initiative (PFI) commitments. Amanda Templeman stated that PFI was a significant part of the education budget and would be for a number of years. Following a question on annual repayments, Mary Pitcaithly stated that the Council paid c.£25million per year and that the term of the first contract was approaching completion. Two of the schools had been built as Non Profit Distributing Organisations (NPDOs) which had longer, 30 year, terms. She advised that as a priority the Council went through refinancing and had recently made a saving of £2 million. Further, she stated that the cost paid by the Council included running costs for the school buildings.

The committee discussed the use of a scenario planning tool for long and short term finances using parameters of best and worst case scenarios to plan better. Members also discussed that the report recommended that Councillors are more involved in financial planning. Amanda Templeman stated that medium term planning of five years was carried out based on intelligence gathered, information from COSLA, and advice from treasury advisors. The service looked at various scenarios such as interest rates rises.

Members discussed budget consultation and how to best get information to the public and the timescales for budget setting. The committee discussed areas of high budget pressure and highlighted the challenges faced by social work and requested a report on why adult and children's social work have had overspends in recent years. It was stated that it was not appropriate to use reserves to cover revenue budget overspends and a long term plan was needed. Mary Pitcaithly advised that reports had been presented to

members previously on the current situation and that additional funds had been built in for this year.

Decision

The committee agreed:-

- (1) to note the recommendations of the Overview of Local Government in Scotland report, and**
- (2) to request a report on the causes of overspends in adult and children's social work services in recent years.**