

S13. Summary of Local Government in Scotland Challenges and Performance 2018

The committee considered a report by the Director of Corporate and Housing Services summarising the key messages of the Accounts Commission's report on "Local Government in Scotland – Challenges and Performance 2018".

A report by the Account Commission had identified the key challenges facing Scottish Local Government in 2018 and set out key messages for Local Authorities.

The challenges include:-

- The impact of Brexit;
- The review of local governance aimed at providing people with more say in local decision making; and
- A reduction in real terms of 9.6% in Council revenue funding from the Scottish Government since 2010/11.

The Accounts Commission set out Authorities' response to the challenges and concluded with three key messages. These were:-

- Councils' increasing use of reserves to support forecasted funding gaps,
- Workforce reduction and the need for robust workforce planning to ensure Councils have the right people with the right training and skills to deliver their priorities, and
- The vital need for transformational change in response to reductions in funding.

The Accounts Commission had recognised that Councils had faced a significant challenge to reduce spend, deliver services differently and work with their community. Notably the financial and population pressures would continue and consequently, the need for effective leadership and effective planning remained key. The report set out a number of recommendations:-

- Looking to the future:
 - continue to improve understanding on how the landscape within which their council operates may change, by considering its demographics, the public spending environment and policy changes;
 - use this information to inform council priorities;
 - develop long-term financial and scenario planning that takes these factors into account and considers the impact on all their services and their users; and
 - consider how to make the most of new technology, for example streamlining processes and communicating differently with service users.
- Work with communities - so that they are actively involved in decision-making, know the effect decisions are expected to have on

services and communities and see the impact of community empowerment.

- Focus on the delivery of priority outcomes through:
 - working with communities to understand their needs;
 - establishing effective cross-party relationships to work together and make the sometimes difficult decisions needed to achieve the council's priorities; and
 - clearly linking budgets to plans and outcomes.
- Establish robust change strategies and developing realistic plans for transforming services, which incorporate:
 - effective leadership and good governance arrangements;
 - robust options appraisal;
 - strong financial management; and
 - properly scoped and resourced plans.
- Ensure change strategies are supported by:
 - realistic savings plans with long-term implications and mitigation against unintended impact on other services and communities;
 - effective workforce planning to retain and recruit people with the right skills to deliver sustainable future services;
 - income generation plans; and
 - workforce and member support, training and development.
- Evaluate and report on:
 - the impact that significant budget reductions, savings, workforce changes and service redesign are expected to have and have had on service delivery and quality; and
 - using the data collected and monitored to report publicly on the quality of services, as well as user satisfaction with those services.

Falkirk Council was well placed to meet the challenges. The Corporate Plan set out clear priorities that guide what services are working to achieve but also set out how the Council expects to change how it delivers its services. The Corporate Plan was underpinned by the Medium Term Financial Strategy, the transformation programme Council of the Future and also the Council's emerging customer strategy which incorporated Council's approach to digital services and technology.

In response to a question on participatory budgeting, the Director of Corporate and Housing Services gave examples of pilot initiatives in the Braes, Bo'ness and Grangemouth areas. The 18/19 budget had included £100k to allow projects to be developed which would be appraised and which could lead to further options being developed. Nationally, Authorities

had taken differing approaches to participatory budgeting and it was prudent to review options before agreeing our preferred methodology.

The committee discussed the reductions in budgets since 2010/11 and the need, given the significant decrease, to transform services. In response to a question on the impact of reducing budgets and the particular demographics of the area on the provision of Social Work Adult Services, the Director of Corporate and Housing Services stated that the transformation of key service provision was vital. It was imperative that services focussed on prevention and that low cost provision was identified. The Head of Education concurred, noting however that the majority of services provided were statutory so the challenge was not to stop delivering services but to deliver the right service at the right time at the right cost. He cited examples where early intervention was key – it was necessary to change processes to align resources to meet the challenges and meet the needs of children and of their families. It was a significant challenge but would in time yield savings.

The Head of Education gave examples when the introduction of portable devices had improved service delivery. Innovation was key – for example, he cited the Living Well Falkirk project which, through the use of technology, led to fewer people coming in person to the social work service. In doing so, this allowed the service to focus its resources on areas of need. This had resulted in improved services but had also reduced costs. In regard to “pump priming”, the Director of Corporate and Housing Services confirmed that the budget included £700k to pump prime projects which would drive the Council of the Future projects.

The committee discussed the use of reserves to support funding gaps. The Accounts Commission had noted an increasing use of reserves by Local Authorities to bridge gaps stating that this was “not a way to sustain year on year services”. The Director of Corporate and Housing Services concurred. However, he explained that the report did not provide context as to the reasons why reserves had been used in other Authorities. The Council had a reserves strategy and considered that the public understood the rationale for maintaining reserves.

In response to a question, the Director of Corporate and Housing Services stated that it was not necessarily the case that an aging, less mobile population would in itself be expensive. Health was the key factor which highlighted the need for early intervention strategies to prevent people from requiring NHS and Council support.

The committee discussed the budget cuts to Local Authorities since 2010/11, highlighting that central Government, whether Scottish or Westminster Governments, had not faced similar levels of budget reductions.

The committee highlighted the absence rates, particularly within Social Work Adult Services and sought information on the measures in place to address absenteeism. The Head of Education stated that the levels were higher than desirable and that the Service followed procedures for absence management. There were specific factors however which should be

acknowledged – these included the workforce age profile and the demands of the job. For example, in care homes where the workforce was older, there was a requirement to lift and bend and so the instances of musculo-skeletal absences would be higher. The Director of Corporate and Housing Services stated that information on absence management within Social Work Adult Services had been provided to the Joint Consultative Committee. That committee had requested a comparison with both public and private sector providers, however the majority of private sector providers had been unwilling to provide the information. In comparison with other Local Authorities, the absence rates were broadly the same. It was the case that absence rates would be different depending on the working environments and Social Work was particularly challenging. In recognition, Services had different absence targets – within Social Work, it was around 6% not 4% which was the Council average.

Decision

The committee noted:-

- (1) the key messages within the Challenges and Performance report, and**
- (2) the recommendations provided by the Accounts Commission.**