



Agenda Item 9

Summary of Local Government in Scotland Challenges and Performance 2019

Falkirk Council

Title: Summary of Local Government in Scotland Challenges and Performance 2019
Meeting: Scrutiny Committee
Date: 12 September 2019
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to provide an overview of the Accounts Commission's 'Local Government in Scotland – Challenges and Performance 2019' report.

2. Recommendation

It is recommended that the Committee notes:-

- (1) The key messages and recommendations set out in the Accounts Commission's report on 'Local Government in Scotland – Challenges and Performance 2019'.**

3. Background

- 3.1 The Challenges and Performance report is an annual report that focuses on the wider challenges and issues facing local authorities in Scotland, their performance over the last year and also setting out the impact of reduced financial resources. The report was prepared by Audit Scotland and published by the Commission in March 2019. The report is about local government in general and not specifically about Falkirk Council.
- 3.2 The Challenges and Performance report is provided in three sections:
- the challenges for councils
 - councils responses to the challenges; and
 - councils performance and the impact on communities
- 3.3 It also notes questions that Members should consider in the course of their work and in decision making.
- 3.4 A link to the report is [Local government in Scotland - Challenges and Performance 2019](#).

4. The Challenge For Councils

- 4.1 The report starts by recognising that councils are operating in a complex, challenging and increasingly uncertain environment, citing many of the local,

Scotland and UK changes which have a direct impact on councils, the services they deliver and the way they engage with their communities.

- 4.2 It recognises the need for councils to respond to an increasingly complex policy agenda while dealing with a high degree of uncertainty.
- 4.3 It notes the major policy and legislative changes that affect local government. These include
- Fairer Scotland Act
 - Early learning and childcare
 - Impact of welfare reform
 - Local Outcome improvement plans
 - National performance framework with a focus on delivering social housing, free nursery places 2-3 year olds, Pupil Equity Funding
 - Health and Social Care integration
 - Child Poverty Act
 - Community Empowerment including community asset transfer, community engagement and public participation in decision making including participatory budgeting
 - City Region and Growth deals
 - Barclay Review
 - Local Governance review
 - Brexit
- 4.4 All of the above need to be considered planned and responded to. They also sit alongside the issues each council faces in their local area including:
- Increasing levels of poverty
 - Increasing number of older people with multiple issues
 - Changes in communities and more mobile populations
 - An increased focus on sustainability
 - Need to re invigorate partnership working
 - The need to transform services to keep pace with the needs and aspirations of customers
- 4.5 The report notes that Scottish Government funding to councils has reduced in real terms since 2013/14 but increased slightly between 2018/19 and 2019/20. National policy initiatives make up an increasing amount of Councils budgets. From 6.6% of budgets in 18/19 to 12.2% in 19/20.
- 4.6 Additionally, a number of national policies and ongoing spending commitments continue to challenge councils in areas such as pension and debt costs, education and social care, limiting the availability of funding to deliver remaining council services further. Although it is possible to make efficiencies in these areas, national policies, specific funding and demand for services mean it is more difficult to do so.
- 4.7 The report notes that councils are managing reducing budgets despite local challenges.

5. How councils are responding

- 5.1 The report sets out how councils are responding to the pressures noted above. It notes that most councils are undertaking transformational work including redesign with the key to these being effective leadership and good governance. The report also notes that transformation must not be focussed on internal change but should contribute to the councils strategic priorities and outcomes. Decisions around change need to relate to arrangements around
- Implementing a digital approach to transformation
 - Financial planning and funding approaches
 - Working in partnership
 - Community empowerment activity
 - Workforce planning and development.
- 5.2 The report notes that these interlinked issues need to be informed by evidence and good quality information / data. Transformation also notes that change must be well scoped, driven by addressing the needs of customers and should have proportionate governance structures. Committee will note that these topics relate closely to the key areas in our own business plan.
- 5.3 To support transformation, the report notes that councils should
- Adopt a holistic approach to service redesign i.e. a one council non siloed approach
 - Engage with service users and staff from the onset
 - Allow time for people involved in transformation to properly scope and appraise options before committing savings estimates.
- 5.4 The report then goes on to highlight examples of good practice with regards a transformational approach to change.

6. Councils performance and the impact on communities

- 6.1 The report notes that councils on the whole understand the challenges facing their communities however these need to be better linked to their visions and priorities. The need to link budgets to strategic priorities and plans needs to be evidenced by all councils. Again Members will note the progress Falkirk has made in this respect.
- 6.2 The report reaffirms the need for councils to consider their approach to demonstrating best value including performance management, self awareness through self assessment however local performance reporting needs to improve.
- 6.3 The report notes that despite reductions in funding, councils have maintained or improved performance against national indicators – though performance does vary across councils.
- 6.4 The report specifically notes that while education performance has improved since 2011, the attainment gap between the most and least deprived pupils has widened in the last year. The report specifically highlights that Falkirk's performance has improved by 34% over that time frame. This is the largest

improvement of any local authority moving us from the bottom quartile in terms of attainment to the top quartile.

6.5 Despite this encouraging picture in some areas there is evidence that reductions in spending and increases in demand are having an effect on some services. The report cites adult social care specifically home care and residential care.

6.6 Two other areas of performance are highlighted

- Homelessness – with some councils not achieving their statutory obligations in this regard
- Customer satisfaction in public services i.e. public health, schools and transport. – this has fallen for another year

7. Challenges and Performance Report Recommendations

7.1 The report notes that while councils have continued to find ways to manage funding gaps and have made good progress with medium-term financial planning, they face an increasingly complex, changing and uncertain time ahead. To continue to improve the outcomes for their communities within this context, councils need to be open to transformational change and implement new ways of working.

7.2 Specifically the report makes the following recommendations to make effective progress:

- Members need to assure themselves that they have adequate leadership and management capacity in place. This should include development arrangements that prepare and support councillors and senior managers to respond to the challenging and changing local and national demands
- Councils need to undertake long-term financial planning to set out how they will deliver national policy commitments, while continuing to sustain local services with reducing budgets and increasing demands
- Services must continue to seek and implement innovative ways of working and collaborate with communities, partners and the third sector to drive transformational change
- Councils must improve data to:
 - help inform the difficult decisions councils have to make
 - support benchmarking, learning and sharing of experience and effective practice with others that will contribute to improving service quality, efficiency and outcomes for communities
- Services must ensure they have workforce planning that is clear about the workforce needed now and in the future, where the gaps are and what training or other action is needed to fill them. This should be supported by better workforce data
- Councils must be able to demonstrate how spending decisions and priorities have impacted on service delivery and the outcomes of residents, as well as how they are delivering against the national performance framework.

7.3 Our council is well placed to respond to the recommendations noted above. The Corporate Plan sets out clear priorities that guide what services are working to achieve but also sets out how we expect to change how we deliver

our services. The Corporate Plan is underpinned by the Business Plan recently approved by the Executive. This sets out our transformation programme Council of the Future in the context of the Medium Term Financial Strategy. To underpin the business plan the Executive also approved our digital strategy that sets out our approach to ensuring our approach to transformation is informed consistently by our customers through application of the Scottish design standards. This is complemented by our new participation strategy that moves us from a consultation focus to engagement through redesign and co production.

Our Enabled Communities Transformation Workstream will oversee a Single Council, Integrated Joint Board and Falkirk Community Trust approach to community engagement and capacity building.

- 7.4 We are, through locality planning, using information more effectively to understand our communities needs and expectations. This is aligned to an extensive engagement process and more focussed community action planning. We are also reviewing our current participation strategy to ensure it is aligned to further community empowerment rather than focussed on information giving or consultation.

8. Implications

Financial

- 8.1 There are no financial implications.

Resources

- 8.2 There are no resource implications.

Legal

- 8.3 There are no legal implications.

Risk

- 8.4 There are no risks arising form this report.

Equalities

- 8.5 Nil.

Sustainability/Environmental Impact

- 8.6 Nil.

9. Conclusions

- 9.1 The Challenges and Performance 2019 report provides a comprehensive overview of the challenges faced by councils within Scotland.
- 9.2 Members will be familiar with these issues from a local perspective and the actions we are taking on each.

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Appendices

<https://www.audit-scotland.gov.uk/report/local-government-in-scotland-challenges-and-performance-2019>

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Local Government in Scotland – Challenges and Performance 2018 Report