

S26. Summary of Local Government in Scotland Challenges and Performance 2019

The committee considered a report by the Director of Corporate and Housing Services providing an overview of the Accounts Commission's report on 'Local Government in Scotland – Challenges and Performance 2019' report.

The Challenges and Performance report was an annual report that focused on the wider challenges and issues facing local authorities in Scotland, their performance over the last year and also set out the impact of reduced financial resources. The report had been prepared by Audit Scotland and published by the Commission in March 2019. The report was about local government in general and not specifically about Falkirk Council.

The Challenges and Performance report was in three sections:

- the challenges for councils
- councils responses to the challenges; and
- councils performance and the impact on communities

The report set out the financial landscape within which Councils operate. It highlighted a number of financial and legislative changes that affected Local Government, these included:-

- 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 for 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

Additionally, Councils must also respond to local pressures such as:-

- 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

Scottish Government funding had reduced in real terms since 2013/14 although it had increased slightly between 2018/19 and 2019/20. However, an increasing number of national policy objectives had impact on Council's abilities to make efficiency savings. Most Councils had responded to these challenges by undertaking transformational work. The report stressed that such work should not be internal focussed but should contribute to Council's strategic priorities and outcomes.

While Councils on the whole had understood the challenges facing their communities these needed to be better linked to their visions and priorities and the need to link budgets to strategic priorities and plans needed to be evidenced by councils.

The report reaffirmed the need for Councils to consider their approach to demonstrating best value including performance management and, self assessment. Despite reduction in funding Councils had improved, or maintained performance. Notably, Falkirk Council had recorded the largest improvement of any Council in regard to education and closing the attainment gap.

The report noted that despite reductions in funding, Councils had maintained or improved performance against national indicators – though performance did vary across Councils.

The report stressed that to continue to improve the outcomes for their communities, Councils needed to be open to transformational change and implement new ways of working. In this regard:

- Members need to assure themselves that they have adequate leadership and management capacity in place. This should include 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 was 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.

Decision

The Scrutiny Committee noted the key messages and recommendations set out in the Accounts Commission's report on 'Local Government in Scotland – Challenges and Performance 2019'.