



Briefing 17/19 March 2017

Local Government in Scotland – Performance and challenges 2017 (Accounts Commission report)

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland

For information only to England, Northern Ireland and Wales

Key Issues:

The Accounts Commission released a new overview report in March 2017 entitled 'Local Government in Scotland – Performance and challenges 2017'.

The report covers three areas:

1. current and future challenges facing councils
2. councils' progress in meeting these challenges
3. what more councils can do to ensure they are best placed to successfully manage the changes and challenges they face

The report includes a [supplementary self-assessment checklist for councillors](#) and a [supplement outlining good practice among local authorities](#) identified during the audit.

Link to the full report: <http://www.audit-scotland.gov.uk/report/local-government-in-scotland-performance-and-challenges-2017>

1.0 Background

Scotland's independent public spending watchdog for local government, The Accounts Commission, released a new overview report in March 2017 which aims to enable councillors and officers to assess the performance of their council and their progress in implementing service changes against a range of challenges.

The report notes that while “some councils are making good progress in managing services and delivering savings, others are not...the pace and scale of reform needs to increase in some councils...with reducing budgets and workforces, councils will find delivering improvements increasingly difficult.”

The report outlines the ongoing and planned legislative and policy changes that councils will have to implement, which includes: Public Bodies (Joint Working) (Scotland) Act 2014, the Living Wage, the Community Empowerment (Scotland) Act 2015, Education reform, City Deals, Community Justice (Scotland) Act 2016, Named Person provisions, Early learning and childcare (ELC) and Council tax reform. Further uncertainties to consider include the decision to leave the European Union, the potential for a Scottish Government local democracy bill and the issue of equal pay.

The current and future challenges facing local authorities also include the reductions in Scottish Government funding and additional demands for services like adult social care. The report notes that the freezing of budgets for services such as adult social care is likely to put a greater strain on the spending for areas such as roads and environmental services.

The full report includes tables that break down a range of factors by council, including:

- Changes in Scottish Government revenue funding by council
- Projected percentage change in population, 2014 to 2039
- The cost and collection rate of council tax, 2015/16

2.0 Recommendations from the report for local authorities

1. The report recommends the establishment of long-term financial strategies and medium-term plans that cover services, finance, performance and the workforce, and the use of benchmarking to identify areas of further savings in the delivery of services.
2. The report stresses the importance of ensuring service budgets reflect true levels of spending to allow for better monitoring throughout the year.
3. The report encourages typically ring-fenced budgets like education and social work to be included in council discussions on savings, noting that it is possible to increase performance in areas like educational attainment while reducing cost.
4. Undertake analysis of workforce data and public performance reporting mechanisms to ensure that staff have the appropriate tools for evaluation of services.
5. Continue to thoroughly evaluate all options for service changes and redesign, identify and adopt best practice examples from other councils and involve local communities in the process. Potential considerations should include: sharing services, using ALEOs, using digital and online solutions, increasing fees and charges, reducing/restricting services and improving procurement (the supplementary good practice guide and [APSE's online research portfolio](#) contain many examples of best practice by local authorities).

6. Ensure the robustness of your workforce plan, with business cases that outline the costs, savings and impact on the knowledge of the council that any reduction in workforce numbers may have. The report noted that around half of councils do not currently have an organisation-wide workforce plan in place.
7. Ensure that your public reporting of performance data is linked to council priorities to aid understanding of improvements and reduced performance.
8. Continue to benchmark your services to understand variations in cost, and identify/implement best practice.

3.0 APSE Comment

APSE notes the recommendations contained in the latest report by The Accounts Commission. APSE's own research 'Sustainable local government finance and liveable local areas – can we survive to 2020?' identifies the drop in spending for frontline services in Scotland being as much as 24% (excluding public health, education and social security) between 2010 and 2015. Highlighting that local authorities are being tasked with doing more with less, and this Accounts Commission report noting that some are managing reductions better than others.

For local authorities looking to get more involved in the comparison of services, [APSE's Performance Networks](#) is the largest voluntary public sector benchmarking service across the UK with over 200 local authorities involved. [APSE's research programme](#) also offers a range of best practice case studies from local authorities on a range of topics, and is a useful starting point for local authorities looking to improve or reimagine their services. As well as this, APSE's Commercialisation advisory group networks provide excellent opportunities for colleagues to share best practice and knowledge in terms of increasing income generation and exploring new opportunities for local authorities. Please [click here](#) for information on all of our advisory groups.

APSE recommends circulating the supplementary self-assessment tool for councillors to new and returning councillors following the elections to help them determine any potential gaps in knowledge. It is also worth considering undertaking an evaluation of your training offering for councillors compared to other local authorities to ensure councillors have access to the right support. APSE Training has developed a comprehensive range of skills workshops for the personal development of elected members; [click here](#) for more information.

APSE Scotland has published two useful reports on the changing demands, requirements and expectations of elected members that can be accessed by clicking the links below:

- [The future of elected members in Scotland](#) (APSE, 2014)
- [The final piece of the jigsaw: Elected members, everyday politics and local democracy in Scotland](#) (APSE, 2016)

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