

Local government in Scotland: Overview 2020

ACCOUNTS COMMISSION 



Key messages

The COVID-19 pandemic brings unprecedented challenges across communities and public services. The effect on the health and wellbeing of our communities, as well as the financial difficulties and increased levels of poverty, will be significant. The impact on the economy, on national finances and on local public services will also be considerable. This report was compiled before the escalation of the pandemic and is an overview of local government in 2019. But its messages remain relevant. The pandemic multiplies the challenges for local government further and so the need to do things differently to meet the needs of communities more efficiently and effectively are even more important.

- 1** Councils are working hard to deliver services to their communities. But the context they are working in is increasingly uncertain and complex. Demographic and social change is creating demand for services, while the strain on budgets continue to intensify. National policy commitments are increasing and the stresses on other public and third sector partners add to the difficulties in delivering services. The cumulative effect of these pressures on councils is beginning to show across service performance and use of financial reserves.
- 2** Scottish Government revenue funding to councils has reduced in real terms over the period 2013/14 to 2020/21 by 3.3 per cent. Since 2017/18 however, it has increased by 3.9 per cent in real terms, to £10.7 billion in 2020/21. This does not include additional funding in response to the COVID-19 pandemic. The strain on budgets is evident as councils continue to dip into their reserves to make ends meet. Medium-term funding levels are uncertain, making continued use of reserves to manage the funding gap unsustainable. Long-term financial planning is not well enough developed in many councils and in integration joint boards. Medium- and long-term financial planning are important tools for making well-informed decisions and to effectively manage continuing financial challenges.
- 3** Alongside the uncertainty of funding levels, the scale and complexity of the challenges for councils and integration joint boards will continue to grow in the coming years. Change is needed in how they serve their communities, so that they are able to respond to the needs and improve outcomes for people into the future, in the most efficient and effective ways. More radical thinking is needed for longer-term solutions. It requires investment of time and capacity by political and management leaders, to analyse the range of challenges for the area, develop the thinking and planning for the medium and longer term. This is difficult, in already demanding roles, but this investment is important.

- 4 Councils alone cannot improve outcomes for communities and achieve local priorities. The full potential of collaborative working with partner organisations and communities is not yet being realised. More progress is needed. Councils need to demonstrate strong leadership and collaborate with partners, including integration joint boards, NHS boards, the voluntary and private sectors, and their local communities. This is essential if they are to make best use of local resources, including the workforce, and demonstrate Best Value.
- 5 Workforce planning is fundamental to ensure that councils have the staff, skills and leaders they need to deliver change. Some progress has been made to improve workforce planning, but much more needs to be done. As the workforce ages, councils need to be more flexible and agile in how they deploy staff, work with partners and attract younger people to work in local government and respond to specific skills gaps. This also requires comprehensive workforce data and planning.

Recommendations

To respond to the challenges facing local government and deliver local priorities and improve outcomes for their communities:

Governance – councils and integration joint boards need to:

- invest leadership capacity in analysing the challenges and planning for the future, including:
 - plans for how services will be delivered that reflect the scale of the challenges ahead and will deliver demonstrable improvement in outcomes for communities
 - putting in place and continuing to develop medium and long-term financial planning that will inform ongoing review and implementation of plans for change.
- monitor and report on delivery of local priorities and outcomes while improving public performance reporting.

Collaboration – councils and integration joint boards need to:

- maximise the potential of collaborative working by:
 - working alongside partners to improve community planning partnerships, so that they have a clearer strategic direction and take a more active role in leading local partnership working
 - engaging with other councils, partners and communities in developing plans to improve and change the way services are delivered.
- increase the opportunity for communities to influence or take control of local decision-making and, demonstrate how communities are supported to help design or deliver local services and improve outcomes.

Capacity and skills – councils and integration joint boards need to:

- develop leadership capacity and workforce planning arrangements including:
 - effective succession planning and capacity development for leadership positions
 - approaches to increase the uptake of learning and development opportunities by councillors; to ensure that they are equipped to respond to the challenging context and their role in planning for the future
 - improving the quality and range of workforce data to give a comprehensive profile of the current organisation wide workforce
 - using this comprehensive workforce data to:
 - o identify and address skills gaps, including those related to lack of capacity or the age profile of staff
 - o plan for the skills required to deliver services, both now and in the future, including using skills from the third and private sectors, with a greater focus on collaborative and flexible working
 - prioritising the development of staff across their organisations, to build more resilient teams, focused on improving the lives of local people
 - building a learning culture to learn from experience both within and outside the organisation.

Services – councils and integration joint boards need to:

- consider how the recommendations above relate to each service.
 - for planning services this specifically includes:
 - ensuring the role of chief planning officer is positioned to contribute at a strategic level to corporate level discussion and planning
 - developing detailed workforce planning and strategies that will respond to the changing skills needs of the service and consider at a national level how collectively the limited availability of planning professionals can be addressed
 - providing effective leadership to staff for the cultural changes needed to respond to the shift in focus for this service
 - implementing changes to how the service works to improve the level of partnership working and community engagement.
-

Questions for councillors

This tool captures a number of questions for councillors to consider and relates to our report [Local government in Scotland: Overview 2020](#). It is designed to prompt thinking on a range of issues to better understand your council's position and to consider areas you may want to seek further information on or scrutinise.

Questions for councillors to consider	How well informed am I?	Do I need to ask any further questions?
Leadership		
<p>1 Am I aware what succession planning and leadership development arrangements are in place for the corporate management team? Am I satisfied that these are appropriate?</p>		
<p>2 Do I know what issues I need to develop my knowledge or understanding of? How do I plan to get the appropriate training?</p>		
<p>3 Do I have access to training and learning materials that meet my needs? Do I have a personal development plan in place for training, learning and development that will assist me to be as effective as possible in my role?</p>		
<p>4 How effectively do the council's medium- and long-term financial plans reflect the population projections for my area and the resulting need for services and infrastructure?</p>		
Cont.		

Questions for councillors to consider	How well informed am I?	Do I need to ask any further questions?
Change and improvement		
5	How clear are my council's plans for the changes needed so that outcomes for communities are improved alongside managing the financial and demand pressures?	
6	How do I know my council is delivering on the outcomes it has committed to achieve for local communities?	
7	Do I receive clear, timely and sufficiently detailed performance information to effectively scrutinise service and corporate performance?	
8	Is my council systematically using self-evaluation approaches corporately and in services to inform improvement? How involved or informed am I of the results and monitoring of improvement plans?	
Workforce planning		
9	Do we have detailed corporate and service level workforce planning? How clearly do they set out the current and future staff capacity and skills required and how this will be managed? How am I involved in scrutinising the effectiveness of workforce planning? Do I know how the council is addressing any specific issues with the workforce age profile or skills gaps in services?	

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask any further questions?

Partnership working

How well do I understand all the partnership arrangements of my council?

- 10** How effectively is my council working with partners to deliver services better and/or save money?

What steps is the council taking to ensure partnership arrangements meet their full potential?

What obstacles are facing our area's IJB?

- 11** Am I aware of the steps taken to identify and address these obstacles and to improve the pace of integration?

Community empowerment and engagement

What do I know about the purpose and aims of participatory budgeting?

- 12** What do I know about my council's approach to participatory budgeting, and how effectively is it using this to empower communities?

- 13** How well is my council providing clear, balanced and accessible information to the public about how well it is performing, what needs to improve and how it is addressing this?

Planning services

- 14** How well informed am I about the requirements of the Planning (Scotland) Act 2019 and what this means for the council?

What do I know about the demographic makeup and the projected changes within the council area?

- 15** How effectively is the council using this information to plan how we deliver services, including planning services?

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask any further questions?

- 16** Do I know how well prepared my council is to deliver the requirements of the Planning (Scotland) Act 2019?
How do I know if the planning service has the skills, capacity and resources to implement the new responsibilities the Act brings?
-
- 17** What am I and the council doing to improve or restore community trust, confidence and respect in planning services?
-
- 18** How confident am I and what assurance do I have that the council is well prepared to make the shift in planning services from the regulatory role to include more proactive engagement with communities and other partners?
-
- 19** Do I know how the council is addressing any specific issues with the workforce age profile or skills gaps in services, such as planning services?
-



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk

For the latest news, reports and updates, follow us on:

