

## The Highland Council

9 May 2013

Agenda Item	
Report No	

### Responding to Challenges and Change: An Overview of Local Government in Scotland

#### Report by the Chief Executive

##### Summary

Each year Audit Scotland produces a report providing an overview of local government in Scotland. This report highlights the main themes of the report for 2013 and suggests action points for elected members.

#### 1. An Overview of Local Government in Scotland 2013

- 1.1 Each year Audit Scotland produces a report providing an overview of local government in Scotland. This year the focus of the report is on challenges and change. The Action Points for Councillors are attached as Appendix 1 and the full report can be found at [http://www.audit-scotland.gov.uk/docs/local/2013/nr\\_130328\\_local\\_authority\\_overview\\_bw.pdf](http://www.audit-scotland.gov.uk/docs/local/2013/nr_130328_local_authority_overview_bw.pdf). The main themes are highlighted below.
- 1.2 Resource and demand pressures are identified as the main challenges for local government in 2013. Those highlighted include: a growing ageing population; the ongoing need for financial savings; public sector reform; welfare reform; and community planning.
- 1.3 Audit Scotland also considers how local government is responding, and needs to respond, to the challenges of:-
- Leadership and governance
  - Working in partnership (including community planning)
  - Considering different options for service delivery
  - Having the right performance information and an effective performance management culture, including the use of robust self-evaluation

These points and the Council's current actions are outlined below.

##### 1.3.1 Leadership and Governance

###### *Audit Scotland's Key Points:*

- Build and maintain strong working relationships, in councils and with community planning partners

- Provide robust scrutiny of finances and service performance
- Ensure effective financial planning, management and controls are in place
- Provide clear information about the purpose and intended use of reserves.

*Highland Council's Current Action:*

The Council's role in community planning is considered separately at this meeting under the item on the draft Single Outcome Agreement and in following up the national audit of community planning. Also, in a separate item to this Council meeting on the Assurance and Improvement Plan, the Council's sound financial management and planning are noted by Audit Scotland.

### **1.3.2 Working in Partnership**

*Audit Scotland's Key Points:*

- Ensure effective leadership of community planning
- Demonstrate that the council's contribution to community planning is resulting in better services and improved outcomes.

*Highland Council's Current Action:*

This is described in the two separate reports to this meeting on the draft Single Outcome Agreement and the follow up to the national audit on community planning.

### **1.3.3 Service Changes**

*Audit Scotland's Key Points:*

- Monitor the impact of the major changes in the welfare system
- Ensure rigorous and challenging appraisal of options for delivering services
- Improve workforce planning to understand how changes in staff numbers are affecting services and the capacity for improvement.

*Highland Council's Current Action:*

Reports on the impact of welfare changes are being considered at the Finance, Housing and Resources Committee on the Welfare Reform Working Group and the Council has identified additional resources to mitigate against the worst effects of the changes. This work will continue as the impacts are understood.

The Council has implemented the integration of health and social care and established the Community Challenge Fund.

### **1.3.4 Performance Information and Management**

*Audit Scotland's Key Points:*

- Promote thorough and robust self-evaluation
- Ensure performance information supports scrutiny and service improvement
- Make better use of cost information and benchmarking to assess value for money.

*Highland Council's Current Action:*

Self-evaluation has been used to improve performance in education and social care services for some time and is being supported corporately through the use of the Public Service Improvement Framework (PSIF). Improvements are needed to the approach in some areas as identified in the separate report to Council on the Assurance and Improvement Plan (AIP), but the use of self-evaluation has identified improvement activity across a range of services. Two relevant recent developments in the Council worth noting are the member workshop held in January 2013 to support members scrutinise the performance of police and fire services and the work of the Audit and Scrutiny Working Group into managing performance and using cost indicators. Work is currently underway to identify how the Council can make best use of the new SOLACE benchmarking indicators to improve performance and reduce costs.

- 1.4 The Audit Scotland report includes a section reviewing resource use in 2012 and covers finances (capital and revenue), workforce, assets and procurement. It shows that for 2011/12 local government was in a relatively stable financial position. The report also highlights that the changes in the local government workforce over the past few years are likely to continue and that generally improvement in asset management and procurement processes are required. The Council's performance in relation to these issues is again covered in the report on the AIP, on this Council agenda.

**2. Actions Points for Elected Members**

- 2.1 One of the appendices included in the report provides a list of action points for Elected Members. This covers the types of response needed for the resource and demand challenges that exist, as listed in paragraph 1.3 above.
- 2.2 Members may find it helpful to use the checklist for their own self-assessment. This could form part of their personal development planning. The results from the assessment could also highlight where further briefing or work could be prioritised.

**3. Resource, Legal, Equalities, Climate Change and Risk implications**

**3.1 Resource, Legal and Risk Implications**

- 3.1.1 The report from Audit Scotland covers resource issues and identifies the risks

and challenges.

### 3.2 Equality and Climate Change Implications

3.2.1 The challenges identified in the report include demographic change, the need for partners to focus on inequalities and the pressures to reduce carbon emissions.

#### 4. Recommendation

- (i) Members are asked to consider the report, the actions/challenges and the Council's response.
- (ii) Members are asked to agree that the action points for Elected Members is used for self-assessment by Members as part of their personal development planning and to highlight priorities for officers.

Designation: Chief Executive

Date: 30 April 2013

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Background Papers: None

## Action Points for Councillors

Question	Action point
<b>Leadership and governance</b>	
Are you satisfied that you are supported in taking effective decisions, and can question and challenge your council's performance?	<ul style="list-style-type: none"> <li>Consider reviewing governance arrangements in your council and its committees.</li> </ul>
Do you understand your council's overall financial position, including its borrowings and other commitments, and the level of reserves?	<ul style="list-style-type: none"> <li>Consider the extent to which you are made aware of financial issues and their impact on services.</li> <li>Seek assurance from officers that sufficient controls and checks are in place.</li> </ul>
Do you understand how the financial position affects on your council's services?	<ul style="list-style-type: none"> <li>Seek advice on how budget shortfalls, savings, or delayed spending will impact on services.</li> </ul>
Do you know how well your council is managing its capital programme and major capital projects?	<ul style="list-style-type: none"> <li>Review whether progress with capital plans is on track and meeting its objectives, using our good practice guide on major capital investment to help improve your council's performance.</li> </ul>
<b>Working in partnership</b>	
How well placed is the Community Planning Partnership (CPP) to meet the expectations set out in the Statement of Ambition?	<ul style="list-style-type: none"> <li>Review plans and progress, eg how well the CPP: engages partners; makes best use of employees and other resources; targets local need; involves communities.</li> </ul>
Is your CPP delivering on its local priorities and improving people's lives?	<ul style="list-style-type: none"> <li>Assess how well CPP progress reports give you a clear picture of progress, including prevention.</li> </ul>
Is your council making good progress in implementing reforms regarding police, fire, and integrating adult health and social care?	<ul style="list-style-type: none"> <li>Ensure measures are in place, and that the CPP and the council are providing sufficient direction.</li> </ul>
<b>Service changes</b>	
Are you satisfied with how your council and its partners are leading public sector reform?	<ul style="list-style-type: none"> <li>Ensure you understand the issues and implications for the council and local services.</li> <li>Check the extent to which arrangements are in place to plan and implement reform.</li> </ul>
Do you understand the impact of staff reductions at your council on skills and capacity?	<ul style="list-style-type: none"> <li>Review the impact on services, sickness and morale.</li> <li>Review how effective workforce planning is in your council and its services.</li> </ul>
Do you understand the implications of welfare reform?	<ul style="list-style-type: none"> <li>Check your council has plans in place, including plans to change its workforce and its ICT systems.</li> </ul>
Are you satisfied that your council has fully considered the various options to deliver services, and their advantages, risks, and disadvantages?	<ul style="list-style-type: none"> <li>Review whether existing delivery methods have delivered their intended benefits.</li> <li>Check that you are satisfied that the council has a robust approach to review and option appraisal.</li> </ul>

## Performance management and improvement

Are you given the right information on costs and performance to challenge how well your council performs and whether it is achieving Best Value?

- Review the information you receive noting gaps and areas for improvement.

Do you have the information you need to assess how well your council's performance compares with others?

- Assess the benchmarking information you receive, eg on performance, practice, costs, sickness absence, etc.

Do you have skills and experience to scrutinise and take decisions effectively?

- Consider further training on scrutiny.