

Local Government and Regeneration Committee
Scrutiny of Scottish Government's Draft Budget 2014/15

SUBMISSION FROM ARGYLL AND BUTE COUNCIL

Below are responses from Argyll and Bute Council to the key questions from the Local Government and Regeneration Committee on the Scottish Government's Draft Budget 2014/15.

1. Over the period of the 2011 Spending Review, to what extent have the resources to local government been sufficient to deliver on the joint priorities agreed between COSLA and the Scottish Government, and to deliver local government's statutory duties?

Over the Spending Review period the Council has had to achieve a significant level of savings to balance its budget. At the same time it has also delivered on joint priorities and statutory duties whilst contending with changes in demand for services such as Education and Social Care. A key issue facing the Council has been the requirement for investment in infrastructure and the role of councils in supporting economic regeneration/development. The Council has also had to deal with the financial consequences of a number of severe winters in terms of winter maintenance.

2. Overall, how have the local authorities dealt with "flat-cash" (i.e. real terms reduction) revenue settlement, and what has been the impact on the delivery of services?

Over the period of the Spending Review the Council has had to deal with a reduction in resources in real terms. This has been achieved by a programme of service reviews which looked at alternative methods of service delivery not only to deal with changing demand but to increase efficiency and making better use of resources with the aim of achieving savings of between 15% and 20% over a three year period. These savings are equivalent to around £20m per annum and resulted in a reduction in staffing of around 400FTE. This has required a high level of commitment from reduced numbers of staff as a significant proportion of savings have been achieved through voluntary early retirement and voluntary redundancy. The Council has generally maintained or improved performance in key areas over this period despite the reduction in budget.

3. Are there particular examples of good and bad practices across local authorities in dealing with the budget settlement? How is good practice shared and disseminated and how is bad practice addressed?

The Council has implemented a medium term approach to financial planning and used reserves to assist manage the budget over the medium term to allow for service review proposals to be fully implemented.

The Council supports officers to contribute to the work of professional associations in sharing good practice and helping colleagues in other local authorities where there are opportunities to improve.

Good practice is also shared on a regular basis through the Scottish Leaders Forum, where the leaders of many public sector agencies and bodies meet on a regular basis to exchange views on matters of common interest.

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4. What has been local government's contribution to the delivery of the Scottish Government's Purpose and its 16 National Outcomes and how is this captured and measured?

The Council has mapped its own priorities alongside the national outcomes. The community planning partnership has used the SOA to map partner plans to the national outcomes although it is recognised this is an area for further development. It is also important that in taking forward national outcomes that local circumstances are recognised. In Argyll and Bute this means ensuring public sector interventions are designed to reverse and offset the significant actual and projected reductions in population.

5. Over the years of the new Spending Review, are the resources being provided to local government sufficient to deliver on currently agreed priorities and other statutory duties?

The Council is in the process of developing its draft budget for 2014-15. The information on the finance settlement is currently at a national level. Until individual council funding allocations are known and the draft budget prepared it is not possible to comment on the adequacy of the proposed resources.

6. What are the key challenges and pressures that local authorities face over the period of the new spending review, and what planning has been undertaken?

A detailed comment on this can only be provided once the Council has prepared its draft budget and individual council funding allocations are known. In general terms the following have been identified as likely to be key issues:

- Supporting and delivering economic development/regeneration.
- Investment in infrastructure.
- Dealing with demographic changes
- Implementation of the Integration of Health and Social Care
- Delivering the final phases of Curriculum for Excellence
- Mitigating the worst effects of the welfare reforms, particularly the phased implementation of Universal Credit, which reduce government expenditure but increase the pressure on local authority services.

7. What initiatives are being undertaken by local authorities to support the coherent delivery of measures to reduce greenhouse gas emissions?

The Council has a Carbon Management Plan which is monitored and reported upon on a regular basis.

A key aspect of seeking efficiency savings has been rationalisation of property use, with home, mobile and flexible working all helping to reduce the number of buildings and close some which are not energy efficient. Our programme of investment in the school estate, including new build and improvement, has also provided an opportunity to improve energy

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efficiency. This supplements our plans to use a combination of photovoltaic panels, bio-mass boilers and wind turbines to meet part of our energy requirements.

The Council also sought to improve and promote public transport and encourage walking and cycling, and have also been in the forefront of developing staff and school travel plans.

8. What further measures are required during the period of the new Spending Review to ensure the delivery of the equalities agenda and support the development of the most vulnerable sections of society?

The implementation of the Welfare Benefit Reforms has increased the challenge that the Council face to reduce the inequalities that exist in our society. Local authorities have put in place a range of measures to address the worst effects of the welfare benefit reforms. The Scottish Welfare Fund, Council Tax Reduction scheme, and Discretionary Housing Benefit are all administered by local authorities, and these are all measures to support those citizens who are adversely affected by the reforms. Local authorities have also been a key source of information and advice for those affected. While the Scottish Government have provided funding for services such as money advice, it is likely that the demand for these service will increase as further elements of the welfare benefit reforms take effect.

In general, 'closing the gap' between our least and most deprived areas – in terms of employment, health, attainment etc - remains a key challenge

9. In what ways will the local government benchmarking framework be used in relation to the budget settlement?

The Council will use the release of the benchmarking information to identify and consider opportunities for improvement.

10. How will the wider public service reform agenda support local authorities' ability to deal with the consequences of the budget settlement?

The Public Bodies (Joint Working) (Scotland) Bill requires health and local authorities to deliver a fully integrated health and social care provision for older people and vulnerable adults.

The Scottish Government has made clear that it expects significant progress to be made on joint resourcing, with community planning partners showing how their budgets reflect the priorities they have signed up to in Single Outcome Agreements. This will be a challenge for the Council and their partners but better use of resources should allow us to maintain outcomes.