

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

SUBMISSION FROM SOLACE

**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, local authorities have had to achieve a significant level of savings in order to balance budgets while delivering on the joint priorities and statutory duties. During that same period we have had to respond to an increasing demand for many of our services. Services such as Education have delivered improved levels of attainment while at the same time implementing the Curriculum for Excellence. In Social Work, demographic changes such as an increase in the number of older people and adults with significant care needs have added to demands, and local government has had to meet these additional demands within the context of a council tax freeze and reduced or flat cash grant settlements. Further, the ability of local authorities to maintain or expand the amount of income generated locally has been severely compromised by the on-going economic circumstances. The real term reduction in resources made available to local authorities has required ingenuity and creativity in service delivery, and 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. Local authorities have continued to deliver on the joint priorities by prioritising budgetary and other resources.

**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, and indeed from before this period, local authorities have managed their resources in a prudent manner. Imaginative approaches have been developed to streamline services and make best use of assets such as buildings and vehicles. It is a fact that, during a period when the demands on local authorities are significantly increasing in areas such as Education and Social Work, a 'real terms' increase in the revenue settlement would have made it easier to meet these demands. Some of these increased demands are as a result of demographic changes, such as an ageing population, some are a result of changes in government policy, such as the welfare benefit reforms. While the Scottish Government have made additional funding available for the latter through the Scottish Welfare Fund, the relationship between an increase in the population of adults requiring social care, eg those with dementia, and a matching increase in Government funding is not so apparent, and demands such as this have had to be met from within local authorities overall budgets.

**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?**

Most local authorities have implemented medium to long term financial plans and this has been beneficial in ensuring that a council tax freeze and the balancing of budgets has

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been achieved in a manageable way. Many local authorities have also developed a longer term approach to capital investment planning.

It should be recognised that all 32 local authorities have achieved a council tax freeze for six consecutive years, and indeed a number of local authorities have even achieved a reduction in council tax. This is even more noteworthy when one appreciates the ever increasing demands that local authorities have had to deal with during that period.

The Committee should recognise the key role which the local government professional associations play in sharing good practice and helping colleagues in other local authorities when less than good practice has been identified. SOLACE Scotland is an excellent example of this type of positive networking, but others such as ADES, ADSW, CIPFA Directors of Finance, SOLAR and SCOTS are equally important networks.

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

**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?**

Local Government has made a significant contribution in respect of achieving the National Outcomes, both in its own service provision and in its capacity as leaders of the community planning process. Examples are set out under some of the relevant outcomes below:

- **We live in a Scotland that is the most attractive place for doing business in Europe.**

Local authorities' economic development services work in partnership with Scottish Enterprise, Highlands & Islands Enterprise, local Chambers of Commerce and the Federation of Small Businesses to sustain and develop companies and businesses within their areas. We are responsible for much of the physical infrastructure needed to support economic growth, we market and promote our local areas, make land and buildings available for business, provide advice to small businesses and entrepreneurs and work in schools and through our partnerships with Colleges and Universities to ensure we have a workforce with the skills needed by employers.

- **We live our lives safe from crime, disorder and danger.**

The operational relationship between Police Scotland and the community safety wardens employed by local authorities is recognised by Police Scotland as one of the key factors in the achievement of a significant reduction in crime over the last 5 years. Reported crime is at its lowest level for years and re-offending rates are also reducing. Local authorities have worked closely with Police on intelligence sharing and joint tasking, and on projects to reduce crime such as diversionary work with young people. They also play a key role in ensuring that both Police and Fire services remain responsive to local needs after their reform by having in place arrangements for local scrutiny and engagement with these

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services. Local authorities are also paying for additional services provided by Police to increase community safety within their local areas.

- **We realise our full economic potential with more and better employment opportunities for our people.**

A key focus for local authorities has been on youth unemployment, aiming to secure positive destinations for school leavers and especially those who have been looked after. Many authorities target initiatives to tackle unemployment in deprived areas e.g. by hosting job clubs in local community centres and libraries and promoting adult literacy. Local authorities are responsible for significant capital investment in their areas, which generates employment and training opportunities and some have sought to maximise the benefits by including community benefit clauses in capital and revenue contracts. Social enterprises have been supported in many local authority areas. Generally, local authorities have been working to secure high value, sustainable jobs e.g. in the knowledge economy and renewables.

- **We live in well-designed, sustainable places where we are able to access the amenities and services we need.**

A notable achievement here is the growth of co-location, where local authorities are working closely with their public and voluntary sector partners to deliver more joined up, integrated services. Local authorities have also invested in community facilities and used these as access points to a wide range of services or places in which we tackle digital exclusion. Many services are now available online, or through 'one stop' customer service centres.

- **We are better educated, more skilled and more successful, renowned for our research and innovation.**

Local authorities have built close links with local Colleges and Universities and themselves provide opportunities for learning and culture through schools, libraries, museums, adult learning etc.

- **We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.**

Local authorities are key to supporting the empowerment of our communities, in collaboration with our public sector and third sector partners. One example is community asset transfer – where local people and organisations develop their skills and capacity so they are not just working with us to identify problems but are actually becoming part of the solution, managing and improving local assets. Local community planning has been a success, bringing community representatives, local authorities and partners together to develop and implement plans for their areas.

- **Our young people are successful learners, confident individuals, effective contributors and responsible citizens.**

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All local authorities are working to the Getting It Right For Every Child agenda and aiming to ensure that children are safe, healthy, achieving, nurtured, active, respected, responsible and included. This requires us to deliver across the whole spectrum of issues which affect children. One example is the delivery of the Curriculum of Excellence, which will ensure that our young people are better prepared for their life after school. The last 5 years has seen attainment improve year on year, and it is expected this will continue with the full implementation of the Curriculum for Excellence

- **We value and enjoy our built and natural environment and protect it and enhance it for future generations.**

Local authorities are in the forefront of protecting and enhancing the environment through our planning and development quality functions and our role in physical regeneration. Specific initiatives include plans to improve air quality, green spaces and opportunities for play. Day to day, we are keeping the streets clean, picking up refuse, providing opportunities for recycling etc.

- **Our children have the best start in life and are ready to succeed.**

Ensuring that children have the best start in life is the most significant way in which local authorities are responding to the focus on early intervention and prevention. Through provision of nursery places, breakfast and after-school clubs, family support and better partnership working with health, police etc we are aiming to intervene early to support children and their families, rather than wait until crisis situations develop. The implementation of the Children and Young People Bill will improve the start in life for many more children. All authorities are committed to child protection.

- **We live longer, healthier lives.**

One of the key achievements of community planning is the way it has brought local authorities and the health service together to focus on health inequalities and tackle some of the key issues which affect the health of our communities such as substance misuse. This close working will continue with the development of Integrated Health and Social Care Partnerships. Authorities have continued to invest in leisure and sports facilities to give people opportunities to take part in physical activity. In terms of social care, we support people's ability to live independently at home by providing the care packages they need.

- **We reduce the local and global environmental impact of our consumption and production.**

All local authorities have signed up to Scotland's Climate Change Declaration, committing them to produce and report on their own plans and to encourage others to do the same. Plans cover issues such as energy use, travel and waste. A good example of action taken is the increasing use of recycled construction and demolition waste. Local authorities promote the 'reduce, re-use, recycle' message and take action to reduce the % of waste going to landfill.

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- **We have tackled the significant inequalities in Scottish society.**

The work of the Improvement Service on Making Better Places has highlighted the stark inequalities between Scotland's neighbourhoods and the way in which negative outcomes are clustered in our poorest communities. Authorities undertake a range of initiatives to address inequality including encouraging benefit take-up and income maximisation, providing and supporting debt advice and representation, advising on fuel and energy efficiency, developing concession schemes and supporting credit unions.

- **Our public services are high quality, continually improving, efficient and responsive to local people's needs.**

Local authorities have a range of approaches in place to ensure that services are high quality and responsive. They have adopted a model Complaints Handling Procedure to provide the public with a consistent process for making complaints and are using these to identify root causes and plan service improvements. Most authorities are using self assessment tools to consider their processes and results and have robust systems for performance management and scrutiny by elected members which ensures a focus on continuous improvement.

- **We have improved the life chances for children, young people and families at risk.**

Local authorities have been key players in the development and delivery of the Early Years Collaborative which will result in tangible improvements in outcomes for our most vulnerable children. We will learn what works and get better at implementing proven good practice.

**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?**

With every passing year the delivery of the mutually agreed priorities and outcomes becomes more challenging. The latest Scottish budget figures show reductions in both cash and real terms for local government over the next spending review period, so there will be further efficiencies and savings required while we continue to target resources at national and local priorities.

In terms of revenue funding, it is gratifying to note that funding for the implementation of the Children and Young Persons Bill has been provided for in the Spending Review. In addition the continuation of the three Change Funds is welcomed as these have been, and will continue to be, vital in allowing local authorities and partners to develop new approaches and bring about transformative change. In general, the key challenge is how to fund the decisive shift towards prevention which everyone agrees will have long term benefits not only for the communities we serve but in making best use of resources.

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In terms of capital funding, the return of the capital grants that were reduced in 2010/11 and 2011/12 is welcome and will assist local authorities to deliver on their ambitious capital programmes, which will in turn have a huge impact on the quality of our schools, leisure and community facilities, care homes, roads etc.

The Spending Review includes capital provision for the Schools for the Future programme, and this will deliver 67 new secondary and primary schools.

**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?**

Delivering a council tax freeze for the next two financial years will be challenging. Based on past experience, local authorities will meet this challenge but with each passing year the achievement of the revenue budget savings necessary to achieve a balanced revenue budget, while protecting front-line services, becomes more difficult. Particular issues over the period of the review include:

- Implementation of the Integration of Health and Social Care as set out in the Public Bodies (Joint Working) (Scotland) Bill
- 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 Westminster Government expenditure but increase the pressure on local authority services.
- Increased demand for services as a result of demographic changes, e.g. older people and adults with care needs
- Various pension changes
- The Community Empowerment and Renewal Bill provision to strengthen Community Planning Partnerships and bring forward joint resourcing of shared priorities will require a refreshing of the culture with CPPs.

Local government is experienced in planning and budgeting for new and revised services.

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

Local authorities all have Carbon Management or Reduction Plans and these are monitored and reported upon on a regular basis.

A key aspect of seeking efficiency savings for many authorities has been rationalisation of property use, with home, mobile and flexible working all helping authorities 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 efficiency.

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Achievement of the Scottish Housing Quality Standard by 2015 will reduce emissions while also ensuring that homes are less expensive to keep warm.

Many authorities have rationalised the use of vehicles and introduced fleets of electric vans and cars and, with the aid of Scottish Government funding, have set up a network of electric vehicle charging points throughout their area, many of which are available to the general public.

Authorities have 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.

A low carbon Scotland will reduce the amount of energy people need to use in their homes, schools, workplaces, and public buildings and, in doing so, help to reduce levels of fuel poverty. It will improve our public spaces and improve public health by reducing traffic pollution, increasing active travel and increasing woodland cover, particularly in and around urban areas. Tree planting, peatland restoration and increasingly sustainable land use will also benefit our biodiversity

**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?**

Further assistance to mitigate the impact of welfare reform would be helpful. The implementation of the Welfare Benefit Reforms has increased the challenge that local authorities face to reduce the inequalities that exist in our society, impacting most on those who are most likely to require support. Local authorities have put in place a range of measures to help mitigate the worst effects of the welfare benefit reforms. The Scottish Welfare Fund, Council Tax Reduction scheme, and Discretionary Housing Payments (DHP) 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 services will increase as further elements of the welfare benefit reforms take effect. For example the under occupancy charges have impacted significantly on people with disabilities and the funding provided for DHPs is not sufficient to fill this gap, resulting in growing rent arrears for this client group. Even if tenants affected by these changes wish to move to smaller properties, there is insufficient supply of alternative housing to satisfy this demand.

In general, 'closing the gap' between our least and most deprived communities – in terms of employment, health, attainment etc - remains a key challenge. Stimulation of the economy to create jobs would be helpful.

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

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SOLACE Scotland was instrumental in developing the new benchmarking framework, and local authority Chief Executives are committed to using the framework to compare results, share good practice and improve their Council's performance. The benchmarking framework will assist local authorities to identify where best performance and best value is being delivered on a recurring basis, especially in authorities with similar socio-economic profiles, and allow improvements both in efficiency and performance to be made throughout local government. The culture of continuous improvement is embedded in local government and the benchmarking framework will assist in advancing the continuous improvement journey.

Whilst the benchmarking framework is a positive development, the pressure on budgets due to the flat cash settlement will make the continuation of service delivery improvement more challenging.

**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. This presents a challenge – but also an opportunity to deliver the required shift of resources from reactive services to early intervention.

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 authorities and their partners but better use of resources should allow us to maintain and hopefully improve outcomes.

These benefits cannot be delivered without initial investment in time and change management and this will result in additional pressures for local authorities until the new arrangements are fully embedded.