

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

SUBMISSION FROM SOUTH LANARKSHIRE COUNCIL

## Looking Back

**1. Over the period of the 2011 Spending Review, to what extent have the resources provided 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?**

Whilst the Scottish Government has maintained local government's share of its budget, this has meant that annual savings have been required – and the expectation is that this will continue to be the case for the foreseeable future.

The agreed joint priorities from the 2011 Spending Review were obviously more limited than in the previous Concordat and there was more scope for local flexibility which was welcomed. However, care was required during Council savings exercises between identifying and seeking to make decisions based on statutory/non-statutory or core/non-core definitions.

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

Local authorities have had to work hard to manage their activities within the “flat-cash” settlement as there has been no alternative. The Council's financial strategy shows the level of pressure faced by the Council and that these pressures included, and continue to include, the impact of demographic changes ranging from Assisted Support Needs in Education to the number of older people receiving care. As a result of the “flat-cash” settlement, these pressures must be funded from savings elsewhere in the Council's budget. The Council's senior officers have worked hard to present savings packages which are achieved through more efficient practices, however, this level of efficiencies cannot be sustained and ultimately, service delivery will be affected.

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

Each local authority has taken its own approach to dealing with the budget settlement. This is influenced by a number of different factors including the make-up of the council and their approach to their budget strategy. As noted in the response to question 2 above, the Council's focus has been on delivering efficiencies but this will be difficult to sustain moving forward.

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

The contribution by local government to the Purpose and National Outcomes is articulated through the Single Outcome Agreements and through Annual Reports, though these tend to reflect the contribution by the community planning partnerships rather than just councils.

There is an issue in that the national indicators are sometimes not capable of being produced at a council area level and they also tend to be very high level whereas local, and sometimes even national level initiatives, can be 'lost' through the impact of factors like the global recession, austerity programmes or net migration patterns.

In relation to our key national objective to "Improve access to suitable housing options for those in housing needs", the level of Resources to provide both the required number and the options for suitable lets to fulfil this objective have been insufficient. Additional requirements in relation to the provision of support to households have also resulted in funding difficulties.

### Looking Forward

**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?**

Council-wide, the resources being provided to deliver on currently agreed priorities and statutory duties are not sufficient. The Council's financial strategy shows the level of pressure being faced by the Council and these pressures include the impact of demographic changes ranging from Assisted Support Needs in Education to the number of older people receiving care. As a result of the "flat-cash" settlement, these pressures must be funded from savings elsewhere in the Council's budget. The Council's officers work to present a package of savings which can be achieved through more efficient practices, however, this level of efficiencies cannot be sustained and ultimately, service delivery will be affected.

A specific area of issue is in terms of the resources required to achieve our objective in relation to housing need. These are currently insufficient and are being further reduced due to the current and predicted impact of Welfare Reform.

**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?**

There are a number of key challenges and pressures faced by local authorities across the period of the new spending review:

The changing demographics anticipated over the coming years is a significant pressure for the Council, whether it be additional presentations of children with additional support needs or the increasing levels of older people care required. Information is collected by the Council on these, and other areas, and the information collated informs the Councils budget strategy.

One of the Council's key challenges over the period of the next spending review is dealing with the impact of Welfare Reform on our rental streams for temporary and permanent

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

accommodation and the predicted rise in homelessness together with our increased responsibilities as a result of these changes. The Council has been reviewing / amending its business plans to take account of this but at present these plans still show significant funding gaps. The impact of Welfare Reform on other client groups remains to be seen, but it is likely that more people will need more help.

In terms of financial planning, the Council works on a financial strategy covering the period of the spending review. One of the key factors impacting on the strategy is the level of government grant and as this has not been confirmed for financial year 2014/15, then the parameters within which the Council has to operate can only be estimated.

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

There are two aspects to answering this question – reduction within the Council and in the wider community. Each will be taken in turn.

**Greenhouse gas reduction within the Council**

Since the introduction of its Carbon Management Plan, measures taken by the Council include:

- Constructing all new buildings to high standards of energy efficiency including the installation of renewable heating systems (biomass and ground source heating).
- Continued improvement of the energy efficiency of its portfolio including improvement of insulation, fabric upgrades as well as the installation of other energy efficiency measures which will assist in reducing energy consumption and also reduce carbon outputs.
- Fuel efficiency measures in the Council fleet including: consolidating routing of vehicles, vehicle tracking system, scheduled replacement programme and the procurement of smaller more efficient vehicles and trialling electric vehicles.

The Council is also leveraging in external funding from various schemes such as ECO and HEEPS to assist in carrying out improvements to not only our portfolio, but also the private sector which assists in taking an area based approach to energy efficiency. Through our works programmes “green” measures are built in where appropriate.

Year on year reductions in the Council's greenhouse gas emissions continue to be achieved (approximately 14% since 2005/06) and we have set a target of a 2% reduction each year (on average) for the medium term. Emissions figures are reported to Council committees and to the public in line with the commitments the Council has made as a signatory to Scotland's Climate Change Declaration. The Council's Carbon Management Plan will be revised again in January of 2014.

**Greenhouse gas reduction in the wider community**

It is recognised that the Council has some scope to influence emissions in the wider community, although this is an area which we consider needs further development and a

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

better understanding of the respective responsibilities of local and national government. Areas where the Council has had the greatest influence so far include:

- Continuing to promote domestic waste recycling and procuring advanced waste processing services for the South Lanarkshire area to meet national zero waste targets.
- Developing programmes to improve the energy efficiency of local housing through use of funding from the Scottish Government and energy companies (ECO).
- Working in partnership with SPT and others to promote the use of public transport e.g. provision of park and rides, cycle lanes, school travel plans etc.

In addition to the above, the Council has established a Sustainability Partnership to try to promote partnership working to reduce emissions. The South Lanarkshire SOA also includes a number of shared targets in relation to greenhouse gas reduction.

**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 measures to ensure the delivery of the equalities agenda and support the most vulnerable section of society could include action and resource in support of the following areas:

Community Planning Partnerships are now focused on measures to achieve this through Single Outcome Agreements and there should be further assistance to help Partnerships deliver improved outcomes for those in need of the greatest level of support.

The asset based approach could be further promoted as a means of empowering people, promoting service user involvement and influence and supporting the principles of co-production.

Work to further develop community engagement in the community planning process is very positive, encouraging greater involvement in identifying priorities, in service design and delivery. Greater consideration however, should be given to the proposals contained in the draft Community Engagement and Renewal Bill, with an expectation that the Scottish Government clearly defines how it will approach and resource the delivery of the principles of localism.

Much has been achieved in the area of jobs and pay practices and it is essential to continue efforts to ensure positive outcomes employment for all young people for example. The continuing investment in support for young people into jobs, further education and training will be crucial to avoid future lost generations.

Levels of female unemployment and the high levels of women on low pay and the impact this has on child poverty should be a focus. Additional investment in childcare/alternative care (where gaps exist) will go some way to helping reduce barriers to employment.

Delivering on the living wage will help support household incomes as in-work poverty is an issue for many people. Efforts should be made to ensure that public sector bodies and

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

third sector organisations in receipt of public money undertake to introduce the living wage and equal pay practices for employees.

Measures to help reduce the rise in under-employment should be identified, to help minimise the impact this has on living standards and skills development. How the impact of Welfare Reform is mitigated will be crucial, particularly for vulnerable and disadvantaged groups.

Within Education, the growth in the ASN sector is one of the biggest challenges. Legislative requirements for support and reasonable adjustments to allow children with disabilities to be given the opportunity to meet their full potential has been growing significantly. National data held in this area is out of date and not sufficiently detailed. The Scottish Government has been seeking to gather more detailed information from Local Authorities via the annual pupil census, however it is unclear as to how complete this data collection exercise is and how it is being used to feed into the national spending review. It is becoming urgent that more up to date data is considered and it is proposed that this area of work be prioritised by the Government moving forward.

The Council have proposed that additional financial support for those most affected by the Welfare Reform cuts either through the Scottish Welfare Fund or Discretionary Housing Payment top ups would be helpful. In addition, also welcomed would be clearer long term commitments to additional grants for social housing developments.

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

The purpose of the benchmarking framework is to enable 'similar' councils to compare their spending and performance in order that they learn from each other's strengths and weaknesses and help improve performance where appropriate.

The results in respect of the measures of performance included within the Framework have been developed for benchmarking purposes at a local authority level. It was not envisaged that they would be used as a basis for allocating the Scottish Government Budget settlement. Local Financial Return (LFR) information used to calculate benchmarking indicators influence minimal amounts within the budget settlement. However, once again this is not a result of the benchmarking framework influencing the settlement.

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

The public sector reform agenda should help councils deal with their budget settlement if it means that all the public sector players come together and plan and deliver services in a more joined up way and in ways that reinforce moves to more preventative and early intervention approaches. By their nature, Councils look to address their needs and opportunities at a local level however, other public sector bodies are more influenced by needs articulated at the national level, and indeed see their accountabilities at this level. These contradictory approaches could affect the success of the reform agenda.