

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

SUBMISSION FROM WEST LOTHIAN 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?**

The resources have not been sufficient. As a result, the council has had to make very significant budget reductions. In light of the real terms reduction in Scottish Government funding, the council has had to make considerable savings to be able to deliver the joint priorities of a council tax freeze, maintaining teacher numbers in line with pupil numbers and securing places for all probationers who require one under the induction scheme. Over the three year period 2012/13 to 2014/15, West Lothian Council will be required to deliver budget savings of £23.3 million. In addition, pay restraint for local government staff has contributed considerably to allowing the council to balance budgets. This has resulted in staff experiencing a real term reduction in their incomes.

**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?**

To accommodate the real terms reduction in funding, West Lothian Council will have to deliver budget savings of £23.3 million for the three year period 2012/13 to 2014/15 covered by the 2011 Spending Review. These savings have had an impact on the council's staffing levels, however the focus has been on significantly modernising service delivery to help minimise the impact on the direct delivery of services to customers.

The council's general approach to identifying reprioritisation measures has incorporated the need to continue to deliver agreed outcomes. In these circumstances, managers have been innovative about service redesign to ensure outcomes are not compromised. The key efficiency areas being pursued by the council include:

- New models of service delivery and provision
- Modernising support functions, including new approaches to administrative tasks
- Mobile and flexible working
- Review of management structures and integration with other bodies
- Integration of community and operational facilities and services
- General service restructures and workforce management
- Energy efficiency proposals
- Reviewing income and concessions
- Improvements to how customers interact with the council
- Continued implementation of sound asset management principles

The council's approach to the delivery of services has changed significantly across the period, however if the real terms reduction in resources continues for the next four years, there will be an inevitable impact on service provision. West Lothian Council's aim is to

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try, wherever possible, to minimise the impact of a real terms reduction in resources on customers and services.

**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?**

To address the actions arising from the budget settlement, West Lothian Council has developed a medium term approach to financial planning that incorporates key priorities and workstreams to be developed to help deliver efficiency savings and reprioritise service delivery. The focus has been on integrating future financial and corporate plans, therefore the Corporate Plan, five year revenue strategy and five year capital investment and asset management strategy were developed in tandem. To support this integration, West Lothian Council approved at the same meeting on 29 January 2013, the Corporate Plan, a revenue strategy and a detailed revenue budget for 2013/14 and 2014/15, a five year capital investment plan and asset management strategy. This approach will help the council to prioritise resources essential to achieving key outcomes over the next five years.

To help develop the council's priorities, and resulting financial strategies and Corporate Plan, a major public consultation was undertaken in 2012. The consultation exercise was used to determine the council's priorities and gather feedback on proposed workstreams that would contribute to delivering the priorities over the next five years. The consultation received 2,953 responses with over 17,000 individual comments. Within the responses there was a strong support for the council's eight priorities. In addition, the consultation produced a large range of suggestions that will be useful in developing nine workstreams. The development of the workstreams is being coordinated to ensure future proposals support the financial strategy and are consistent with each other. The council's key workstreams are:

- Working with partners to deliver outcomes
- Preventing negative outcomes
- Modernising services
- Managing our workforce
- Managing our assets
- Delivering effective procurement
- Reviewing income and concessions
- Managing our relationship with customers
- Reducing energy use

With regard to how practice is shared, West Lothian Council has been open to approaches from other local authorities regarding budget development and financial strategy. Officers have shared their experiences and outlined how the council has approached the challenges relating to the budget settlement. In addition, West Lothian Council actively participates in benchmarking exercises covering many different aspects of service delivery. This allows the council to share their experiences and best practice in a structured forum, whilst also allowing the council consider new ideas and approaches from others.

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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?**

Local Government contributes to delivering on the Scottish Government's purpose through the development and agreement of Single Outcome Agreements (SOAs). The SOA is aligned to the national priorities. It also reflects the Community Planning Partnership's ability to deliver locally agreed services that meet local requirements.

SOAs are measured using the national performance framework and a range of locally agreed and national performance indicators

**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?**

The resources are not sufficient. The real terms reduction in funding will inevitably mean significant budget savings will have to be made. Based on indicative 2014/15 figures, West Lothian Council has approved a balanced budget for 2014/15 which requires budget savings of £7.2 million to be delivered. To continue to meet agreed priorities over the next Spending Review, the council will be required to make considerable savings due to the real terms reduction in resources. In view of reducing resources, and increased demand for council services, it would be helpful for the Scottish Government to focus on outcomes in the Spending Review, rather than input measures which limit local flexibility. This would help local authorities ensure that scarce resources are deployed in a manner that supports achievement of key priorities and outcomes for local communities.

**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 general challenges to be addressed by local authorities over the period of the new spending review. These include:

- The key role of local government in addressing inequalities for local people, especially in regard to Welfare Reform
- Local government as a driver to help support employability and training
- Adaptation of council services and management of customer expectations to continue to deliver valued services to those who require them
- Continuing to develop and form new partnerships with key stakeholders to ensure that scarce resources are deployed appropriately across all public bodies
- Engaging with staff and stakeholders in a meaningful and appropriate way during this unprecedented time to change
- Keeping pace with technological developments and customer requirements
- An increased role of local government in promoting and sustaining economic growth locally to support the wider goal of increased UK growth

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- Changing approaches to delivering services between different public sector bodies, including appropriate allocation of resources to support continued service provision
- Increased accountability to local and national stakeholders that key priorities are being addressed and desired outcomes are being achieved
- Increasing demand led pressures arising from demographic increases

The economic position will continue to present major challenges for public spending. The overall population of West Lothian is increasing year on year, with one of the youngest and fastest growing populations in the country. There is a higher proportion of children, however the most marked demographic increase over the next few years relates to the number of older people, which is anticipated to increase by nearly 5,000 by the year 2020. These population increases place additional demands on council services, and although government grants will provide some allowance for a growing population, it will not be sufficient to meet all spending pressures, especially in relation to areas such as social care.

West Lothian Council has adopted a cohesive approach to corporate and financial planning to help ensure that key challenges can be addressed. The council has an agreed set of priorities, following consultation with local stakeholders, which will be used to ensure resources are applied to deliver key priority outcomes. Underpinning the priorities, workstreams are being developed to implement new approaches to working.

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

The council is approaching the reduction in greenhouse gases in two principal ways. Firstly, the council has adopted a carbon management plan which anticipates reductions in greenhouse gas emissions in line with national policy. The plan sets out a number of initiatives aimed at achieving the reductions including green transport planning, waste management projects and a range of behaviour change initiatives.

Secondly, the carbon management plan is supported by a workstream focused on reducing energy use across the council. This initiative seeks to reduce the cost of energy used by around one fifth over four years. In order to achieve these savings, a number of initiatives are underway. These include installation of solar PV panels on a number of operational buildings; energy audits of all 260 operational buildings; implementation of energy efficiency measures in buildings; investigating the conversion of lighting, including street lighting, to light emitting diode technology; and implementing a programme of behaviour change initiatives.

**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 Scottish Government's Equality Statement on the Scottish Draft Budget 2013/14 was positive, providing evidence for local authority budget setting equality considerations. It is hoped that a similar process will be conducted to support the 2014/15 draft budget. It may be beneficial to involve some form of local government representation for consultation or engagement in the development of the statement. More development work could be

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undertaken by all councils to improve the level of data, and subsequent analysis related to key budget decisions, in terms of what impact these decisions have on individual protected characteristics, as well as the cumulative impact across the whole budget.

**9. In what ways will the Local Government Benchmarking Framework be used in relation to the budget settlement?**

The Local Government Benchmarking Framework was designed to increase the scale and relative value of comparative performance analysis across local authorities in Scotland. At an early stage, it has helped to build capacity and understanding at a local level on the discipline of benchmarking, but it remains an emergent approach.

There are ongoing issues, relating to the quality and range of indicators and data sources, which needs further work to ensure the framework will be a meaningful benchmarking tool. There may also be development needs to be addressed to ensure that all councils are able to analyse and use the data effectively to inform good practice and service improvement.

In general, the current set of indicators in the framework provides high level comparative information about a number of services. Further development with additional indicators would assist in addressing the full scope and complexity of local government activity.

The ongoing review by the Improvement Service will hopefully address the development areas identified so that, in future, the framework has the requisite maturity, depth and quality of information to inform the budget setting process.

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

The wide ranging review of public services nationally, provides the council and its partners with an opportunity to work together to design joined up services focused on achieving targeted preventative interventions with people at an earlier stage. In light of the budget settlement and opportunities for wider public service reform, West Lothian Council will continue to modernise services through:

- **Integration** – working productively with our partners to provide services that are effective, flexible and affordable
- **Early intervention and prevention** – reshaping services to deliver the greatest and earliest targeted impact for those most in need. With increasing demand on services, and evidence indicating that early intervention measures are critical in preventing negative social outcomes later in life, this is integral to service delivery for the council.
- **Empowerment** – enabling and empowering communities to work with the council to design and deliver local solutions should ease future demands for services and lead to positive outcomes for individuals and families

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- **Modernising services** – improving the quality and efficiency of services by eliminating duplication, streamlining processes, harnessing technology and developing our workforce

The focus for West Lothian Council, throughout wider public service reform, is the emphasis on outcomes rather than inputs. The focus on outcomes helps to ensure that customers and local communities receive the services and interventions that make a difference to them in their day to day life.