Perth and Kinross Council response

1. I refer to your correspondence of 23 September 2011 and would make the following comments on behalf of Perth and Kinross Council.

Spending Review

2. In February 2011 Perth and Kinross Council set a Final Revenue Budget for 2011/12 and Provisional Revenue Budgets for 2012/13 and 2013/14. The publication of information for three years is essential to allow the Council to further update its medium term financial plan and to allow us to plan for the future.

3. Perth and Kinross Community Planning Partnership has a long-term (14 year) strategy laid out in its Community Plan 2006-2020 focused on the delivery of positive outcomes for the people and communities of Perth and Kinross. Progress towards delivery of this strategy and a series of local outcomes is measured through the Single Outcome Agreement (SOA) for the area and reported annually.

4. The priorities and targets contained in the SOA require to be reviewed regularly to ensure that they continue to reflect local needs and challenges. The targets are developed to drive improvement therefore must be challenging yet achievable within available resourcing levels. A three-year budget settlement provides information that is critical to this process.

5. The increased certainty provided by a three-year settlement supports the Council to develop its relationships with partners in the public sector as it enables the Council to make commitments to support partnership/integrated working based on committed resources. It also supports the development of productive relationships with the private and voluntary sector by enabling longer term planning to shape service provision that meets service demand.

Increasing demand for services

6. In updating Service revenue budget submissions each Service includes expenditure pressures in relation to their areas of service delivery. At the present time the main pressure areas include the cost of providing services to growing numbers of elderly citizens; pressures in relation to support needs for vulnerable families and for young people and adults with learning and behavioural difficulties; increases in homeless presentations and inflationary increases in operating costs such as fuel, energy and maintenance costs.
7. The Council has approved a transformation programme focused upon developing more efficient and responsive models of service delivery to address these demand led pressures. For example, we are looking at working more closely with third sector agencies that can provide a more targeted, local service to our children resulting in less need for disruptive, expensive residential care. This type of service provision may also provide more secure, long term funding sources to these types of third sector organisations.

Public Service Reform

Service provision and partnership working

8. The Council is committed to an improvement agenda that ensures we continue to be an agile organisation able to anticipate and respond to the changing demands on our services. We proactively develop preventative approaches that reduce longer term issues arising from ‘failure demand’ and have made substantial financial commitments in areas such as early years provision to drive this forward. Detail of this is available in Example 1 attached.

9. Over recent years the Council has worked closely with partners through the Community Planning Partnership to co-ordinate partnership working and develop integrated approaches to service provision where this is beneficial to service users. Although there is scope for further integration in many areas significant progress has already been made. Detail of this is available in Example 2 attached.

Outcomes based distribution system

10. It is accepted that an extended period of time is required for some of our outcome led policy and funding commitments to demonstrate an impact. Both the allocation of resources and the identification of corrective measures within the Council, including savings, are measured against how they contribute to or impact upon the Council’s performance in the delivery of local outcomes.
Example 1

Bounce Back

11. A key area in improving service delivery is the focus on early intervention and providing services specifically designed to promote wellbeing. Bounce Back is an example of an initiative where the focus is on helping adults, children, families and schools to develop a stronger sense of wellbeing and to be more resilient, confident and successful.

12. Through the programme, staff learn to help their pupils develop resilient attitudes and behaviour to the challenges they face in terms of confidence and wellbeing. This is especially important for vulnerable children such as in a family who have complex needs and face a variety of challenges on a daily basis. It is a comprehensive programme that is designed to be carried out throughout primary school up to S2 with key concepts being revisited at different ages. Bounce Back includes many cross-curricular links and emphasises active and cooperative learning. Pupils learn the life skills of resilience while pursuing many other aspects of the curriculum.

Nurturing approaches

13. Nurture classes in Primary Schools and nurture approaches in Secondary Schools aim to bridge the gap between home and classroom learning environments to support vulnerable children with social, emotional and behavioural development needs. This is carried out by providing the children with a safe base within the school where they can build trusting relationships with reliable adults and develop the skills needed to integrate within the mainstream school environment. In addition to working with the children, the nurture approach offers support for parents, as well as assurance that they will be respected and valued and that their child will be helped. The input of several of the CPP organisations to the nurture approach is essential and liaison and joint working with allied health professionals, social workers and education professionals are key components to successfully meeting the children’s needs. The impact of the nurture approach on families has been very positive, including evidence of improvement in the children’s ability to relate with other children and adults within the school, increased school attendance and reduced exclusions.
Example 2

Integrated Working in a Locality

14. Data and research on deprivation in Perth and Kinross identified that children and families in the Rattray area felt there were significant challenges in accessing services and few facilities within their community. To address the Community Planning Partnership (CPP) funded a community flat to provide a base for a staff group from the Children and Families Service to focus on engaging with families in the area who had historically been resistant to working with public services. In addition to the services provided by this core team, a range of other agencies including health, education and community learning use it as a base to deliver services. Advice and guidance, parental discussion groups, healthy living initiatives and the opportunity to acquire new skills and individual education packages provided for young people not attending school as an initial step in supporting them back into school are all available at the community flat. Better relationships have been established between public services, especially schools and social work and all the services delivering from the flat have identified that they have benefited from the relationships built up in the community by the core staff.

15. In addition to establishing this community resource the CPP chose to pilot a ‘lead professional’ approach within Rattray. This development was underpinned by identification that a higher than average number of residents within the Rattray area experienced health inequality as well as social deprivation. Tobacco and sexual health are major issues in the Blairgowrie and Rattray area and there are high rates of teenage pregnancy in Rattray. To address this the CPP built on the positive progress achieved through the Community Flat and made an application to the national Equally Well programme, which is aimed at identifying and addressing health inequalities within local communities. As a result a health improvement Test Site was established in the Rattray area with the principal aim of working collaboratively to support service users with multiple or complex needs who traditionally have not engaged with services. This includes people who are known to and supported by a range of local and statutory services. The service delivery model for the Test Site involves a lead worker approach, with this individual assuming primary responsibility for coordinating the interventions of statutory services where individuals and families have input from multiple organisations.

16. The lead worker also provides the individual or family with encouragement to cooperatively engage in the support on offer. Through this targeted model of engagement and support service users have achieved better outcomes, such as, improved health and wellbeing, less family breakdown, better use of service provision where required and raised aspirations and achievements, all of which have also lead to reduced longer-term dependency on support from services.
Overall funding levels

17. The information contained within the Draft Budget is available at an aggregate level for Local Government. However our initial assessment of this information is that the levels of funding for Perth and Kinross Council for financial years 2012/13 and 2013/14 appear broadly in line with our assumptions used in setting Provisional Revenue Budgets for 2012/13 and 2013/14 in February 2011.

18. A flat cash settlement, however, requires local government to absorb considerable inflationary and demand led pressures within existing resources. Other areas include the absence of any uplift within the flat cash settlement for maintaining a Council Tax freeze; and the challenges of maintaining planned levels of capital investment in light of the proposed deferral of £220 million of Capital grant funding. The flat cash settlement also has to be viewed in the context of delivering specific and challenging Government policy outcomes including maintaining teacher and police numbers.

19. The UK Government Welfare Reform agenda is widely anticipated to have a significant impact upon the demand for local government services and, potentially, upon rent and Council Tax income levels. This is likely to place further pressure on the resources available to deliver services.

Reducing expenditure

20. As discussed earlier the Council has developed a Provisional Revenue Budget for financial years 2012/13 and 2013/14, approved in February 2011.

21. These provisional revenue budgets included further efficiencies across all Council services including reductions in management, reductions in administration support and the redirection of resources to support the delivery of front line services to the citizens of Perth and Kinross. This includes a commitment to generating further efficiencies both externally using agencies such as Scotland Excel and Tayside Procurement Consortium and internally by promoting a culture that encourages staff to deliver best value for the Council in use of resources.

22. All Services are instructed to review income levels either by increasing or implementing charges for Services. However, care is taken to ensure that the impact of these new or increased charges on the most vulnerable citizens of Perth and Kinross is assessed and minimised.

23. Due to real terms reductions in grant funding, the Provisional Budget by necessity reflects managed savings in service budgets, including reductions in employee numbers, and in the funding of external providers in both the third and private sectors. The Council has, however, introduced a range of workforce management measures to protect employment opportunities within the organisation.

24. The Council has no plans at present to outsource services. However we are looking at introducing further collaborative working with neighbouring Councils, with the NHS and in the delivery of leisure and cultural service with local providers. Good examples of joint working continue to take place in order to
ensure that this Council and our partners are best placed to meet the challenges and also to provide effective support and information to our communities at the earliest opportunity. Examples of anticipated future initiatives include:

25. The production of a Virtual Information Hub (created and maintained by the Welfare Rights team within Housing and Community Care) which can be accessed by front line staff and partners (e.g. Citizens Advice Bureau, Registered Social Landlords, voluntary sector). This will include up to date information in relation to welfare benefits, a benefit entitlement calculator, frequently asked questions and various toolkits. This will be supplemented by training sessions. This will empower the front line to become confident in providing quality first tier advice at first point of contact. In addition, it is intended that the Council’s website will be extended to enable customers to use self-service to access first tier advice and information.

26. The Revenues and Benefits Services across Tayside intend to work together to deal with the challenges which will be faced in relation to the new Council Tax Rebate scheme. This will mean that resources and experience can be shared from the consultation stage through to implementation of the new scheme. This will make best use of valuable resources and experience across Tayside.

27. Engagement with landlords and both current and new claimants to give advance notice of potential impact of the January 2012 reforms and any other changes once the Welfare Reform Bill has been passed.

**Capital Spending**

28. In light of the proposed deferral of Capital grant funding, the Council is examining all available options to maintain planned levels of capital expenditure in respect of its five year Capital Budget 2011/12 to 2015/16 approved in May 2011. The Council is also actively exploring options to support local employability through its Capital investment.

29. At the present time we are confident that we can deal with the proposed reductions in 2012/13 and 2013/14 as long at the Scottish Government reinstates funding in 2014/15 and 2015/16. However any recurring reductions in this funding would undoubtedly compromise our ability to deliver on the approved Capital Budget.
**Equal Pay**

30. The Council originally set aside £6 million towards the cost of equal pay for employees and for our share of Tayside Contracts liability.

31. By 31 March 2011 we have incurred expenditure of £3.730 million, made provision for £763,000 and earmarked £1.507 million in Reserves to fund equal pay claims.

32. At 5 October 2011 there were 235 equal pay claims outstanding for employees of the Council which are being progressed through the tribunal system.

**Welfare reform and other legislation**

33. At this time it is not possible to estimate the potential total financial impact on the Council with any accuracy. In the few areas where it has been possible to estimate a budget pressure this has been done. It is likely that there will be a number of budget pressures and it may not be realistic or possible for individual services or teams to identify and realise compensating savings. In some cases, to so may lead to greater financial loss for the Council (e.g. increased risk of benefit subsidy loss; reduced ability to collect debt owed).

34. It is also anticipated that the demands on the Council will continue to increase, in particular, all areas of the Revenues and Benefits Service, Housing, Community Care and Education and Children’s Services.

35. There has been an extensive amount of work, activity and effort by the Revenues and Benefits Service in order to meet the challenges of Welfare Reform. Some examples include:

- Engagement with both claimants and landlords to advise them of the actual impact of the reforms introduced from April 2011.
- Extensive engagement with internal services and a wide range of outside agencies and organisations to help them to understand and plan for the impact on their teams, customers and business. There has been a high level of demand for these awareness sessions and feedback has been very positive.
- The Revenues and Benefits Service has offered internal colleagues and other stakeholders the opportunity to sign up for email alerts which provides regular updates.
- Introduction of many new methods of working and the creation of early intervention strategies to minimise the impact to our customers.
- Information and toolkits have been placed on ERIC. These toolkits have also been shared with NHS colleagues.
- Closer working and creation of new working relationships and partnerships.

Yours sincerely

Bernadette Malone  
Chief Executive  
Perth and Kinross Council

4 November 2011