LOCAL GOVERNMENT AND REGENERATION COMMITTEE

AGENDA

26th Meeting, 2013 (Session 4)

Wednesday 9 October 2013

The Committee will meet at 9.30 am in Committee Room 3.

1. **Draft Budget Scrutiny 2014-15**: The Committee will take evidence on the Scottish Government's Draft Budget 2014-15 from—

   Councillor Barney Crockett, Council Leader, Valerie Watts, Chief Executive, and Steven Whyte, Chief Accountant, Aberdeen City Council;

   Kenneth Lawrie, Chief Executive, and Gary Fairley, Head of Finance and Human Resources, Midlothian Council;

   Bryan Smail, Chief Finance Officer, Falkirk Council;

   and then from—

   Dave Watson, Scottish Organiser, UNISON;

   Dave Moxham, Deputy General Secretary, Scottish Trade Union Congress;

   and then from—

   Jenny Stewart, Head of Infrastructure and Government - Scotland, KPMG;

   Jenny Bloomfield, Policy Officer, Scottish Council for Voluntary Organisations;

   Finlay Laverty, Senior Head of Commercial Development, Prince's Trust for Scotland.

2. **Draft Budget Scrutiny 2014-15 (in private)**: The Committee will consider the evidence received.
3. **Forthcoming legislation (in private):** The Committee will consider its approach to the forthcoming Procurement Reform (Scotland) Bill.

David Cullum
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The papers for this meeting are as follows—

**Agenda Item 1**

Budget Submissions  
Financial Scrutiny Unit briefing  
Scottish Government – COSLA agreement on joint working on community planning and resourcing  
National Performance Framework local government indicators  
PRIVATE PAPER  
PRIVATE PAPER

**Agenda item 3**

PRIVATE PAPER (to follow)
Local Government and Regeneration Committee

26th Meeting, 2013 (Session 4), Wednesday, 9 October 2013

Draft Budget 2014-15 – Evidence Submissions

The following written submissions have been received by those giving oral evidence—

Panel 1
Midlothian Council 2
Falkirk Council 10

Panel 2
UNISON Scotland 14

Panel 3
Prince’s Trust for Scotland 22
Scottish Council for Voluntary Organisations 27

In addition, submission have been received from—

- Senscot 34
- East Renfrewshire Council 36
Question 1.

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?

2. Our statutory performance indicators demonstrate that there has been limited negative impact within Midlothian thus far on either the delivery of joint priorities agreed between COSLA and the Scottish Government or in the delivery of the Council’s statutory duties. However, the ambition of Midlothian Council is not to simply meet statutory duties but to significantly improve outcomes particularly in areas of inequality, and to achieve this against the challenge of a real term reduction in resources.

3. Midlothian, like the rest of Scotland faces a rapidly aging population with an estimated 13,266 people aged 65 years and over, rising to 20,200 people by 2028. The projected sharp rise in the numbers of people with a diagnosis of dementia is estimated to double between 2011 and 2033 with 20% of people over 80 years likely to be effected. In real terms in Midlothian the spend per head on people aged 65 years and over went down by 10% between 2004 to 2011 whilst nationally it rose by 10% over the same period. This is testament to our programme of transformation and rebalancing care. Our transformation programme is a continuous one rather than a time-limited project. Critical to its success has been a culture which encourages constant exploration and evaluation of costs and benefits throughout the service.

4. The 2011 census population figure for Midlothian was 83,187. This is predicated to increase. The latest projections estimate a population of 91,017 by 2035 however it is reasonable to expect the total population of Midlothian will be greater than this by this time due to the large scale housing investment predicted in future years. This continues to require the council to contain cost pressures and achieve significant savings over and above the £13.8 million (7.4%) savings delivered over the last three financial years.

5. Restraint in public sector pay has dampened inflationary cost pressures and has been a significant contributory factor in enabling already stretched resources to be utilised to maintain service delivery. In a Midlothian context this equates to a real term savings of £3.6m over the period of the 2011 spending review period.

6. The Council has achieved significant improvements across a number of key priorities during the period, including those as detailed in question 2. However to improve the outcomes on our key priorities of early years /
reducing child poverty, positive destinations for young people, and economic growth and business support, during a time of real term reductions in resources, does not only require innovative transformation of services but also hard decisions including reduced investment in our existing asset base, withdrawal of services and buildings closures. Whilst these are the consequences of delivering national outcomes and local priorities, they do not sit comfortably with our communities’ expectations.

Question 2.

7. 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?

8. Midlothian Council fared badly from the disaggregation of the former regional councils and the associated mismatch between service demands and grant distribution. This together with increasing financial pressures has required the Council to ensure that all of its resources are managed in an effective and prudent manner and since its inception to achieve significant savings across all service areas. As mentioned above, the restraint in public sector pay awards has gone some way to offset the effect of the real terms reduction in revenue grant, however this is increasingly unsustainable.

9. The Council has focussed on prioritising front line services and minimising the need for service reductions. This has been achieved through the adoption of a business transformation programme. Since 2011 the programme has delivered approx £10 million savings. Examples included a 20% reduction in senior management costs at a saving of £3.2m and, at the same time, a notable improvement in service performance demonstrated across a range of statutory performance indicators. The Council has also achieved major improvement in our procurement service, from one of the lowest performing in Scotland to improved performance status in 2012 and the most improved in Scotland over the last two years. Since the creation of the procurement team the Council has achieved cashable savings of over £1.1 million and aims to achieve a further £1.9 million by 2017. In addition to this we have rationalised our asset base and continue our transformational review of services to adapt to meet customer service needs in a period of austerity. Even with these savings the Council implemented service reductions of £2 million in 2013/14 and will need to make further service reductions in 2014/15 and beyond.

10. As one of Scotland’s smaller authorities, we have demonstrated that we are fleet of foot and can adapt quickly to deliver improved outcomes despite the real terms reduction in revenue grant. However, it is also recognised that the pace of transformational change will need to increase sharply and that elected members will face increasingly challenging decisions about service priorities and service reductions.

11. Positive examples of change include the following:
• The opening of the Lasswade Centre, an exemplar for secondary education and community provision in Scotland
• £170 million investment in Social Housing, building on a long history of prudent financial management providing high quality housing and in turn reducing the financial demands of homeless presentations.
• Investment in Foster Care has resulted in no child placed outwith Midlothian in foster placement since 2012
• The Bush Masterplan was approved in March 2013 and provides a platform for further expansion of the major academic/manufacturing/research activities in the area
• The new community at Shawfair is the largest single new development in Midlothian and will comprise approx 4,000 new houses, employment opportunities, a town centre, new schools and community facilities all serviced by Borders Rail
• A programme of Transformation in Community Care undertaken in an evolutionary manner which has entailed developing a culture of internal challenge to seek to deliver better quality services at lower cost. This transformation has focussed on rebalancing care and has included re-commissioning, service redesign, externalisation and internal reorganisation. This project has enabled Midlothian to avoid any delayed discharges for the last 18 months.

Question 3.

12. 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?

13. The response to question 2 gives examples of good practice in dealing with the challenges brought about by the budget settlement.

14. The Council has shifted away from what was the traditional approach of across the board reductions in service budgets and has sought to match resources to its priorities. In doing this the Council recognises that there is a need for continuous improvement and has sought out best practice where it exists elsewhere in Scotland and the UK. It has also lead the development of best practice, for example in Adult Social Care.

15. Despite the best efforts of officers across both Councils, political decisions have constrained the development of shared education services proposals, however the Council continues to work in partnership with East Lothian Council to explore and develop joint opportunities to work together. Current examples include Public Protection, Health and Safety, and Environmental Health and Trading Standards. Whilst the financial impact is small, partnership working has delivered immediate service improvements for both Councils and provides a basis for projects with a greater potential for financial savings in the future.
16. Like a number of public sector organisations the council has implemented a no compulsory redundancy policy. The Council recognised and responded to the potential financial constraints of such a policy at a time where services and the shape of our workforce has to change. We sought out the best practice in the UK, and have adopted the Sunderland Council approach to redeploying displaced staff for our circumstances. Even though it is at an early stage we have already had successful outcomes for displaced staff.

17. The Council works closely with the rest of the local government to share its good practice and learns from others. SOLACE, ADES, ADSW, CIPFA Directors of Finance, SOLAR and SCOTS are critically important networks in this regard.

18. In terms of tackling poor performance in service areas, the Council has adopted a whole systems approach to identify root causes as a basis to a review focussed on improvement, customer needs and efficiency. Examples of the early impact of this work includes invoice payments, Children’s services, housing and homelessness.

Question 4.

19. 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?

20. In Midlothian we have picked three key shared issues to work to improve as a Community Planning Partnership, based on detailed local evidence gathering and public engagement. These are – early years / reducing child poverty, positive destinations for young people, and economic growth and business support. These reflect three of the six national delivery group priorities. As a sign of commitment, the council and its partners have signed up to a Single Midlothian Plan, and Christie Commission based approaches to its delivery in terms of co-production and capacity building, preventive interventions and improved customer access.

21. In delivering these priorities, the Council will work with its partners to ensure improved outcomes are focussed in those communities with greatest need and inequality.

22. Performance against the Single Midlothian Plan is monitored on a regular basis and the outcomes also form the foundation for all Council service plans, which are monitored by the Chief Executive, Directors and Councillors.

Question 5.

23. 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?
24. The Centre for Public Policy for Regions (CPPR) in its September 2013 briefing commissioned by CIPFA Directors of Finance highlights that the Scottish Government’s budget 2014/15 takes place in the fifth year of what is expected to be an eight year run (at least) of real term budget cuts. CPPR describe 2014/15 as a relatively easy year. Such easy years end in 2015-16 after which, based on current plans, cash terms cuts may re-emerge.

25. The proposed “cash flat” settlement and the continuation of Change Funds is welcomed and goes some way to recognising the importance of Local Government Services in delivering the joint priorities. However the prioritisation of the local government budget falls short of the protection afforded to Health. Local Government services will be the foundation on which the success of the prevention agenda will be need to be built. By not sharing the protection afforded to Health, the Scottish Government budget further exacerbates the challenge of shifting resources to preventative spend.

26. As the response to question 4 indicates the council, as the lead for the Community Planning Partnership, has clearly articulated priorities as set out in the Single Outcome Agreement. The Council is fully committed to these priorities and to focussing improvement in the most deprived areas within the county. Central to this is the need for a decisive shift towards prevention, focusing resources where they can deliver real and lasting benefits rather than resources being consumed on reactive spend to address the negative consequences later in the cycle.

27. The reality is that spending pressures are increasing, particularly demographic pressures. Welfare reform brings an increased demand from the most vulnerable. The challenge for the Council is to continue to meet these cost pressures, whilst resources are reducing in real terms, and in the future in cash terms, but then still drive the decisive shift to preventative spend, which will be critical to longer terms financial sustainability across the whole of the public sector.

28. The resources provided to local government over the years of the new spending review are not sufficient to deliver on currently agreed priorities and to maintain services at the existing levels. Midlothian Council will have hard choices ahead and focusing resources on preventative spend will inevitably mean that services which are provided or subsidised on a universal basis will either be withdrawn or service charges will increase. This will inevitably be counter to the expectations of many of the residents of Midlothian.

Question 6.

29. 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?
30. 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. The Council is committed to a number of large scale transformation projects to bridge the budget gap. Particular issues over the period of the review include:

- Resourcing preventative spend
- Ensuring resources across the Community Planning Partnership are targeted towards the key priorities and that they improve outcomes and make best use of scarce resources.
- 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.
- Maintaining the core asset base.
- The impact of pension reform and the removal of contracting out.
- Demographics
- Increasing population, and ensuring we meet the resulting housing demand
- Delivery of the essential infrastructure required to support the single Midlothian Plan
- Pay pressures, particularly low pay and pension reform
- Delivering savings whilst maintaining a no compulsory redundancy policy

31. The council has developed medium term financial plans and is continually refreshing its business transformation programme as we embrace these challenges and drive the achievement of our priorities.

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

33. 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. Midlothian’s ‘Effective Working in Midlothian’ programme has similar goals and has achieved some early successes. Midlothian’s programme of investment in the school estate, including new build and improvement, has also provided an opportunity to improve energy efficiency. The new Lasswade Centre, bringing together services previously provided across three separate buildings will have a significant impact on energy costs. Reducing energy consumption remains a key part of the Council’s forward transformation programme.

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

Question 8

35. 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?

36. Midlothian is engaged in a number of innovative projects to reduce inequalities covering early years, reducing offending and re-offending, support for the elderly and supporting an active labour market. The Midlothian Family Resilience Project, focusing on families suffering multigenerational dysfunction, a rural skills programme for offenders and an extra care housing project in Penicuik, are all examples which can lead to improved outcomes and cost savings in the medium term.

37. Everything councils do now is done in the context of our community planning partnership. Midlothian community planning partnership for example has adopted a single shared plan encompassing the single outcome agreement. Core to the Single Plan is a commitment to work closely with partners in the third sector and other public bodies to address inequality. As all of us in public services know, reducing inequality is not just about providing universal services, but increasingly also about targeting them to reduce disadvantage and repeat funding of what can be described as “failure demand”, that is continuing to fund interventions at points of crisis rather than preventing this repeat business by earlier intervention. In Midlothian as a partnership we have adopted three methodologies: co-production and capacity building; preventive interventions; and localising access to services. Our partnership is now introducing a focus on the geographies where disadvantage is most concentrated.
38. It is incumbent on all of the public sector to continue to support changing practices in public services towards prevention, co-production and capacity building, shared on the ground delivery between CPP partners, improvements in localised access especially targeting areas of deprivation, shared staff development and breaking down inter professional and inter agency silo thinking. To move from crisis response to prevention requires in some cases double funding to enable change - as the older peoples change fund has demonstrated. The engagement of national partners at a local level is essential, and in this respect the flexibility allowed to local managers to work in their CPP context is essential. We are moving forward on evidence based neighbourhood planning, bringing engagement practices towards co-commissioning, and co-delivery, and will be working towards local area budgeting. Support for innovation in these areas in the spending review would be welcome.

Question 9.

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

40. Midlothian Council has now embedded the benchmarking framework in its performance management and self evaluation framework. The Council and Community Planning Partnership have agreed joint priorities which will be delivered through a Single Midlothian Plan. Key performance indicators from the benchmarking framework will be monitored regularly through executive management team and council/community planning governance systems to ensure that resources are focussed on delivering these key priorities.

Question 10.

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

42. Midlothian has positively embraced public sector reform. It is an early implementer of Health and Social Care Integration. There are already robust joint strategies in place and we intend using the reformed service to deliver even better outcomes for service users and to achieve efficiencies through synergies. We have also embraced “Christie Principles” through our Single Midlothian Plan and Future Council Model, as described earlier in this response.
Looking back
Q1 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?

A1 Although the joint priorities and local government’s statutory duties have been delivered within existing resources, substantial savings have had to be made in areas of discretionary spend in order to achieve this.

Q2 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?

A2 Over the 3 years of the settlement Falkirk Council has identified the following budget gaps

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<th>Amount</th>
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<tr>
<td>2012/13</td>
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<tr>
<td>2013/14</td>
<td>£10.7m</td>
</tr>
<tr>
<td>2014/15</td>
<td>£10.9m</td>
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</tbody>
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The impact of these gaps in terms of budget savings has however been mitigated by the deployment of a substantial amount of reserves as a short term expedient, rather than finding further savings

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2012/13</td>
<td>£2.8m</td>
</tr>
<tr>
<td>2013/14</td>
<td>£2.8m</td>
</tr>
<tr>
<td>2014/15</td>
<td>£1.3m   (estimated)</td>
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</tbody>
</table>

Q3 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?

A3 Good practice includes the preparation of medium term financial strategies by nearly all Councils to identify the scale of the funding gaps for future years whilst proposing strategies for bridging the gaps. This includes the agreement of savings beyond the immediate one year horizon.

Good practice is disseminated through a variety of forums including CIPFA/Directors of Finance Section and informal networking. An example of this is that officials from Falkirk Council visited Aberdeen City and West Lothian Councils to examine their procedures for Priority Based Budgeting given that these Councils were held to be examples of
best practice in that area.

We are not aware of any areas of bad practice across local government.

Q4 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?

A4 Falkirk Council’s contribution to the 16 national outcomes, together with that of the Falkirk Community Planning Partnership is expressed within our Single Outcome Agreement, with performance being reported annually to the Scottish Government through our monitoring return. The Falkirk CPP has always reported positive progress and performance on the attainment of local outcomes with the majority of the performance indicators it uses for this purpose generally showing improvement.

Looking forward

Q5 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?

A5 As local authorities only know the resources allocated to them up to 2014/15 and indicative figure for 2015/16 it is difficult to say. However given the scale of the predicted cuts in funding in the short to medium term, it may become increasingly difficult to deliver on the agreed priorities and other statutory duties.

Q6 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?

A6 Although the period of the new Spending Review will only be for one year (2015/16) most local authorities are aware through various sources (eg Improvement Service and Centre for Public Policy for Regions) that the majority of the austerity measures have still to impact on local government. Given that Central Government Grant is the most important element in the budget and that the spending review and settlement period will only be for one year, this materially undermines medium term financial planning.

In addition there are funding pressures which will impact upon local government from a variety of sources

• those where we currently have a joint funding agreement with the Scottish Government including the annual inflationary uplift for free personal care and the funding shortfall for Council Tax Support. Clarification is especially required on the future funding intentions of the Scottish Government towards the estimated £40m national
shortfall for Council Tax Support funding

- those where we expect the Scottish Government to provide full funding such as the impact of the Children and Young People’s Bill, Self Directed Support, Second Language in Schools and the Scottish Welfare Fund. Should the Scottish Government decide to move away from full funding then this will impact upon local government

- other areas such as the impact of the introduction of universal credit and the wider impacts of Welfare Reform such as the cost of homelessness, increased rent arrears (HRA), vulnerable people in need of support and the impact upon children and families. The impact of the recent Draft Guidance in the operation of the HRA in Scotland has also the potential to shift significant amounts of spend from the HRA to the General Fund. Furthermore there are the costs associated with the potential end to contracting out status with respect to Pension Funds as well as the ongoing costs associated with equal pay claims

Falkirk Council has produced a Medium Term Financial Strategy covering the period up to 2016/17 and identified an estimated £35m gap. Officers are currently preparing a list of savings options and other initiatives such as spend to save to help address that gap.

Q7 What initiatives are being undertaken by local authorities to support the coherent delivery of measures to reduce greenhouse gas emissions?

A7 Falkirk Council has a Carbon Management Plan – key targets include:

1. Reduction of corporate CO2 emissions by 20% by 2014/15 against a baseline of 2005/06
2. Services are required to reduce their annual CO2 emissions by 1% p.a.
3. A new Climate Change Team will be established with dedicated officers

In addition, some completed initiatives include:

- An awareness and behavioural change programme
- Procurement of low CO2 vehicles
- Revised energy management agreement in PPP secondary schools

And some live ones include:

- Street lighting conversion to LED
- Street lighting lantern replacement
A new Climate Change Team has been established and the team is working with services to establish a carbon accountancy function to track progress against targets and projects for both corporate and service level.

The Council’s Home Energy Strategy Team continues to work with the Scottish Government to deliver insulation and energy efficiency projects in homes, an initiative which also has greenhouse gas savings.

**Q8** 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?

**A8** We have to ensure that addressing equalities issues are mainstreamed across all national and local policy priorities. We also have to ensure that appropriate impact assessments are undertaken and inform decision making so that vulnerable people are not adversely disadvantaged.

**Q9** In what ways will the local government benchmarking framework be used in relation to the budget settlement?

**A9** We will utilise SOLACE benchmarks to provide a comparison of local against peer performance. This helps aid local and national scrutiny of SOA’s and accompanying annual monitoring statements to ensure that both progress and performance are satisfactory and to help identify where improvement may be necessary.

**Q10** How will the wider public service reform agenda support local authorities’ ability to deal with the consequences of the budget settlement?

**A10** It all depends on how much funding the Scottish Government allocates to the reform agenda as some initiatives if not properly funded with will only serve to exacerbate the funding gap. There is the well recognised challenge of trying to deal with current significant spend pressures driven by factors such as the economic climate and demographics in the context of constrained resources from Central Government Grant whilst endeavouring to redirect resources to preventative and early intervention strategies.
Introduction

1. UNISON is Scotland’s largest public sector trade union representing over 160,000 members delivering services across Scotland. UNISON members deliver a wide range of services in the public, community and private sector. UNISON is able to analyse and collate their experience as service users and staff to provide evidence to the committee. UNISON welcomes the opportunity to provide evidence to the Local Government and Regeneration Committee.

Evidence

Cuts

2. The council tax freeze has not been fully funded, further reducing local authority budgets and leaving councils with limited options to increase their incomes. Local Government has, and continues to take, the largest budget cut: £637m since 2008/9. Over 30,000 jobs have gone since 2008. The demands on local government services have increased while the resources available to meet those demands have diminished substantially.

3. The table above tucked away in an annex to the budget document is a comparison of budget allocations by portfolio since the Scottish Government’s first full budget in 2008-9 shows that local government is bearing the brunt of the cuts. Even this masks the real cuts in funding. The apparent increase in funding over the next two years comes largely from increased revenue from Non-Domestic Rates. The General Resource Grant to councils is being cut from £7.189m this year to £6.971m next year and £6.809m the year after. In real terms the cut is even larger - £6.841m and £6.564m. In addition, a significant amount of spending is either ring-fenced or has to be bid for like the council tax freeze, small business bonus, teacher numbers, police numbers (until totally centralised), change funds etc. No one disputes that the Scottish Government has to manage a difficult budget imposed by Westminster. But within that budget there are choices to be made and councils are clearly the losers.

5. “Tables 4 and 5 also show that as well as differing between services, the relative levels of spending in Scotland and the UK as a whole differ between capital and current spending. Current spending on public services per person in Scotland was 12.5% higher than the average for the UK as a whole, whilst capital spending per person was 48.2% higher. This means that whereas capital spending made up around 11.5% of all public service spending in the UK as a whole in 2011–12, it made up around 14.7% of all public service spending in Scotland. As is shown in Section 4, capital spending per person has been consistently higher in Scotland than in the UK as a whole since 2002–03, although the difference has grown substantially since 2009–10 as capital spending has been cut as part of the fiscal consolidation.”

6. The key point is that capital spending is 48% higher in Scotland compared to only 12.5% higher for revenue spending. UNISON is concerned about this shift from revenue to capital spending. While announcing big new projects gets a lot of media coverage the focus on capital spend is impacting on the day-to-day delivery of services. Given the gender segregation in our jobs market, more information is also needed as to whether these funding decisions are having a disproportionate effect on women. More information is also needed so we can consider the impact of service cuts and increased charges on people living with disabilities.

7. Joseph Rowntree Foundation: *Managing the Social Risks of Public Spending Cuts in Scotland* gives an insight into how local authorities are making decisions about how to deal with budgets cuts.

8. “Council’s appear to have resorted to protecting their statutory requirements as funding for discretionary services has shrunk and tough decisions have to be made. Service delivery has been reduced (rather than withdrawn completely) for some statutory service, the choice between reduction and withdrawal varying from one council to another.”

9. The report supports the feedback we have from UNISON members that authorities are salami slicing, focusing on statutory services and short-term reactive spend which cannot be avoided.

10. This is placing enormous stress on staff (and service users) who have to deliver with fewer resources. Environmental health officer numbers have been reduced by 13%, cuts in inspections and enforcement activity increase risks of food poisoning and improper disposal of waste which just pushes costs onto other public sector bodies like waste disposal and the health service.

11. Staff are often limited to reactive work rather than prevention which would have long-term benefits not only for clients but will yield substantial savings in the future. Workloads have increased; this reduces time available for each client. This means that for staff building the relationships required to do their jobs properly is increasingly difficult. This also makes it hard to see when clients, for
example those with mental health problems or chronic health complaints are deteriorating, this can lead to them falling into a costly crisis situation, when an earlier intervention would have saved a level of distress as well as substantial amounts of money. Budget cuts at the level experienced by local government put the Scottish Government’s welcome preventative spending strategy at serious risk.

New and extra charges

12. Local Authorities are responding to budget cuts by looking raise incomes from other sources. A key route has been new and higher charges for services. The Scottish Government claims that the council tax freeze is “vital lifeline to hard pressed Scots”. This is not the case. The freeze disproportionally benefits the wealthy; while charges are being increased and services cut. Band H households are “saving” on average £441 per year while those in the cheapest homes (Band A) “save” £147 a year. Following anecdotal evidence about increased charges UNISON undertook a freedom of information request to establish if councils were indeed looking to raise income in this way. The FOI request showed increased charging far outweighs the claimed savings. Rents in some areas are going up by over £900 per year. Other charges appear small but build up quickly on essential services which are used as often as every day. It’s much fairer for everyone to pay a small amount extra in tax than have big increases in charges that bear no relation at all to ability to pay.

13. Discussions around the council tax usually use the Band D charge for comparison but the average bill rate gives a better idea of what people are actually paying. The average council tax bill in Scotland is £985 while the average band D charge is £1149. Band D in Glasgow is £1213, the average bill is only £953. Dundee City also has a higher than average band D charge, the average bill is £900. The average bill in East Renfrewshire is £1233 although their band D charge is £1126 and East Dunbartonshire has a band D of £1142 but an average bill of £1240. A 1% rise on average would cost £98.50, even on East Dunbartonshire the average rise would be £124: far less than extra charges are costing residents.

14. Rents: Since the council tax freeze stated in 2007 rents in Edinburgh have gone from £61.57 per week (for a three bedroom home) to £85.55 that adds up to £1237 a year extra. The average council tax bill in Edinburgh is £1098; the band D charge for Edinburgh is only £1169. A 3% rise there on average would have cost £330 instead social housing tenants face a substantial rise in housing costs. South Ayrshire rents have gone up by £870, the average council tax there is £1050 so even a 3% rise in council tax would have meant on average an extra £300. Tenants in Fife had a rise of £688 the average tax there is £931 so a 3% rise would have cost less than half the rent increase. Housing associations are not subject to FOI but data available on the Scottish housing regulator website shows that housing association rents have gone up by 4.8% in the last year alone. There is no freeze in housing costs for social housing tenants.

15. School meals: While those who qualify for free school meals are at least protected, lunch for the rest is going up by a third in some areas. Since 2007
meals in Argyll and Bute have gone from £1.60 to £2.10. An extra 50p per day per child soon adds up for families. A family with two children is paying £5 extra per week £200 for a school year. The average council tax bill in Argyll and Bute is £1037. In Orkney charges rose from £1.50 to £2.00 another £200 rise for working parents to find. Meals in Edinburgh were £2.15 in 2007 when the freeze started, they are £2.25 with a possible rise to £2.30, this 15p rise works out at £60 per year for a family with 2 children.

16. Day Centres: Councils are introducing charges for attendance at day centres for elderly and disabled residents: East Dunbartonshire is charging £10 a week (no matter how often you go), that is £500 a year. Falkirk has introduced a charge of £23.50 per visit for people with learning difficulties. Fife used to charge £2.80 per day; it increased to £3.13 with a further rise awaiting approval this year. That is an increase again of almost £60 a year. Scottish Borders have introduced a £2 per day charge. Even a weekly visit means an extra £100. Western Isles is planning to add £1.00 to their lunch charges for day centre attendees. £260 per year for five visits a week.

Single Outcome Agreements and the National Outcomes

17. While it is hard to think of an outcome that local government is not directly involved in the use of the outcomes for monitoring or spending decisions is still not clear. UNISON agrees with the JRF report Managing the Social Risks of Public Spending Cuts in Scotland states “the SOA is both too narrow and too broad to facilitate mitigation of social risk”. The Scottish Government’s SOA (http://www.scotland.gov.uk/Topics/Government/local-government/CP/SOA2012/SOAORep) section on the website only has reports up to 2010-11. It is therefore difficult to judge whether this way of working is having any impact on the delivery of services, or how this is captured or measured.

18. UNISON does not believe that the new national performance framework has led to any meaningful change in the way performance is measured. UNISON is not aware of Scotland Performs updates or indicators being used in question/debates in the parliament. The outcomes and indicators do not seem to have become part of the discussions in parliamentary committees or the wider body of Scottish debate. UNISON has not found it useful in our policy development or analysis process.

19. On a very basic level the site is not user friendly or easy to navigate. The first page contains data from 2007; links down the side have to be used to find current performance. Current performance should surely be the first page.

20. Scotland Performs is not as similar to Virginia Performs as UNISON had hoped. The Virginia site, as well as providing easy visual indicators of overall performance against the state’s own objectives, it is also a gateway to whole ranges of data which allows citizens, researchers and policy makers to analyse the delivery of services and the states’ performance on a range of levels. Virginia Performs has easy to use data sets and graphics comparing Virginia to other US states and breaks down performance across the state. The site has links to state
agencies and other bodies involved in achieving and indicators supporting research for those who wish to explore further and detail to support professional researchers and policy makers

21. UNISON does not find Scotland Performs to be a useful gateway to data about Scotland and its public services. The key indicators are mainly updated annually; there are time-lags between collection, analysis and appearing on the website. Most of the figures are only up to 2011 (For example cultural activity). Figures that are updated quarterly are easier to find and use elsewhere like ONS or Incomes Data Services. The most up to date sections are those on employment and GDP but again it is easier/quicker to access the agencies that produce these figures themselves that use Scotland Performs. Scotland Performs also doesn’t have links to these sources which would be useful if you wanted to get more detail or compare with other parts of Britain.

22. Scotland Performs doesn’t link the indicators to actual government programmes or initiatives or to other public bodies involved in delivering. In particular it would be useful to see some link to and discussion of the national indicators and targets and local authority Single Outcome Agreements. These too do not seem to be widely used.

23. There is no clear link between the Scottish Government Budget, its programme and Scotland Performs, neither physically as a web link on the site or in the discussion sections of the site. There is a link to the Spending Review from 2011 and the Programme for Government 2011-12 on the front page but nothing up-to-date. The lack of connection is though more than a technical issue about the website. The performance framework doesn’t seem to us to really link in to the detail of government initiatives. The framework doesn’t provide a format for strategic planning or review of the ongoing work of the public sector or economy in Scotland in the way promised.

24. UNISON is supportive of initiatives like Oxfam’s *The Human Kind Index* as a way of moving towards promoting the wellbeing of people rather than purely economic indicators as the progress for our country and holding elected representatives to account for their decisions. The Scottish Government was very positive when the report was published. UNISON would like to see more concrete steps taken to quickly move towards including something similar in their performance framework.

**Public Sector Reform**

25. UNISON is concerned that the wider public reform agenda is becoming irrelevant to the choices face by those delivering services in local government. As stated authorities are focusing on statutory services and salami slicing budgets rather than reform. This is not surprising given the budget cuts they face. Good reform, as supported by the findings of the Commission on the Future delivery of public services, is bottom up, involving service users and staff in developing new approaches. This requires resources in terms of money but also staff time both of which are in short supply. Budget cuts mean that service providers are fire-fighting rather than engaging and planning.
26. While UNISON welcomes the Government’s commitment to increased preventative spending, which will save money over time and impact positively on people’s lives, there is still a substantial need for the services which support for many of our most vulnerable and in some cases dangerous services users. Budget cuts mean that those statutory services have to be paid for leaving non-statutory services, which many of the preventative services are underfunded. Across the range of services which local government provides staff shortages mean that workloads have increased, this reduces time available for each client. This means that for staff building the relationships required to do their jobs properly is increasingly difficult. This also makes it hard to see when clients, for example those with mental health problems or chronic health complaints are deteriorating, this can lead to them falling into a costly crisis situation, when an earlier intervention would have saved a level of distress as well as substantial amounts of money.

27. The demographic challenges Scotland faces pose a massive challenge for local government which provides the funding for the bulk of care services, for both the elderly and people living with disabilities. Local government also has to deliver on carbon reduction and recycling targets. Local government services also play a substantial role in tackling poverty and inequality, both in terms of actively mitigating their effects as well as reducing their prevalence. Schools, and nurseries, should play a significant role in supporting those from deprived background to mitigate the effects of their backgrounds on both their current circumstances and their long term ability to reach their potential. It is in these places that the need for support can be identified but unless there are resources and support to come into play once a need has been identified then for example the “named person for every child” will be unable to provide the support required. UNISON has been supportive of ensuring that children with disabilities can access mainstream education, this requires more than just a space in a school. These children require a huge range of support in order to take up their school place and without adequate funding the policy will fail.

Equalities

28. Despite official reports to the contrary, equal pay problems persist on a significant scale in the public sector - principally in local government. The issue has been the subject of detailed scrutiny by MSPs, most notably in the Local Government Committee report of June 2009. The 2009 report contained a number of recommendations designed to ensure that authorities eliminated discrimination, promoted equality and compensated employees for past losses. When viewed from a national perspective, none of those recommendations have been implemented in full.

29. Compensation for the pre-single status era was the most basic recommendation of the Local Government Committee in 2009, and yet UNISON was compelled to pursue this issue to the UK Supreme Court in June 2013. This has also incurred substantial legal costs for local government, wasted money that could have been spent delivering services. Our members still await compensation on these historic claims in a number of council areas. Perhaps more worryingly from a financial perspective, there is substantial evidence that discrimination endures in the new
pay systems and a small minority of employers have paid further compensation for that reason. The majority of Single Status systems are the subject of legal challenge, the first legal challenge has succeeded and there is every indication that more success will follow. It is clear that there will be further strain on budgets throughout the spending review period, and the years beyond, unless the Government uses the budget setting process to encourage local authorities to adopt specific equality measures now.

30. In 2009 the local government committee recommended a way forward.

“The Committee therefore recommends that the Scottish Government enters into discussions with COSLA over the issue of regular reviews and equality-proofing for the future and that it gives all the necessary advice and support it can. Such discussions might also usefully include the Equalities and Human Rights Commission.”

And

“While it is not clear whether any such discussions took place, the Committee echoes the call from the Finance Committee in 2006, this time in relation to equal pay claims and recommends that all the relevant parties should be brought together to come to an agreement on how to deal with those cases in the system which are considered to be strong and that these discussions should be facilitated by the Scottish Government.”

31. The Scottish Government responded positively

“Scottish Government Response - The Scottish Government has encouraged COSLA to find a solution to this point and will continue to encourage COSLA to resolve issues as quickly as possible, for the benefit of all parties involved.”

And

“Scottish Government Response - The Scottish Government is happy to work with local government to improve and advance equality as we already do with COSLA and the Equality and Human Rights Commission.”

32. Women, who started their working lives when the Equal Pay Act was passed in 1970, have now retired and still we wait to fix the inequalities in the local government pay system. The words need to be followed by actions. Through the budget process the Cabinet Secretary has the power to lead a move away from a compensation culture and towards an equality culture.

33. The equalities agenda is wider than equal pay. The Scottish Government needs to demonstrate they are actively using the specific equalities duties by involving TU's and other affected groups. UNISON is concerned that the use of Equality Impact Assessments is not being monitored or assessed. The equalities impact process is not mainstreamed into the process of evaluation in Scotland. The Audit Scotland report into managing early departures in the public sector doesn't mention gender or disability at all. The recent Wood Report into improving vocational education states that equalities issues will be dealt with in the second
part of their report. This shows that equalities issues are still seen as an add-on to mainstream work rather than at the core of policy making and evaluation.

Conclusion

34. UNISON members deliver a wide range of services in the public, community and private sector. UNISON is able to analyse and collate their experience as service users and staff to provide evidence to the committee. UNISON welcomes the opportunity to provide evidence to the committee.
1. The Prince's Trust Scotland

1.1. The Prince's Trust Scotland (PTS) believes that every young person, no matter what their background or social circumstances, should have the chance to succeed. The Trust works with disadvantaged young people aged 13-30, to break down their barriers, build their confidence, increase their motivation and improve their employability. Throughout 2012/13 the PTS supported over 6,000 young people in Scotland, with almost 76% achieving and sustaining positive outcomes such as education, training, employment and self-employment.

1.2. From early engagement programmes and personal development opportunities to vocational training courses and business start-up support, we offer a comprehensive and flexible development journey for young people. By focusing our activity on three key areas – Outreach, Assessment & Outcomes; Education & Training and Employment & Enterprise – our core programmes are strategically linked with each of the four stages of the strategic skills pipeline. This ensures that we can help young people to find the right support at the right time, and make positive journeys toward sustainable outcomes.

1.3. We are focused on a collaborative approach to youth unemployment that harnesses the strengths of partnerships with the public sector (including local authorities), the private sector, third sector colleagues and volunteers in supporting young people to turn their lives around. In the past year the Trust delivered programmes in all 32 of Scotland’s local authority areas, taking place both in schools and in local authority-run community settings.

2. Current challenges

2.1. In the wake of the economic downturn, The PTS quickly recognised the need to face up to the realities of straitened public sector budgets without compromising our ambition to deliver better outcomes for disadvantaged young people. Our response to this changed funding landscape has been to put all our energy into finding ways of doing more with less.

2.3. We are pleased to report that the Trust is now reaching more young people than ever before, and doing so without compromising the quality of our programmes or reducing success rates. Key to this has been the capacity of local authority partners to adhere to three principles, each of which is underpinned by a preventative spending approach that actively focuses on value for money in the delivery of outcomes.

In summary, these are:
- A willingness to adapt old models to more efficient ways of working
- A recognition of The Prince's Trust as a long-term delivery partner for services
- A preparedness to target resources early, where they are needed most
2.4. **Adapting to new models**: Earlier this year, The PTS established an Education Advisory Group (EAG) in Scotland, to look at how we would have to adapt our education product to help close the gap in education outcomes for disadvantaged young people. The EAG contains Head teachers, Local Authority education professionals, other third sector providers and Scottish Government policy officials and is committed to looking more closely at new ways of raising attainment among the hardest to reach young learners. The EAG will report formally in the year ahead, but it is already clear that innovation is crucial to extracting more value from existing delivery models.

2.5 The Prince’s Trust is actively involved in delivering the Agenda for Cities vision as a partner in the Glasgow Digital Strategy. Launched earlier this year, the aim of the Glasgow Digital Strategy is to enable citizens, learners, businesses to access more services online. We are encouraged that, by delivering these universal services more efficiently and more cost-effectively, council staff will have the capacity to concentrate their efforts on providing a more bespoke service for those who need it. Although this initiative is at an early stage, the learning is likely to have an important impact on how council services across Scotland are delivered in future, with results that will deliver public sector efficiencies while directly benefiting young people in deprived communities.

2.6. **Longer-term partnerships**: The Trust’s programmes work best where local authorities recognise that third sector organisations are part of the solution to youth unemployment and take substantive steps to form sustainable delivery partnerships. For example, initiatives such as Glasgow City Council’s Youth Gateway Partnership and City of Edinburgh Council’s Edinburgh Guarantee facilitate the provision of third sector funding at a strategic level, sometimes over 2-3 years, allowing programmes to embed and make a difference.

2.7. We recognise that local authority partners need assurances that the programmes we deliver have the capacity to make a difference. Last year, the Trust’s Fairbridge programme worked with 79 young people across Dundee aged 13-15, whose challenging behaviour or circumstances meant that they were underachieving, truanting or at risk of exclusion from school. Having run successfully in Dundee for 12 years, the Fairbridge programme has recently been awarded a fresh funding contribution from the Council’s Education Department to continue its work in the city, and this is in part a testament to the strong relationship built up over many years as the programme has continued to successfully deliver outcomes for local young people.

2.8. **Early Intervention**: Early intervention is crucial in tackling youth unemployment, both in terms of outcomes for young people and in delivering long-term savings for councils. Our early intervention programmes work best where local authorities understand the direct link between focussed investment in the lives of young people at the social and economic margins of society, and reduction in problems like long-term joblessness and criminality.

2.9. Our outcomes reporting shows that of the young people completing the Glasgow Fairbridge programme in 2012/13, 40% were offenders or ex-offenders and 28% were looked after or a care leaver. 89% of participants improved in at least one skill,
59% improved in setting and achieving goals and 47% improved in working with others.

2.10. Similarly, our 12-week, community based ‘Team’ programme of personal development training, which is run in collaboration with local authorities and FE colleges is specifically designed to motivate young people and help them think about their future. Our figures show that it works well, with 75% of young people on the ‘Team’ programme achieving a positive outcome last year, actively 39% re-engaging in education or training and 22% moving into employment/self-employment.

2.11. The clear lesson from such programmes is that early intervention has the clear capacity to encourage the most disengaged young people think more constructively about future choices and inspire them to take actions that fulfil their personal and professional potential, rather than failing into long-term unemployment, drug and alcohol abuse and criminality.

3. Better, more effective partnerships: regionalisation

3.1. Led by the Scottish Government, recent national efforts to tackle youth unemployment have been directed toward increasing regional partnerships among stakeholder organisations like local authorities, Further Education colleges, Skills Development Scotland and Jobcentreplus. Recently, there has been a significant shift towards regionalisation in all of these organisations that reflects the imperative to do more with shared resources under tougher financial constraints.

3.2. In our view, this process of regionalisation makes sense, especially from the perspective of young people themselves. Public sector organisations and their partners increasingly understand that young people looking for employment and training do not expect the help they receive to be segmented by artificial territorial barriers.

3.4. That’s why The Prince’s Trust has been in the process of reorganising its own support services into a regional structure that services five territories covering the whole of Scotland. By flexibly aligning to defined territories (Highlands & Islands; North East; South West; Central & South East; Clyde Valley) we have the opportunity to create more employment and training opportunities for young people; to develop our services in line with local travel-to-work patterns; to embed our services more securely within local employability pipelines, and to efficiently manage staff resources across Scotland’s expansive geography.

3.5 In particular, we are keen to work with the new regional colleges to develop school/college partnerships, tailored to the needs of our target group, (tailored transitions) so that more of them attend college, achieve vocationally relevant qualifications, and leave college better prepared - with the right attitudes and the skills valued by employers - to secure entry-level jobs offering career progression.

3.6. In practical terms, the benefits of territorial regionalisation are many and varied. To cite one clear example where working across local authority boundaries is already paying dividends, the Trust currently has a successful pay-per-head arrangement in place for young people in East Dunbartonshire to have the opportunity to take part in ‘Get Into’ programmes that run in Glasgow. Last year, two
young people from East Dunbartonshire selected for the ‘Get Into Cars’ programme, attained a full time, permanent job with Arnold Clark Motors, and a modern apprenticeship. It is less likely that such an opportunity would have presented itself to these young people had East Dunbartonshire Council and Glasgow City Council not developed the capacity to work well with The Prince’s Trust across administrative boundaries.

4. The private sector role
4.1. While better partnerships between the third sector and public sector are crucial in tackling youth unemployment, the private sector has significant capacity to compliment and add value, while delivering cost efficiencies, especially at a time of public sector budget restraint.

4.2. As Sir Ian Wood’s Commission for Developing Scotland’s Young Workforce\(^1\) has suggested, it is essential that we transform Scotland’s business community from passive consumers of our education system into active participants. The PTS enjoys hugely beneficial partnerships with some of Scotland’s largest employers, from Arnold Clark Motors to Marks & Spencer, whose involvement in programmes like ‘Get Into’ demonstrates their desire to help young people attain the right skills to succeed in a competitive economy.

4.3. Elsewhere, in the past year, funding from the J P Morgan Chase Foundation supported STEM activities involving young people taking part in the xl programme on digital skills. Moreover, JP Morgan funded a range of IT projects, as well as an ICT Celebration Event in May at the Glasgow Science Centre. In addition, recent investment from the Souter Charitable Trust and RBS to our Youth Business Scotland programme signals the continued strength and importance of this public private partnership model.

4.4. However, there is much more that can be done to leverage the expertise and capital of the private sector to help deliver skills and training opportunities for our hardest to reach young people, and local authorities can play an enormous part in making this happen successfully across more of Scotland.

5. Looking ahead
5.1. While The Prince’s Trust Scotland is confident that it can and will continue to do more with less amid reduced public sector budgets, very significant challenges inherent in addressing the poverty and attainment gaps in Scotland’s most deprived communities remain.

5.2. In order to cope with those challenges, we believe that local authorities will need to adapt to new practices in the years ahead at an ever faster rate. We appreciate the fact that local authorities are, in many cases, already looking hard at fresh opportunities for effective collaboration and innovation and we particularly welcome

\(^1\) Commission for Developing Scotland’s Young Workforce (2013),
schemes such as the Scottish Government’s ‘Agenda for Cities’ which seeks to harness the shared capacity of different regions to break down barriers, share expertise and leverage joint resources.

5.3. However, the Trust’s recent focus on strategic regional delivery is a concrete indication of our belief that more needs to be done to open up collaboration between the third sector, local authorities, wider government agencies and businesses. That focus has been reflected in the pace of reform across the Further Education college sector, which has delivered regional partnerships which are intended to reflect more strongly local employability pipelines.

5.4. In common with other successful third sector organisations, the Trust is taking radical, practical steps to adapt and improve the way it forms practical partnerships with local authorities so that we are recognised as a key delivery partner in fulfilling their statutory obligations toward disadvantaged young people. Such reorganisation follows an honest assessment of the evolving funding landscape in which we currently work, together with a commitment to maintain standards.

5.5. There are positive signs that many local authorities in Scotland are following suit, though more work needs to be done in some areas if they are further to maximise the opportunities that successful third sector partnerships present.

For more information, please contact Finlay Laverty, Senior Head of Business Development at finlay.laverty@princes-trust.org.uk or call 0141 225 3360.

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Draft Budget 2014-15 Evidence Submission

Scottish Council for Voluntary Organisations

Summary

- A lack of long-term funding for our sector from local authorities significantly hampers their ability to support some of the nation’s most vulnerable people. This is not about more money, but about better use of money. Three year funding must become a reality.

- Community Planning Partnerships have not delivered on addressing the complex needs of our communities. Local authorities and other public bodies must work with the third sector to improve community planning.

- Arms-Length External Organisations are a concern for the third sector, particularly their transparency and accountability – we welcome the work to date on extending FOI to ALEOs’ and recommend that the Committee continues to look into this issue.

- Local authorities must prioritise resources to deliver on the commitments that have been made under their specific equality duties. Wider issues of equality must also be considered, not just the legal ‘protected characteristics’.

- Welfare reform will continue to have a significant impact on the work of local authorities. It is essential that they work in partnership with all organisations that can help them mitigate the impact of the reforms.

- Public service reform must lead to real change in how people are able to access services and support. SCVO suggests that combining the different pots of money available for care and support needs could be one way to begin this process, and suggests the Committee considers this proposition.

Our response

Long-term funding
Many within the third sector do not receive funding from local authorities over more than one year. This is detrimental to their ability to plan for the future and provide the best service they can to what are often vulnerable groups.

Long-term funding is not about more investment and more money. It is about strategic investment and long-term support to ensure the delivery of better outcomes at local and national level and ensure that public spend is having the greatest possible social impact and leading to more sustainable public services across Scotland.
SCVO believes this is not a sustainable situation. We believe that:

1. It is time to move on from the 2009 Joint Statement as an approach through which to promote change.
2. Any future framework for the delivery of long-term funding must now be re-negotiated with local authorities.
3. It is important to recognise that work must be undertaken to promote the rise of long-term funding across all local authorities in Scotland.
4. This debate is an important one and drives to the heart of the Scottish Government’s agenda of promoting effective preventative measures and ensuring we have sustainable public services in Scotland.

The current model of annual funding constrains third sector innovation but, more importantly, it is also an inefficient method of service delivery. In Scotland we have developed rhetoric around reform, but it’s not being accompanied by action. Despite evidence to support long-term funding and the positive outcomes it achieves, we are still operating on an annual basis which, simply put, is unsustainable and largely ineffective.

The Christie Commission presents a clear focus on positive outcomes for communities as a focal point when deciding who delivers what service. Scotland’s third sector has a proven track record of delivering under the tight conditions we have been forced to endure, but the sector is now stressed to its limits.

The current funding processes within Scotland have created a disparity amongst the third, public and private sectors. Whilst public bodies and local authorities are willing to offer long-term contracts to the private sector, the third sector is expected to seek out funding on an annual basis. This is astonishing considering the social value third sector organisations provide compared to the profit-driven private sector. Local authorities and public bodies are happy to offer tax-payers’ money to private companies but expect not-for-profits to pay it all back rather than reinvest it into communities.

Moving forward we must understand what exactly we are trying to achieve and who we are trying to achieve it for. SCVO seeks to work with COSLA and the public sector to support all public bodies to offer long-term funding. It is not a case of more money for the third sector. It is about using existing resources more effectively, and an ambition to have more stable and sustainable services for those who have the greatest needs.

**Community Planning Partnerships**

The recent Audit Scotland report, *Improving community planning in Scotland*¹, highlighted a number of problems with Community Planning Partnerships (CPPs), whilst also underlining the potential they have to make a real difference to communities across Scotland.

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As the Audit Scotland report states, “ten years after community planning was given a statutory basis, CPPs are not able to show that they have had a significant impact in delivering improved outcomes across Scotland”. This is clearly a missed opportunity. The findings of the report match the third sector’s experiences. CPPs have not fulfilled their promise of addressing the complex, long-term needs of communities. Anecdotally, many across our sector have reported on the failure of CPPs to work with the sector to identify and address those needs.

As the report continues, “One of the aims of community planning was to help reduce social inequality. However, stark differences in outcomes for different groups still persist in Scotland. [...] It is in these complex areas that CPPs can make a real difference if they focus their efforts and bring to bear the full weight of their combined resources, skills and expertise”.

Third sector organisations have decades of experience in working on just such areas in communities across Scotland. SCVO feels strongly that it is high-time to utilise the experience and knowledge of third sector organisations in CPPs as active and equal participants who can work alongside public bodies to deliver positive change. This means involving the sector in the crucial process of prioritising and setting outcomes. Community views must also carry more weight at CPPs with ways found to bring local views up to influence decisions at the strategic level.

Arms-Length External Organisations (ALEOs)
SCVO believes that ALEOs with charitable status are being used by local authorities to benefit from the tax reliefs and funding opportunities available to charities to deliver public services. By achieving charitable status these organisations appear to be part of the third sector - even though they are clearly under local authority control. There is a danger that this could create a false impression of an independent voice when in fact their views are simply an extension of those of the local authority.

ALEOs are not normally subject to the public sector duties which would apply if their services were still being delivered by local authorities. This leaves a significant accountability and transparency gap for public service delivery and scrutiny of the public pound. There are also concerns that if a local authority puts a service out to tender and the ALEO bids for the tender this could create a clear conflict of interest and an unfair competitive environment.

Whilst current charity law precludes Scottish Ministers from directing or controlling the activities of charities, it does not make the same provision for local authorities – this is of obvious concern when considering ALEOs’ transparency.

SCVO feels strongly that charities must remain as a distinct voice in the public sphere. ALEOs dilute the independence that is so important when it comes to giving voice to vulnerable groups and service users. As we have significant concerns as to the transparency and accountability of ALEOs, we welcome the work to date on extending FOI to ALEOs’ and recommend that the Committee continues to look into this issue.

The Delivery of the Equalities Agenda
Implementing the Public Sector Equalities Duty
Local authorities must meet the requirements of the Public Sector Equality Duty under the Equality Act 2010. In Scotland this includes a range of additional specific duties such as the requirement to publish equality outcomes and an equality mainstreaming report, and to assess the impact of their decisions and policies on people who fall under the legislation’s ‘protected characteristics’. However, there is concern from the sector that now that local authorities have published their Equalities Outcomes, they will not have the resource to implement them.

SCVO believes it is essential for priority to be given to meeting these equality duties, and for resource to be allocated to ensure that takes place. We do not wish to see the Public Sector Equality Duty becoming a mere tick-box exercise.

Need to widen focus beyond statutory duties
Also of concern is that, as local authorities seek to meet their statutory duties and focus their equality considerations on the ‘protected characteristics’ under the Equality Act 2010, they may fail to protect wider vulnerable groups. A recent report from the Joseph Rowntree Foundation looked at five councils across Scotland, and found that discretionary services were being subject to disproportionately large reductions in spending. They found that, as local authorities concentrated on their statutory duties, they failed to mitigate risks “to the full range of disadvantaged and vulnerable socioeconomic groups”.

Based on this evidence, SCVO strongly advocates that local authorities are supported to learn how to effectively measure and take into account social impact – not just statutory equalities duties and ‘protected characteristics’ – when making budgeting decisions.

Cumulative effect
SCVO is also concerned that too often, local authorities think in isolation about the effect that a single decision will have on people, rather than focussing on the cumulative effect of multiple decisions. Whilst some changes may seem small and be declared to have no effect, the overall impact of these changes could be significant. This is something that local authorities must take into account when considering the impact of their decisions, particularly for vulnerable groups.

Other issues
Due to the reduction in local authority budgets from central government, many local authorities are cutting auxiliary services. This can have a significant effect on the ability of vulnerable groups to lead independent lives, goes against the idea of preventative spend, and ultimately leads to higher spend on crisis services. Local authorities must consider the long-term effects of service cuts when reconfiguring services.

Rural inequality is also a significant issue for Scotland. Due to rural locations, services to rural areas often cost much more than to urban areas, and reach fewer people – in a time of budget cuts, this can mean that rural residents lose out. SCVO recommends that local authorities take this into account when considering budgets for rural services.
Welfare Reform
The UK Government’s Welfare Reform Act will undoubtedly continue to have an impact on the Scottish Government’s budget during the next financial year, not to mention on the household budgets of some of the most vulnerable people in Scotland.

Local authorities must have a clear focus on ensuring that the current UK reforms have as little an impact on the most vulnerable in Scotland as possible. SCVO’s Welfare Reform Mapping project\(^2\) was published in May this year, based on the results of surveys and focus groups undertaken in the preceding 6 months (so before the first of the reforms had been implemented).

The project found that gaps in provision already existed and organisations did not have the resources to fill them. Particularly of interest given the discussion of long-term funding above, over 40% of respondents cited a lack of long-term funding and inability to plan ahead as a critical issue for them when trying to support people through welfare reform.

Demand for support and services provided by third sector organisations had also increased according to 72% of survey respondents due to the impact of welfare reform, and was expected by 88% of organisations responding to the survey to increase further in the coming months. This was true of all types of organisations, across all areas of Scotland.

Finally, several third sector organisations reported unprompted that a key factor in the increase in demand for their services was due to the public sector’s inability to meet growing demand, with five specifically highlighting cuts to public services as a driver for increased demand, and four reporting an increase in referrals from statutory organisations.

SCVO recognises that there is currently significant emphasis placed by the Scottish Government on the role of local authorities in tackling welfare changes. Local authorities have an important part to play, but they will not always be able to manage the changes on their own. To better support people and deliver more effective mitigation, local authorities will need to work effectively with the third sector and others. Indeed, the role of the third sector in mitigating the reforms was recognised by Mr Swinney in his recent Draft Budget with the announcement that Scottish Government will provide a further £2.5 million over 2014/16 to build the capacity of local communities and the voluntary sector to respond to the worst effects of welfare reform. Local authorities must then ensure that they work with the third sector in this area.

Local authorities must also be aware of not focussing too much on the role of advisory services in tackling the impact of welfare changes. Many people only seek advice when their circumstances have considerably deteriorated, so local authorities must also focus attention on upstream interventions. By adopting a more

preventative approach, both statutory and third sector organisations will be able to support and help people before their problems reach crisis point.

In conclusion, SCVO strongly recommends that local authorities look to work more with the third sector and others in supporting people through welfare reform and finding ways to mitigate the impact of the changes.

Public service reform
As SCVO discussed in its recent response to the Regulations and Statutory Guidance to accompany the Social Care (Self-directed Support) (Scotland) Act 2013\(^3\), the danger with Self-Directed Support (SDS) legislation, health and social care integration and newer developments like the Scottish Welfare Fund is that we tinker at the edges and reinforce existing processes, approaches and models. Rather, we need to tackle compartmentalisation of policies, legislation and funding. By doing so, we can seek to shift power towards people and communities, and produce the kind of public services that are needed to tackle continued and deep inequalities and poverty.

SCVO suggests that we combine any monies devolved through the Independent Living Fund, Community Care Grants (which currently sit within the Scottish Welfare Fund) and any investment relating to SDS implementation to drive real change in how people access social care. Then organisations, local authorities and individuals would not have to navigate different funding pots for different awards, all of which essentially support quality of life and independent living. We suggest the Committee considers this proposition.

Conclusion
It is clear that there are multiple issues that local authorities will have to deal with over the coming months. Many of them are in areas where the third sector can help, working with local authorities to improve the lives of people across Scotland. It is essential that local authorities work with the third sector to enable it to plan for the future through three-year funding. Local authorities can also work better with the third sector in terms of community planning, and recognise that the third sector is keen to work alongside local authorities to mitigate the effects of welfare reform. Local authorities should also ensure that they themselves deliver on equality duties despite pressures on budgets. Ultimately, this will ensure that the most vulnerable in our society get the kind of support they both want and need.

We also suggest the Committee considers our proposal to combine any monies devolved through the Independent Living Fund, Community Care Grants (which currently sit within the Scottish Welfare Fund) and any investment relating to SDS implementation to drive real change in how people access social care. This would free local authorities and others from navigating different funding pots for different awards, all of which essentially support quality of life and independent living. Finally, we remain concerned about the status of ALEOs, and urge the Committee to continue to look at this issue.

Jenny Bloomfield  
Policy Officer  
Scottish Council for Voluntary Organisations  

About us  
The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 138,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.5 billion.

SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1400 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies. As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1400 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change. Our policy is determined by a policy committee elected by our members.4

Further details about SCVO can be found at www.scvo.org.uk.

References  
Scottish Voluntary Sector Statistics 2012, SCVO  
http://www.scvo.org.uk/about-the-sector/sector-stats

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4 SCVO’s Policy Committee has 24 members elected by SCVO’s member organisations who then co-opt up to eight more members primarily to reflect fields of interest which are not otherwise represented. It also includes two ex officio members, the SCVO Convener and Vice Convener.
Draft Budget 2014-15 Evidence Submission

SENSCOT

Looking back

- 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?

SENSCOT is a support network for social entrepreneurs and social enterprises in Scotland. In particular, we support approximately 16 locally based Social Enterprise Networks (SENs) – who, between them, are engaged with over 400 social enterprises. Our knowledge, therefore, is based very much within the context of the social enterprise community and wider third sector. In regard to this, our view is that there is a mixed picture. Some local authorities are more pro-active in engaging with their local social enterprise community than others. Good examples would be Edinburgh, Dundee, Glasgow and Moray. To some extent, this also mirrors how active the local social enterprise community is.

- 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?

As stated above, in the main, our understanding is that local authorities are seeking to maintain their support for the activities of the wider third sector.

- 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?

Again, our knowledge would refer to the four examples cited above.

- 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?

I don’t think we have enough knowledge to answer with any authority.

Looking forward

- 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?

I would say that the Council Tax freeze restricts the ability of Local Authorities to carry out agreed priorities and statutory duties.

- 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?

Having stated the Council Tax Freeze limits Local Authorities ability to carry out the above duties, our experience suggests that the Community Planning Partnerships are not as effective as they could be. This could be down to a number of factors: the settling in period of the Third Sector Interfaces; people, both within local Govt and the third sector relying on historic relationships as opposed to embracing new processes; and, for many in the third sector, there engagement is directly with the Scottish Govt as opposed to local Govt.

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

Not qualified to comment on this.
• 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 support for the work of the third sector has been very good – and appears to be continually reviewed and refined. One major issue for social enterprises/third sector organisations is to see this level of support consistently reflected across all Scotland`s local authorities. That, currently, is not the case.

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

Not qualified to answer this question

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

The public service reform agenda will allow local authorities to engage far more fully with social enterprises/third sector orgs in their area in the delivery of vital services to local communities. Many of these organisations have considerable experience – delivering high quality services for many years. By tapping into this vein of experience and expertise, Local Authorities will be better able to address National Outcomes; and deliver on their agreed priorities and statutory duties.
East Renfrewshire Council has recognised that the financial difficulties facing the public sector will continue for a number of years. This places considerable strain on the Council’s resources and requires that we fundamentally review the basis of the Council’s service delivery. We are also mindful and supportive of the issues raised by the Christie Commission in this respect and intent on reflecting the recommendations of that Commission in our review. The Council has a policy of addressing these difficulties as a part of a longer term strategy and it is in that respect that the Council is undertaking a review to reshape future provision, i.e. very much in line with the issues the Committee raises under “looking forward”.

National organisations such as SOLACE and COSLA will no doubt comment in overall terms on the difficulties local government generally is facing and measures being put in place to address these difficulties. The value of East Renfrewshire Council participating in the Committee’s oral evidence session would be in providing more detail at a local level. The Council’s fundamental review is however still at a formative stage and it is not yet in a position where public comment could be made. The Council would be prepared to give evidence to the Committee in the future once our new approach has been more fully developed. However, given the position the Council is now in, I could not commit to participate in an oral evidence session at this stage.

Late last year the Council undertook extensive public engagement on savings proposals necessary to deliver balanced budgets for the financial years 2013/14 and 2014/15. This was part of a wider public engagement designed to inform the Council’s service priorities going forward. At its meeting in February the Council considered the outcome of the engagement exercises and approved its budget for 2013/14 and an indicative budget for 2014/15. To assist the Committee in its deliberations I attach copies of the consultation document outlining the financial difficulties facing the Council and the savings measures proposed to address this. I also attach a document that provides feedback on the outcome of that consultation. I hope these documents are helpful.

My apologies that given the current status of the Council’s fundamental review I am unfortunately in a position where I am unable to take up the Committee’s offer to give oral evidence.
Feedback Pack Following Consultation
2 Year Budget 2013-2015
Dear Resident / Employee

Welcome

Welcome to East Renfrewshire Council’s ‘Shaping Our Future’ feedback pack. You may be viewing this pack either as a hardcopy document or online.

At the end of 2012 East Renfrewshire Council gave you the opportunity to share your views on the key issues that determine how council services would be delivered in future.

We explained that it is important to us to consult with local residents, service users and employees as much as possible prior to very important financial decisions being taken as these decisions could have an impact on the day to day services provided to residents.

We committed to a period of consultation and we said that we would undertake the following actions:-

- to openly engage communities, employees and partners to provide the facts on the financial challenge facing the council and hard decisions that will be required to be taken

- to communicate regularly with our employees to highlight the impact of proposed budget savings on their employment

- to reflect on the views expressed by our communities and continue to support our most vulnerable residents
How our funding works

Scottish councils receive money from the Scottish Government each year to run local services; this is called the ‘Grant Settlement’ and is a major factor in determining how much the council can afford to spend in a year.

Government Grant is supplemented through Council Tax revenue. The more revenue that is collected, the more money is available to run services. For every pound that is spent by East Renfrewshire Council, around 81p comes from the Scottish Government and around 19p comes from Council Tax.

For the past five years, East Renfrewshire Council has chosen not to increase Council Tax levels in order to provide local people with some relief from growing financial pressure. Combined, the Grant Settlement and Council Tax revenue must cover the costs of all the services we provide.

For the next two years core Government Grant will be reduced by 0.6% in cash terms when compared to the current year’s level. This means that spending pressures from pay increases, inflation, rising population numbers (in particular the older people in our community) and service demands need to be absorbed by the council.

To receive that full level of grant, the Scottish Government requires councils to freeze Council Tax levels and maintain teacher numbers in line with pupil numbers over the next two years. Budget proposals have been framed to deliver against these grant conditions.

What we have to save

Despite delivering a balanced budget last year and successfully closing the budget gap in previous years, the council once again has to save money without significantly compromising important local services.

In response to continuing cuts in public funding, the council’s budget strategy group has agreed to continue its long-term approach to financial planning and plans to set a two year budget from 2013/14.

We estimated that savings totalling £10.96 million over the next two years were needed to deliver balanced budgets for these years.

East Renfrewshire Council is not the only council feeling the pain of spending cuts. Predictions made by the Scottish Government’s Chief Economist suggest that it could be 2027 before public finances return to the levels they were in 2009 – an estimated loss to the Scottish budget of some £51 billion.
How We Consulted

It was important that we gave residents the opportunity to provide us with feedback on our proposals in as many different ways as possible.

We therefore provided residents with the opportunity to speak to us face to face, online and in hardcopy using the same form that we made available online.

In total over 1300 people took part in this consultation. We are committed to continually improve the way we do consultation to ensure that we encourage as many people as possible to take part.

Our full consultation took place over two phases:-

**Phase One**

We interacted with our residents to get their views on the priorities for the future. This phase ran from September 2012 through to October 2012 and residents provided feedback by responding to the Citizens panel postal survey. 699 residents took part in the survey and provided us with a response.

During Phase One we also undertook face to face discussions with residents and 245 participants took part and provided their views. It helped us with our work to develop our Single Outcome Agreement and our Outcome Delivery Plan.

The Single Outcome Agreement (SOA) sets out how the Community Planning Partnership will work towards improving outcomes for the local people in a way that reflects local circumstances and priorities.

The Outcome Delivery Plan (ODP) is a three year plan, updated annually which focuses on our activities, performance measures and targets. It conveys what the council is doing to ensure delivery of the agreed local outcomes and of our corporate statement. It details what we are working towards to help deliver on the bigger, more strategic, Single Outcome Agreement outcomes.
Phase Two

Phase Two of our consultation focused on the budget decisions that we were considering for Financial Years 2013/2014 and 2014/2015.

This consultation ran from November 2012 through to December 2012 and residents and employees were given the opportunity to provide their views through an online forum, a face-to-face budget event and they also had the opportunity to provide their responses in hardcopy form.

Over 400 people responded during Phase Two.

253 of those people who responded did so through the website. The online consultation ran for a month from 16 November 2012 through to 16 December 2012. They read through the online ‘Shaping Our Future’ document and provided us with comments and feedback on some of the savings that we proposed. Roughly 50% of the online respondents were council staff. Two thirds were female and 40% were in the age group of 36-45.

80 residents responded in a similar way as above but they chose to receive a hardcopy of our ‘Shaping Our Future’ booklet and to provide written feedback to us. The responses received in this format saw two thirds coming from residents and one third from East Renfrewshire Council employees. This channel was particularly favoured by our older respondents i.e. those aged 56 or over (36% of respondents).

We held our face-to-face budget event with service user representatives at St Ninian’s High School on Monday 26 November and we had 70 people attend. There was a 50/50 gender split with a predominately good mix of age groups, the only exception being the age group of 18-35 which had slightly less representation than we would have liked. There were a number of facilitated sessions and people were encouraged to give their views and feedback. These sessions were facilitated by Senior Management representatives from each of our service areas. Everything discussed at these sessions was recorded and fed into the budget consultation feedback.
What Did Our Consultation Tell Us?

Phase One

Our Phase One consultation provided feedback on what we should prioritise for four key life stages.

1. For the stage of ‘Babies and Young Children’ you asked us to focus on:-
   - Develop and improve local support networks
   - Tackle child poverty
   - Child care (access, information and value)

2. For the stage of ‘Young People’ you asked us to focus on:-
   - Improving availability of facilities and activities
   - Schools – leaver support and career advice, ASN support
   - Tackle poverty – prevention and early intervention

3. For the stage of ‘Adults’ you asked us to focus on:-
   - Employment opportunities (job creation and local industry)
   - Quality and availability of housing
   - Opportunities for lifelong learning

4. For the stage of ‘Older People’:-
   - Reduce isolation and impact of isolation
   - Availability of local groups and facilities
   - Foster an improved sense of community

All of these points have now been fed into our Single Outcome Agreement and Outcome Delivery Plan.
Phase Two

Phase Two of our consultation process focused on our budget. It outlined what savings were being proposed and asked for residents’ comments to ascertain if they agreed with the savings proposals identified and if not, we asked you to explain why not and what other savings we could consider in its place.

We highlighted that the Council has to save £10.96m over the next two years and the savings identified to date have come to a total of £10.69m which left a shortfall of £270,000.

The majority of our savings identified were found through efficiencies with 70% of the savings managed this way and 30% managed through service savings.

The savings identified fell into five categories and these were:-

- **Service redesign savings** – this is where we have looked at how we deliver a service to see if we can do it more efficiently e.g. can we do it with fewer staff or do it in a different way. The aim is to maximise efficiencies and in many cases the changes will be invisible to the public. However, in some cases there may be significant changes in how the service is delivered.

- **Asset savings** – this is where we have identified buildings that we either no longer use or are not used as well as they could be. It has then been decided that we can continue without holding on to a particular building.

- **Financial savings** – this is where additional income could be achieved by increasing income streams, reducing the demand on council funding. This type of saving also reflects the reduced costs of financing the council’s loan debt taken out to help fund necessary investment in capital assets.

- **Procurement savings** – this is where we save money by renegotiating contracts with external suppliers. Where possible this will be done in collaboration with other councils to maximise savings.

- **Other savings** – this category is used to identify other savings which do not sit in the four categories listed above.
At our budget event on 26 November we had broad support for proposals and savings discussed within CHCP, Environment, Arts and Community Services workshops.

This event did provide a greater degree of discussion and questioning regarding Education proposals – particularly nursery teaching provision, class sizes and school support arrangements.

The hard copy responses we received indicated a stronger level of disagreement with proposals and the approach, compared to the online survey. 71% disagreed or strongly disagreed with the savings proposals with particular reference made on the disagreement with closure and future sale of Rhuallan House and the impact on learning disability, nursery, and school support arrangements.

Our online survey showed that the service redesign proposals were the only element with high levels of disagreement but in general we had broad support for all other areas of savings.

Looking at each type of saving in a bit more detail, the following feedback was received:-

**Service Redesign**
- Across all three engagement channels, we received 240 specific written comments in relation to service redesign savings proposals
- 70% of these related to 3 top areas:-
  - School support arrangements (75 references)
  - Reduction in nursery teachers (51 references)
  - Class sizes (45 references)

**Assets**
- A low volume of comments made (34 specific comments in total)
- The main proposal referenced within written comments received was the sale of Rhuallan House. However, within these comments, there was some provisional support for the Rhuallan proposal if there is assurance of alternative accommodation at a reasonable cost.

**Financial, Procurement and Other Savings**
- Financial – Low volume of comments with two thirds of comments in relation to education charges increase.
- Procurement – Very few specific comments made (17 in total)
- Other savings – Very few specific comments made (20 in total)
We also asked you to provide us with any alternative savings options that we may be able to consider and you put forward the following suggestions:

- Most commonly referenced alternative option was to consider cutting the ER magazine for residents and instead provide only web-based and Facebook information.
- The other options with 8 or more people providing feedback were:-
  - Cease free fruit in schools
  - Reduce bureaucracy/management posts

All of your feedback has been invaluable to us and has helped inform the decisions that the budget strategy group have taken.

The budget strategy group has decided to progress with the majority of the spending proposals set out in the original consultation as we had broad agreement with most of them. However, it is important that we provide some further explanation behind some of the points made, and in particular the top three points made under service redesign where the feedback registered the most dissatisfaction with the proposals.

- We will proceed with a review and managed reduction in schools technician service staff by 10%. The reduction in pupil support assistants of 10% for individual special needs children is provisionally planned to go ahead in August 2014. However this decision will be reviewed in the budget setting process for 14/15 and only if absolutely necessary will this saving be taken. If the saving is taken it is expected that the staff reduction can be achieved by natural turnover.

  We are committed to working with our schools to help them implement these changes whilst limiting the impact on pupils. If we find that schools rolls increased over forthcoming years or the number of our pupils who require pupil support assistants increase then we will review this.

- We will proceed with the reduction in teaching staff in all our pre-five establishments by a total of 12, replacing them with Child Development Officers working towards improving their qualifications. However we are committed to retaining at least 1 teacher per centre. This will ensure that in East Renfrewshire Council nurseries, we still have one of the highest ratios of teachers in nurseries across Scotland whilst utilising the excellent skills of our Child Development Officers.

  We will continue to help as many of our Child Development Officers as possible to work towards a degree in Childhood Practices. The degree takes a holistic view of children’s development, learning and well-being and covers areas such as: protecting and caring for children; working with parents and carers; encouraging children to become healthy, active and achieving.
• We will proceed with removing the funding for additional teachers to achieve a pupil/teacher ratio in P1 of 18 to 1 or less.

In 2010, when many of our P1 pupils were in classes of 30, we increased the number of teachers available in schools to teach in P1. We later supplemented this increase by using newly qualified teachers, who were funded by the Government, and short term council funding to achieve a ratio of 18 to 1 in all of our schools in primary 1.

In August 2011 there was legislation change which reduced the maximum number of children in a primary 1 class from 30 to 25. Even without additional teacher funding, children in P1 will now naturally be in smaller classes than before 2010 with the average class size expected to be about 20.4 (subject to placing requests) and therefore the priority for this funding is significantly less. Even in the past where class sizes have been high, the quality of learners experience has been validated by HMIE as very good or excellent.

The current P1 ratio of 18 to 1 has been possible by using teachers on temporary contracts. The affected contract teachers will not have their contracts renewed and no permanent member of teaching staff will be impacted.

• We had proposed introducing a charging scheme for our garden assistance and Mr Diggit schemes. However, we have decided not to proceed with charging for next year only. We have asked officers in our Environment Department to look again at how we deliver this service and what is the best way forward for it.

At the moment we are still looking to introduce charging the year after next. However, this will depend on what recommendations our officers bring forward.

• We will continue with the saving options to stop using Rhuallan House as unfortunately the building is not up to the standard it should be and we do not currently have the funding to upgrade it.

However, we are making a commitment to the residents who currently regularly use this facility that we will work with them to find them suitable alternative accommodation in one of our other locations.

There are no plans to sell Rhuallan at this point in time. Economically it is not thought to be the best time to sell however, if a suitable offer were to present itself then we will look at this.
• You asked us to look again at the provision of the community ER magazine. This magazine costs less than £40,000 per year to provide four copies which are delivered to every household.

Whilst we have decided at this point in time not to include this saving into the budget, we have asked officers in our Corporate Communications Team to look again at this publication and provide options for its future.

• You suggested that we look at reducing bureaucracy/management posts. Since 2007 we have been focused on reducing our management costs and creating a much flatter structure within the organisations. To date we have gone from seven directors down to five and we have also made an almost 40% reduction in our Head of Service level of management.

We will continue to focus on this and we are committed to continuing to review our structure and management levels to ensure that we are delivering best value for money to the residents of East Renfrewshire.
Financial Scrutiny Unit Briefing
Draft Budget 2014-15: Local Government

Allan Campbell

This briefing summarises the Local Government settlement in Draft Budget 2014-15, with a focus on the Local Government and Regeneration Committee’s stated remit for its scrutiny of the Draft Budget, which aims to be both a look forward over the next two years of spending, and a look back over the Government’s progress and performance during the period of the 2011 Spending Review.
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EXECUTIVE SUMMARY

This briefing analyses the total local government settlement, with a particular focus on the stated remit of the Local Government and Regeneration Committee’s budget scrutiny, which aims to be both a look forward over the next two years of spending, and a look back over the Government’s progress and performance during the period of the 2011 Spending Review.

The total allocation to local government in 2014-15 will be £10,531.4m. While this figure includes the Scottish Government’s best estimate of non-domestic rates income (NDRI), it does not include income from the council tax, any fees and charges which local authorities collect themselves, or other funding received direct from the UK Government or European Union.

The Scottish Government guarantees the combined general revenue grant and distributable NDRI figure, approved by Parliament, to each local authority. If NDRI receipts are lower than anticipated, this is compensated for by an increase in general revenue grant and therefore any extra non-domestic rates income goes to the Scottish Government, not to local authorities, although any extra is distributed back to local authorities as part of future years’ local government finance settlements.

In terms of the figures in the Draft Budget, key points to note are—

- Local Government’s share of the overall Scottish budget remains largely static from 2013-14 to 2015-16. From 2013-14 to 2014-15 there is a small real terms increase in the overall allocation to Local Government, and from 2014-15 to 2015-16 there is a real terms reduction of 1.1%.

- Total General Resource Grant + NDRI shows a small annual cash increase, but an annual real terms reduction of 1.5% from 2013-14 to 2014-15.

- The capital settlement was re-profiled with reductions in 2012-13 and 2013-14 of £120 million and £100 million respectively offset by a corresponding increase in 2014-15 of £120 million with £100 million added in 2015-16.

- NDRI is expected to increase by 10.4% in real terms from 2013-14 to 2014-15. This is due to the Scottish Government matching the English poundage rate, which is tied to September RPI and factors such as inflation, buoyancy and prior year adjustments (i.e. appeals losses assumptions being more cautious than turned out to be the case).

As in previous years, in order to access the full amount of the funding package for 2014-15, the Draft Budget outlines that each local authority will need to “agree formally to work with the Scottish Government” to—

- freeze the council tax;
- maintain teacher numbers in line with pupil numbers; and
- secure places for all probationers, who require one, under the teacher induction scheme.
Alongside the Draft Budget, the Scottish Government published an Agreement on Joint Working on Community Planning and Resourcing, which contains clear direction to Community Planning Partnerships on sharing budget and resources to improve local outcomes for communities. However, the Agreement does not spell out how the expectations set out in the document are to be achieved, under what timescale, and how it will be monitored.

In addition to the priorities for local government, as part of its Performance Evaluation document, the Government also provided information on all of the indicators and targets in the National Performance Framework specifically influenced by local government activity.

From the 50 indicators in the Framework, the Government highlighted 25 indicators as being “relevant to the Local Government and Regeneration Committee.” The summary document provides an up-to-date snapshot of performance against each of the indicators. The relevant indicators are listed in the annex to this briefing.

In terms of the overall picture, of the 25 indicators, 12 are listed as “performance improving”, 8 are listed as “performance maintaining” and 5 are listed as “performance worsening”.

Agenda item 1
9 October 2013

LGR/S4/13/26/2
INTRODUCTION

Draft Budget 2014-15 (Scottish Government 2013a) was published on 11 September 2013, and sets out the Government’s draft spending plans for 2014-15 in all devolved areas of spend. This briefing analyses the total local government settlement, with a particular focus on the stated remit of the Local Government and Regeneration Committee’s budget scrutiny, which aims to be both a look forward over the next two years of spending, and a look back over the Government’s progress and performance during the period of the 2011 Spending Review.

In order to support the Local Government and Regeneration Committee’s “Pre-Budget” scrutiny sessions June 2013, SPICe produced Local Government finance- facts and figures, 1999-2014 (Campbell 2013), which provides historical context and can be read in conjunction with this Briefing.

Many of the numbers in this briefing are adjusted for inflation (presented in “real terms” or 2013-14 prices) and the deflator used is the HM Treasury’s GDP deflator, as used in the Draft Budget (1.9% for 2014-15 and 1.8% for 2015-16).

TOTAL LOCAL GOVERNMENT BUDGET

LOCAL GOVERNMENT SETTLEMENT

The total allocation to local government in 2014-15 will be £10,531.4m. While this figure includes the Scottish Government’s best estimate of non-domestic rates income (NDRI) (see below), it does not include income from the council tax, any fees and charges which local authorities collect themselves, or other funding received direct from the UK Government or European Union. Figure 1 shows the constituent parts of the local government settlement.

The Scottish Government guarantees the combined general revenue grant and distributable NDRI figure, approved by Parliament, to each local authority. If NDRI receipts are lower than anticipated, this is compensated for by an increase in general revenue grant and therefore any extra non-domestic rates income goes to the Scottish Government, not to local authorities, although any extra is distributed back to local authorities as part of future years’ local government finance settlements.

Figure 1: 2014-15 Local Government settlement

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue Grant</td>
<td>£6,971m</td>
</tr>
<tr>
<td>Non Domestic Rates</td>
<td>£2,688m</td>
</tr>
<tr>
<td>Support for Capital Grants</td>
<td>£623m</td>
</tr>
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<td>Specific Capital Grants</td>
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</tr>
<tr>
<td>Specific Resource Grants</td>
<td>£99m</td>
</tr>
</tbody>
</table>
A number of changes have been made to the Draft Budget for 2014-15 since the publication of Draft Budget 2013-14 (Scottish Government 2012a). These are reconciled in table 1 below.

Table 1 – changes since 2013-14 Draft Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15 allocation in 2013-14 Draft Budget</td>
<td>10,131.7</td>
</tr>
<tr>
<td><strong>Revenue changes</strong></td>
<td></td>
</tr>
<tr>
<td>Transfer from DWP - Council tax reduction scheme</td>
<td>320.0</td>
</tr>
<tr>
<td>Transfer from Scottish Government - Council tax reduction scheme</td>
<td>23.0</td>
</tr>
<tr>
<td>Pre-school provision from Children and Young People Bill</td>
<td>50.7</td>
</tr>
<tr>
<td>Free Personal and Nursing Care</td>
<td>4.5</td>
</tr>
<tr>
<td>Residual national police costs</td>
<td>0.4</td>
</tr>
<tr>
<td>Oban Airport</td>
<td>0.8</td>
</tr>
<tr>
<td>National Care Home Contract</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Total revenue changes</strong></td>
<td>401.9</td>
</tr>
<tr>
<td><strong>Capital changes</strong></td>
<td></td>
</tr>
<tr>
<td>Children and Young People Bill</td>
<td>30.0</td>
</tr>
<tr>
<td>Broadband</td>
<td>-20.2</td>
</tr>
<tr>
<td><strong>Total capital changes</strong></td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Total changes</strong></td>
<td>411.7</td>
</tr>
<tr>
<td><strong>2014-15 allocation after above changes</strong></td>
<td>10,543.4</td>
</tr>
<tr>
<td>Enterprise areas - business rates relief scheme¹</td>
<td>-12.0</td>
</tr>
<tr>
<td><strong>2014-15 allocation in 2014-15 Draft Budget</strong></td>
<td>10,531.4</td>
</tr>
</tbody>
</table>

¹ This money will be transferred back into the Local Government settlement in-year.
SHARE OF THE OVERALL BUDGET AND REAL TERMS CHANGES

Tables 2 and 3 below set out the allocations to local government in cash and real terms, and as a percentage of the total Scottish Budget.

Table 2 – Local Government share of the total budget

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government TME(^2) (£m)</td>
<td>10,274.8</td>
<td>10,531.4</td>
<td>10,608.2</td>
</tr>
<tr>
<td>Scottish Government TME (£m)</td>
<td>34,681.0</td>
<td>35,407.6</td>
<td>35,998.5</td>
</tr>
<tr>
<td>LG TME share of overall budget</td>
<td>29.6%</td>
<td>29.7%</td>
<td>29.5%</td>
</tr>
</tbody>
</table>

Table 3 – Local Government budget – real terms changes

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government TME (real) (£m)</td>
<td>10,274.8</td>
<td>10,335.1</td>
<td>10,226.3</td>
</tr>
<tr>
<td>Annual change (£m)</td>
<td></td>
<td>60.3</td>
<td>-108.8</td>
</tr>
<tr>
<td>Annual change (%)</td>
<td></td>
<td>0.6%</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>

Some points to note about these figures are as follows—

- Local Government's share of the overall Scottish budget remains largely static from 2013-14 to 2015-16.

- From 2013-14 to 2014-15 there is a small real terms increase in the overall allocation to Local Government, and from 2014-15 to 2015-16 there is a real terms reduction of 1.1%.

- The capital settlement was re-profiled with reductions in 2012-13 and 2013-14 of £120 million and £100 million respectively offset by a corresponding increase in 2014-15 of £120 million with £100 million added in 2015-16.

\(^2\) TME is Total Managed Expenditure – the total local government settlement.
GENERAL RESOURCE GRANT + NDRI

As noted above, the Scottish Government guarantees the combined general resource grant (GRG) and distributable NDRI figure. Combined GRG\(^3\) and NDRI figures are set out in table 4 below.

Table 4 – Local Government GRG + NDRI

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Resource Grant + NDRI cash (£m)</td>
<td>9,623.7</td>
<td>9,659.3</td>
<td>9,692.0</td>
</tr>
<tr>
<td>Cash terms annual change (£m)</td>
<td></td>
<td>35.6</td>
<td>32.7</td>
</tr>
<tr>
<td>Cash terms annual change (%)</td>
<td></td>
<td>0.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>General Resource Grant + NDRI real (£m)</td>
<td>9,623.7</td>
<td>9,479.2</td>
<td>9,343.2</td>
</tr>
<tr>
<td>Real terms annual change (£m)</td>
<td></td>
<td>-144.5</td>
<td>-136.0</td>
</tr>
<tr>
<td>Real terms annual change (%)</td>
<td></td>
<td>-1.5%</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

Some points to note about these figures—

- Total GRG + NDRI shows a small annual cash increase, but an annual real terms reduction of 1.5% from 2013-14 to 2014-15.

- The figures are similar for 2014-15 to 2015-16 – a small cash increase but a real terms reduction.

- Issues around NDRI and the proportion of local government income coming from NDR are discussed below.

\(^3\) The Budget document refers to both General Revenue Grant and General Resource Grant – both refer to the same area of the budget.
CAPITAL

Calculating annual changes to the capital budget is complicated this year by reprofiling, explained in the Draft Budget—

“The capital settlement was re-profiled with reductions in 2012-13 and 2013-14 of £120 million and £100 million respectively offset by a corresponding increase in 2014-15 of £120 million with £100 million added in 2015-16.”

Therefore, tables 5 and 6 below set out both the reprofiled budget as in the Draft Budget document, and an illustrative non-reprofiled capital budget.

Table 5 – Local Government Capital – as per Draft Budget 2014-15

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for Capital</td>
<td>449.9</td>
<td>623.0</td>
<td>672.2</td>
</tr>
<tr>
<td>Specific Capital Grants</td>
<td>102.3</td>
<td>150.2</td>
<td>145.1</td>
</tr>
<tr>
<td>Total capital (cash) - reprofiled</td>
<td><strong>552.2</strong></td>
<td><strong>773.2</strong></td>
<td><strong>817.3</strong></td>
</tr>
<tr>
<td>Cash terms annual change (£m)</td>
<td></td>
<td>221.0</td>
<td>44.1</td>
</tr>
<tr>
<td>Cash terms annual change (%)</td>
<td></td>
<td>40.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Total capital (real) - reprofiled</td>
<td><strong>552.2</strong></td>
<td><strong>758.8</strong></td>
<td><strong>787.9</strong></td>
</tr>
<tr>
<td>Real terms annual change (£m)</td>
<td></td>
<td>206.6</td>
<td>29.1</td>
</tr>
<tr>
<td>Real terms annual change (%)</td>
<td></td>
<td>37.4%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Table 6 – Local Government Capital – illustrative version – not reprofiled

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital (cash) - reprofiled</td>
<td><strong>552.2</strong></td>
<td><strong>773.2</strong></td>
<td><strong>817.3</strong></td>
</tr>
<tr>
<td>Effect of removal of reprofiling</td>
<td>+100.0</td>
<td>-120.0</td>
<td>-100.0</td>
</tr>
<tr>
<td>Total capital (cash) - not reprofiled</td>
<td><strong>652.2</strong></td>
<td><strong>653.2</strong></td>
<td><strong>717.3</strong></td>
</tr>
<tr>
<td>Cash terms annual change (£m)</td>
<td></td>
<td>1.0</td>
<td>64.1</td>
</tr>
<tr>
<td>Cash terms annual change (%)</td>
<td></td>
<td>0.2%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Total capital (real) - not reprofiled</td>
<td><strong>652.2</strong></td>
<td><strong>641.0</strong></td>
<td><strong>691.5</strong></td>
</tr>
<tr>
<td>Real terms annual change (£m)</td>
<td></td>
<td>-11.2</td>
<td>50.5</td>
</tr>
<tr>
<td>Real terms annual change (%)</td>
<td></td>
<td>-1.7%</td>
<td>7.9%</td>
</tr>
</tbody>
</table>
NON-DOMESTIC RATES INCOME

Non-domestic rates income is currently the single largest source of revenue under the control of the Scottish Government, although the money is collected by local authorities. Table 7 below shows the forecast receipts from non-domestic rates in cash and real terms through to 2015-16. The supplement for large retailers who sell alcohol and tobacco products, which began on 1 April 2012, will continue to 2015.

FORECAST FOR NDRI IN DRAFT BUDGET 2014-15

Table 7: Non-Domestic Rates Income

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDRI (cash) (£m)</td>
<td>2,435.0</td>
<td>2,688.0</td>
<td>2,883.0</td>
</tr>
<tr>
<td>Cash terms annual change (£m)</td>
<td>253.0</td>
<td>195.0</td>
<td></td>
</tr>
<tr>
<td>Cash terms annual change (%)</td>
<td>10.4%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>NDRI (real)</td>
<td>2,435.0</td>
<td>2,637.9</td>
<td>2,779.2</td>
</tr>
<tr>
<td>Real terms annual change (£m)</td>
<td>202.9</td>
<td>141.3</td>
<td></td>
</tr>
<tr>
<td>Real terms annual change (%)</td>
<td>8.3%</td>
<td>5.4%</td>
<td></td>
</tr>
</tbody>
</table>

The Government’s estimate of NDRI has seen real terms increases over the period of the Spending Review, although the overall settlement to Local Government has remained largely flat in cash terms. The Scottish Government (Scottish Government 2013d) has stated that the expected increase in NDRI is due to two factors—

- Matching of the English poundage rate, which is tied to September RPI and this ensures there is no inflationary increase for Scottish ratepayers above those in England; and

- Factors such as inflation, buoyancy and prior year adjustments (i.e. appeals losses assumptions being more cautious than turned out to be the case).

The next NDR revaluation will take place in 2017. In the period before that time, the Government plans on conducting a “thorough and comprehensive review of the whole business rates system.” It ran a consultation (Scottish Government 2012b) from November 2012 to February 2013, and in early 2013 published its response (Scottish Government 2013g).

HISTORICAL NDRI ESTIMATES

Table 8 and Figure 2 below shows the percentage of the total settlement made up of the Government’s estimate of NDRI. Caution should be used when comparing year-on-year changes due to changes in the local government settlement. These are detailed in the notes below the table.
Figure 2: NDRI estimate as % of total LG Revenue funding from SG

Table 8: NDRI estimate as percentage of total revenue allocation

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Local Government Revenue Funding from Scottish Government (£m)</th>
<th>Scottish Government estimate of NDRI</th>
<th>NDRI estimate as % of total Local Government Revenue funding from Scottish Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>5,513.1</td>
<td>1,440.5</td>
<td>26.1%</td>
</tr>
<tr>
<td>2000-2001</td>
<td>5,630.4</td>
<td>1,662.7</td>
<td>29.5%</td>
</tr>
<tr>
<td>2001-2002</td>
<td>6,048.8</td>
<td>1,553.9</td>
<td>25.7%</td>
</tr>
<tr>
<td>2002-2003</td>
<td>6,721.2</td>
<td>1,718.1</td>
<td>25.6%</td>
</tr>
<tr>
<td>2003-2004</td>
<td>7,280.2</td>
<td>1,804.4</td>
<td>24.8%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>7,662.2</td>
<td>1,895.9</td>
<td>24.7%</td>
</tr>
<tr>
<td>2005-2006</td>
<td>8,086.8</td>
<td>1,897.1</td>
<td>23.5%</td>
</tr>
<tr>
<td>2006-2007</td>
<td>8,313.6</td>
<td>1,883.8</td>
<td>22.7%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>8,705.6</td>
<td>1,859.7</td>
<td>21.4%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>10,209.7</td>
<td>1,962.8</td>
<td>19.2%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>10,788.9</td>
<td>2,165.1</td>
<td>20.1%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>11,141.0</td>
<td>2,068.2</td>
<td>18.6%</td>
</tr>
<tr>
<td>2011-2012</td>
<td>10,861.6</td>
<td>2,182.0</td>
<td>20.1%</td>
</tr>
<tr>
<td>2012-2013</td>
<td>10,915.7</td>
<td>2,263.0</td>
<td>20.7%</td>
</tr>
<tr>
<td>2013-2014</td>
<td>9,728.5</td>
<td>2,435.0</td>
<td>25.0%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>9,758.2</td>
<td>2,668.0</td>
<td>27.3%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>9,790.9</td>
<td>2,883.0</td>
<td>29.4%</td>
</tr>
</tbody>
</table>
Notes and sources on Table 8

All figures for total revenue allocations for 1999-2014 are taken from the relevant Local Government Finance Circulars (Scottish Government 2013c). Specifically, for total LG Revenue allocations—

- 1999-2008 represent the total Aggregate External Finance figures.
- From 2008-09 the total revenue figures include all the former ring-fenced grants that were previously outside the annual local government finance settlement but were combined as agreed with COSLA following the signing of the Concordat.
- The 2014-16 figures represent Budget figures and are taken from the Draft Budget 2014-15.
- The LG Revenue allocation falls in 2013-14, due to the removal of the police and fire functions from local government, which has the effect of increasing the NDRI % figure.

For estimates of NDRI, again, all figures for 1999-2014 are taken from the relevant Local Government Finance Circulars and figures for 2014-2016 figures are taken from Draft Budget 2014-15. The Scottish Government guarantees the combined general revenue grant and distributable non-domestic rate income figure, approved by Parliament, to each local authority. A drop in non-domestic rate income is compensated for by an increase in general revenue grant and vice versa.

**HISTORICAL INCOME FROM NDR AND COUNCIL TAX**

Data on historical income from both NDR and the council tax are set out in Local Government finance facts and figures, 1999-2014 (Campbell 2013). The relevant chart and table are reproduced below. NDRI figures here differ from those in table 8 – the figures in table 9 are the “contributable amount”, that is the amount of NDRI actually collected by local authorities in year, whereas the figures shown in table 8 represent the “distributable amount” which is a combination of the Scottish Government’s estimate plus any prior year adjustments.

**Figure 3: Council tax and Non-Domestic Rates Income**

![Graph showing historical income from council tax and non-domestic rates income from 1999 to 2013.](image-url)
### Table 9: Council tax income and Non-Domestic Rates Income – historical

<table>
<thead>
<tr>
<th>Year</th>
<th>Council tax income (excluding CTB) (£m)</th>
<th>Council tax benefit subsidy (£m)</th>
<th>Council tax income (including CTB) (£m)</th>
<th>NDR Income (Contributable Amount) (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>1,194</td>
<td>276</td>
<td>1,469</td>
<td>1,497</td>
</tr>
<tr>
<td>2000-01</td>
<td>1,273</td>
<td>279</td>
<td>1,553</td>
<td>1,578</td>
</tr>
<tr>
<td>2001-02</td>
<td>1,363</td>
<td>285</td>
<td>1,649</td>
<td>1,671</td>
</tr>
<tr>
<td>2002-03</td>
<td>1,459</td>
<td>294</td>
<td>1,753</td>
<td>1,705</td>
</tr>
<tr>
<td>2003-04</td>
<td>1,532</td>
<td>308</td>
<td>1,840</td>
<td>1,706</td>
</tr>
<tr>
<td>2004-05</td>
<td>1,615</td>
<td>345</td>
<td>1,960</td>
<td>1,813</td>
</tr>
<tr>
<td>2005-06</td>
<td>1,720</td>
<td>354</td>
<td>2,074</td>
<td>1,933</td>
</tr>
<tr>
<td>2006-07</td>
<td>1,812</td>
<td>359</td>
<td>2,171</td>
<td>1,933</td>
</tr>
<tr>
<td>2007-08</td>
<td>1,890</td>
<td>354</td>
<td>2,244</td>
<td>1,928</td>
</tr>
<tr>
<td>2008-09</td>
<td>1,909</td>
<td>351</td>
<td>2,260</td>
<td>1,924</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,910</td>
<td>368</td>
<td>2,278</td>
<td>2,010</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,923</td>
<td>375</td>
<td>2,298</td>
<td>2,138</td>
</tr>
<tr>
<td>2011-12</td>
<td>1,926</td>
<td>376</td>
<td>2,302</td>
<td>2,252</td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
<td></td>
<td></td>
<td>2,362</td>
</tr>
</tbody>
</table>

Source: [Scottish Local Government Finance Statistics](http://www.scottishgovernment.co.uk) (Scottish Government 2013f)

### PRIORITIES FOR LOCAL GOVERNMENT

The Draft Budget indicates that the key priorities agreed during the last spending review period will be continued throughout 2014-15 and 2015-16. There are two aspects to the priorities for local government—

- three specific commitments; and
- a wider partnership between the Scottish Government and Local Government.

Also published alongside the Draft Budget was an [Agreement on joint working on community planning and resourcing](http://www.scottishgovernment.co.uk) (Scottish Government 2013b).
SPECIFIC COMMITMENTS

As in previous years, in order to access the full amount of the funding package for 2014-15, the Draft Budget outlines that each local authority will need to “agree formally to work with the Scottish Government” to—

- freeze the council tax;
- maintain teacher numbers in line with pupil numbers; and
- secure places for all probationers, who require one, under the teacher induction scheme.

Prior to 2013-14, local authorities also had responsibility for maintaining police numbers, through the police boards. However, that responsibility has now transferred to the Scottish Police Authority and the Police Service of Scotland.

In addition to the three priorities above, for 2015-16, local authorities will also be required to “work with their NHS partners towards full integration of Health and Social Care.”

Council tax freeze

The Draft Budget 2014-15 states that—

“The council tax freeze has provided further protection for hard pressed households across Scotland many of whom have been affected by the economic downturn and the impact of UK Government’s welfare reforms.”

The Scottish Government is providing an additional £70m of funding in 2014-15 to freeze the council tax at the previous year’s level. However, since the freeze is based on 2007-08 levels of council tax, and the Scottish Government has provided £70m to councils’ baseline allocations in each of the six years of the freeze, the actual cost of the council tax freeze for 2014-15 is £490m. In other words, £70m is the cost of freezing the council tax compared to not freezing it for one year, and £490m is the cost of freezing the council tax compared to not freezing it over a seven year period (i.e. 2008-09 to 2014-15).

Table 10 below sets out the total cost of the freeze in each year since its introduction, to 2015-16.
Table 10: Cost of the council tax freeze

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Cost per year (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>70</td>
</tr>
<tr>
<td>2009-10</td>
<td>140</td>
</tr>
<tr>
<td>2010-11</td>
<td>210</td>
</tr>
<tr>
<td>2011-12</td>
<td>280</td>
</tr>
<tr>
<td>2012-13</td>
<td>350</td>
</tr>
<tr>
<td>2013-14</td>
<td>420</td>
</tr>
<tr>
<td>2014-15</td>
<td>490</td>
</tr>
<tr>
<td>2015-16</td>
<td>560</td>
</tr>
<tr>
<td><strong>Total 2008-09 to 2015-16</strong></td>
<td><strong>2,520</strong></td>
</tr>
</tbody>
</table>

**Teacher numbers and probationers**

The Draft Budget states that the Government’s priority for education is that teacher numbers will be maintained in line with pupil numbers and places secured for all probationers, who require one, under the teacher induction scheme in both 2014-15 and 2015-16. Local authorities need to meet these commitments from within the overall resource settlement.

In the Committee performance document (Scottish Parliament Finance Committee 2013), the Government states that both these priorities were achieved up to the most recent year for which data is available.

**WIDER PARTNERSHIP WITH THE SCOTTISH GOVERNMENT**

The Draft Budget states that the funding package for local government—

“will be focussed on delivery of our joint priorities of growing the Scottish economy and protecting front-line services and the most vulnerable in our society, including through a greater focus on prevention measures and reform of public services.”

The Draft Budget describes the joint actions that local government and the Scottish Government will take. The main specific elements of this approach are as follows—

- Ensure that capital resources “are used to best effect to support economic growth”;
- Embedding a new preventative approach in the new Single Outcome Agreements;
- Continued involvement in the Early Years and Reshaping Care for Older People change funds; and
• To support integration of health and social care via resources allocated by health boards in 2015-16.

AGREEMENT ON JOINT WORKING

Community Planning Partnerships are described in the Draft Budget as the vehicle through which much of the broad approach described above will be delivered at a local level—

“including through the new recently agreed SOAs which describe how the CPPs will plan and provide resources for and oversee delivery of a preventative approach in key strategic areas. To enable more effective and integrated local planning, CPPs, including local government, will be expected to show a demonstrable commitment to the Agreement on Joint Working published alongside the Budget.”

The Agreement on Joint Working on Community Planning and Resourcing (Scottish Government 2013b) contains a clear direction to partners within CPPs that they will—

• ensure the SOA is the focal point for the planning and deployment of resources locally;

• share budget, investment and resource planning information through the CPP, at an early stage in the decision-making process, including setting out the broad financial parameters they are working to, key milestones, and how resources already and can further support SOA delivery;

• agree how total resources can most effectively be deployed and aligned between partners to achieve the outcomes set out in the agreed SOA and ensure that deployment and alignment in practice; and

• demonstrate commitment and adherence to this Agreement through their engagement with CPPs and in relevant governance and budget making processes, including in final budget documents, delivery plans and subsequent accountability arrangements (Scottish Government 2013b).

However, the Agreement also notes that all of this work, collaboration and sharing of budgets does not replace or override formal governance and accountability of partner bodies. The Agreement also does not spell out how the expectations set out in the document are to be achieved, under what timescale, and how it will be monitored.

No further guidance is available from the Scottish Government to CPPs at present on the terms of the agreement (although the National Community Planning Group may issue more guidance in future), and it states that Partners in each CPP—

“will quite rightly exercise a high degree of discretion in determining how to implement this Agreement. In doing so, they will take a practical and proportionate approach that best fits local circumstances whilst remaining firmly within its spirit and intent.”

NATIONAL PERFORMANCE FRAMEWORK

As part of the 2007 Spending Review (Scottish Government 2007), the Scottish Government introduced a new outcomes-based National Performance Framework (NPF) to underpin the delivery of its agenda. In June 2008, the Government launched Scotland Performs (Scottish
Government 2008), a website designed to present information on how Scotland is performing against the range of indicators outlined in the NPF. The NPF was “refreshed” in 2011.

Full details about the refreshed NPF can be found in **SB 12/12: The National Performance Framework and Scotland Performs** (Campbell 2012).

In addition to the priorities for local government, discussed above, as part of its **Performance Evaluation document**, the Government also provided information on all of the indicators and targets in the National Performance Framework specifically influenced by local government activity (Scottish Parliament Finance Committee 2013).

From the 50 indicators, the Government highlighted 25 indicators as being “relevant to the Local Government and Regeneration Committee.” The summary document provides an up-to-date snapshot of performance against each of the indicators. The relevant indicators are listed in the annex to this briefing, and linked to the relevant part of the Scotland Performs website.

In terms of the overall picture, of the 25 indicators, 12 are listed as “performance improving”, 8 are listed as “performance maintaining” and 5 are listed as “performance worsening”, as per Figure 4 below.

**Figure 4: National Performance Framework – Local Government related indicators**

Some issues that committees and individual members may wish to consider when scrutinising this performance information are as follows—

- Although it states that these indicators are relevant to the Local Government and Regeneration portfolio, no attempt has been made to quantify local government’s contribution to the indicator. For some, the link is obvious, as the indicator concerns a local government service (for example, school positive inspection reports). However for others, local government’s contribution is only one of many public sector and external
factors that can affect the performance assessment of an indicator (for example, number of businesses).

• The document also does not explain what impact a performance assessment has had on budgetary decisions, if any. For example, the percentage of people who are “very or fairly” satisfied with local public services has markedly decreased since 2011. But, there is no explanation of how this assessment has impacted on budget decisions.

• As well as the lack of links to the budget, there is no mention in the document of how indicators are linked to the new SOAs.

• Whether the indicators themselves are the most appropriate measure of performance for that policy area, and whether the stated “criteria for recent change”, which determines the performance assessment, is appropriate.

• Whether the indicators chosen as being related to the Local Government portfolio are the correct set, and whether any are missing, or should not be included.

PROCEDURE FOR ALLOCATIONS TO INDIVIDUAL LOCAL AUTHORITIES

Following the publication of the Draft Budget, the local government settlement undergoes its own parliamentary procedure in parallel with the formal budget process. This procedure is outlined in Figure 5 below.
Figure 5: timeline for allocations to individual local authorities

**Nov/Dec**
Local Government Finance Settlement Circular published

**Jan / Feb:**
Local Government Finance Order laid in the Parliament and debated in the chamber.

**Feb / Mar:**
Individual local authorities agree their budgets and decide whether to freeze their council tax.

**Feb / Mar:**
Local Government Finance Amendment Order is laid before Parliament and debated in the Chamber.

This Amendment Order contains the council tax freeze monies in the settlement, reflecting the decisions of local authorities regarding council tax.
ANNEX – LOCAL GOVERNMENT-RELATED INDICATORS

Those indicators listed in the Scottish Government Performance Evaluation document as being relevant to the Local Government and Regeneration Committee are as follows—

- Improve access to suitable housing options for those in housing need
- Improve children's services
- Increase the proportion of young people in learning, training or work
- Improve the skill profile of the population
- Reduce the proportion of individuals living in poverty
- Reduce children's deprivation
- Improve people's perceptions about the crime rate in their area
- Reduce reconviction rates
- Increase the number of businesses
- Increase cultural engagement
- Reduce waste generated
- Reduce deaths on Scotland's roads
- Increase the proportion of pre-school centres receiving positive inspection reports
- Increase the proportion of schools receiving positive inspection reports
- Improve levels of educational attainment
- Reduce traffic congestion
- Increase the proportion of journeys to work made by public or active transport
- Increase physical activity
- Improve support for people with care needs
- Improve the responsiveness of public services
- Improve people's perceptions of the quality of public services
- Improve people's perceptions of their neighbourhood
- Reduce the number of individuals with problem drug use
- Increase the number of new homes
- Reduce Scotland's carbon footprint
SOURCES


RELATED BRIEFINGS

SB 13-58: Draft Budget 2014-15 (574KB pdf)

SB 13-31: Local Government finance- facts and figures, 1999-2014 (566KB pdf)

SB 13-28: “Opening the can”: The Local Government Benchmarking Framework (629KB pdf)

SB 12-74: Local Government Funding: Provisional Allocations for 2013-14 (679KB pdf)

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AGREEMENT ON JOINT WORKING ON COMMUNITY PLANNING AND RESOURCING

Purpose

1. Delivery of new Single Outcome Agreements (SOAs) agreed with each Community Planning Partnership (CPP) requires the mobilisation of public sector assets, activities and resources, together with those of the third and private sectors and local communities.

2. This Agreement describes how CPPs will draw upon this totality and breadth of resource in order to improve local outcomes for communities and to ensure that the individual and collective decisions of partners are in the best interests of communities and the public sector as a whole. It places clear expectations on local government, the NHS and public bodies to share budget and resource planning assumptions with each other at an early stage and to work together through Community Planning Partnerships (CPPs) to deploy resources towards the jointly agreed priorities set out in each CPP’s Single Outcome Agreement (SOA). Each organisation will be expected to show a demonstrable commitment to this Agreement through their engagement with CPPs and through their own formal budget making and accountability arrangements.

Requirements of Community Planning Partners

3. Individually and collectively the relevant partners in each CPP will:

- ensure the SOA is the focal point for the planning and deployment of resources locally;

- share budget, investment and resource planning information through the CPP, at an early stage in the decision-making process, including setting out the broad financial parameters they are working to, key milestones, and how resources already and can further support SOA delivery;

- agree how total resources can most effectively be deployed and aligned between partners to achieve the outcomes set out in the agreed SOA and ensure that deployment and alignment in practice; and

- demonstrate commitment and adherence to this Agreement through their engagement with CPPs and in relevant governance and budget making processes, including in final budget documents, delivery plans and subsequent accountability arrangements.

4. The CPP is the only strategic forum where partners are able to jointly plan how to deploy collective resources to achieve the agreed priorities set out in the SOA. However, the CPP does not replace or override the formal governance and accountability arrangements of partner bodies.

5. Although benefits will be realised through agreed shifts in financial budgets, it is in the deployment and use of partners’ wider resources, such as staff, buildings
and other assets, where maximum benefit is most likely to be secured. In implementing this Agreement partners must therefore consider resources in the broadest sense and bring the totality and breadth of that resource, including committed budgets such as schools and hospitals, to the discussion. In doing so, they must consider what additional benefit can be derived from those resources.

6. CPPs will decide locally which partners should be involved in implementing this Agreement. Those organisations currently with a statutory duty to participate in community planning (local authorities, territorial NHS Boards, Police Scotland, Scottish Fire and Rescue Service, Scottish Enterprise; Highlands and Islands Enterprise and Regional Transport Partnerships) will be involved in most if not all 32 CPPs. Other organisations, such as Scottish Natural Heritage and further education colleges may be involved, depending on agreed local priorities and circumstances.

7. The effective delivery of SOAs will also involve provision of resources to and by third sector organisations. Making the most of the total resources available locally means ensuring that the Third Sector Interface is a full community planning partner and drawing on the huge commitment of all those, including volunteers, who work to improve communities. CPPs should build on the third sector’s breadth of experience and insight into working directly with individuals, communities and their assets to help them become more independent and co-produce better outcomes.

8. The Scottish Government and COSLA are absolutely committed to making community planning work for communities and for Scotland and to see that reflected in the decisions and approach of each partner and Government. This Agreement is an important step on that journey, building on the Statement of Ambition and the sign-off of new SOAs. Partners working together locally will quite rightly exercise a high degree of discretion in determining how to implement this Agreement. In doing so, they will take a practical and proportionate approach that best fits local circumstances whilst remaining firmly within its spirit and intent.

John Swinney
Cabinet Secretary for Finance, Employment and Sustainable Growth

David O’Neill
President, COSLA

Pat Watters
Chair, National Community Planning Group

Alex Neil
Cabinet Secretary for Health and Wellbeing
DRAFT BUDGET 2014-15 – PERFORMANCE EVALUATION

I am pleased to be publishing today the Scottish Government’s Draft Budget 2014-15.

In line with the Written Agreement between the Scottish Government and the Finance Committee, and our earlier correspondence about the Parliament’s Strategic Budget Phase, I am also pleased to enclose information that is intended to support the Committee’s consideration of the Government’s performance against the priorities set out in the Scottish Spending Review 2011.

Scotland Performs is the primary source of information about performance against the outcomes set out in the National Performance Framework. I enclose with this letter updates that have been prepared for each subject committee on performance against the indicators that underpin Scotland Performs.

In addition, you wrote to me attaching a list of questions that the Finance Committee and subject committees have raised in relation to the Spending Review. I enclose the Government’s response to these questions.

I look forward to working with the committee during the budget process.

JOHN SWINNEY
Local Government and Regeneration Committee

Responses to specific queries raised by the Local Government and Regeneration Investment Committee follow:

<table>
<thead>
<tr>
<th>Question</th>
<th>SG Response</th>
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<tbody>
<tr>
<td>In the National Performance Framework and Scotland Performs, which indicators and targets are specifically influenced by Local Government activity?</td>
<td>A scorecard highlighting these indicators has been provided.</td>
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<tr>
<td>What has been local government’s influence on the performance assessment of these indicators and targets, and have any performance assessments changed local government spending plans?</td>
<td>Local government influences these indicators and targets through the delivery of a wide range of services and by working in partnership with organisations such as the police, the NHS and colleges to improve outcomes for communities. The development and delivery of Single Outcome Agreements (SOAs) by Community Planning Partnerships (CPPs) is the mechanism by which each Council and its partners agree shared strategic priorities for the area and how they will work together to deliver those priorities. SOAs contain specific indicators and targets including, where relevant to local priorities, indicators from the National Performance Framework which are available at the local level. CPPs have performance management arrangements in place to monitor and report on these indicators and targets and to consider what action, including changes to spending plans, is required to improve performance. It is for individual Councils to decide if and how they change spending plans as a result of this.</td>
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| In terms of the priorities for local government set out in the Spending Review 2011, can the Government set out how these have been (or are still being) achieved. | Priority: Council Tax freeze  
Achievement to date: The Scottish Government provided a further £70 million per year to those councils that froze their council tax at 2007-08 levels for each of the three years of the Spending review 2012-15. In return, all 32 local authorities did freeze their council tax levels in both 2012-13 and 2013-14 and the Scottish Government will continue to work with its local government partners to extend the freeze for the remainder of this Parliament. The council tax freeze has provided further protection for hard pressed households across Scotland many of whom have been affected by the economic downturn and the impact of UK Government’s welfare reforms.  
Priority: Local government to pass on Police Grant in full to Police Boards as a contribution to maintaining the number of police officers at least at 17,234 throughout the three-year period 2012-15.  
Achievement to date: The clear up rate for crimes increased in 2012-13 and is now at its highest since 1976. Officer numbers remain significantly higher than before May 2007. There were 17,496 police officers (full-time equivalent) in Scotland on 31 March 2013, an increase of 1,262 (+7.8 per cent) from 31 March 2007. The risk of being a victim of crime here is falling, and is lower than England and Wales. The Scottish Crime & Justice Survey estimates 17.8 per cent of the adult population in Scotland were victims of crime in 2010-11 – lower than the 21.5 per cent
As a result of Police reform, from 2013-14 funding for the single national police service is allocated by the Scottish Government to the Scottish Police Authority, instead of through local authorities to the former police boards. This means that responsibility for maintaining police numbers now sits with the Scottish Police Authority and the Police Service of Scotland.

Priority: Local government will maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.

Achievement to date: There are 2 elements to this commitment: places for all probationers through the Teacher Induction Scheme and teacher numbers. The Scottish Government and the General Teaching Council for Scotland co-administer the Teacher Induction Scheme. We have a well-established annual cycle of engagement with local authorities and the teacher education universities to ensure that there are sufficient teaching posts available for the students who graduate each year as new teachers. All probationers who were eligible for a place under the Teacher Induction Scheme this year have now been allocated a place.

The teacher numbers element of the commitment is measured on an annual basis through the teacher and pupil census which is published in December. The 2012 census showed that the commitment had been met for that year and performance for 2013 will be measured through this year’s census.
The following National Performance Framework indicators have been selected as relevant to the Local Government and Regeneration Committee for the purposes of the Draft Budget Consultation Period.

- The report overleaf shows current performance on these indicators as at 11 September 2013.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

<table>
<thead>
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<th>Local Government and Regeneration Committee</th>
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<td><strong>Agenda item 1</strong></td>
<td>LGR/S4/13/26/4</td>
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<td><strong>9 October 2013</strong></td>
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- Improve access to suitable housing options for those in housing need
- Improve children’s services
- Increase the proportion of young people in learning, training or work
- Improve the skill profile of the population
- Reduce the proportion of individuals living in poverty
- Reduce children’s deprivation
- Improve people’s perceptions about the crime rate in their area
- Reduce reconviction rates
- Increase the number of businesses
- Increase cultural engagement
- Reduce waste generated
- Reduce deaths on Scotland’s roads
- Increase the proportion of pre-school centres receiving positive inspection reports
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- Improve levels of educational attainment
- Reduce traffic congestion
- Increase the proportion of journeys to work by public or active transport
- Increase physical activity
- Improve support for people with care needs
- Improve the responsiveness of public services
- Improve people’s perceptions of the quality of public services
- Improve people’s perceptions of their neighbourhood
- Reduce the number of individuals with problem drug use
- Increase the number of new homes
- Reduce Scotland’s carbon footprint

Visit [www.ScotlandPerforms.com](http://www.ScotlandPerforms.com) for more information
Since December 2012, all unintentionally homeless households have been entitled to settled accommodation.

More local authorities received positive evaluations in child protection inspections in 2009-12 than in the previous period.

The proportion of school leavers in positive destinations has increased over the last four years.

The percentage of the working age population with low skills continues to decline as part of a consistent downward trend.

The proportion of individuals living in relative poverty has decreased in the last two years, after remaining essentially unchanged for several years.

The proportion of children living in deprivation has decreased in 2012.

The percentage of people who perceive crime to have stayed the same or reduced in their area continues to increase.

Reconviction rates decreased in the last two years, reverting to a longer term downward trend.
Performance improving (continued)

The increase in the number of businesses over the latest year marks a turning point in the previous declining trend experienced since 2008. After remaining stable for four years, the percentage of adults participating in a cultural activity increased in 2011.

The amount of municipal solid waste being produced in Scotland has decreased continuously for the past few years.

The number of people killed on Scotland’s roads has fallen continuously for the past several years, as part of a long term downward trend.

Performance maintaining

New baseline data shows that 90% of schools and 92% of pre-school centres receive positive inspection reports. Although Scotland’s educational performance is still above the OECD average, the gap narrowed markedly in recent years and has remained the same in 2009.

Journeys perceived to have been delayed due to traffic congestion have remained about the same in the last two years (after declining from 2007). The proportion of adults who usually travel to work by public or active transport has remained about the same for the last decade.
There has been no change in the proportion of adults meeting physical activity recommendations in recent years, although the longer term trend is generally increasing. After increasing continuously since 2008, the percentage of people receiving personal care at home has remained the same in the last year. The percentage of people who agree that they can influence decisions affecting their local area stayed about the same in the past year.

After generally improving between 2007 and 2011, the percentage of people who are ‘very or fairly’ satisfied with local public services has markedly decreased. The percentage of people who rate their neighbourhood as a very good place to live has declined in the past year, after increasing almost continuously since 2004. The estimated number of individuals with problem drug use has increased in recent years. Since 2008, there has been a decline in total annual new housing supply, due to a marked fall in the number of private rather than social new builds.
Performance worsening (continued)

Scotland’s carbon footprint increased in the last year, after declining from the peak in 2007.

Performance as at 11 September 2013. Visit ScotlandPerforms for more information.