Local Government and Communities Committee

Scrutiny of the Draft Budget 2017-18

Submission from the Association for Public Service Excellence

APSE welcomes the opportunity to provide evidence on the Local Government budgets and Housing Supply budgets. APSE is a not-for-profit local government association working with over 250 councils throughout the UK. Promoting excellence in public services, APSE represents officers and members involved in the management and provision of quality public services. APSE’s mission statement positions the organisation as ‘The Association which consults, develops, promotes, advises and shares on best practice in the delivery and provision of efficient and accountable public services.’ APSE hosts a network for frontline service providers in areas such as parks and environmental services, waste and refuse collection, road and highways, renewable energy, housing and building maintenance, leisure, school meals, cleaning and most recently, environmental health and cemeteries and crematoria.

APSE engages with its membership regularly in various forms including our state of the market surveys, advisory group/round table discussions, research interviews and our network query service gathering information and case studies on issues effecting frontline services. With one of the key areas of focus being the impact of local authority budget reductions. We have produced a number of publications and briefings on the subject highlighting membership case studies in terms of how they are meeting the current challenges.

Please find below APSE’s outlined response:-

The call for evidence notes that “local government funding from the Scottish Government fell by around 10% in real terms since its peak in 2009/10”. APSE’s own research ‘Sustainable local government finance and liveable local areas – can we survive to 2020?’ identifies the drop for frontline services in Scotland as being as much as 24% (excluding public health, education and social security) between 2010 and 2015. With a further drop in revenue budgets in 2016/17 of £350m and the likely continuing squeeze on local government budgets, between now and 2020, financial planning becomes more difficult as the impact on public services continues to grow. APSE’s membership has looked to deliver their budget savings through areas such as efficiencies, income generation, service changes and restructuring. However, are quickly reaching tipping point in terms of continuing to be able to meet further reductions without changes having a greater impact on the delivery of services provided to the public. Cuts have also played out very differently for non-statutory services as opposed to statutory services with the former taking a much higher percentage share of cut than the latter. This is now reaching a crisis point for frontline liveability services.
This has also occurred during a time when local authorities have been experiencing an increasing demand for certain services, for example due to the ageing population, as well as taking place during a time when there has been a continued freeze on Council Tax.

For many as part of the savings the level of staff within local authorities has been reduced which brings with it a risk, in that, through this process there is now less staff with the valuable skills and knowledge set to help deliver the efficiencies required to deliver effective services in the future (as noted in the Accounts Commission’s Overview of Local Government in Scotland 2016 report). As well as this, as the level of tasks and work to be completed has not reduced, this in turn puts a greater pressure on public sector staff to cover a larger workload especially during a time when some service demands are increasing. If the budgets continue to be squeezed then many local authorities will need to make even harder decisions around services in terms of whether to continue to provide some services or introduce/ increase the fees and charges related to these.

With Scotland’s annual block grant continuing to be squeezed from Westminster and the Scottish Government’s decision to prioritise Health over local government this has placed a huge amount of pressure on local government frontline services. In APSE’s view this is a short sighted approach that is storing up public policy issues for the future. It is important to note at this time the vital role local authority frontline services play in providing preventative measures which can help to reducing the spending required at a later date for these protected services and help to overcome inequalities. For example, APSE members importantly deliver healthy catering options through their school meals service, these make a huge contribution to wider public health and well-being priorities. By helping to tackle issues such as childhood obesity this can also help to reduce the number of serious health issues in adults again highlighting the importance of prevention. There have been a number of excellent examples of how local authorities are working to achieve this within many of the Scottish Government publications including ‘Better Eating, Better Learning’ and ‘Becoming a Good Food Nation’.

Another example is the very real benefits parks and open spaces provide in terms of health, social integration, opportunities for exercise and general well-being. Added to these we also now know that parks help the effects of climate change by reducing urban temperatures, alleviate the effects of flooding and help improve air quality. Furthermore, in terms of an economic viewpoint, parks and open spaces can also act as attractants to regeneration and increase residential housing property prices in areas adjacent to a park.

At a UK level it has been reported that the cost of obesity related illness will reach £50B by 2050. It is time for the Scottish Government to recognise that spending today will produce huge savings in the future. An invest to save approach in prevention measures like active lifestyle programmes and healthy eating initiatives will reap huge rewards in future.
It is also widely reported that access to decent housing, factors around educational attainment, opportunities to indulge in physical activity, access to employment etc. play a huge part in tackling inequality. Local government and the services it provides is fundamental to all of these issues. By providing good quality affordable housing, a well maintained learning environment for well-nourished children to be educated within, decent parks, leisure facilities or even well-lit and well maintained streetscene to promote physical activity and walking within communities, decent transport and roads infrastructure to support employment and promote economic growth to provide employment.

Local authorities are hugely important in helping to provide sustainable communities, economic growth and reducing inequalities. For communities, especially those within Island authorities, local authorities are the largest employer providing both job security and job opportunities for many of those living within the local area. All local authority frontline services, from roads to housing to parks, help to promote economic growth which is vital for encouraging new business opportunities and individuals to their local areas. Therefore continued budget cuts within these services, due to the reduction of funding given to local authorities, is and will continue to have a huge impact on the local communities they serve.

As part of this APSE would like to highlight the importance of being aware of the full cost for delivering services and as such the importance of ensuring local authorities are properly funded to provide these services. As mentioned above local authorities are reaching tipping point in terms of being unable to meet the needs of communities if budgets continue to be reduced. Due to funding being overly controlled centrally many decisions are dictated by finance and priorities set by central government. To have real decision making power over local issues and services, then local government must be given more financial autonomy and whilst central government will always have national priorities it wishes to pursue, a better balance on local decision making will be achieved by enabling local authorities to have more flexibility over local issues.

In relation to housing supply APSE has produced a number of publications covering the areas outlined within the call for evidence including our recent ‘Homes For All’ research publication which features case studies on the housing challenge faced by Aberdeen City Council and City of Edinburgh Council and Working it out: Creating local systems of employability support which looks at some of the ways local authorities are developing their own innovative responses to the challenge of employability.

APSE would welcome the opportunity to provide oral evidence should this be deemed appropriate.