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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 24 APRIL 2019**

**SUBJECT: ACCOUNTS COMMISSION REPORT – LOCAL  
GOVERNMENT IN SCOTLAND – CHALLENGES AND  
PERFORMANCE 2019**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 To provide Committee with a recently published Accounts Commission report and checklist that considers challenges facing local government at the present time.
- 1.2 This report is submitted to Committee in terms of Section III (I) (3) of the Council's Scheme of Administration relating to considering reports from Audit Scotland on council functions.

**2. RECOMMENDATIONS**

**2.1 Committee is asked to:**

- i) **note the key messages from the Accounts Commission around challenges facing all councils; and**
- ii) **agree that the scrutiny tool provided as a supplement to the report be circulated to all.**

**3. BACKGROUND**

**Accounts Commission Paper**

- 3.1 Audit Scotland recently prepared a report on behalf of the Accounts Commission entitled Local Government in Scotland - Challenges and performance 2019. The report acknowledges the challenging task that councils have in meeting national and local priorities, and managing increased demand for services at a time when finances are tight and likely to remain so going forward.

## Challenges

3.2 The key messages drawn from the report findings are

- **The environment in which councils work in is increasingly complex, challenging and uncertain**, they have a key role in delivering high level public sector objectives including health and social care, and in engaging more with citizens around decision making processes
- **There is a need to consider more partnership working, and to look at how services can be delivered differently** to meet changing needs of communities while ensuring lines of accountability are maintained
- **Available funding has reduced** in real terms over the past six years, with national initiatives taking up an increasing proportion of council budgets. This **against an increasing demand for council services** given the changing demographic with all councils expecting an increase in the proportion of the population aged over 65.
- **Councils are making good progress in developing medium term financial plans** and managing their finances by securing savings and use of reserves. Increased income generation from council tax has been applied by all councils and some have looked at other options for raising additional income.
- **Effective workforce planning is crucial** to ensure council retain the capacity and skills among leaders and staff to deliver change. The report notes that recruitment into some service areas is becoming increasingly difficult and that an increasing proportion of the work force is nearing retirement.
- **Performance in councils overall is improving or being maintained** against the background of reducing funding and increasing demand, however it is suggested that **better use of data and benchmarking could lead to further improvement and efficiencies.**

3.3 A copy of the full report is available at [http://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr\\_190321\\_local\\_government\\_performance.pdf](http://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190321_local_government_performance.pdf)

3.4 A supplement to the report provides a scrutiny toolkit which provides elected members with examples of questions they may wish to consider in the context of having a better understanding of the council's position and to scrutinise performance under the headings of;

- Factors affecting demand for services and council funding
- Governance and accountability
- Transformational change
- Financial Planning
- Generating income
- Partnership Working
- Integration Joint Boards
- Community Empowerment

- Workforce
  - Strategic priorities and performance reporting
  - Service performance.
- 3.5 These topics will have been covered separately in various reports to council committees and considered as part of the recent budget setting process, and a template has been made available for use by councillors to self-assess their awareness of the council's approach and identify any topics on which further information may be required.
- 3.6 The template is available at [http://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr\\_190321\\_local\\_government\\_performance\\_supp1.pdf](http://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190321_local_government_performance_supp1.pdf) and is reproduced as **Appendix 1**.

### **Performance 2019**

- 3.7 The report also provides as a separate annexe an on-line tool that provides performance information on a range of measures for all Scottish councils. This information in so far as it relates to Moray includes data forming part of the local government benchmarking framework. This will have been included in performance reports to service committees and is available for scrutiny at <http://www.audit-scotland.gov.uk/local-government-in-scotland-challenges-and-performance-2019>.
- 3.8 This information is presented interactively and will be considered further to determine whether there is merit in extracting any of the data for reporting in written form to a future meeting of this committee.

## **4. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Accounts Commission has broad oversight of local government in Scotland. The information it makes available is useful for the council and wider community planning partners in informing the content of strategic planning documents.

### **(b) Policy and Legal**

The report highlights issues that may influence policy and practice.

### **(c) Financial implications**

The report details the financial challenges the council is likely to face in future years with increased demand for services and reducing funding settlements.

**(d) Risk Implications**

The risks facing the council are well understood and continue to be kept under review through the regular updating by senior management of the Corporate Risk Register.

**(e) Staffing Implications**

The report highlights the importance of workforce planning to ensure the council retains the collective capacity, knowledge and skills required to deliver public services.

**(f) Property**

Asset management is being taken forward as part of the transformational change programme.

**(g) Equalities/Socio Economic Impact**

No direct implications.

**(h) Consultations**

The Chief Executive, Corporate Director (Corporate Services Resources), Head of Financial Services and the Monitoring Officer have been consulted and any comments received have been considered in writing the report.

**5. CONCLUSIONS**

**5.1 The Accounts Commission report 'Local Government in Scotland – Challenges and performance 2019' highlights issues that councils are currently facing.**

**5.2 A supplement to the report has been published for elected members to use to assess areas where they feel further information would be useful to support them in fulfilling their role.**

Author of Report: Atholl Scott

Background Papers: Accounts Commission Report – Local government in  
Scotland – Challenges and performance 2019

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