
Report to Scrutiny Committee

Date of Meeting: 24 June 2010

Subject: An Overview of Local Government in Scotland 2009

Report by: Head of Strategy and Customer Service

1.0 Purpose

- 1.1. Each year the Accounts Commission asks Audit Scotland to produce an overview report on issues arising from local authority audits. This report provides a summary of a number of key points arising from the 2009 report and considers these in a Clackmannanshire context.
- 1.2. The full report, entitled *An Overview of Local Government in Scotland 2009*, has been placed in Members' Group rooms for reference.

2.0 Recommendations

- 2.1. Scrutiny Committee is asked to note the issues raised in the report.

3.0 Considerations

- 3.1. In overview Audit Scotland outline a number of significant challenges faced by all councils:
 - well documented reductions in public sector funding;
 - the recession will make it more difficult to collect cash due from council tax and business rates and less from income will be achieved from assets sales and from services such as planning. At the same time, councils' operating and employee costs, including employers' pension contributions, are increasing against a backdrop of increasing demand on council services, particularly social services;
 - elected members face increasingly difficult choices in setting budgets that are sustainable over time and provide an effective balance between national and local priorities;
 - The report is detailed, however, the following considers a number of general areas further and considers the Clackmannanshire context:

Finance

- 3.2. *A half of all councils experienced a reduction in council tax collection rates during the year to 31 March 2009. The Clackmannanshire's collection rate remained relatively stable during this period at approximately 93%.*
- 3.3. *Councils need to do more to demonstrate cost effectiveness, efficiency and competitiveness across all their services. This finding is consistent with Clacks Improvement Model self assessments. As a result, most CIM improvement plans include actions relating to improved data on service costs and option appraisal.*
- 3.4. *The pressure on finances is bringing an increased emphasis on strong financial management, including improved budgetary control and financial reporting. The Council has made significant efforts over the last year to improve financial management, including briefings for managers and more systematic and stringent outturn monitoring. These measures have contributed to a projected overspend halfway through 2009/10 being converted into an underspend by the year end.*
- 3.5. *Councils have some way to go in developing medium to long-term financial strategies. A Finance Strategy was approved by Council in December 2009, and this is now being actively deployed.*

Workforce

- 3.6. *During 2009 significant progress was made implementing single status and addressing equal pay, with Edinburgh and Clackmannanshire being the only councils still to implement. Progress has been made with a new pay and grading system and terms and conditions coming into effect from 29 March 2009.*
- 3.7. *Sickness absence continues to be a significant cost to local authorities. Absence rates across Scotland were on average 12.5 days for council staff (not including teachers). Although Clackmannanshire compares favourably against the national picture with an average of 11.9 days in 2008/09 (11.5 days 2009/10), this is an area where we continue to focus attention. Managers are being advised to systematically conduct return to work meetings with staff, and we are currently revising the Attendance at Work policy to ensure our approaches are aligned with best practice.*

Outcomes for Communities

- 3.8. *Further work is still needed across Scotland to ensure that Single Outcome Agreements (SOAs) are focused on a manageable and meaningful number of high-level outcomes and their supporting indicators to make it easier for local people to hold their council and its partners to account for performance. Our 2009-12 SOA document contains a manageable number of outcomes, however the Clackmannanshire Alliance has recognised the need to produce a more focused set of priorities, particularly in light of current financial pressures, and work is already underway with a view to achieving that end.*
- 3.9. *Outcome targets are long-term and complex, and a key challenge for councils is to support their delivery, making sure resources and efforts are directed in*

key areas. In December 2009 a number of corporate management strategies were approved by Council enabling more effective resource use. These included finance, customer service, ICT and people development strategies, complementing existing asset and procurement strategies. In addition, we have reviewed and revised our business planning guidance to ensure that service activity and resources are better aligned with outcomes.

- 3.10. *There is a need for better performance management arrangements that support continuous improvement.* Our performance management arrangements are well developed, however, analysis of our CIM self assessments has identified a number of areas for improvement, including widening the scope of our Key Performance Indicators.
- 3.11. *Public performance reporting generally needs to improve, with most councils still not managing to produce reports that are clear and balanced, presenting easily understandable information that meets the needs of diverse communities.* A Public Performance Reporting strategy was considered by Scrutiny Committee in July 2009 as part of a paper discussing wider performance monitoring and reporting arrangements. These arrangements, which reflect customer feedback, have been deployed and we will continue to seek feedback for improvement through Clacks 1000.
- 3.12. *Scottish Household Survey(SHS) data published in August 2009 shows that 59.3% of the public are fairly or very satisfied with all key public services.* Clacks 1000 data from the same period indicates a more favourable situation locally, with 68% of residents stating they feel that public services in Clackmannanshire are good or very good.
- 3.13. *The SHS shows that, overall, 92% of people across Scotland rate their neighbourhood as a very or fairly good place to live.* The Clackmannanshire picture at 91% is broadly consistent with national trends.
- 3.14. *Overall levels of educational attainment continue to show gradual improvement, although particular challenges remain in terms of providing better support for those from vulnerable and disadvantaged groups.* Clackmannanshire's attainment rates are improving broadly in line with the national picture, with significant improvements realised in the attainment of looked after children, with 95% (2009) attaining at least an SCQF Level 3 award in English and Mathematics at the end of S4.
- 3.15. *Forecasts show that over a 25-year period 2008 to 2033, the number of older people is projected to rise by 31%, with an 84% projected rise in people over 75. This increasing demand, along with increasing costs and reducing financial resources, mean that current patterns of care for older people are not sustainable.* In Clackmannanshire an increase of 46% in over 75's and 31% in over 60's is forecast by 2018. This will have a significant impact on future housing and support needs.
- 3.16. *Councils need to do more to assess and monitor the impact of their activity on the needs of different groups within their communities.* As part of the Council's change programme, Growing in Excellence, all services are currently working towards the Customer Service Excellence quality standard. With the new Council structure designed around customer groups, attaining

the CSE standard, will ensure that services better understand the needs and expectations of all groups within our communities.

- 3.17. *Around a third of council houses currently meet the Scottish Housing Quality Standard target for 2015, highlighting scope for further improvement.* The picture in Clackmannanshire is significantly more favourable at 65% achieved by 31 March 2009, with a target of 80% by 2011.

Next Steps

- 3.18. *An Overview of Local Government in Scotland 2009* identifies a range of issues for councils to consider. Many of these issues are and will continue to be addressed through our corporate risk, planning and performance improvement systems..
- 3.19. There are no direct financial implications arising from this report.

4.0 Sustainability Implications

- 4.1. There are no direct sustainability implications arising from this report.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes
- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes
- 5.4. *Staffing - there are no direct staff implications arising from this report.*

6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities 2008 - 2011** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer

- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
 Yes No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stuart Crickmar	Business Improvement Manager	2127

Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Head of Strategy & Customer Services	Elaine McPherson (signed)
Angela Leitch	Chief Executive	Angela Leitch (signed)

