

The Highland Council

8 May 2014

Agenda Item	12
Report No	HC/1/14

An Overview of Local Government in Scotland 2014

Report by the Chief Executive

Summary

Each year Audit Scotland produces a report providing an overview of local government in Scotland. This report highlights the main themes of the report for 2014 and suggests action points for elected members.

1. An Overview of Local Government in Scotland 2014

- 1.1 Each year Audit Scotland produces a report providing an overview of local government in Scotland. This year the focus of the report is on the need to maintain a good understanding of the rapidly changing economic, social and political context, and the crucial role of councillors. The Action Points for Councillors are attached at Appendix 1, and the full report can be found at the following link:-
http://www.audit-scotland.gov.uk/docs/local/2014/nr_140327_local_government_overview.pdf

The main themes are highlighted below.

- 1.2 Continuing pressures on finances and services are identified as the main challenges for local government in 2014. Those highlighted include: a growing population; impact of welfare reform; economic pressures; implementing national and local priorities; and local pressures.
- 1.3 Audit Scotland also considers how local government is responding, and needs to respond, to the following three areas:-
- Understanding the changing context and the crucial role of councillors
 - Meeting user demands and the financial challenges
 - Providing strong leadership and governance to support change

These points, and the Council's current actions, are outlined below.

- 1.4 The Audit Scotland report also sets out the complexity and demanding role of councillors, and the difficulty of making decisions at a time of reducing budgets. The report highlights that councillors are involved at the start of the

process (getting views from people and communities and setting policies) and at the end (holding officers to account for the implementation of policies and keeping people and communities informed about service changes and performance). The part in the middle, the management of services, is the responsibility of council officers.

2. Understanding the changing context and the crucial role of councillors

Audit Scotland's Key Points

- To achieve success for their local communities Councillors need to maintain a good understanding of the rapidly changing economic, social and political context within which their council operates.
- Continuing pressures on finances and services.
- Public service reform provides challenges and opportunities for new approaches to services.
- Councillors have a complex and demanding role, which is crucial to the success of their councils.

Highland Council's Current Action

- Members have been fully briefed on the Council's current financial position, and have supported a strategy of moving from a 3 year to a 5 year budget as part of developing a longer term financial strategy.
- A member officer working group has been established to assess the implications of Welfare Reform, including meetings with local MPs. The Council has been successful in obtaining additional resources to address the challenges faced by rural authorities in particular.
- The Council, in conjunction with NHS Highland has implemented the integration of Health & Social Care well in advance of the introduction of legislation. The Council has recently agreed a three year funding package for Adult and Children's Services.
- The Council has arrangements in place for engaging with and scrutinising police and fire services following the changes brought about by police and fire reform. The Council's arrangements have been noted as good practice by the Scottish Government's pathfinder and the inspection bodies involved.
- A number of training sessions have been held for elected members on a variety of topics and 56 Members have completed Personal Development Plans to ensure that their future training and development requirements are understood and delivered through the Council's Member Development Programme.

3. Meeting user demands and the financial challenges

Audit Scotland's Key Points

- Councils need to consider options to decide which services best meet the needs of the people and communities they serve, complying with Best Value in doing so.
- Continuous improvement is required, whilst maintaining a balance between quality and cost.
- Councils need to develop innovative and ambitious approaches to services.
- Councillors need good information to support decision making.

Highland Council's Current Action

- The Council has approved a budget strategy that will explore a range of options for service delivery. The Executive Leadership Team are committed to exploring innovative approaches to service delivery and have been undertaking research across the UK.
- The Council is proposing a two phase public consultation as part of its approach to longer term financial planning (see separate report on today's agenda).
- The Council has a robust performance management system that is reported on a quarterly basis to allow member scrutiny and challenge. Further work however has to take place to compare performance against other authorities, and the Council has proactively engaged with the benchmarking data current being developed by SOLACE.

4. Providing strong leadership and governance to support change

Audit Scotland's Key Points

- Evidence of increasing political tensions and instability which is leading to strained working relationships.
- Decisions on services are becoming increasingly difficult.
- Effective governance of finances is more important than ever.
- Achieving more from partnership working requires strong shared leadership.
- Partnerships need to identify and make better use of the overall resources available in their area.

Highland Council's Current Action

- The Council's recent senior management restructuring has confirmed the strategic importance of the post of Director of Finance.
- The Council has recently undertaken a review of reserves and balances, and will do so again on completion of the annual accounts for 2013/14.
- Each community planning partner takes responsibility for, and leads, on a key policy theme in the Single Outcome Agreement.
- The Community Planning Partnership has strengthened governance and leadership, agreed to undertake self-evaluation as a Board using the Improvement Service Partnership framework and recently reported on the types and scale of joint resourcing within Highland. Arrangements for evolving District Partnerships into local community planning forums are under development. The performance of the Highland CPP and its SOA were well regarded by the quality assurance panel set up by the Government and SOLACE in 2013.
- Internal Audit has recently reviewed arrangements for governance of ALEO's established by the Council and actions have been agreed to ensure continuous improvement and to ensure that strong governance is in place where services are delivered by a third party.

5. Action Points for Elected Members

- 5.1 One of the appendices included in the report provides a list of action points for elected members. This covers the types of response needed for the challenges that are highlighted in the Audit Scotland report.
- 5.2 Members may find it useful to use the checklist for their own self-assessment. This could form part of their personal development planning. The results from the assessment could also highlight where further briefing or work could be prioritised.

6. Resource, Legal, Equalities, Climate Change/Carbon Clever and Risk Implications

- 6.1 The report from Audit Scotland covers resource issues and identifies the risks and challenges. Challenges identified include demographic change and the need for partners to focus on inequalities.

7. Recommendations

The Council is asked to :-

1. Consider the Audit Scotland report, the actions and challenges, and note the Council's response.
2. Agree that the actions points for Elected Members are used for self assessment by Members as part of their personal development planning and to highlight priorities for officers.

Designation: Chief Executive

Date: 23 April 2014

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Appendix 1

Checklist and resources

Checklist to support the local government overview report

Question	Assessment	
Understanding the changing context and the crucial role of councillors (paragraphs 10 – 37)		
Do I have a good understanding of the changing context in my council around:	YES	NO
financial and service pressures?	Y	N
the impact of police and fire reforms?	Y	N
the impact of welfare reform?	Y	N
the integration of health and social care?	Y	N
Do I understand my role and responsibilities and those of officers?	Y	N
Am I supported in my role?	Y	N
Do I have access to, and take up, appropriate development opportunities?	Y	N
Meeting user demands and the financial challenges (paragraphs 38 – 64)		
Do officers provide me with performance information which is clear and concise and enables me to judge how well we are doing?	Y	N
Does the information I receive cover:		
service performance?	Y	N
service costs?	Y	N
customer satisfaction?	Y	N
trend data?	Y	N
benchmarking data?	Y	N
targets and outcomes?	Y	N
Do I have good understanding of performance and value for	Y	N

money across the council?		
Do we, as a council, provide clear information to the public on our performance?	Y	N
Am I provided with options and supporting information to support the decisions on services and capital projects that I have to take?	Y	N
Do I receive cost information that helps me make decisions?	Y	N
Does the way our services are designed and delivered meet people's needs?	Y	N
Am I clear on our objectives, purpose and role when involved with ALEOs?	Y	N
Do I give direction over aims and priorities for charges (in areas where the council has discretion)?	Y	N
Do I understand the non-financial contribution of charges, eg to behaviours and service uptake?	Y	N
Providing strong leadership and governance to support change (paragraphs 65 – 116)		
Is my relationship with other councillors, and with officers, professional and constructive?	Y	N
How effective am I in contributing to constructive challenge and debate at meetings?		
How well do we work together as councillors, and with officers, to deliver the best outcomes for our communities?		
Do I receive information on early retirements along with associated costs and savings?	Y	N
How effective is the Audit Committee (or equivalent)? Is it challenging to officers?		
Do I know who the council's statutory officers are and what they do?	Y	N
How well is the council working with the leaders of community planning partners to deliver better outcomes for communities?		
Are we working with community planning partners to deploy resources jointly in our partnership objectives?	Y	N