

Report To: Policy and Resources Committee **Date:** 17 November 2020

Report By: Steven McNab,
Head of Organisational
Development, Policy and
Communications **Report No:** PR/44/20/KM

Contact Officer: Amanda Coulthard,
Shared Services Manager
Corporate Policy, Performance
and Partnership **Contact No:** 01475 712042

Subject: Accounts Commission 'Local Government in Scotland Overview 2020' Report

1.0 PURPOSE

- 1.1 The purpose of this report is to bring to the Committee's attention the publication of the annual Accounts Commission Local Government Overview report, highlight relevant matters and seek approval for improvement actions arising.

2.0 SUMMARY

- 2.1 The Accounts Commission published its annual report covering the challenges and performance issues faced by councils on 23 June 2020. The report, "[Local Government in Scotland Overview 2020](#)", aims to support Councillors and senior Council officers in their respective roles. Whilst the report was prepared before the Covid-19 pandemic hit, the Commission advise that it contains messages that will be useful for public bodies to consider in the recovery process.
- 2.2 The report focuses on three areas: (i) the challenging and complex landscape in which councils operate (ii) the need for councils to do things differently to meet the needs of communities into the future and (iii) a case study examining how the challenges facing councils have affected their Planning Service and how this service is responding to these challenges.
- 2.3 The Accounts Commission presents a number of key messages and challenges for councils, summarised in sections 5 and 6 below. The report also includes a number of questions for Councils to consider aligned to the key messages. To ensure a comprehensive self-assessment of the Inverclyde Council position against each question area, potential evidence areas were provided by the CMT to inform a focused development session for Elected Members on 27 October 2020. The table in Appendix 1 details the position against each question area with suggested improvement activity as required.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- Notes the publication of the Accounts Commission 'Local Government in Scotland Overview 2020' report and the self-assessment activity carried out in relation to the Council position on each of the Commission's key messages.
- Agrees suggested improvement areas for alignment to the relevant CDIPs and corporate planning and performance arrangements

Steven McNab

Head of Organisational Development, Policy and Communications

4.0 BACKGROUND

- 4.1 The Accounts Commission's report, 'Local Government in Scotland Overview 2020', is the Commission's annual summary of the key challenges and performance issues faced across Councils.
- 4.2 The report provides an independent overview of the challenges facing Councils in Scotland; detailing how Councils are responding to tightening budgets and how this affects the services that are provided to communities. The report aims to inform and support Councillors and senior Council officers to deliver improvements in a complex and demanding context. It also provides the Council with the opportunity to explore good practice and areas for improvement, based on the overview provided.

5.0 ACCOUNTS COMMISSION KEY MESSAGES

- 5.1 The Accounts Commission details five key messages in the report, summarised below:
- 1) Councils are working hard to deliver services in an increasingly uncertain and complex context. Social change is creating demand for services whilst the strain on budgets continues to intensify and national policy commitments are increasing. The numerous pressures on councils are beginning to show across service performance and use of financial reserves.
 - 2) Medium term funding levels are uncertain, making continued use of reserves to manage the funding gap unsustainable. Long term financial planning is not well enough developed in many councils and IJBs. Medium and long term financial planning are important tools for making well-informed decisions and to effectively manage continuing financial challenges.
 - 3) The scale and complexity of the challenges for Councils and IJBs will continue to grow. Change is needed in how communities are served to be able to respond to needs and improve outcomes in the most efficient and effective ways. More radical thinking is needed for longer term solutions, requiring investment of time and capacity by political and management leaders.
 - 4) The full potential of collaborative working with partner organisations and communities is not yet being realised and more progress is needed. Councils need to demonstrate strong leadership and collaborate with partners if they are to make the best use of local resources, including the workforce, and demonstrate Best Value.
 - 5) Workforce planning is fundamental to ensure that Councils have the staff, skills and leaders they need to deliver change. Some progress has been made to improve workforce planning, but much more needs to be done.

6.0 THE CHALLENGES

- 6.1 The report describes the challenging and complex landscape that currently contributes to the pressures facing Councils. 4 main challenges are identified:

Political and economic – the current landscape involves some particularly significant unknowns which make forecasting issues and planning for the medium and longer terms more difficult. This includes the impact of Covid-19; the impact of withdrawal from the EU; Scottish Parliament elections in spring 2021; the outcome of the Local Governance

Review and the impact of Scotland's economic performance on public finances.

Community needs – population pressures nationally are growing, affecting the need for and demands on local government services. This includes the population growth expected in over 75s and a decrease in the number of children, increasing levels of poverty and child poverty and the impact on Covid-19 on our communities. Inverclyde is referenced several times in this section in relation to depopulation and in particular as a Council that will need to plan its response to dealing with increasingly complex local issues with less funding due to a declining population.

Policy – the implementation of national policies and initiatives will bring further challenges as Councils and Integration Joint Boards respond to these with local priorities. Challenges include: Health and Social Care Integration; climate change; welfare reform; early learning and childcare expansion; additional support for learning, the Planning (Scotland) Act 2019 and the Fairer Scotland Duty.

Financial – the range of financial challenges facing Councils is explored in more detail and the Covid-19 pandemic will bring further pressures and demands on local government services and budgets. The level of future Scottish Government funding is uncertain and the flexibility in how Councils can use this funding is reducing. The use of reserves to manage funding gaps, which is an approach adopted by some Councils is not sustainable.

7.0 SUMMARY OF REPORT RECOMMENDATIONS

7.1 Part 2 of the report focuses on the need for Councils to do things differently to meet the needs of communities into the future. The Accounts Commission identifies 5 key areas that it considers essential to making good progress in this area:

- Leadership
- Change and improvement
- Workforce planning
- Partnership working
- Community empowerment and engagement

7.2 The Commission makes a number of recommendations directly linked to these 5 areas to help Councils respond to the challenges they face, deliver local priorities and improve outcomes for their communities. These recommendations are summarised below:

Governance

- Invest leadership capacity in analysing the challenges and planning for the future
- Monitor and report on the delivery of local priorities and outcomes while improving public performance reporting (PPR)

Collaboration

- Maximise the full potential of collaborative working by (i) improving CPPs so that they have a clearer strategic direction and take a more active role in leading partnership working and (ii) engage with partners and communities in developing plans to improve service delivery
- Increase the opportunity for communities to influence or take control of local decision making and demonstrate how communities are supported to help design or deliver local services and improve outcomes

Capacity and skills

- Develop leadership capacity and workforce planning arrangements. This includes effective succession planning; uptake of learning and development opportunities by Councillors; improving the quality and range of workforce data; prioritise staff development and building a learning culture

7.3 The Accounts Commission pose questions within the report to help Elected Members and Officers assess the effectiveness of their current arrangements. To ensure a comprehensive self-assessment of the Inverclyde Council position against each question area, potential evidence areas were provided by the CMT to inform a focused development session for Elected Members on 27 October 2020. The table in Appendix 1 details the position against each question area with suggested improvement activity as required.

7.4 Improvement areas and activity identified through this process will be aligned and incorporated in to the existing CDIPs and corporate planning and performance arrangements.

8.0 SERVICE CASE STUDY – PLANNING

8.1 The final section of the report focuses on a service specific case study, to illustrate how the challenges for local government have affected this service area and how it is responding. The 2020 report focuses on the Planning Service, which faces particular challenges relating to demographic change; the introduction of the Planning (Scotland) Act 2019 and working with a reducing budget and increased service demand.

8.2 In addition to the broad recommendations set out for Councils and IJBs through the report, the Accounts Commission also highlights the following specific recommendations for Planning Services:

- ensure that the role of the Chief Planning Officer is positioned to contribute at a strategic level to corporate level discussion and planning
- develop detailed workforce planning and strategies that will respond to the changing skills set of the service
- provide effective leadership to staff for the cultural change needed to respond to a shift in service
- implement changes to how the service works to improve the level of partnership working and community engagement

8.3 These recommendations will be progressed with the service and linked to CDIPs and corporate planning and performance arrangements as relevant.

9.0 IMPLICATIONS

9.1 Financial Implications:

One off costs

Cost Centre	Budget Heading	Budget Year	Proposed spend from this report	Virement from	Other Comments
N/A					

Financial implications: Annually recurring costs

Cost Centre	Budget Heading	Budget Year	Proposed spend from this report	Virement from	Other Comments
N/A					

9.2 **Legal**

There are no direct legal implications arising from this report.

9.3 **Human Resources**

There are no HR implications associated with this report.

9.4 **Equalities**

(a) Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES
<input checked="" type="checkbox"/>	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?

<input type="checkbox"/>	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
<input checked="" type="checkbox"/>	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

<input type="checkbox"/>	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
<input checked="" type="checkbox"/>	NO

9.5 Repopulation

Population pressures are identified in the report as a key challenge for Councils and Inverclyde is specifically mentioned in this regard. Inverclyde Council and partners will

need to ensure that there is an appropriate planned response to dealing with the complex local issues with less funding available due to a declining population.

10.0 CONSULTATION

10.1 Both the CMT and Elected Members have been involved in the self-assessment that has been carried out based on the Account Commission key messages.

11.0 LIST OF BACKGROUND PAPERS

11.1 None.

Inverclyde Council Self-Assessment 2020

Capacity & Skills

Issues raised for consideration	Potential evidence areas	Improvement Activity
<p>Am I aware what succession planning and leadership development arrangements are in place for the corporate management team? Am I satisfied that these are appropriate?</p>	<ul style="list-style-type: none"> • People and OD strategy details key priorities • Work stream on 'planning for the future' • HSCP people plan & learning & development group • Annual reports to committee on succession planning, performance appraisals and leadership 	<ul style="list-style-type: none"> • Further develop succession planning to ensure organisational knowledge is developed and maintained throughout workforce
<p>Do I know what issues I need to develop my knowledge or understanding of? How do I plan to get the appropriate training?</p> <ul style="list-style-type: none"> - Do I have access to training and learning materials that meet my needs? - Do I have plans in place for training, learning and development that will assist me to be as effective as possible in my role? 	<ul style="list-style-type: none"> • Elected Members induction programme • Training needs are identified through Personal Development Plans • Regular training opportunities, follow up training and briefing / seminar sessions • Information workbooks provided • Access to external training, follow up training and All Member Briefings 	<ul style="list-style-type: none"> • Provide Elected Members with access to the wide range of training and development offered by Inverclyde Council
<p>Do we have detailed corporate and service level workforce planning?</p> <ul style="list-style-type: none"> - How clearly do they set out the current and future staff capacity and skills required and how will this be managed? - How am I involved in scrutinising the effectiveness of workforce planning? - Do I know how the council is 	<ul style="list-style-type: none"> • Overarching People and OD strategy • Annual reports to committee on service level workforce plans • Services receive detailed quarterly Workforce Information and Activity Reports 	<ul style="list-style-type: none"> • Develop longer term workforce profiling predictions to support workforce planning and recruitment • Explore options for extending flexible working options

Capacity & Skills		
Issues raised for consideration	Potential evidence areas	Improvement Activity
addressing any specific issues with the workforce age profile or skills gaps in services		

Governance		
Issues raised for consideration	Potential evidence areas	Improvement Activity
How effectively do the council's medium and long term financial plans reflect the population projections for my area and the resulting need for services and infrastructure?	<ul style="list-style-type: none"> • Finance and Capital Strategies are prepared taking into account the latest demographic projections • HSCP also has a medium / long terms financial plans in place, which reflect the impact of depopulation 	<ul style="list-style-type: none"> • Ensure focused capital plan seminars are developed and delivered for Elected Members on a regular basis
How clear are my council's plans for the changes needed so that outcomes for communities are improved alongside managing the financial and demand pressures?	<ul style="list-style-type: none"> • Corporate Plan 2018/22 supports the delivery of the Inverclyde Alliance's 3 strategic priorities • All localities now have a Locality Actions Plan • Annual reports on delivery of priorities 	<ul style="list-style-type: none"> • Explore options for providing more focus on impact and success measures through strategic planning documents
How do I know my council is delivering on the outcomes it has committed to achieve for local communities	<ul style="list-style-type: none"> • Corporate Plan Annual Report • LOIP Annual Report • CDIP performance reports submitted to appropriate Committee • 6 Locality Action Plans published 	<ul style="list-style-type: none"> • Ensure our approach to locality planning recognises and reflects the varying needs of all Inverclyde communities
Do I receive clear, timely and sufficiently detailed performance information to effectively scrutinise service and corporate performance?	<ul style="list-style-type: none"> • Regular reports on the CDIPs considered at Committee • Annual SPI/KPI report is submitted to 	<ul style="list-style-type: none"> • Ensure that performance reports are relevant, concise and focused on reporting improvement

Governance		
Issues raised for consideration	Potential evidence areas	Improvement Activity
	<ul style="list-style-type: none"> Committee every autumn • LGBF report in spring • Performance reports contain 3 years of data, a red / amber / green status of performance against targets and a service performance commentary • HSCP reports on performance separately to the IJB and Health and Social Care Committee 	<ul style="list-style-type: none"> • Explore options for reducing the volume of performance data in committee reports • Explore options from providing more background and contextual performance data in different formats
<p>Is my council systematically using self-evaluation approaches corporately and in services to inform improvement? How am I involved or informed in the results and monitoring of improvement plans</p>	<ul style="list-style-type: none"> • CDIPs list range of formal and informal self-evaluation techniques employed by services • Services that do not have a national service specific framework use the PSIF, which is a rolling 3 year programme for services • Strategic actions arising from PSIF self-evaluation are included in the CDIPs • National body external inspections are reported to the appropriate committee along with Improvement Plans • Employee Survey is carried out every 3 years and improvement actions are identified from the survey 	<ul style="list-style-type: none"> • Ensure the Inverclyde approach to self-evaluation draws from the wider range of self-assessment, inspection and evaluation activity underway
<p>How well is my council providing clear, balanced and accessible information to the public about how well it is performing, what needs to improve and how it is addressing this?</p>	<ul style="list-style-type: none"> • Range of public performance information published • This include details of performance against targets and a service commentary on performance 	<ul style="list-style-type: none"> • Explore different and more 'easy read' formats for presenting performance information • Develop greater use of social media in reporting information to the public

Governance		
Issues raised for consideration	Potential evidence areas	Improvement Activity
	<ul style="list-style-type: none"> • Data are published in several formats, including infographic • LOIP Annual Report available on the council's website 	

Collaboration		
Issues raised for consideration	Potential evidence areas	Improvement Activity
<p>How well do I understand the partnership arrangements of my council?</p> <ul style="list-style-type: none"> - How effectively is my council working with partners to deliver services better and / or save money? - What steps is the council taking to ensure partnership arrangements meet their full potential? 	<ul style="list-style-type: none"> • Inverclyde Alliance meets 4 times a year • Improvement workshops are held twice a year • Partnership Action Groups taking forward the priority outcomes of the Alliance LOIP • 6 localities and each have a Locality Action Plan 	<ul style="list-style-type: none"> • Explore opportunities for wider Alliance Board to members to increase participation and voice in meetings • Review the Alliance Board agenda and forward planner to focus on 'added value' and collaborative business • Develop opportunities for Alliance Board members to input on their contribution to improving outcomes in the local area
<p>What obstacles are facing our area's IJB? Am I aware of the steps taken to identify and address these obstacles</p>	<ul style="list-style-type: none"> • Demand for services has continued to increase while finance is at a standstill position 	<ul style="list-style-type: none"> • Continue to build opportunities for service redesign and alignment of priority areas to the Inverclyde

Collaboration		
Issues raised for consideration	Potential evidence areas	Improvement Activity
and to improve the pace of integration	<ul style="list-style-type: none"> • Limited opportunity for redesign • Officers from across the council and HSCP are members of a wide range of professional networks which allows the performance to be benchmarked 	Outcome Improvement Plan
What do I know about the purpose and aims of participatory budgeting? What do I know about my council's approach to participatory budgeting and how effectively is it in using this to empower communities?	<ul style="list-style-type: none"> • Work was undertaken to allocate money to communities through phase 1 of the PB process • This process was evaluated and phase 2 designed based on evaluation 	<ul style="list-style-type: none"> • Ensure that the lessons learned from PB phase 1 are reflected in Phase 2 • Build on the learning that has been gained as a result of our communities response to Covid -19