

Local government in Scotland: Performance and challenges 2017

Key messages

1. Councils have faced significant challenges from a long-term decline in revenue funding from an ageing and growing population. The scale of these challenges continues to grow. Policy and legislative changes are also placing additional demands on councils and changing how councils work.
2. Councils are responding to the challenges by continuing to adopt alternative ways of working, reducing the level of service they provide and reviewing fees and charges. While some councils are making good progress in managing services and delivering savings, others are not. The pace and scale of reform needs to increase in some councils. Despite these challenges, councils' performance has been maintained or improved.
3. With reducing budgets and workforces, councils will find delivering improvements increasingly difficult. It is critical, therefore, that they set clear long-term strategies and plans that target effort on priority areas. This includes organisation-wide workforce plans to ensure councils have the capacity to manage change and deliver services going forward. A councillor's role is complex, demanding and evolving. They are required to provide effective and strategic leadership, and it is therefore critical that their knowledge is up to date and skills are refreshed to enable them to establish strategic priorities, fully assess options for change and hold services to account.

Recommendations

Councils should:

- set clear priorities supported by long-term strategies and medium-term plans covering finances, services, performance and workforce. These plans should inform all council decision-making, service redesign, savings and investment decisions. **Exhibit 14 (page 34)** sets out the main elements of a councils' financial planning processes and how these link with other council plans
- ensure that budgets are clearly linked to their medium-term financial plans and long-term financial strategies. Budgets should be revised to reflect true spending levels and patterns. This requires good financial management and real-time information to ensure spending is

accurately forecast and monitored within the year

- have an organisation-wide workforce plan to ensure the council has the people and skills to manage change and deliver services into the future
- ensure workforce data allows thorough analysis of changes to the workforce at an organisation-wide and department level. This will allow councils to better assess the opportunities and risks in staff changes
- thoroughly evaluate all options for change and service redesign, including options for investing to save, and monitor the impact of change on council priorities and desired outcomes
- support communities to develop their ability to fully participate in setting council priorities and making decisions about service redesign and use of resources
- ensure councillors get support to develop the right skills and knowledge to fulfil their complex and evolving roles
- ensure there is clear public reporting of performance linked to council priorities to help communities gauge improvements and understand reduced performance in lower priority areas
- continue to work to understand the reasons for variation in unit costs and performance, and collaborate to identify and adopt good practice from each other.

Self-assessment tool for councillors

This self-assessment captures a number of potential questions for councillors and relates to our report ***Local government in Scotland 2017: Performance and challenges*** . It is designed to help councillors identify how well informed they are about key issues in their council and to highlight areas where they may wish to ask further questions of officers.

As part of ***Local government in Scotland: Financial overview 2015/16*** published in November 2016, we produced a **checklist for councillors** related to financial matters. This may be useful to help councillors identify how well informed they are about financial issues in their council.

How well informed am I?

Questions for councillors to consider	What do I know?	Do I need to ask any further questions?
Workforce planning (paragraphs 24-32)		
What do you need the workforce to look like in terms of numbers, skills and knowledge?		
Does your workforce data allow accurate analysis of changes to the workforce at an organisation and department level?		
Do you have an organisation-wide workforce plan with realistic targets and timescales for meeting objectives?		
Do you think your organisation-wide workforce plan will ensure staff reductions do not have a negative impact on the skills mix and ability of your council to scrutinise, manage and deliver services effectively?		
Do you have the staff and skills necessary to manage change and deliver services?		
Scrutiny (paragraphs 39-40)		
How well do you scrutinise decisions on financial and service performance?		

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask any further questions?

How do you ensure you have the knowledge and expertise you need to scrutinise effectively?

Community engagement (paragraphs 52-53 and 61-63)

How are you involving local communities and empowering them to design and deliver services to suit local needs?

Does your council have regular discussions with communities about service priorities and what level of service the council can afford to provide going forward?

What is your role as councillor in this?

How can you consider more business in public?

Public satisfaction (paragraphs 50-51)

How can you better engage with local communities to understand why public satisfaction is declining?

How well informed am I?

Questions for councillors to consider	What do I know?	Do I need to ask any further questions?
What level of complaints does your council receive? For which departments? How has this changed?		
Are appropriate systems in place to deal with complaints?		
Councillor skills and training (paragraphs 54-57)		
How can you ensure that you have the right skills and knowledge to help carry out increasingly complex and challenging roles efficiently?		
Transformational change and service redesign (paragraph 61-63)		
How fully have you appraised all options for delivering services differently?		
Do you need to invest in any skills, for example, change management?		