LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

AGENDA

13th Meeting, 2019 (Session 5)

Wednesday 8 May 2019

The Committee will meet at 9.45 am in the James Clerk Maxwell Room (CR4).

1. Decision on taking business in private: The Committee will decide whether to take item 3 in private.

2. Local Government in Scotland: Challenges and Performance 2019: The Committee will take evidence from—

   Graham Sharp, Chair, and Fraser McKinlay, Controller of Audit, Accounts Commission;

   Claire Sweeney, Audit Director, and Ashleigh Madjitey, Senior Auditor, Audit Scotland.

3. Local Government in Scotland: Challenges and Performance 2019: The Committee will consider the evidence heard earlier in the meeting.

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The papers for this meeting are as follows—

**Agenda item 2**

Note by the Clerk LGC/S5/19/13/1

PRIVATE PAPER LGC/S5/19/13/2 (P)
Introduction

1. Each year, the Accounts Commission publishes two reports which provide an overview of local government. One focuses on performance and outcomes and the other on financial matters. Throughout this session, this Committee has taken evidence on each annual report from the Commission shortly after its publication.

2. On 8 May, the Committee will take evidence on the *Local Government in Scotland: Challenges and Performances 2019* report. The Chair’s introduction to this year’s report (page 4) includes this key message—

   “… councils across Scotland have continued to work hard to maintain services to their communities, despite the increasing challenges and pressures. They have stepped up and have continued to improve how they use their resources. But, in many councils the change and improvement work has focused on efficiencies. To address the growing gap between demand and resources, more fundamental, transformational changes are needed in service provision, and the pace of change needs to improve in some councils. Transformational change is about more than just efficiency. There needs to be a focus on how services are best delivered to communities and, in particular, how councils protect and empower the most vulnerable members of those communities.”

3. The Committee took evidence from the Accounts Commission on its equivalent 2018 report on 30 May 2018, when it also considered a recent Commission report on arms-length organisations (ALEOs). Themes discussed at that session included—
   • Councils’ performance in relation to social care, and the Commission’s early observations on how new integration joint boards (IJBs) were bedding in;
   • Workforce planning in the context of long-term demographic change and the general downward trend in council staffing levels;
   • Economies of scale, joint working by councils, and the distinct challenges facing smaller local authorities in the current climate;
   • overall differences in council performance across the field and the importance of long-term planning, benchmarking and sharing good practice to drive up and maintain high standards of council service;
   • Councils’ resilience and preparation in anticipation of Brexit.

4. The Committee continued to explore some of these themes in other scrutiny work on the Scottish budget later in the year, particularly in relation to:
• workforce planning;
• the performance of IJBs (particularly in relation to securing housing adaptions for older or disabled people and veterans);
• councils’ overall financial resilience and whether financial pressures were now preventing councils providing core services effectively.

5. Further information on the Committee’s 2019-20 budget scrutiny work can be found via this link. The first phase of this work concluded with the Convener, in November 2018, writing to the Scottish Government setting out the Committee’s pre-budgetary observations. The letter made recommendations, and sought more information, mainly in relation to the Scottish Government’s role in securing effective local government workforce planning and on views from stakeholders that the system for determining bids for housing adaptions was inconsistent, with parts of the budget over-subscribed. The Scottish Government replied in December. Following further evidence-taking from Cosla, another exchange of correspondence followed in early 2019:

- Letter from Committee to Scottish Government
- Response from Scottish Government
- Letter from Committee to Cosla
- Response from Cosla

6. These exchanges mainly focussed on the overall budget settlement for councils and perceptions that increasing amounts of funding were ring-fenced. These themes may be revisited during the 8 May session, but may be discussed more fully later this year when the Committee will take evidence from the Commission on its annual “Financial Overview” report.

Next Steps

7. Building on its work last year, the Committee has agreed to make its over-arching theme for pre-budget scrutiny 2019-20 the long-term financial sustainability of local government in the face of growing demands on councils. To this end, the Committee has already had an evidence session this year on staff absenteeism at local authorities. The Committee has also agreed to continue work on IJBs and housing adaptions.

8. Following its evidence taking with the Accounts Commission, there will be an opportunity for the Committee to discuss the evidence it has heard in private and to agree next steps, if any. Information gathered at the session will form part of a body of evidence that will inform a letter to the Scottish Government near the end of this calendar year. This will set out the Committee’s main conclusions and recommendations on the 20-21 budget on matters relevant to the Committee’s remit.