**AGENDA ITEM No.8**

EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

20 June 2019

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT

LOCAL GOVERNMENT IN SCOTLAND – CHALLENGES AND PERFORMANCE 2019


1.      To provide information on the Audit Scotland report *Local Government in Scotland – Challenges and Performance 2019.*


**RECOMMENDATION**

2.      It is recommended that the Committee considers the report.


**BACKGROUND**

3.      A copy of the Audit Scotland report *Local Government in Scotland - Challenges and Performance 2019* published in March 2019, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor Miller and Councillor Grant.  The Head of Communities, Revenues and Change has provided comments on it and a copy of the feedback provided is attached (see Appendix A).


**RECOMMENDATION**

4.      It is recommended that the Committee considers the report.


Local Government Access to Information Act 1985

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Background Papers:-

1.      Audit Scotland report *Local Government in Scotland – Challenges and Performance 2019*

National External Audit Report: Local Government in Scotland –
Challenges & Performance 2019

Comments for Audit & Scrutiny Committee on 20 June 2019

Prepared by Head of Communities, Revenues & Change

June 2019

**INTRODUCTION**

1.    This paper aims to provide high level comments on the Council's position regarding the Accounts Commission report "Local Government in Scotland – Challenges & Performance 2019".

**COMMENTS**

2.    In March 2019 the Accounts Commission published the above paper which is an annual report giving an overview of the conclusions of a range of Audit Scotland reports from the past year, drawing these together into a comprehensive review of the challenges and performance issues facing local government in Scotland.

3.    This is a particularly useful Accounts Commission report and links well to the Council's requirements under Best Value. The issues outlined in the report are ones that East Renfrewshire Council fully recognises and is working to address. The recommendations include:
   - Developing leadership and management capacity to enable us to respond to challenging local and national demands
   - Undertaking long-term financial planning to ensure delivery of key national commitments, balanced with local service delivery in the context of reducing budgets and increasing demand
   - Continuing to work in different ways and through collaboration to drive transformation
   - Improving data to inform decisions and benchmarking
   - Ensuring our workforce plan prepares us for the future
   - Demonstrating that our spend impacts service delivery and outcomes.

4.    There is challenge in responding to a report as wide-ranging as this. The content and messages all have relevance locally. There has been good coverage across all key areas for councillors over the last year (e.g. through consideration at Cabinet and Committees and via Information and Consultation Sessions). The Audit and Scrutiny Committee has also considered many of these topics as part of its own work programme. See Annex 1 for a list of local reports and web content which give more detail on key themes from the report. Of particular note are the recent reports on the Outcome Delivery Plan (ODP); our Best Value Assurance Plan; the Modern, Ambitious Programme (MAP); Financial Planning; Capital Investment; Strategic Risk; our Workforce Plan; Equality and the Local Government Benchmarking Framework.

5.    In addition, Annex 2 shows a summary of the Council's 'Strategy on a Page' which was revised late in 2018 and reported to Council in October as part of a wider paper on Strategic Planning.

6.      Of further relevance is a draft PEST analysis documenting key Political, Economic, Social and Technological themes that will affect East Renfrewshire Council over the next number of years (Annex 3). These fit well with the issues raised in the Accounts Commission report and will be further refined and used to inform our 10 year Vision for the Future, which we aim to publish in 2020. At the Council meeting in May 2019, elected members were invited to consider the draft long-term vision and contribute to its development over the next period. The themes raised in the Accounts Commissions Challenges and Performance report can be used as a useful checkpoint for this vision.


**CONCLUSION**

7.      East Renfrewshire Council fully recognises the challenges outlined in the Accounts Commission's Local Government in Scotland – Challenges & Performance report for 2019. We are not complacent and are working to address these pertinent issues through the approaches and activities highlighted in this report. We believe that the coverage of key issues throughout the year as part of day-to-day business provides strong evidence and gives assurance that East Renfrewshire Council is well positioned across the wide range of issues highlighted.

8.      It is suggested that the Audit and Scrutiny Committee considers this Accounts Commission report and the issues and themes therein as part of its annual work programme to guide areas where the Committee would find value in a more detailed response to enable further discussion and scrutiny.


Comments from:-
Louise Pringle, Head of Communities, Revenues & Change

3 June 2019

**ANNEX 1 – RELATED REPORTS**

*\*\*To be added when available\*\**

- Strategic End-Year Performance Report 2018/19, due at Council 26 June 2019 \*\*
- Local Child Poverty Action Plan, due at Council 26 June 2019 \*\*
- Code of Corporate Governance, Audit & Scrutiny Committee 20 June 2019 \*\*
- Review of Strategic Risk Register & Risk Management Progress, Cabinet 6 June 2019 \*\*
- Property Asset Management Plan 2019-21, Cabinet 6 June 2019 \*\*
- Draft Outcome Delivery Plan 2019-22, Cabinet 2 May 2019
- Glasgow City Region - City Deal Update, Cabinet 2 May 2019
- Vision for the Future, Council on 1 May 2019
- Best Value Assurance Report Action Plan Update, Cabinet 25 April 2019
- Update on Modern Ambitious Programme, Cabinet 25 April 2019
- Progress on the Council's Equality & Human Rights Programme, Cabinet 25 April 2019
- National External Audit Report - Financial Overview 2017/18, Audit & Scrutiny Committee 14 March 2019
- Review of Strategic Risk Register & Risk Management Progress, Audit & Scrutiny Committee 14 March 2019
- LGBF Benchmarking Framework - 2017/18, Cabinet 14 March 2019
  Trading Under Best Value, Cabinet 14 March 2019
- Financial Planning 2019-2025, Council 28 February 2019
- Capital Investment Strategy, Council 28 February 2019
- National External Audit Report - Withdrawal from the European Unions, Audit & Scrutiny Committee, 21 February 2019
- Scottish Welfare Fund Update, Cabinet 14 February 2019
- Community Learning and Development Plan 2018-21, Cabinet 6 December 2018
- Strategic Mid-Year Council Performance Report 2018-19, Cabinet 6 December 2018
- Charging for Services 2019/20, Cabinet 29 November 2018:
      Charging for Services 2019/20 - Chief Executive's Office
      Charging for Services 2019/20 - Corporate & Community Services
      Charging for Services 2019/20 - Education
      Charging for Services 2019/20 - Environment
      Charging for Services 2019/20 - HSCP
- Strategic Planning, Council 31 October 2018
- Glasgow City Region - City Deal Update, Council 31 October 2018
- Chief Social Worker Annual Report 2017/18, Council 31 October 2018
- Annual Procurement Report, Cabinet 25 October 2018
- Local Governance Review, Council 12 Sept 2018
- Health & Social Care Partnership Annual Performance Report 2017/18, Council 12 Sept 2018
- National External Audit Report - Local Govt in Scotland – Challenges & Performance 2018, Audit & Scrutiny Committee 16 August 2018
- National External Audit Report - Council's Use of ALEOs, Audit & Scrutiny Committee 16 August 2018
- Annual Efficiency Statement 2017/18, Cabinet 16 August 2018
- Draft Outcome Delivery Plan 2018-21, Council 27 June 2018
- Update on MAP & Digital Strategy, Council 27 June 2018
- Strategic End Year Performance Report 2017/18, Council 27 June 2018
- Code of Corporate Governance, Audit & Scrutiny Committee 21 June 2018
- ERC Workforce Plan 2018-2021, Cabinet 21 June 2018
- National External Audit Report - Early Learning & Childcare, Audit & Scrutiny Committee 21 June 2018
- East Renfrewshire Community Plan including Fairer East Ren, Council 9 May 2018

**Useful Web Links**:

https://www.eastrenfrewshire.gov.uk/planningforthefuture

https://www.eastrenfrewshire.gov.uk/have-your-say

https://www.eastrenfrewshire.gov.uk/article/10094/Residents-decide-how-to-spend-100000-in-their-communities

https://www.eastrenfrewshire.gov.uk/performance

**ANNEX 2 – EAST RENFREWSHIRE COUNCIL'S STRATEGY ON A PAGE**

# Vision for the future

Our vision is to be a modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better

## We are working across East Renfrewshire to achieve best Outcomes for

- EARLY YEARS AND VULNERABLE YOUNG PEOPLE
- LEARNING, LIFE AND WORK
- ENVIRONMENT AND ECONOMY
- SAFE, SUPPORTIVE COMMUNITIES
- OLDER PEOPLE AND PEOPLE WITH LONG-TERM CONDITIONS

## We will achieve this by excelling in our Five Capabilities

- PREVENTION
- EMPOWERING COMMUNITIES
- DATA
- MODERNISATION
- DIGITAL

## And along this journey, in everything we do, we must live our Values

- Ambition
- Kindness
- Trust

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## ANNEX 3 – DRAFT PEST ANALYSIS

**POLITICAL**
- Policy & Legislative change incl.
  - EU Withdrawal
  - Scotland's new financial & social security powers (inc. tax, Council Tax etc)
  - Barclay – Non-Domestic Rates
  - Fairer Scotland Act
  - Local Outcome Improvement Plans
  - National Performance Framework
  - Environmental legislation
  - City Region & Growth Deals
  - Transport & Planning Bills
  - Education reform – empowerment & school autonomy; children's rights and expectations
  - Additional Support for Learning – presumption of mainstream = pressure on provision
  - Early learning & childcare
  - Child Poverty Act

- Enterprise & Skills review
- Community empowerment Act – community assets, community engagement, participatory budgets
- Named person provision
- Health & Social Care integration
- Gender Recognition Act – review
- Employment law, incl. pension reform
- Local Governance review
- Electoral change
- Scenarios re: Independence – impact on £
- Alternative delivery models for services
- Different models of local govt; potential impact of reorganisation – geography & responsibility?
- Trends in centralisation vs localism
- Ringfencing of funding
- Welfare reform
- Regional partnerships eg education collaborative, City deal/enterprise, transport,

**ECONOMIC**
- Scottish budget variability predicted to increase
- Growing dependence on Council Tax (or replacement)
- Worldwide factors affecting growth of economy
- Interest & exchange rates
- Recession/lower economic growth in the UK
- Increasing unemployment levels with impact on welfare spend
- Productivity – link to City Region deals & investment in skills & Capital
- Low rate of new businesses
- Environmental & local economic sustainability (e.g. buy local vs online)
- Govt. adoption of virtual currencies (e.g. Blockchain) – volatile until more established
- Age distribution – shrinking working age population
- Lack of savings culture = issues at retirement
- Prevalence of short term / temporary / freelance / casual / zero hours contracts vs permanent jobs

- Changing expectations - flexibility, working conditions
- Skills
  - Technology impact on jobs (Artificial Intelligence / robotics etc) – some studies say 30-40% of UK jobs at risk of computerisation
  - How to attract to jobs that will still be needed (e.g. caring)?
  - Supply vs demand for emerging skills areas = increasing cost
  - Outward migration
- Impact of pandemics/animal to human infections diseases (e.g. avian influenza)
- Impact of climate change – potential for increasing weather issues meaning challenges for services & community resilience/recovery
- Food supply chain risks
- Impact of industrial action either on our own workforce or on our supply chain (e.g. fuel, partner agency suppliers)

**SOCIAL**
- Growing population & age distribution
- Diversity & new regulations (incl. gender identity)
- Household types
  - Smaller family units
  - Additional needs (issues for provision age 18+years)
  - Single person households
- Health & wellbeing/wellness
- Isolation & loneliness
- Mental health
- Poverty & hardship
- Loss of sense of community & shifts in social cohesion due to rising inequality, imbalances in economic opportunity & diversity in society
- Socio-economic disparities in participation in culture & sport

- Customer demands – rising expectations of response – speed, choice, personalised, value-add
- 24/7 expectations & behaviours
- Community empowerment
- Trust of institutions
- Older people may have less money than previous generations & may make different choices
- Move from buying to renting housing?
- Land-supply/ownership issues
- Extreme behaviours/lack of tolerance (perhaps facilitated by social media – easy to mobilise)
- Change in way citizenship is perceived; rising entitlement culture; decreasing responsibility & resilience?
- UK National security threat levels – local issues given diverse communities

**TECHNOLOGICAL**
- Digital technology opportunities
  - Efficiency gains through process automation
  - Machine learning, robotics & artificial intelligence may revolutionise working practices & help identify the needs of community & individual
  - Autonomous vehicles - opportunities for safety, mobility, traffic flow, jobs but issues for jobs, liability & insurance, infrastructure, security but risk of misuse
  - 'Big data' - extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions – need for strong master data management.
- 5G connectivity - potential to enable more efficient service delivery
- Biotech advances may bring opportunities for preventative medicine, lifestyle & longevity
- Digital inclusion issues for those less able or confident to interact with digital solutions

- Increasing risks of cyber attack/security threats to critical systems/infrastructure
- Business continuity challenges from increasingly digitised services
- Risk of significant power outage nationally & impact on services
- Social media – powerful interaction tool vs. rising expectations and lack of control
- Skills & workforce trends
- Data & insight vs privacy & security concerns
- Increased illness through resistance to antibiotics
- Increase in numbers living with long-term conditions due to technological advances e.g. cancer and dementia – issues for service provision
- Communication aids e.g. translation, interpretation & non-verbal communication
- Growth of technologies to address climate change eg windfarms, electric vehicles,
- Growing use of technology impacting communication & social patterns & time available for physical activity

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