



Council Offices, Almada Street
Hamilton, ML3 0AA

Tuesday, 26 September 2023

Dear Councillor

Performance and Review Scrutiny Forum

The Members listed below are requested to attend a meeting of the above Forum to be held as follows:-

Date: Tuesday, 03 October 2023

Time: 14:00

Venue: Hybrid - Committee Room 1, Council Offices, Almada Street, Hamilton, ML3 0AA

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Cleland Sneddon
Chief Executive

Members

Joe Fagan (Chair), Gerry Convery (Depute Chair), John Anderson, Maureen Chalmers, Maureen Devlin, Richard Lockhart, Katy Loudon, Davie McLachlan, Kirsten Robb, John Ross

Substitutes

Andrea Cowan, Gladys Ferguson-Miller, Martin Hose, Eileen Logan, Margaret B Walker

BUSINESS

1 Declaration of Interests

- 2 Minutes of Previous Meeting** 3 - 6
Minutes of meeting of the Performance and Review Scrutiny Forum held on 8 August 2023 submitted for approval as a correct record. (Copy attached)

Item(s) for Consideration

- 3 Audit Scotland Report - Local Government in Scotland Overview 2023** 7 - 18
Report dated 15 September 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 Accounts Commission – Early Learning and Childcare – Progress on Delivery of the 1140 Hours Expansion** 19 - 24
Report dated 26 September 2023 by the Executive Director (Education Resources). (Copy attached)

Urgent Business

- 5 Urgent Business**
Any other items of business which the Chair decides are urgent.

For further information, please contact:-

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| Clerk Name: | Stuart McLeod |
| Clerk Telephone: | 07385 370 117 |
| Clerk Email: | stuart.mcleod@southlanarkshire.gov.uk |

PERFORMANCE AND REVIEW SCRUTINY FORUM

2

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 8 August 2023

Chair:

Councillor Gerry Convery (Depute)

Councillors Present:

Councillor John Anderson, Councillor Maureen Chalmers, Councillor Maureen Devlin, Councillor Richard Lockhart, Councillor Katy Loudon, Councillor Davie McLachlan, Councillor John Ross, Councillor Margaret B Walker (*substitute for Councillor Joe Fagan*)

Councillors' Apologies:

Councillor Joe Fagan (Chair), Councillor Kirsten Robb

Attending:

Chief Executive's Service

C Sneddon, Chief Executive

Community and Enterprise Resources

F Carlin, Head of Planning and Regulatory Services; K Carr, Head of Facilities, Waste and Grounds Services; K Lean, Programme Manager; C Park, Head of Roads, Transportation and Fleet Services; G Simpson, Development Adviser; M Wilkie, Performance and Policy Development Manager

Education Resources

D Dickson, Education Operations Manager

Finance and Corporate Resources

P Manning, Executive Director; M Gordon, Administration Assistant; T Little, Head of Communications and Strategy; S McLeod, Administration Officer; L Marshall, Finance Adviser; N Reid, Improvement and Community Planning Manager

Health and Social Care/Social Work Resources

L Purdie, Head of Children and Justice Services

Housing and Technical Resources

L Hayes, Performance and Support Adviser

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Performance and Review Scrutiny Forum held on 21 March 2023 were submitted for approval as a correct record.

The Forum decided: that the minutes be approved as a correct record.

Councillor Ross joined the meeting during this item of business

3 Council Plan Connect 2022 to 2027 – Quarter 4 Progress Report 2022/2023

A report dated 27 July 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the progress of 'Connect', the Council Plan 2022 to 2027, at the Quarter 4 Stage of 2022/2023.

'Connect' detailed the Council's vision, values, priorities and outcomes to be delivered in the 5-year period of the Plan. Of the 66 key strategic measures nominated for reporting against the Plan:-

- ◆ 8 projects had been completed
- ◆ 45 had met their timescale or target as per expectations
- ◆ 8 had minor slippage against timescale or minor shortfall against target
- ◆ 2 had major slippage against timescale or major shortfall against target
- ◆ 3 were contextual or would be reported on at a later stage

A summary of the key achievements against each of the 6 'Connect' Outcomes was contained in the report and the 'Connect' Performance Report for Quarter 4, 2022/2023, covering the period to the end of March 2023, was attached as Appendix 1 to the report.

To aid scrutiny, a further analysis had been introduced, with any measures that had changed status between Quarters 2 and 4 being highlighted and an explanation provided for the change of status. On analysis of the measures, 6 had shown a decline in performance and a list of those measures was attached as Appendix 2 to the report. The remaining measures had shown an improvement in status between Quarters 2 and 4 and required no further action.

As agreed by the Forum at its meeting held on 21 March 2023, the report now included Local Government Benchmarking Framework (LGBF) results, attached at Appendix 3, which focused on a subset of LGBF indicators aligned to the outcomes in 'Connect'. This provided an opportunity to review strategically important benchmarking indicators and also provided insight into the Council's performance, over a 3-year period, as well as comparison with the national average.

LGBF indicators would continue to be reported annually to the Forum and included in the Council's public performance reporting arrangements, as published on the Council's website.

Officers responded to members' questions on various aspects of the report.

On points raised regarding the restart of non-urgent housing repairs, officers undertook to provide the information requested to the members.

The Forum decided:

- (1) that the Connect Quarter 4 Progress Report 2022/2023, summarised in the report and attached as Appendix 1 to the report, be noted;
- (2) that the summary of the Council's key achievements against the 6 'Connect' Outcomes, for the period 1 April 2022 to 31 March 2023, be noted;
- (3) that the additional scrutiny of changes in measure status between Quarter 2 and Quarter 4, summarised in the report and attached as Appendix 2 to the report, be noted; and
- (4) that the strategic subset of Local Government Benchmarking Framework results, attached as Appendix 3 to the report, be noted.

[Reference: Minutes of 16 August 2022 (Paragraph 2) and 21 March 2023 (Paragraph 4)]

4 Annual Performance Spotlights 2022/2023

A report dated 20 July 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the Annual Performance Spotlights for 2022/2023.

At its meeting on 4 September 2018, the Forum had considered a report which set out plans to review the Annual Performance Report (APR) element of the Council's public performance reporting (PPR) approach. Consequently, a new approach had been developed which replaced the APR document with Annual Performance Spotlights (APS). The APS provided "bite sized" web content performance information for each of the 6 Outcomes contained in 'Connect', the Council Plan 2022 to 2027. Each APS consisted of:-

- ◆ a case study
- ◆ a selection of infographics
- ◆ links to other related material

The infographics contained in the 2022/2023 APS were attached as Appendix 1 to the report. In response to points raised by the Accounts Commission in the Council's Best Value Assurance Report (BVAR) 2019, the 2022/2023 APS had been improved by:-

- ◆ including, for each infographic, trend information with a clear indication as to whether performance had improved and if the target had been met
- ◆ providing a link, directly below the infographic on the website, to supporting data, further reports or more detailed information

The performance presented in the APS should be viewed in the context of the unprecedented challenges faced by councils in the aftermath of the Covid-19 pandemic and forecasts of reduced funding in real terms, as acknowledged by Audit Scotland, in its latest Local Government Overview Report, and the Local Government Improvement Service (LGIS) in its latest report on the Local Government Benchmarking Framework (LGBF) results.

As such, the results contained in the 2022/2023 APS should be interpreted in the context of these unprecedented challenges faced by councils during Covid-19 and the continued recovery. Further explanatory narrative for those measures where targets had not been met or where performance had not improved in 2022/2023 was attached as Appendix 2 to the report.

A suite of public performance reports, focusing on key areas of Council business, would continue to be prepared to complement the APS. The format of the APS would be reviewed on an ongoing basis to ensure the documents kept pace with public expectations, Audit Scotland's requirements in respect of public performance reporting, continuous improvement and Best Value. The APS for 2022/2023 would become live on the Council's website in September 2023, significantly in advance of the statutory deadline of 31 March 2024.

The Forum decided: that the report and the content of the Annual Performance Spotlights 2022/2023 be noted.

[Reference: Minutes of 16 August 2022 (Paragraph 5)]

5 Urgent Business

There were no items of urgent business.

Report

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| Report to: | Performance and Review Scrutiny Forum |
| Date of Meeting: | 3 October 2023 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| Subject: | Audit Scotland Report: Local Government in Scotland Overview 2023 |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide the Performance and Review Scrutiny Forum with a summary of the Audit Scotland Report 'Local Government in Scotland: Overview 2023' published in May 2023

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the key messages and recommendations within the report be noted.

3. Background

- 3.1. In May 2023, Audit Scotland published the above report on behalf of the Accounts Commission. This 'overview' report is prepared each year and covers key areas of current and future activity relative to local government and an opinion on how these are or should be managed.
- 3.2. The latest Local Government Overview (LGO) is the third (and final) report in a series reflecting on the impact of the Covid-19 pandemic. The 2021 and 2022 reports considered the initial response phase of the pandemic and the second year of the pandemic respectively.
- 3.3. The latest Local Government Overview builds on the work and examines:-
- ◆ how has the pandemic affected councils and their performance?
 - ◆ what are the current and future challenges facing local government?
 - ◆ how well placed are councils to deal with the current and future challenges?
- 3.4. This report provides a summary of the Local Government in Scotland Overview document along with a council position in relation to the recommendations within the LGO.

4. Key Messages

4.1. The Accounts Commission identifies five key messages arising from their analysis:-

- ◆ **Finances and resources.** Budget constraints and increasing cost pressures are putting councils' finances under severe strain. An increasing proportion of funding is ringfenced or directed for national policy initiatives. While this is important to help deliver national priorities, it prevents councils from making decisions about how funds can be used at a local level, to meet local need. Councils have had to make significant savings to balance their budgets. Increasingly difficult choices about spending priorities and service provision are having to be made.
- ◆ **Community needs and inequalities.** The pandemic has affected performance across all service areas. There are signs of growing backlogs and declining performance in some service areas. Councils have a clear focus on tackling inequalities but the extent and impact of needs not being met is unclear. Some communities are facing crisis, with persistently high levels of poverty and increasing financial hardship putting additional pressure on services, at a time when councils have less capacity to support them.
- ◆ **Collaboration.** The scale of the challenges ahead means that radical change is needed. It is only by working more collaboratively that councils and their local partners, communities and the third sector will be able to provide sustainable local services and deliver a significant programme of national reform to tackle issues such as climate change, child poverty and inequalities. The pandemic demonstrated the benefits of partnership working and shared local goals. This needs to continue. Few councils provide services jointly or share professional support services. Many councils engage well with communities and local partners to better understand local priorities and needs. Now councils must better involve service users and communities, including those with lived experience, as they redesign services.
- ◆ **Leadership.** Leaders must think radically and make fundamental changes to how councils operate in future, building on the collaborative and innovative ways of working many demonstrated during the pandemic. Leaders need to be open with their staff, communities and local partners about the difficult decisions ahead and be clear about how change will be achieved. The level of volatility, uncertainty (such as plans for a national care service) and immediate financial pressures make planning and delivering sustainable change more difficult. Ineffective leadership and high turnover identified at several councils, alongside tensions with central government present risks to their ability to make fundamental changes at the pace needed.
- ◆ **Workforce.** Increasing workforce challenges, including a competitive labour market and high sickness absence levels, are putting councils under continued pressure. Councils need to innovate by developing the skills and building on the agility, flexibility and joint working demonstrated during the pandemic to make best use of their existing workforce. Wellbeing initiatives must continue and councils should monitor the impact of new ways of working such as hybrid working on both performance levels and staff wellbeing.

- 4.2. Summing this up, the Overview report states: "Councils have never faced such a challenging situation, with demand and workforce pressures deepening after the Covid-19 pandemic and funding forecast to reduce in real terms. Radical change, achieved through greater collaboration, is urgently needed if councils are to maintain services."

5. Key Themes and Messages

- 5.1. The report is structured around three main topics:-

- ◆ The impact of the pandemic on councils' performance
- ◆ What are the current challenges facing local government?
- ◆ How are councils responding?

5.2. The impact of the pandemic on councils' performance.

- ◆ Service performance was beginning to stall before the pandemic as a result of long-term reductions in funding and wider pressures. The pandemic has affected performance across all service areas. Some services are showing signs of recovery, but there are also signs of growing backlogs, declining performance in some areas and services at capacity. The extent and impact of needs not being met is not clear.
- ◆ Given the service demand and cost pressures facing councils it is unlikely that they will be able to maintain performance across all of the services they currently provide without radical change.
- ◆ Councils will need to make difficult choices about what their service and performance priorities are. Strengthening the use of data and consulting and involving communities, especially the experience of service users, will be critical to informing these decisions.

5.3. What are the current challenges facing local government?

- ◆ Councils are operating in an increasingly volatile and uncertain landscape, as pressures increase after Covid-19 and funding is forecast to be reduced in real terms. Some communities are facing crisis, with increasing poverty and financial hardship putting additional pressure on services at a time when councils have less capacity to support them.
- ◆ Changing demographics, the pandemic and the cost-of-living crisis increase pressure on council services and people already experiencing inequality are most affected.
- ◆ Councils are managing an increasing programme of national reform, including plans for a national care service, which comes with substantial funding implications and increased uncertainty.
- ◆ Although local government agrees that reform is necessary, it disagrees that centralising services and structural reform will achieve the improvements needed. While the Scottish Government wants consistency of service across the country, stakeholders have raised concerns about the scale of reform and the time it will take to implement it.
- ◆ Increasing workforce challenges such as recruitment difficulties and high sickness absence levels are putting councils under continued pressure.
- ◆ While many councils demonstrated strong collaborative leadership during the pandemic, ineffective leadership and high levels of change in senior officers identified at several councils present a risk.

5.4. How are councils responding?

- ◆ Councils must focus urgently on solutions that will deliver a sustainable future for local government.
- ◆ Councils need to balance immediate financial pressures with planning for and delivering long-term sustainable services.

- ◆ Leaders need to invest time and capacity into thinking radically about their councils' future operating model, how it will be achieved and be open with communities and staff.
- ◆ Councils need to collaborate with communities, other councils and the wider public sector to tackle the challenges.
- ◆ Workforce planning must improve so that councils have the staff, skills and leaders needed to bring about change and create a resilient workforce for the future.
- ◆ Councils have a clear focus on tackling inequalities and strengthening the use of data will help them to better understand community needs and focus fundamental change on improving long-term outcomes.

5.5. The report's **recommendations** are shown below, with an assessment of the council's position and any action considered necessary.

| Recommendation | South Lanarkshire Council position and action proposed if required |
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| <p>Finances and Resources</p> <p>Councils need to set out medium to long-term financial plans that detail:-</p> <ul style="list-style-type: none"> • how they will make recurring savings and reduce reliance on reserves to fill budget gaps • how council resources are targeted to achieve their long-term policy and performance priorities | <p>The Council produced Budget strategies that point towards the medium-term budget plans and includes estimates for budget gaps.</p> <p>Reliance on reserves has been explicitly covered in recent years' budget papers. Recurring savings have been identified in the following year to cover using one off monies.</p> <p>Budget papers highlight where funding is provided for priority areas. In an environment where budget gaps are significant, the ability to invest more funds is limited.</p> |
| <p>Community needs and inequalities</p> <ul style="list-style-type: none"> • councils should be more transparent with the public about scale of service demand, the extent of backlogs and changes to eligibility criteria necessary to ration access to services and any impact this has on unmet need • councils should have a clear plan for strengthening their use of data to understand needs, make decisions and direct resources. This includes equalities data, and learning from those with lived experience | <p>Language used in committee reports and public communications has increasingly reflected issues being faced. Also our engagement exercises – example: Community Engagement Programme associated with the Local Governance Review includes information on the financial situation and impact on services.</p> <p>Work has been completed to align data and intelligence to the outcomes within the Council Plan, Connect, and this is reflected in the configuration of our online tools for analysing data on South Lanarkshire and local areas. Further work is underway to define the contents and functionality of a data dashboard which would bring together multiple streams of data under the Council Plan</p> |

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| | <p>outcomes. This would include performance information (such as Local Government Benchmarking Framework (LGBF)); socio-demographic data (such as Scottish Index of Multiple Deprivation (SIMD), census outputs); qualitative data such as case studies and findings from consultation and engagement.</p> |
| <p>Collaboration Councils need to maximise the potential of collaboration by demonstrating they are:-</p> <ul style="list-style-type: none"> • working with other councils, the wider public sector and the third sector to redesign and provide services • involving service users and local communities in the redesign of services | <p>Participation through Heads of Human Resources (CoSLA) and related working groups, and Society of Personnel and Development Scotland (SPDS) to contribute to national discussion. Participation in Scottish Government working groups eg Fair Work, Effective Voice etc</p> <p>We are developing shared priorities with local residents through neighbourhood planning processes and community partnerships. The on-going engagement work required to develop and deliver these continues to be invested in and we are also involving communities in mainstream and grant based participatory budgeting exercises. Individual services are undertaking engagement across a range of service areas to inform the design of strategies and future plans.</p> |
| <p>Leadership Councils' leaders need to invest time and capacity in thinking radically about their future operating model, and:-</p> <ul style="list-style-type: none"> • be open and clear with communities and staff about the need for change, what that means for future service delivery and involve communities in making difficult decisions • set out a clear vision for their long-term policy and performance priorities, and how it will be delivered and monitored • work with the Scottish Government to rebuild an effective relationship. | <p>Public consultation exercises reflect the need for efficiencies and change, notably budget engagement in 2022/2023 and this will be repeated in 2023/2024. Also, Local Governance Review (LGR) exercise noted previously is in large part about involving communities in Shared Decision Making. Staff receive regular updates through personnel circulars and the Chief Executive's weekly blog.</p> <p>The council's long-term policy and performance priorities are set out in the Council Plan, Connect, and are reflected in other key strategic documents including the Community Plan, the Economic Strategy, Climate Change and Sustainable Development Strategy and the Community Wealth Building (CWB)</p> |

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| | <p>Strategy. Delivery of the Council Plan is achieved through actions within annual Resource Plans and actions plans associated with specific strategies (e.g. CWB action plan). The Council's Improve system is used to monitor progress against Resource Plans, Connect and key strategies – reported to Elected Members at Quarter 2 and Quarter 4 each year.</p> |
| <p>Workforce</p> <p>Councils need to improve workforce planning to effectively develop and deploy their existing workforce. This includes:-</p> <ul style="list-style-type: none"> • building the capacity, skills, strategic thinking and comprehensive workforce data needed for effective workforce planning • updating workforce plans to reflect new models of service delivery and ways of working, including how they are:- <ul style="list-style-type: none"> – identifying and addressing skills gaps, at operational and leadership levels – making best use of their existing workforce by collaborating with partners to overcome recruitment challenges – planning for the skills needed to deliver future services, focusing on collaborative and flexible working, including working with the higher education sector to plan and develop skills for the roles needed | <p>Workforce Plans developed for each Resource and approved at Committee in September 2022 and Council-wide workforce plan approved by Executive Committee in November 2022. Any emerging issues or developments are reported through Resource Management Teams, Corporate Management Team and Resource Committees.</p> <p>Links with Scottish Government, SPDS and CoSLA.</p> |

- 5.6. To accompany the Local Government Overview, the Accounts Commission has prepared a checklist of questions for elected members to consider. The questions cover much the same ground as the recommendations shown at 5.5 above. The checklist is attached at appendix 1 to this report. To aid scrutiny of these questions, officers of the Council have supplied a narrative response to the items in the checklist for elected members' consideration.

6. Employee Implications

- 6.1. There are no direct employee implications.

7. Financial Implications

- 7.1. There are no direct financial implications.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

9. Other Implications

- 9.1. Considering the detail of the report and identifying actions as appropriate contribute towards effective risk management.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

- 10.2. There is no requirement for consultation on the content of the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

15 September 2023

Link(s) to Council Values/Priorities/Outcomes

- Ambitious, self-aware and improving

Previous References

- Performance and Review Scrutiny Forum - 29 November 2022

List of Background Papers

- Audit Scotland Report 'Local Government in Scotland: Overview 2023'

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Tom Little, Head of Communications and Strategy

Ext: 4904 (Tel: 01698 454904)

E-mail: Tom.Little@southlanarkshire.gov.uk

Appendix 1 – Questions for Elected Members

Finances and Resources

| Questions for elected members to consider | Suggested answer |
|---|---|
| <p>1. Has my council developed clear and robust medium to long-term financial plans? Do these plans outline how:-</p> <ul style="list-style-type: none"> • recurring savings will be delivered • the reliance on reserves to fill budget gaps will be reduced • council resources are aligned towards delivering long-term policy and performance priorities | <p>The Council produced budget strategies that point towards the medium-term budget plans and includes estimates for budget gaps.</p> <p>Reliance on reserves has been explicitly covered in recent years budget papers. Recurring savings have been identified in the following year to cover using one off monies.</p> <p>Budget papers highlight where funding is provided for priority areas. In an environment where budget gaps are significant, the ability to invest more funds is limited.</p> |

Leadership

| Questions for elected members to consider | Suggested answer |
|---|---|
| <p>2. Are we (elected members and senior officials) being open with communities and staff about the need for change and the future direction? Is this information being communicated in a way that is transparent and accessible?</p> | <p>Communities, elected members and council officers engage in discussion through community networks and forums. Frequent consultation on budgets, services, strategies and more recently local governance, regularly create space for discussions on change and the difficult financial context we're in.</p> |
| <p>3. Are we (elected members and senior officials) investing time and capacity into thinking radically about the council's future operating model?</p> | <p>Through training and development, access to digital, through Committees, Forums which cover efficiencies, transformation programmes, budget and workforce planning.</p> |
| <p>4. Are we (elected members and senior officials) setting out a clear vision for our long-term policy and performance priorities? Does this align to financial plans?</p> | <p>The council's long-term policy and performance priorities are set out in the Council Plan, Connect, and are reflected in other key strategic documents including the Community Plan, the Economic Strategy, Climate Change and Sustainable Development Strategy and the Community Wealth Building Strategy.</p> <p>Budget papers highlight where funding is provided for priority areas. In an environment where budget gaps are significant, the ability to invest more funds is limited.</p> |

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| <p>5. Do I have the leadership skills and knowledge to drive change and deliver priorities? Consider:-</p> <ul style="list-style-type: none"> • a focus on strategic issues • partnership working (within council, with communities, with local partners) • data-driven approach to decision-making. Do I have access to training programmes or material for any skills or knowledge gaps I identify? | <p>Elected members received a full package of induction training following their election to the Council. Ongoing training is available via the Learn on Line online tool and the Improvement Service which also offers coaching for elected members. Regular members awareness sessions are held on all strategic issues.</p> <p>There are Council Leadership and Management Programmes, professional memberships in place e.g. Solace.</p> <p>Community Planning Partnership, reporting and monitoring LGBF, CoSLA reporting and Scottish Government.</p> <p>Health and Wellbeing initiatives, hybrid working, supports culture and leadership.</p> |
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Collaboration

| Questions for elected members to consider | Suggested answer |
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| <p>6. How are we (elected members and senior officials) increasing opportunities for communities to influence decisions on local priorities? Do we regularly consult with communities to inform various aspects of decision-making including:-</p> <ul style="list-style-type: none"> • service redesign • identifying strategic priorities • annual budget setting | <p>Consultation takes place across the range of strategy development and there is an annual budget consultation. Likewise, service redesign consultations take place as and when they affect a community. Public views are one of the many factors that must be considered by both decision makers and by communities when changes are taking place.</p> |
| <p>7. How well is my council collaborating with local partners, communities and the third sector to address the challenges faced in the planning and delivery of services?</p> | <p>The Community Planning Partnership's Annual Report demonstrates that the Council and its partners collaborate well together to improve outcomes for South Lanarkshire. It likewise provides us with the vehicle to address issues of mutual concern as new ones arise. It has both an improvement and a risk plan.</p> |

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| 8. Are we working closely enough with other councils to maximise efficiencies and help manage recruitment issues. For example, do we have any shared services or shared professional services? | Participation in national working groups and through SPDS working groups on workforce planning, employment law, pensions etc. These professional discussions support ongoing professional development. Lanarkshire Care Academy has a recruitment and retention workstream. The Council are members of Lanarkshire Firm Base. Lanarkshire Firm Base was created in partnership with North and South Lanarkshire Council's following a request by the Royal Regiment of Scotland for an Armed Forces Covenant to be established. |
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Workforce

| Questions for elected members to consider | Suggested answer |
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| 9. Does my council have detailed corporate and service workforce planning in place? Have these plans been updated to:- <ul style="list-style-type: none"> reflect the changing nature of services the council provides ensure the delivery of long-term priorities address specific skill shortages to build a resilient workforce for the future consider the impact of an ageing workforce, succession planning and skills development, including leadership skills development? | Workforce Plans developed for each Resource and approved at Committee in September 2022 and Council-wide workforce plan approved by Executive Committee in November 2022. Any emerging issues or developments are reported through Resource Management Teams, Corporate Management Team and Resource Committees. Links with Scottish Government, SPDS and CoSLA. In addition, profiling of the workforce and data analysis forms part of the workforce planning approach. |
| 10. How is my council making best use of the existing workforce in collaboration with partners to overcome recruitment, capacity and skills challenges? What innovative approaches are they using? Consider:- <ul style="list-style-type: none"> is my council working with the further and tertiary education sectors to plan for and develop skills for the roles needed (in the short and longer term)? | Workforce Plans also cover this and involvement in national groups CoSLA, Scottish Government and Scottish Negotiating Committee for Teachers. |
| 11. Am I assured that my council is monitoring staff wellbeing and putting initiatives in place to address any concerns? | Maximising Attendance Working Group will identify any areas of concerns and put steps in place to address. |

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| | <p>Promotion of employee wellbeing initiatives (e.g. mindfulness, full annual calendar or events).</p> <p>Personnel Teams and managers work closely together to maximise capacity and support to workforce.</p> |
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Community needs and inequalities

| Questions for elected members to consider | Suggested answer |
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| 12. Am I engaging with local communities to communicate the impact of changes on services and the local area? Am I clear on the areas communities would like to prioritise and how am I managing these expectations given the complex challenges the council is facing? | Neighbourhood planning, community partnerships, community asset transfers and participatory budgeting processes are taking place in South Lanarkshire, demonstrating the changes are happening and the community is participating in the future direction. Elected members are supporting this change through Investment Funding for communities to participate in the change and providing encouragement and practical support in some cases. |

Report

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| Report to: | Performance and Review Scrutiny Forum |
| Date of Meeting: | 3 October 2023 |
| Report by: | Executive Director (Education Resources) |

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| Subject: | Accounts Commission – Early Learning and Childcare – Progress on Delivery of the 1140 Hours Expansion |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ inform the Forum of the findings of the report published by the Accounts Commission on 1 June 2023 on the progress of delivery of the 1140 hours expansion:-

<https://www.audit-scotland.gov.uk/news/early-learning-and-childcare-expansion-delivered-but-sector-fragile>

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the Accounts Commission report of 1 June 2023 on the progress made on the delivery of 1140 hours expansion of early learning and childcare be noted.

3. Background

- 3.1. As part of its “National Performance Audit” series of reports, the Accounts Commission published an assessment of progress on delivery of the 1,140 expansion on 1 June this year. This report presents a summary of the Accounts Commission’s findings and recommendations.
- 3.2. Early Learning and Childcare (ELC) refers to care and learning services that children receive before starting school. Children receive services in a range of settings, including nurseries in schools, standalone nurseries, early years centres, playgroups and childminders.
- 3.3. The landscape of Early Learning and Childcare (ELC) in Scotland has been undergoing transformative change through the 2014 Children and Young People (Scotland) Act. The annual entitlement increased from 475 hours to 600 hours, and then to 1140 hours for all three and four-year-olds, and those two-year-olds who are eligible. The funding model being one where monies follow the child.
- 3.4. The policy intent of the Scottish Government was to improve outcomes for children and also for their families. It is also aligned to the broader policy ambitions to reduce child poverty and support economic transformation.

- 3.5. The original plan by the Scottish Government was to implement the expansion to 1140 hours from August 2020, but as a result of the Covid-19 pandemic, the implementation date was delayed by a year, until August 2021.
- 4. Accounts Commission**
- 4.1. The overall aim of the audit by the Accounts Commission was to examine the progress made by the Scottish Government and local authorities to deliver the expansion of funded ELC and how to evaluate impact.
- 4.2. The focus of the assessment was based on:-
- i) what progress the Scottish Government and councils had made in addressing the main risks to expanding funded ELC
 - ii) what progress the Scottish Government had made with planning how to assess the effectiveness of the expansion
- 4.3. The Accounts Commission reported that, overall, local authorities have made good progress in many aspects of the policy implementation. Councils have completed most of the infrastructure projects and have staff in place. Most parents are happy with the flexibility available and councils and funded providers are offering the extra hours. The Scottish Government has allocated around £1 billion a year for funded ELC, but it does not know the total amount of money spent by councils on the expansion from 600 to 1,140 hours. In terms of South Lanarkshire Council, the total capital expenditure for the expansion to 1,140 hours was £36.1 million. For 2023/2024, the Council received Scottish Government revenue grant funding for the provision of 1,140 hours of £31.562 million.
- 4.4. Some risks have changed since the expansion came into effect in August 2021, posing a threat to the sustainability of progress. There are particular concerns about workforce, future funding for funded ELC and the sustainability of funded providers. There are also a number of data gaps making it harder to plan and manage services.
- 4.5. Overall, the quality of funded ELC settings is high, but risks remain. The Scottish Government emphasised the importance of quality in the expansion of funded ELC provision. The Scottish Government and COSLA jointly agreed the national standard which is intended to ensure that all children receive high-quality ELC regardless of where they get their funded place. All providers of funded ELC must have Care Inspectorate quality evaluations of good or better on key inspection questions that relate to quality of care and learning, staffing, management, leadership and environment. Where a setting fails to meet the required standards, this can ultimately result in a council removing their funded provider status.
- 4.6. In December 2021, 89 per cent of funded ELC providers had the grades required by the National Standard compared to 91 per cent of settings in December 2020. It continues a downward trend from 93 per cent of settings in 2014.
- 4.7. Fewer full inspections were carried out in 2020 and 2021 because routine inspections were suspended at times during the pandemic.
- 4.8. It is worth noting that, in South Lanarkshire during 2022/2023, 6 Early Years inspection reports were published, with associated evaluative grades for Quality Indicators. 5 of the inspections were inspections of nursery classes within primary schools with 1 inspection of a standalone nursery school. All received positive outcomes with a grade of good or above for all Quality Indicators.

4.9. Areas for Action

The Accounts Commission has identified many gaps in the data available on funded ELC. Appendix 1 (Exhibit 4) of its report sets out some examples of these and their potential impact.

4.10. Some of these gaps relate to areas where data is likely to be available at a local level but is not gathered consistently to provide a national picture. Although councils may be able to use this information locally to inform service planning, these gaps make it harder for the Scottish Government to plan national policies for local implementation. This perceived lack of consistency between councils is, to an extent, a result of the delay to the new software for councils to record more detailed administrative data on funded ELC through a standard approach.

4.11. The new software is being developed by SEEMiS, funded by councils, that provides education management information systems. The Scottish Government grant funded the development in 2019 and the limited liability partnership contracted with a third party to develop the software. This was intended to be in place by August 2020. However, as the Accounts Commission reported in March 2020, delays in signing a contract and technical issues meant the software was already delayed beyond August 2020. In February 2022, the limited liability partnership terminated the contract with the third-party developer. Ministers have agreed to a second grant to allow the limited liability partnership to develop the software in-house, with support from external parties, with final details still to be confirmed. Current estimates are for the software to be completed by March 2024 with the go live date still to be determined by councils.

5. Accounts Commission Recommendations and the Next Steps

5.1. The Accounts Commission has published the following recommendations:-

The Scottish Government and councils should:-

- ◆ work together to review data held locally by councils and plan how to gather data consistently to address the data gaps at a national level highlighted throughout the report. Data to improve planning and monitoring will help manage the risks highlighted in the report; in particular, data on:- the movement of the ELC workforce between the public, private and third sectors – demand for both funded ELC and childcare paid for directly by parents – the extent to which children with additional support needs are not accessing funded ELC, the reasons for this, and the extent of any unmet needs

The Scottish Government should:-

- ◆ work with councils and other stakeholders to develop long-term workforce plans for the sector to address the risks to sustainability and meet future demand
- ◆ work with councils to urgently put in place a process for monitoring progress with providers paying the living wage to staff delivering funded ELC. This information is crucial to inform future decisions on funding and workforce which are key risks to the sustainability of the sector
- ◆ capture and consider children's views as part of future evaluation of the policy, in line with Article 12 of the United Nations Convention on the Rights of the Child
- ◆ improve planning for, and implementation of, future policies by working with stakeholders to make plans to gather the necessary data for managing and planning services at an early stage. This should include plans to gather consistent data on the costs of delivering future policies, to help assess whether they are achieving value for money and delivering the intended outcomes

- 5.2. There are no specific points of action that are required immediately by the Council given the investment made to expand both our early and childcare infrastructure and workforce to meet, wherever possible, the needs of parents/carers and families across South Lanarkshire. Over 7500 children and their families are benefitting from the council's investment in early learning and childcare. The table below shows the comparison from June 2022 through to June 2023.

Nos of children in South Lanarkshire in early learning and childcare.

| | Admissions Aug 2023 - June | | | Admissions Aug 2022 - June | | |
|--------------|-----------------------------------|--------------|--------------|-----------------------------------|--------------|--------------|
| | LA | PP | Total | LA | PP | Total |
| N4/5 | 4,398 | 2,456 | 6,854 | 4,312 | 2,313 | 6,625 |
| N3 | 567 | 6 | 573 | 506 | 14 | 520 |
| N2 | 95 | 0 | 95 | 110 | | 110 |
| Total | 5,060 | 2,462 | 7,522 | 4,928 | 2,327 | 7,255 |

6. Employee Implications

- 6.1. None

7. Financial Implications

- 7.1. Financial implications will be managed from within existing budgetary resources.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no implications for climate change, sustainability or the environment associated with this report.

9. Other Implications

- 9.1. There are no risk implications in terms of the information contained in this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not present a new strategy, policy or plan and is, therefore, not subject to equality impact assessment.
- 10.2. The ownership of this report lies with Audit Scotland and reference is made within it to the extent of engagement with a range of stakeholders.

Carole McKenzie

Executive Director (Education Resources Resources)

26 September 2023

Link(s) to Council Values/Priorities/Outcomes

- ♦ Education and learning: inspiring learners, transforming learning, strengthening partnerships

Previous References

- ♦ None

List of Background Papers

- ♦ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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