

Report

Report to:	Performance and Review Scrutiny Forum
Date of Meeting:	28 May 2024
Report by:	Chief Executive

Subject:	Local Government Benchmarking Framework (LGBF) Overview Report 2022/2023
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide a summary of the key messages from the Local Government Benchmarking Framework (LGBF) overview report published by the Improvement Service in March 2024

2. Recommendation(s)

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

- (1) that the contents of the report be noted.

3. Background

3.1. The Local Government Improvement Service publishes an LGBF overview report each year, reflecting on the results and identifying key themes and messages presented by the data.

3.2. The 2022-23 overview was published in March 2024 and is the twelfth report in the series, drawing upon more than a decade of LGBF data.

3.3. This report summarises the key messages within the LGBF overview report.

4. The 2022/2023 Overview Report – Structure and Focus

4.1. In recent years (since the 2021/2022 report) the Local Government Improvement Service (LGIS) has reduced the size of the report and moved towards a more analytical and thematic treatment of the results. This has been achieved by shifting the publication of results onto an online platform, leaving the overview to focus on a more discursive approach.

4.2. The report is structured around the following themes:

- ◆ financial and workforce pressures
- ◆ poverty, financial hardship and cost of living crisis
- ◆ health and social care pressures
- ◆ education for children and young people
- ◆ performance of local government services

4.3. The overview report complements the publication of the LGBF dataset on the online dashboard. The dashboard provides the complete LGBF dataset comprising more than ten years' worth of data across more than 100 indicators. The dashboard also provides access to a wide range of financial data which is collected alongside the LGBF and profiles spending patterns across councils over time.

5. Key Messages

- 5.1. The 2022/2023 report introduces data from a period when communities and council services were managing unprecedented financial challenges in the shape of soaring inflationary pressures and the cost-of-living crisis. This was against a backdrop of deepening fiscal, demand and workforce pressures, including those resulting from the ongoing effects of the Covid pandemic.
- 5.2. During this time, funding levels for councils have not kept pace with increased demand, growing need and rising cost pressures. While total revenue funding for councils increased in real terms by 0.7% in 2022/2023, Audit Scotland report that the proportion of funding which is ringfenced in some way has grown from 23.7% to 25.7%, resulting in a 1.9% real-terms reduction in revenue funding available to councils in 2022/2023 to pursue local priorities.
- 5.3. The financial gap between councils' income and expenditure has increased by over a third in 2022/2023. To bridge this gap, councils have increased their reliance on savings, Council Tax increases, and have doubled their relative use of reserves.
- 5.4. In light of the sustained fiscal pressures and the requirement to make substantial savings, councils are facing increasingly difficult decisions in relation to their spending priorities. Expenditure within social care, education, and support for care experienced children continues to be sustained and enhanced, increasing since 2010/11 by 29%, 21% and 17% respectively.
- 5.5. Services which have seen cuts over the same period include:
- ◆ 20% reduction in culture and leisure spending
 - ◆ 27% reduction in planning spending
 - ◆ 24% reduction in corporate support service spending
 - ◆ 9% reduction in roads spending
 - ◆ 26% reduction in trading standards and environmental health spending
 - ◆ 35% reduction in street cleaning
- 5.6. In terms of overall Council service performance, the long-term picture remains positive, with 66% of performance indicators within the LGBF showing improvement since the base year. In recent years, however, year on year trends show a slowing in this improvement, and an increase in the number of performance indicators which are now declining. If the current trend continues, the improvements and progress that has been achieved thus far, could potentially be lost and Council service performance may start to decline over the longer-term.

- 5.7. While the overall picture points to a slow-down in performance improvement, there are a number of long-term improvement trends which have been sustained and strengthened in policy critical areas. These include:
- ◆ attainment both at senior phase and at primary level
 - ◆ positive destinations and participation in education, training or employment for 16–19-year-olds
 - ◆ school exclusion rates
 - ◆ placement stability for care experienced children
 - ◆ payment of the living wage
 - ◆ roll out of superfast broadband
 - ◆ housing energy efficiency
 - ◆ road network condition
 - ◆ the gender pay gap
 - ◆ Council Tax collection
 - ◆ corporate asset condition
- 5.8. While the recent downward trend in performance improvement is true for all councils, there is variation in the depth, severity and focus of impacts. This shows that although pressures are system wide, local areas are experiencing their impacts differently. Responses by councils have exemplified the importance of 'local' with local solutions and responses to local needs and issues, varying both between and within authorities.
- 5.9. Factors which play into the variability observed in the data include:-
- ◆ local priorities and strategic direction
 - ◆ local capacity in terms of infrastructure, workforce, digital maturity, and partnership context
 - ◆ local pattern of demand and need, including the demographic and socioeconomic profile of local communities
 - ◆ local geography, including the level of remoteness and population density
 - ◆ local responses to innovation; redesign; and transformation
 - ◆ local economy
- 5.10. Social care is the area where councils and their partners face significantly growing demands in part due to supporting the complex needs of people with disabilities and an ageing population. The long-term trends show how councils and their partners have worked together to expand provision and have succeeded in shifting the balance of care towards greater home-based support. However, LGBF data in 2022/2023 provides clear evidence of current system pressures, with significant capacity issues contributing to the delivery of fewer hours of care at home (-2.5% in 2022/2023), fewer people receiving personal care at home (-0.4% in 2022/2023) and increasing delayed discharges (up 23% in 2022/2023).
- 5.11. The ongoing cost-of-living crisis is adding pressures on families that will exacerbate the profound and ongoing impact the Covid pandemic has had on children in Scotland. Some key outcomes are showing strong improvement in 2022/2023 compared with pre-pandemic levels, including attainment for primary and senior phase pupils, and positive destinations. Other areas however, such as pupil attendance and the development of pre-school children, remain lower than pre-Covid levels.

- 5.12. Councils are facing multi-faceted workforce capacity pressures, including challenges of recruitment, retention, staff absence, and an ageing workforce. The scale of the problem is growing and spans a wide range of skills, professions and occupations. Council staff absence levels rose by 10% in 2022/2023 to reach the highest level ever reported (13.2 days for all staff, excluding teachers, and 6.8 days for teachers). Staff shortages are being felt to varying degrees across all Council services, largely driven by competition from other sectors, pay related issues, and shortages of workers with the appropriate skills (locally and nationally).
- 5.13. Data in this year's LGBF reveals the ongoing consequences of the cost-of-living crisis on the levels of financial hardship facing communities. The scale of this is evidenced in the growth in demand for Scottish Welfare Fund Grants (up 49% since 2019/20), Discretionary Housing Payments (up 23% since 2019/20), and increasing levels of rent arrears (up 2.3 percentage points since 2019/20).
- 5.14. Tackling poverty continues to be a core focus for local government and has been agreed as one of the three shared priorities within the Verity House Agreement. Councils have moved quickly to provide support to communities, deploying a range of measures aligned to local need, including bolstering existing provisions, sustaining or supplementing Covid funds, making best use of Council facilities, extending grants to voluntary organisations, debt recovery, and housing support. The deepening fiscal, workforce and demand pressures facing councils, however, pose real risks to the future sustainability of vital services which are essential in preventing and mitigating the effects of poverty.

6. Next steps and recommendations

- 6.1. The full data set for the LGBF is available through the LGIS [explore the data](#) tool. To complement the national dashboard, a South Lanarkshire LGBF dashboard has been developed which focuses on strategic indicators aligned to the Council Plan.

7. Employee Implications

- 7.1. There are no direct employee implications.

8. Financial Implications

- 8.1. There are no direct financial implications.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

10. Other Implications

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

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. 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.

- 11.2. Consultation was not required to inform the contents of this report.

Paul Manning
Chief Executive

2 May 2024

Link(s) to Council Values/Priorities/Outcomes

- We will work to recover, progress and improve

Previous References

- None

List of Background Papers

- National Benchmarking Overview Report 2022/2023

Contact for Further Information

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

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