

SCOTTISH COUNCILS: SINKING OR SWIMMING?

A provocative title perhaps: but it reflected an appreciation of the strong undertows, or maybe tidal waves, affecting Scottish local government.

The introduction of a proportional voting system for the local government elections in May 2007 resulted in major changes in councils. Nearly half of councillors are new to the job. Would they learn fast enough to be effective? Even more importantly, the political balance of many councils shifted significantly, often from settled one party dominance to either power sharing or minority administrations. How would the winners and losers at elected member level cope? And how well would senior council officers adjust to these new circumstances?

At the same time, there has been political change at national government level, with the Scottish National Party coming to power but without the previous administration's outright majority in the Scottish Parliament. This has perhaps necessarily created a quite different style of Scottish Government; and one consequence has been the beginnings of a very different relationship between central and local government. The concordat signed in November 2007 has many features attractive to councils: greater freedoms and flexibilities, the promise of streamlined and thus less onerous scrutiny and above all Scottish Government's commitment not to undertake structural reform of local government during the lifetime of the current parliament. And above all, at its heart was a tempting 3 year financial settlement in return for a freeze on council tax levels in 2008-9. But will the concordat turn out to be deliverable? And are its terms realistic given the likely pressures on both signatory sides over the coming years?

This was the background to this timely seminar. The two speakers brought very different backgrounds, and very different styles, to bear on these issues. Professor John Baillie, the newish Chair of the Accounts Commission for Scotland, is an accountant through and through; he was at pains to cast a cool even sceptical eye over the very limited evidence to date and to focus on risks as well as achievements. Bernadette Malone, Chief Executive of Perth and Kinross Council, is engaged, both in her own area and through SOLACE across Scotland as a whole, in the process of making the change process happen. She has perforce to take an optimistic view; and communicated with commitment and passion her desire for the changes to be successful. But there was a remarkable amount of common ground between them on what the key issues are.

Firstly, they both emphasised how much of a new way forward this is for local government. Both in different language identified it as a "once in a lifetime" opportunity which if not fully exploited would be unlikely to recur. Both drew out that there were significant risks as well as significant opportunities. Both emphasised the degree of change that would be required, and the number, variety and sheer intractability of problems to be resolved. Both (referring to the seminar title) concluded that councils so far were not sinking; but needed

to swim strongly to keep afloat given choppy waters with many dangerous shoals/reefs/currents (the metaphors tended to be consistently marine).

To summarise baldly what both said in a single sentence: so far, so good, but the pace of change needs to pick up markedly to deal with the problems ahead.

There are a number of significant risks.

Firstly, will the rhetoric convert into reality? What we have so far is words; and turning them into reality is going to be very tough. One key aspect, which recurred several times during the discussion phase, is how you achieve shared accountability which is both truly shared and allows proper accountability. Another, also highlighted from the floor, is whether targets can both be fully flexed to local circumstances and the basis for national accountability. A third is how you square lighter touch scrutiny with public concerns for minimal risk on matters like child safety and care of the elderly. On all these issues, both John and Bernadette found it much easier to define the problems than to design solutions to this; and it seems all too possible that headway could be notional rather than substantial. On the other hand, what was clearly communicated on all sides was the will to try hard to work these issues through and make it happen.

Secondly, how far can councils cope with expected or unexpected financial pressures? Both speakers highlighted, for example, the impact of significant demographic changes (not by any means shared evenly across councils) on education, housing and social service costs; spiralling waste disposal/reduction costs to meet EU requirements; costs of shifting to single status et cetera as known forward pressures. And there will be others; there always are. Both speakers identified (but maybe should have highlighted even more) that, while councils have generally already started to raise their game as regards strategic planning and performance management and unlocking efficiency gains, these will be key tools for continuing to get ever better value and there is a long way to go to get the maximum from them. But whether even so enough savings can be found to enable councils to live within their means, particularly in years two and three, is far from certain. And there must be worries whether all councils can do so: the range is wider than we would like between those councils which are the most active in terms of best value and those which to date have least to show on this front.

Thirdly, what about increasing political pressures at both central and local government level as elections draw near? History does not give much comfort that "hands off" promises endure for any great time, whatever the political party that makes them.

Finally, is the commitment not to make structural changes to local government sustainable in the longer term? Partnership working arrangements are going to get more and more complex in the coming years. Will the current map of 32 councils of very different sizes serving a population of five million continue

to be the best fit for purpose? And how well can it be made to articulate with quite different maps for health, economic delivery et cetera?

These are some of the challenges ahead for local government. There is a lot going on right now, and, looking on the bright side, a lot of good will and commitment on all sides to do what it takes to work through to the best solutions. But it will undoubtedly be hard work.

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