

**Item: 6**

**Policy and Resources Committee: 18 June 2024.**

**Performance Monitoring – Local Government Benchmarking Framework.**

**Report by Corporate Director for Strategy, Performance and Business Solutions.**

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## **1. Overview**

- 1.1. The Council has been reporting performance information in accordance with the requirements of the LGBF since 2011, which is a statutory function of Scottish local government.
- 1.2. The Improvement Service – the national improvement service for local government in Scotland – co-ordinates and facilitates the LGBF process. The Council reports some indicators directly to the Improvement Service. The data for other indicators is gathered by the Improvement Service from various sources to which all councils make annual returns.
- 1.3. LGBF data is published annually by the Improvement Service in its National Benchmarking Overview Report, although it is approximately one year out-of-date at the time of publication. The 2022/23 report was published on 1 March 2024.
- 1.4. The Accounts Commission’s 2021 Direction on Statutory Performance Information makes specific reference to the LGBF in asking councils to develop their use of benchmarking information when reporting to the public.
- 1.5. In terms of the Strategic Planning and Performance Management Framework , performance in respect of the Local Government Benchmarking Framework is reported to the Policy and Resources Committee annually in June.
- 1.6. Annex 2 sets out the Council’s performance against the LGBF indicators for 2022/23 which have been included in the Council Plan 2023 to 2028.
- 1.7. Annex 3 sets out the Council’s performance against all other indicators included in the LGBF. This includes the data for 2022/23 compared to the previous reporting period.

## 2. Recommendations

- 2.1. It is recommended that members of the Committee:
- i. Note the LGBF's 2022/23 National Benchmarking Overview Report, attached as Annex 1 to this report, which sets out all councils' performance at a national level.
  - ii. Scrutinise the performance against measures specific to Orkney Islands Council, as set out in Annexes 2 and 3 to this report, in order to obtain assurance.

## 3. Performance

- 3.1. The Council's performance is benchmarked by comparing with previous years' performance, the Scottish average, and other councils in Orkney's benchmarking family groups.
- 3.2. For Children's Services, Adult Social Care Services and Housing indicators, similar councils are grouped by their level of deprivation. For these indicators Orkney's family group includes:
- East Renfrewshire.
  - East Dunbartonshire.
  - Aberdeenshire.
  - City of Edinburgh.
  - Perth and Kinross.
  - Aberdeen City.
  - Shetland.
- 3.3. For Environmental, Culture and Leisure, Economic Development, Corporate and Property indicators, similar councils are grouped by their population density. For these indicators Orkney's family group includes:
- Western Isles.
  - Argyll and Bute.
  - Shetland.
  - Highland.
  - Scottish Borders.
  - Dumfries and Galloway.
  - Aberdeenshire.

- 3.4. The monitoring period for some indicators differ. For example, most are for 2022 to 2023, but some may be for 2018 to 2023, or 2019 to 2023. This is because these are national figures, and they are generated by different organisations for different purposes. The report uses the most up to date information available.
- 3.5. Where councils have presented updated values for previous years, the data has been refreshed to reflect this. This may mean historical data presented in the 2022/23 framework differs slightly from data presented in previous years.
- 3.6. It should be noted that the Improvement Service recognises that expenditure and performance are driven by local strategic priorities. Therefore, there is no specified 'ranking order' within the LGBF, and no ranks are included within the annual National Overview Report or within the corresponding online publication. The Improvement Service stresses that the ranking order used in the LGBF data set is optional and has been proposed by Local Government as being the order which is of most use to them for each of the measures.

## **4. New Measures**

- 4.1. The following new measures have been included in this year's LGBF framework:
  - CLIM03 - CO<sub>2</sub> emissions from transport per capita.
  - CLIM04 - CO<sub>2</sub> emissions from electricity per capita.

## **5. Future Data Release and Availability.**

- 5.1. 2022/23 data for the following measures are not currently available and will be updated later in 2024:
  - SW4d – Adults Supported at Home Who Agree that They had a Say in How Their Care, Help or Support was Provided.
  - SW4b – Adults Supported at Home Who Agree that Their Services had an Impact in Improving or Maintaining Their Quality of Life.
- 5.2. 2022/23 data for the following measures are not currently available and will be updated in the 2023/24 LGBF framework:
  - CLIM1 – CO<sub>2</sub> emissions area wide per capita.
  - CLIM2 – CO<sub>2</sub> emissions area wide: emissions within scope of local authority per capita.
  - CHN24 – Percentage of children living in poverty (after housing costs).
  - CHN19b - School Attendance Rate for Looked After Children.
  - HSN05a - % of council dwellings that are energy efficient.

### **For Further Information please contact:**

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### **Implications of Report**

1. **Financial:** All 32 Scottish Councils pay an annual rate to the Improvement Service for participation in the LGBF. For this, the Improvement Service provides councils with data services and co-ordination of family group activity. The fee for 2022/23 was £2,766.
2. **Legal:** Further to powers contained in section 1(1)(a) of the Local Government Act 1992 as amended, the Council is directed by the Accounts Commission to report on its performance against indicators contained within the Local Government Benchmarking Framework.
3. **Corporate Governance:** not applicable.
4. **Human Resources:** not applicable.
5. **Equalities:** not applicable.
6. **Island Communities Impact:** not applicable.
7. **Links to Council Plan:** the proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our Economy.
  - Strengthening our Communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** the proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
  - Cost of Living.
  - Sustainable Development.
  - Local Equality.
9. **Environmental and Climate Risk:** not applicable.
10. **Risk:** not applicable.
11. **Procurement:** not applicable.
12. **Health and Safety:** not applicable.
13. **Property and Assets:** not applicable.
14. **Information Technology:** not applicable.
15. **Cost of Living :** not applicable.

## **List of Background Papers**

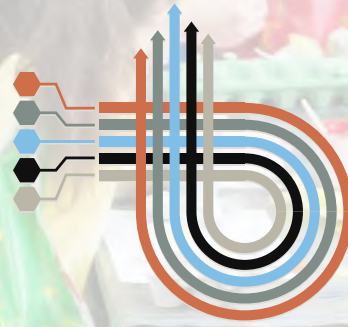
Strategic Planning and Performance Management Framework 2023-28.

## **Annexes**

Annex 1 – LGBF National Benchmarking Overview Report.

Annex 2 – LGBF 2022/23 – Council Plan Indicators.

Annex 3 – LGBF 2022/23 – Other Indicators



**Local  
Government  
Benchmarking  
Framework**

# National Benchmarking Overview Report 2022-23

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# Preface

This is the twelfth annual report for the Scottish Local Government Benchmarking Framework (LGBF). The LGBF represents a joint commitment by Solace (Scotland) and COSLA to develop better measurement and comparable data to target resources and drive improvement. Over the past 12 years, this sector-led improvement approach has successfully supported all 32 Scottish councils to work and learn together.

This report reflects 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 and sits against a backdrop of deepening fiscal, demand and workforce pressures including those resulting from the ongoing effects of the Covid pandemic.

This report reveals the extraordinary effort and achievements delivered across local government during some of the most challenging social and economic circumstances experienced by society over the last four years. Councils have adapted quickly to meet new demands, maintain essential services and implement new ways of working, and have strengthened partnerships with communities as well as the third and private sectors, helping to protect those who are vulnerable, and maintain community wellbeing.

However, there is growing evidence of the negative impacts of the sustained pressures facing councils and the communities they serve, and the increasingly difficult decisions councils are having to make about the shape and level of service delivery.

The evidence in this report shows that communities continue to be affected by these challenges in different ways and councils' responses have exemplified the importance of local solutions to local needs and issues. Local solutions are an inevitable function of local democracy, reflecting the diverse needs, circumstances, and priorities of local communities. Each council has developed the structure and service arrangements it believes are the most appropriate and cost-effective to support its local community.

All councils report their performance to their communities within locally developed and agreed public reporting frameworks, which draw upon LGBF information. This information is available to all citizens and users of council services, so that they can hold councils to account for what is achieved on their behalf and scrutinise their performance to drive improvement. To help communities and councils draw meaningful comparisons from the LGBF data, authorities are arranged in 'family groups', enabling comparisons to be made between councils that are similar in terms of the type of population that they




serve (e.g., relative deprivation and affluence) and the type of area in which they serve them (e.g., urban, semi-rural, rural). The point of comparing like with like is that it will most probably lead to useful learning and improvement.

The driving force behind this work is, and will always be, to improve the lives of people in communities across Scotland. We believe that effective public services contribute to both individual and community quality of life. With the sustainability of these services coming under increasing pressure, there has never been a greater requirement for working with and learning from each other. The local government sector has therefore positioned the LGBF as a key cornerstone of its evolving approach to sector-led performance improvement, especially through peer collaborative improvement. The robust evidence base provided by the LGBF will continue to be critical in informing and shaping councils' efforts to improve and transform services for the benefit of the people they serve.



**Dr Grace Vickers**  
Chair of Solace (Scotland)



**Councillor Shona Morrison**  
Chair, Improvement Service  
COSLA President



# Key Messages

1. The 2022/23 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.
2. During this time, funding levels for councils have not kept pace with increased demand, growing need and rising cost pressures. The financial challenges have coincided with new burdens and additional policy commitments, with the funding for these being ring fenced and eroded by inflation. While total revenue funding for councils increased in real terms by 0.7% in 2022/23, Audit Scotland report that the proportion of funding which is ringfenced and directed, or provided with the expectation it will be spent on specific services, has grown from 23.7% to 25.7%. This has resulted in a 1.9% real-terms reduction in revenue funding available to councils in 2022/23 to pursue local priorities.
3. The financial gap between councils' income and expenditure has increased by over a third in 2022/23. To bridge this gap, councils have increased their reliance on savings, Council Tax increases, and have doubled their relative use of reserves.
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. Meanwhile, disproportionate and substantial reductions are targeted in non-statutory services in order to provide balance to statutory and ringfenced commitments elsewhere. Since 2010/11, this has included:
  - 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. While long-term spending patterns are clear, between 2020/21 and 2022/23, more recent data reflect the active prioritisation of services that councils were required to make to support their Covid response and recovery. While education and social care continued to grow in line with national policy commitments, other areas such as roads and culture and leisure services saw fluctuation in their long-term spending trend.
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. In 2022/23, for the first time, the rate of decline has overtaken the rate of improvement (45% and 43% respectively). It is apparent that given the deepening fiscal, workforce and demand pressures facing the sector, councils are having to make increasingly difficult decisions about the shape and level of service delivery, and these are beginning to have a clear impact on service performance. 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.
7. 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. Tailoring services to the needs of local people and communities is a key function of local democracy and needs to be considered when comparing performance, however a variety in approach gives opportunities to learn and innovate.
8. 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. These demands were exacerbated by the pandemic, while at the same time the current crisis in workforce recruitment and retention is adding further to the pressures facing the sector. The long-term trends show how councils and their partners have worked together to expand provision in response to increasing demand and have succeeded in shifting the balance of care towards greater home-based support despite the extraordinary challenges they face. However, LGBF data in 2022/23 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 2022/23), fewer people receiving personal care at home

-0.4% in 2022/23) and increasing delayed discharges (up 23% in 2022/23). These trends add to growing concern about levels of unmet need, particularly within the community, and the capacity within the current system to be able to adequately respond to levels of growing need within our communities.

9. A sustained commitment to the 'whole system' of population health is required, including investment in the vital preventative and early intervention services councils provide. Integration and closer partnership working have been essential during this exceptionally challenging period, and it is critical that the creation of a National Care Service, and its formation in the years ahead, does not undermine what has been achieved to date nor impact upon the ongoing pace of change required to support our citizens for the challenges ahead.
10. 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. LGBF data reveals how councils have responded to these challenges, and the impact on education and children's service performance and outcomes. Some key outcomes are showing strong improvement in 2022/23 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. Important context for the interpretation of these trends lies in the increasing rates of mental health issues in children and young people which were growing pre-Covid and have accelerated in the last three years. There has also been a growth in support needs in relation to social, emotional and behavioural difficulties in recent years, and a particularly stark increase in speech, language and communication concerns, which will be important in the education trends we may see in future.
11. 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, with councils struggling to find and to keep the staff needed to provide the complex and pressured services local communities rely upon. Council staff absence levels rose by 10% in 2022/23 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).
12. Communities are experiencing increasing poverty and financial hardship, at a time when councils have reducing capacity to support them. Data in this

year's LGBF reveals the ongoing consequences of the cost-of-living crisis on the levels of financial hardship facing communities. Escalating inflation, marked by rapidly increasing energy costs, food costs, and other consumer goods prices is making it more difficult for financially vulnerable households to make ends meet and with this is increasing demand on council services. 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). 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.

13. This challenging reality highlights the need to progress the ambitions of the joint Scottish Government and local government Verity House Agreement. A solution is urgently required to the long-term issues of sustainable funding for councils and greater local financial flexibility in order to protect essential front-line services for our communities.
14. Local government, as a sector, is taking proactive steps to mitigate the effects of these growing challenges and seeking to ensure the ongoing sustainability of services through focusing on a programme of sector led performance improvement and transformation. These programmes will be of particular importance in light of the Verity House Agreement and the commitment made around local government accountability and assurance arrangements. They will also help the sector demonstrate that it has robust arrangements in place for reviewing local government performance and focusing on improvement.



# About this Report

1. This report provides a high-level analysis of the performance of councils both during 2022/23 and over the longer-term. It also sets out the challenges facing councils in the context of current funding and workforce pressures, growing demand and ongoing impacts from the Covid pandemic and cost-of-living crisis.
2. Our primary source of information for this report is the LGBF dataset, which provides longitudinal data on how councils allocate resources, the performance of key council services and levels of public satisfaction with the major services provided and commissioned by councils. The rich data supports evidence-based comparisons between similar councils (family groups) and over time, providing an essential tool for policy makers and the public. The full detail of the LGBF data is available in the [LGBF Dashboard](#) which provides access to data and analysis at an indicator level, service level, family group level and council level, along with narrative to support meaningful interpretation. An overview of the trends across all LGBF indicators is presented in Annex 1.
3. The LGBF provides high-level ‘can openers’ which are designed to focus questions locally on why variations in cost and performance are occurring between similar councils to identify opportunities for learning. It does not offer a crude “league table” assessment. Local context and local decision making are essential in making sense of and making best use of the LGBF. ‘[Good practice principles](#)’ set out how the LGBF is used locally to support strategic and budget planning, improvement, scrutiny and public performance reporting. Further information, briefing notes and case studies are available in the ‘[How Councils Are using the LGBF](#)’ publication, and on the [LGBF website](#).
4. The benchmarking data in this report should not be considered in isolation. An [online interactive tool](#) links the LGBF with outcomes data presented in the Community Planning Outcomes Profile (a resource which provides trend data on outcomes, both at a local authority level, and at a locality level). The LGBF indicators have also been mapped to the National Performance Framework outcomes and public health priorities to support councils to demonstrate the important role they play in driving progress in these key areas.
5. We refer to ‘real-terms’ changes in this report. This means that we are showing financial information from past and future years at 2022/23 prices, adjusted for inflation so that they are comparable. To make that comparison we use gross domestic product (GDP) deflators to adjust for inflation, which are published quarterly by HM Treasury. GDP deflators are the standard



approach adopted by both the UK and Scottish governments when analysing public expenditure. As a result of the way that GDP is calculated, Covid-19 resulted in volatility across 2020/21 and 2021/22. To compensate for this, and to provide meaningful comparisons between years, we have used an average GDP growth rate across 2020/21 and 2021/22 in our calculations to separate inflation (changes in prices) from changes in outputs and those largely attributable to Covid-19 spending. As 2022/23 is the base year for this methodology, cash and real figures will match for this year.



# Introduction

This year's report introduces data from 2022/23, 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.

The evidence in this year's LGBF data highlights the extraordinary effort and achievements delivered across local government during this exceptional period. Councils have adapted quickly to meet new demands, maintain essential services, and implement service redesign. Strengthened partnership working with local communities as well as with third, private and public sector partners, has been at the heart of efforts to use our collective resources more effectively to deliver shared priorities and improve outcomes for communities, particularly for those who are most vulnerable.

There is also growing evidence of the negative impacts of the sustained pressures facing councils and the communities they serve, and the increasingly difficult decisions councils are having to make about the shape and level of service delivery. It is within this context, that the Verity House Agreement, signed in June 2023, aims to develop a new, improved and more effective partnership between local government and the Scottish Government, underpinned by the development of a new funding framework designed to help ensure the financial sustainability of essential services for local communities. It is acknowledged that no substantial progress has been made in the delivery of the Verity House Agreement to date.

The focal points in this report are:

1. Local government financial and workforce pressures
2. Poverty, financial hardship and the cost-of-living crisis
3. Health and social care pressures
4. Education for children and young people
5. Performance of local government services



# Financial and Workforce Pressures

The perilous state of council finances continues to worsen in 2022/23. Local government has suffered from a decade of austerity and underfunding with funding levels not keeping pace with increased demand, growing need and rising cost pressures. The financial challenges have coincided with new burdens and additional policy commitments, with the funding for these being ring fenced and eroded by inflation. Ring fencing also reduces the ability of councils to take local decisions. This situation has meant that councils increasingly have to rely on strategies to reduce costs backed through the use of reserves. Councils are now making progressively more difficult decisions about future service delivery and the level of service they can afford, with non-statutory services being significantly reduced, and some stopping all together.

This sustained fiscal pressure has occurred within a context of huge economic uncertainty driven by Brexit, Covid-19, the war in Ukraine, and economic shocks arising from political instability and changing economic policy. The combined effect of these events and subsequent inflationary, cost and wage pressures has been significant, creating new demands on council services to respond to growing inequality and financial hardship within our communities.

Against this fiscal context, councils have faced increased pressure on resourcing service delivery, resulting from deepening workforce recruitment and retention issues at a time where demands on services are growing due to demographic pressures. This includes a 2% increase in the overall population, and a 15% increase in the 65+ population between 2013/14 and 2022/23<sup>1,2</sup>. An ageing population means more people in our communities with multiple and increasingly complex needs relying on essential council services, as the available labour market reduces.

Councils are also managing an increasing programme of national reform, including plans for a National Care Service, education reform and commitments in meeting national climate change goals, which comes with substantial funding implications and increased uncertainty.

This challenging reality highlights the need to progress the ambitions of the joint Scottish Government and local government Verity House Agreement. A solution is urgently required to the long-term issues of sustainable funding for councils and greater local financial flexibility in order to protect essential front-line services for our communities.

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1 <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates>

2 <https://www.scotlandscensus.gov.uk/2022-results/scotland-s-census-2022-rounded-population-estimates/>

## Scottish Government Funding for Councils

Funding of local government has not kept pace with other parts of the Scottish budget for many years. While the Scottish Government budget has increased by 37% since 2013/14, the local government budget has remained relatively static. Although there has been some growth in Scottish Government funding for local government in the last decade, almost all of this has been to fund new services and new policy priorities which have brought with them new costs which councils have had to meet. The roll out of universal free school meals, the expansion of early learning and childcare, and the significant increase in funding for adult social care are some of the examples of where extra funding has been provided but has been ring-fenced to meet the additional costs. Scottish Government funding for existing core council services has not been uplifted for inflation and other cost pressures and has therefore fallen substantially in real terms. Furthermore, and where inflationary uplifts are not included in ongoing ringfenced allocations, there is a risk that the cost of delivering these obligations exceeds allocations which may be based on historic demand and cost estimates. This too represents a further reduction to core council budgets. Local government has been charged to do more on Scottish Government's behalf, with less discretion to do what is important locally, and consequently core services are now significantly underfunded.

In real terms, total Scottish Government revenue funding for councils has increased by 0.7% in 2022/23, and by 1.3% since 2013/14. As highlighted, within this funding growth, there has been an increase in the proportion of funding that is ringfenced or provided with expectation it will be spent on specific services. Audit Scotland calculations indicate that the funding which is ringfenced or directed has grown from 23.7% in 2021/22 to 25.7% in 2022/23. When adjusted to reflect the growth in ringfencing, Scottish Government funding for councils has reduced by 1.9% in real terms in 2022/23. This equates to £176.7 million less funding available to councils to pursue local priorities. It is worth noting that CIPFA Directors of Finance suggest that the actual proportion of 'ringfencing' or 'directed funding' is higher when factoring in the national commitment to maintain teacher numbers and other costs related to Health and Social Care Partnerships and policies such as universal Free School Meal provision for P1-5<sup>3</sup>.

In 2022/23, capital funding from the Scottish Government rose by 19% in real terms to £0.82 billion compared to 2021/22. However, it remains lower than many of the years leading up to the Covid-19 pandemic.

<sup>3</sup> Evidence provided by the CIPFA Directors of Finance to the Local Government, Housing and Planning Committee - [Official Report \(parliament.scot\)](https://www.parliament.scot/Official-Reports/2022/20220701)

## Local Government Expenditure and Financial Sustainability

Against a fiscal context which is more challenging than ever before, councils' financial plans and spending patterns reflect the difficult decisions they are required to make to deliver balanced budgets and demonstrate good financial management and sustainability.

Local government revenue expenditure has increased in real terms by 0.7% in 2022/23, and by 7.4% since 2013/14. Expenditure growth has accelerated since 2019/20, reflecting the provision of Covid funding, additional ringfenced or specific grant funding to deliver new national policy commitments, the impact of inflation and increased demand for some services.

The Accounts Commission calculates that the financial gap for councils, where anticipated income is less than planned expenditure, has increased by over a third in 2022/23, from £350 million to £476 million. In addition to relying on recurring savings and Council Tax increases to bridge the budget gap, councils have increased their reliance on reserves, doubling their relative use of reserves from 17% in 2021/22 to 34% in 2022/23<sup>4</sup>. Reserve levels have been supplemented by fiscal flexibilities and remain high as councils plan ahead for major financial challenges and protect reserves to manage uncertainty. In 2022/23, reserves remained stable at 24.5% of annual budgeted revenue, following a sharp increase in 2020/21 and 2021/22. This compares to pre-Covid levels of 17%. One-off Covid funding and the timing of grant allocations will have been a factor in this increase for some councils, with some Covid funding being carried into the 2023/24 financial year. Accounting adjustments related to the permitted use of financial flexibilities for the repayment of longer-term debt will also have been a contributing factor for some councils. It is notable that although useable reserves remain higher than the long-term trend, the extent to which these are committed has increased and the percentage which is uncommitted has continued to drop year on year (decreasing from 3.5% to 3.2% between 2021/22 and 2022/23). This references the clear plans councils have in place for how they intend to use their reserves to help balance future budgets, to meet severance costs and to fund investment in transformation.

Despite the budgetary pressures, councils have continued to underspend compared to the budgets they have set since Covid. Unbudgeted income from Covid grants however, and the use of other fiscal flexibilities has created a more positive picture of how councils are coping with overall pressures on budgets. It will not be possible to sustain this position in future years. In 2022/23, actual outturn was 98.6% of budgeted expenditure, lower than the pre-Covid levels of

4 [https://www.audit-scotland.gov.uk/uploads/docs/report/2024/nr\\_240116\\_local\\_government\\_finance.pdf](https://www.audit-scotland.gov.uk/uploads/docs/report/2024/nr_240116_local_government_finance.pdf)

99.4%. The impact of pay rises and ongoing inflationary pressures may have an effect on this trend in 2023/24 data.

Capital expenditure by councils increased by £0.5bn in 2022/23, although it remained lower than the pre-Covid level observed in 2019/20. The growth in 2022/23 was financed through a 52% increase in local government borrowing. At £1.41bn, this was the largest source of capital financing in 2022/23, surpassing government grants which accounted for £1.35bn of capital expenditure. While the higher costs associated with borrowing will place further pressure on revenue budgets over the longer term, lower interest rates and the use of fiscal flexibilities to ensure debt charges remain prudent and affordable in recent years have enabled councils to manage this borrowing through their Treasury Management and Capital Strategies. Subsequently, the cost of borrowing for councils has continued to reduce in recent years, with the proportion of council revenue expenditure being used to service debt falling from 8.4% to 5.4% between 2013/14 and 2022/23. It is important to note that while using flexibilities to meet immediate spending pressures may help councils to balance their budgets, some offer short term reductions in debt charges whilst deferring costs to later years and they do not tackle the underlying challenges to financial sustainability. Rises in the rate of interest, and capital inflation, are creating material pressures on the cost of borrowing and capital budgets which has resulted in a number of councils reducing their capital programmes on the grounds of affordability, which will impact on key services.

**Table 1: Financial Sustainability**

	2013 -14	2019 -20	2020 -21	2021 -22	2022 -23	Change since 2013- 14 (pp)	Change 2021/22 to 2022/23 (pp)	Change since Pre-Covid (pp)
<b>Total Useable Reserves as a % of annual budgeted revenue</b>	16.0%	17.0%	23.7%	24.4%	24.5%	8.5	0.1	7.6
<b>Uncommitted Total General Fund Balance as a % of annual budgeted net revenue</b>	3.7%	3.6%	3.5%	3.5%	3.2%	-0.5	-0.3	-0.4
<b>Ratio of Financing Costs to Net Revenue Stream - General Fund</b>	8.4%	7.2%	6.2%	5.9%	5.4%	-3.0	-0.5	-1.8
<b>Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account</b>	25.9%	22.6%	22.9%	22.6%	21.3%	-4.6	-1.3	-1.3
<b>Actual outturn as a percentage of budgeted expenditure</b>	99.1%	99.4%	97.4%	98.3%	98.6%	-0.5	0.3	-0.8



While overall, the Accounts Commission have praised Scottish councils for their financial management throughout 2022/23, it warns of the future risks facing councils given the extremely challenging financial outlook and the unprecedented financial and service demand pressures. To support councils as they continue to develop financial plans which enable them to become more financially sustainable within this difficult financial context, the LGBF Board will work closely with local government Directors of Finance to consider how to strengthen the suite of Financial Sustainability Measures included within the framework. This work will align closely with the development of a new fiscal framework as set out within the Verity House Agreement.

## Protected & Non Protected Spend

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.

The long-term trends show a clear shift of expenditure towards national priorities and those areas where Scottish Government have allocated additional monies for specific purposes. As such, expenditure within social care, education, and support for care experienced children continues to be sustained and enhanced, growing since 2010/11 by 29%, 21% and 17% respectively. As these areas account for over 70% of the benchmarked expenditure within the LGBF, councils are left with little flexibility but to target increased and disproportionate savings on those areas which are not protected by Scottish Government policies, to provide balance to statutory and ringfenced commitments elsewhere. Since 2010/11, in real terms, this has included:

- 20% reduction in culture and leisure spending
- 9% reduction in roads spending
- 27% reduction in planning spending
- 27% reduction in tourism spending
- 24% reduction in corporate support services spending
- 26% reduction in trading standards and environmental health spending
- 35% reduction in street cleaning spending
- 5% reduction in waste service spending.

The scale of the budget reductions in the past decade raises concerns on future sustainability and local authorities' capacity to support prevention and early intervention approaches to tackling poverty, improving health and wellbeing,

and supporting our transition to Net Zero, all of which are central to the shared outcomes agreed within the Verity House Agreement..

**Table 2: Real change in Revenue Expenditure since 2010/11 (£000s)**

	2010-11	2019-20	2020-21	2021-22	2022-23	Change since 2010/11	Change 2021-22 to 2022/23
Education	£5,204,704	£5,676,402	£5,965,966	£6,226,311	£6,310,491	21.2%	1.4%
Adult Social Care	£3,331,493	£3,859,673	£4,109,488	£4,190,578	£4,310,078	29.4%	2.9%
Looked After Children	£483,700	£583,337	£578,809	£586,950	£568,366	17.5%	-3.2%
Culture & Leisure	£667,139	£500,267	£491,439	£518,283	£530,290	-20.5%	2.3%
Environmental Services	£901,311	£791,000	£791,457	£798,420	£781,196	-13.3%	-2.2%
Roads	£754,071	£584,809	£549,448	£635,877	£684,961	-9.2%	7.7%
Planning	£160,785	£120,921	£118,150	£115,692	£118,087	-26.6%	2.1%
Economic Development	£447,634	£363,272	£395,071	£494,256	£452,020	1.0%	-8.5%
Central Support Services	£1,022,558	£744,024	£749,892	£775,120	£777,850	-23.9%	0.4%

*Note: Table 2 includes expenditure covered by the LGBF measures. While the LGBF measures reflect the significant areas of local government expenditure, there are some minor areas of spend excluded, which accounts for differences with Scottish Government published expenditure data. All trends represent gross expenditure.*

While long-term spending patterns are clear, between 2020/21 and 2022/23, more recent data reflect the active prioritisation of services that councils were required to make to support their Covid response and recovery. While education and social care continued to grow in line with national policy commitments, other areas saw fluctuation in their long-term spending trend.

Spending on Social Care and Education grew in real terms in 2022/23, increasing by 2.9% and 1.4% respectively. Education trends mirror political manifesto commitments for pupil equity and student attainment funding, and the expansion of early years entitlement. Staffing costs and the recent pay settlements are important factors in this trend, and the potential to make savings is impacted by the commitment to maintain teacher numbers. To manage increases in these relatively fixed costs, savings have been disproportionately targeted towards ancillary workers including support staff, janitors, caterers, and cleaners. The growth in social care expenditure reflects both continuing demographic pressures and additional funding provided by the Scottish Government to support the commitment to pay the Scottish Living Wage to care workers.

While spending on support for care experienced children grew significantly prior to 2018/19, this has seen a levelling out in recent years, with expenditure

falling by 3.2% in real terms in 2022/23. This decrease is likely to reflect both the reduction in the number of children and young people formally 'looked after' by councils, along with efforts to reduce the use of more expensive external placements. It is possible that the continued impact of the pandemic on mental health and the societal impact of the cost-of-living crisis may create an increase in demand in future years, and it will be important to closely monitor future data to understand the impacts of this.

Some nonprotected service areas such as environmental services have seen budget reductions continue throughout the pandemic years, including a 2.2% reduction in 2022/23. There are other areas, however, which have seen recent uplifts reflecting the resumption in activity, which was deferred during Covid, including in relation to significant capital programmes. For example, culture and leisure, roads and planning services have all seen an increase in expenditure in recent years, including respective increases of 2.3%, 7.7% and 2.1% in 2022/23.

Three things are important to note in relation to the above expenditure trends. Firstly, beneath the national figures and trends presented, there is significant local variability reflecting the priorities and approaches adopted by different councils to respond to local needs and issues. Secondly, the recent high inflation and impact of pay settlements are not yet fully reflected in this data, with further effects of these cost pressures likely to be evident in future data releases. Thirdly, the significant scale of reductions which have already been made in non-protected services mean it will not be possible to address the projected future funding gap by targeting yet further savings in these same services and have them continue to function properly.

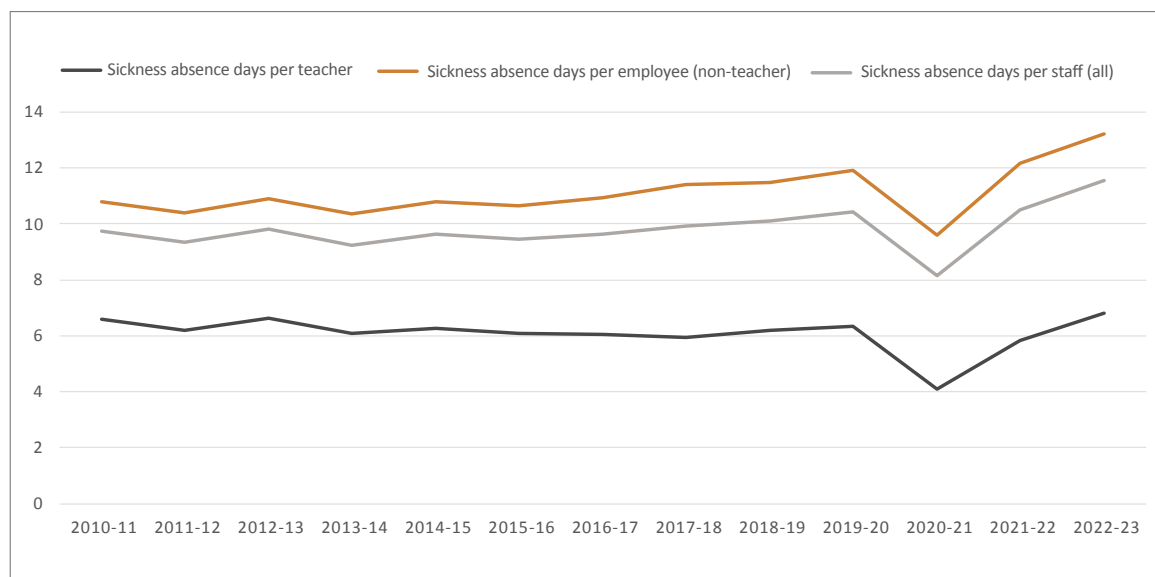
## Workforce Pressures

Councils are currently 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, with councils struggling to find and to keep the staff needed to provide the complex and pressured services local communities rely upon.

In 2022/23, council staff absence levels reached the highest level ever reported. Absence levels for all staff, excluding teachers, have continued a long-term upward trend, reaching an all-time high of 13.2 days in 2022/23, which is an 8% increase from 2021/22. Meanwhile, teacher absence levels also increased sharply in 2022/23, rising by 17% to reach a historic high of 6.8 days. Although absence levels experienced a temporary Covid related decline in 2020/21, absence has risen sharply in the past two years and now significantly exceeds pre-pandemic levels.

The growth in absence in the last two years has been driven at least in part by NHS backlogs for treatment, longer recovery times due to treatment delays and inactivity, and increased spread of infections post pandemic. Long-term absence in particular has been impacted by treatment delays, with the CIPD reporting a sharp rise in staff being off long-term with multiple medical conditions. The impact of growing work pressure on staff due to staff shortages will also be a consideration in understanding current and future absence levels.

**Figure 1: Local Government Sickness Absence Trends**



*Note: Covid-related absences are recorded separately and do not contribute to the trends*

Recruitment and retention challenges continue to grow for councils in an increasingly competitive labour market. While some of these pressures are historical, others have emerged from a challenging labour market profile impacted by Brexit and several other post pandemic employment factors, including increased economic inactivity, labour shortages and wage inflation.

The 2023 Workforce Planning Survey by SPDS and Solace provides a clear picture of the most critical workforce gaps across local government currently. 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). Social care and social work remain the highest priority workforce gaps with 97% and 90% of councils reporting shortages in these areas respectively. Staff shortages are becoming more widespread however, and councils are now facing gaps in areas not previously impacted. For example, there is a growing cluster of statutory local government professional roles facing workforce shortages, with complex structural issues within the skills system in Scotland now directly impacting on a range of critical statutory areas, including planning, environmental health, trading and building standards.

The cost-of-living crisis has further exacerbated the workforce crisis, increasing demand for council services particularly by the most vulnerable in society, just as staff are choosing to leave local government for better paid jobs in other sectors to cope with rising inflation. In addition, prolonged industrial action over pay due to inflationary cost pressures, both increased the pressure on budgets and also affected staff morale and service delivery.

Longer term, the local government workforce is ageing, and councils are now seeing employees retiring earlier. This is a particular challenge in relation to senior positions, where an age-related tipping point has been reached, and there has been a significant turn-over in the most senior positions within councils within the past 2 years.

Our workforce is key to how we shape and deliver local services for the future, and the scale of current workforce issues risks leaving councils with insufficient staff with the appropriate skills and qualifications to deliver services to the level needed. Local government does not currently have the funding available to support the development of workforce areas through our normal revenue funding and had relied on accessing other sources of funding that come through the apprenticeship levy so recent changes will cause further impact. Local government is however expected to deliver the same or better outcomes with less available labour and access to development, often creating intolerable work pressure for staff.

In response to these pressures, SPDS and Solace are working together to develop a co-ordinated local government approach to workforce issues to help address gaps at both a local and national level. Drawing on evidence from their recent workforce survey, they are working to agree workforce development priorities around which councils can collaborate to improve levels of workforce planning practice, linked to other national and regional activities including Health and Social Care workforce development.

Councils are already taking proactive steps and making demonstrable progress towards addressing workforce issues. There is a strong focus on strengthening relationships with further education establishments to ensure employees are able to access the correct education and training required for a number of local government roles. A collaboration arrangement is underway between Glasgow City Regional Local Government Skills Working Group and University of West of Scotland to develop a planning undergraduate programme which will be fully funded and accessed in Year 1 or Year 3 depending on existing qualifications and experience. Councils are also working together to explore shared service models, such as making use of additional procurement capacity provided by Scotland Excel and exploring the possibility of shared staff across groups of councils. There are also several “grow your own” programmes in place where vacant posts are filled through providing development opportunities to existing

staff members. In Aberdeen City Council, for example, to meet the expanding needs of the Early Learning and Childcare Service a number of roles were filled by offering training and secondment opportunities to interested internal candidates.

## Future Challenges

Looking forward, councils continue to plan for an increasingly challenging financial landscape. This includes pressures resulting from underfunding, demographic change and increased demand for services, inflation, workforce shortages, as well as the continuing financial impacts of the Covid pandemic and cost-of-living crisis. In addition to these pressures, there are a number of other factors which are adding to the uncertainty of the challenges that councils may or may not face in the immediate future.

- Progress in embedding the ways of working and realising the shared ambitions of the Verity House Agreement. This includes adopting the European Charter of Local Self-Government and a commitment to agree a new fiscal framework which will provide councils with longer term funding and reduced ring-fencing to support a more flexible direction of resources to meet local need. As we are still in the early phases of the Agreement, the potential benefits to local government are yet to be fully determined. The ability to meaningfully realise and make progress towards the shared outcomes of tackling poverty, supporting a just transition to net zero and providing sustainable public services, remain unclear due to the uncertainty and scale of the current funding envelope. These concerns have been further compounded by the recently proposed council tax freeze, and what impact this will have on financial sustainability, recognising the reliance councils have placed on raising council tax to balance budgets in recent years.
- Impact of recent local government pay awards. The full impact of recent pay awards on budgets are as yet undetermined and will create significant additional pressure on the already limited capacity available for transforming and redesigning services.
- Uncertainty and delays in relation to the National Care Service. The integration of health and social care continues to bring significant challenges in the context of increasing demand and insufficient funding, alongside uncertainty in relation to ongoing deliberations on further reform of social care and the proposed implementation of a National Care Service (NCS).

- Impact of capital inflation on large scale climate adaptation infrastructure projects. Adapting to the impacts of climate change and delivering a just transition to Net Zero is a central area of focus and activity. Local government has a crucial role to play in delivering a sustainable low carbon future and is tasked with a growing number of legislative and policy requirements which require funding and resources. In particular, the impact of rising cost pressures on capital programmes and shortages in construction materials will present risks to current and future large scale infrastructure projects to adapt to extreme weather events (e.g. flooding and high temperatures) which could affect progress towards Net Zero targets.

The increasing cost of, and demand for services, alongside continued uncertainty over long-term funding and the public service reform landscape, including the Verity House Agreement, provides a challenging context for the effective planning and decision making needed on the transformational change councils must deliver.

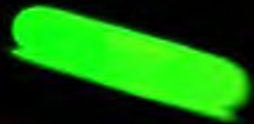
The unprecedented nature of current fiscal challenges means that in order to remain sustainable and continue to perform well, councils are now absorbing a higher level of risk to bridge the funding gap. Councils are increasingly having to rely on savings and reserves to balance budgets, as well as continuing to sustain and reform essential services whilst managing significant and widespread workforce shortages. This is not sustainable, and without action and further investment, Scottish local government will reach a similar crisis point to the one local government in England now faces, where a number of Section 114 notices have had to be issued.



Budget



£  
Weekly budget





# Poverty, Financial Hardship and the Cost of Living Crisis

Communities are experiencing increasing poverty and financial hardship, at a time when councils have reducing capacity to support them.

Over 21% of Scotland's population are now living in relative poverty<sup>5</sup>. The impact of both the Covid pandemic and the ongoing cost-of-living crisis has exacerbated the financial hardship experienced by low-income households. The impact is being borne unequally, with the most vulnerable in society most severely affected.

Data in the 2022/23 LGBF reveals the ongoing consequences of the cost-of-living crisis on the levels of financial hardship facing communities. Escalating inflation, marked by rapidly increasing energy costs, food costs and other consumer goods prices is making it more difficult for financially vulnerable households to make ends meet and with this is increasing demand on council services. While 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, the deepening fiscal, workforce and demand pressures facing councils pose real risks to the future sustainability of vital services. These services are those that are essential in preventing and mitigating the effects of poverty.

## Scottish Welfare Fund

Demand on the Scottish Welfare Fund (SWF) has grown significantly in recent years, reaching an all-time high in 2022/23.

The SWF includes two types of grants: Crisis Grants, which aim to help people on a low income who are in crisis because of a disaster or an emergency and Community Care Grants (CCG), which aim to enable people to live independently. The most common reasons for applications to the SWF are families facing exceptional pressure. Such circumstances cover events where benefits or other income is exhausted, the occurrence of unexpected expenses, and 'other' reasons increasingly relating to the cost-of-living crisis. Awards are commonly made to provide immediate financial assistance to households to buy food, floor coverings, beds, bedding, and kitchen appliances, as well as covering unanticipated spend such as essential heating expenses and other living expenses.

After a period of relative stability, the growth in SWF spend accelerated sharply between 2019/20 and 2022/23 reflecting the combined pressures from Covid

<sup>5</sup> [https://data.gov.scot/poverty/#All\\_people](https://data.gov.scot/poverty/#All_people)

and the cost-of-living crisis. SWF spend increased from £38m to £56m between 2019/20 (pre-Covid) to 2022/23, an increase of 48.9%. This includes a 3.5% increase in 2022/23. During this time, there has also been a change in the balance of spend between CCG and Crisis Grant funding, with a relative shift towards Crisis Grant funding.

**Table 3: Scottish Welfare Fund Expenditure**

	2013-14	2019-20	2020-21	2021-22	2022-23	Change since 2013/14	Change 2021/22 to 2022/23	Change since pre-Covid
SWF Spend	£28.7M	£37.6M	£49.5M	£54.1M	£56.0M	95.2%	3.5%	48.9%
CCG Applications	58,020	77,900	84,880	90,015	94,420	62.7%	4.9%	21.2%
CCG Awards	35,875	42,280	48,040	48,700	48,845	36.2%	0.3%	15.5%
Crisis Applications	114,525	222,065	271,565	267,895	291,515	154.5%	8.8%	31.3%
Crisis Awards	81,995	140,370	188,345	175,535	186,020	126.8%	6.0%	32.5%
SWF Applications	172,545	299,965	356,465	385,005	385,935	123.7%	7.8%	28.7%
SWF Awards	117,870	182,650	236,385	224,235	234,845	99.2%	4.7%	28.5%
% SWF Budget Spent	87.0%	107.8%	83.2%	115.1%	130.0%	43.0pp	14.8pp	22.2pp

*Note: Data in this table is sourced from the Scottish Government Scottish Welfare Fund Statistics. This dataset is revised quarterly so may not match the most current publication. Data is correct as of October 2023 publication.*

In 2022/23, the total number of applications for SWF grants reached an all-time high, exceeding levels reached during the peak of the Covid pandemic. The volume of SWF grants applied for and awarded in recent years has risen sharply compared to pre-Covid, particularly in relation to Crisis Grants. The number of Crisis Grants awarded increased from 140,370 to 186,020 between 2019/20 and 2022/23, an increase of 33%.

This sharp growth in applications for Crisis Grants has impacted on the speed with which grants are allocated, with the percentage of grants processed within the target time of one day falling from 95.3% in 2019/20 to 91.8% in 2022/23 (range: 65% - 100%). It is worth noting that during the pandemic, councils were also responsible for processing large numbers of applications for Self-isolation Support Grants alongside an unprecedented number of new funding streams, which impacted on their capacity to deal with SWF applications alongside other, new priorities. Furthermore, as non-statutory services, these functions have been in scope for significant capacity reductions as a result of budget savings.

Table 4: Processing of Scottish Welfare Fund Grants

	2018-19	2019-20	2020-21	2021-22	2022-23	Change since 2018/19	Change 2021/22 to 2022/23	Change since pre-Covid
SWF Crisis Grants								
Decisions within 1 Day	95.5%	95.3%	93.8%	93.3%	91.8%	-3.7pp	-1.5pp	-3.5pp
SWF CCG								
Decisions within 15 Days	89.5%	82.3%	84.5%	85.8%	87.3%	-2.2pp	1.5pp	5.0pp

In 2022/23, councils spent 130% of the available SWF budget allocated to them (range: 27% - 204%), a sharp increase from the previous two years. SWF expenditure levels have remained high in 2022/23 in line with high levels of demand, however following a Covid related uplift in the SWF budget in 2020/21, the budget has fallen back towards pre-Covid levels. Local authorities are able to top up the SWF budget with their own funds, and the overspend in 2021/22 and 2022/23 reflects other funds that councils have brought forward to deal with poverty and growing levels of financial hardship within their communities. The variation in local data reveals the different approaches being adopted to respond to local pressures on spend, with some authorities capping their provision and prioritising awards to the most compelling cases to manage budget overspends. This will be particularly pertinent in relation to the cost-of-living crisis which is seeing demand spike both for more compelling cases as well as less urgent levels of need. The point at which the SWF budget is exhausted is falling earlier in each financial year, at which point councils must evaluate whether to shift eligibility to manage the drawdown.

Early data from 2023/24 indicates that demand for SWF grants may have peaked. It is important to note however, that relative demands for SWF in some areas may be mitigated to some extent by the discretionary grants offered by councils. These reliefs will not fall evenly across councils and are targeted towards specific local issues but will have, in most cases sought to manage financial hardship. Despite such action being taken, the demands for support have continued to increase, and capacity continues to be pressured, particularly as the same teams often deliver both these local initiatives and SWF grants.

## Discretionary Housing Payments

Further evidence of the financial hardship being experienced by local communities can be seen in the growing level of spend on Discretionary Housing Payments. These payments are administered by councils to households who require financial assistance towards their housing costs and are an important tool to prevent homelessness and help struggling households to sustain tenancies.

Since 2017, when responsibility for DHP transferred to Scottish Government, there has been an increase of 34% in the DHP spend. Up to and including 2022/23, levels of spend have been significantly higher in the years following Covid, with DHP spend increasing by 20.3% since 2019/20.

**Table 5: Discretionary Housing Payment Expenditure**

	2017-18	2019-20	2020-21	2021-22	2022-23	Change since 2017/18	Change 2021/22 to 2022/23	Change since pre-Covid
DHP Spend	£59.2M	£66.0M	£76.5M	£78.9M	£79.4M	34.0%	0.7%	20.3%
% DHP Budget Spent	101.2%	104.5%	97.2%	96.0%	94.4%	-6.8pp	-1.6pp	-10.1pp

In 2022/23, the majority of DHP funding was spent mitigating the removal of the Spare Room Subsidy (£66.8 million, 84.1%), with a smaller proportion used to support claimants affected by the introduction of the benefit cap (£2.4 million, 3.1%) and reductions in Local Housing Allowance (£3.5 million, 4.4%). A further £6.3 million (8%) was spent on core (non-welfare reform) awards and around £260,000 (0.3%) on awards that covered a combination of purposes. Local authorities spent a much smaller proportion of their funding on the Benefit Cap than the allocated funding for this purpose (£2.4 million, 29%). Conversely, Local Authorities spent significantly more than the £3.9 million estimated allowance for core funding (162%, £6.3 million)<sup>6</sup>.

In recent years, there has been a reduction in the overall proportion of allocated DHP budget which has been spent, falling from 104.5% in 2019/20, to 94.4% in 2022/23. The budget available for DHP was, however significantly higher between 2020/21 and 2022/23, by between £15 million to £20 million, compared to 2019/20. Although there is considerable variation across local authorities, it is likely that the increased fund size, the timing of the provision of the additional allocation, and Covid related delays in processing DHP will be influencing this underspend.

## Rent Arrears and Council Tax Collection

Rent arrears have continued to rise, reaching an all-time high of 9.6% of rent due in 2022/23, compared to pre-Covid levels of 7.3%<sup>7</sup>. Some of the rise observed during the pandemic years will reflect the temporary ban on enforcing eviction orders introduced as part of the Covid response, and the ability of Housing Officers to effectively engage with tenants during restrictions. The continued

6 <https://www.gov.scot/publications/discretionary-housing-payments-in-scotland-1-april-2022-to-31-march-2023/pages/official-statistics-applications-determinations-awards-and-award-total-value/>

7 Note: For Housing Services, the data source for LGBF indicators is the Scottish Housing Regulator. There will be differences with Scottish Government Housing Revenue Account statistics due to definitions used

increase in arrears during 2022/23 provides further evidence of the pressure that the cost-of-living crisis is placing on household budgets. The statutory five-week wait for Universal Credit and underlying inadequacy of support against current cost-of-living pressures may also be contributory issues in relation to rising rent arrears. Recent analysis reveals that the gap between Universal Credit and the cost of living is growing, and that despite an inflation-linked uprating to Universal Credit and Cost of living payments, this fails to compensate for the total increase in costs for everyday essentials which are currently facing households<sup>8</sup>. It is not yet clear whether the cost-of-living payments will continue into 2024/25, which could lead to households falling even further from being able to meet the cost of living.

The level of rent arrears remains highest in those council areas serving communities with lower overall levels of deprivation (11.3% compared to 8.9% for the most deprived areas). While arrears rose much faster within less deprived council areas during Covid, this trend is not evident in data from 2022/23. It may be that households in the most deprived areas are more likely to receive full rent costs, and therefore face less challenge in their affordability compared to those who are receiving support but working. This is an area where further exploration and analysis would be helpful to fully understand this trend.

Beyond the immediate impact on some individuals and families, the continued increase in arrears will also result in the loss of rental income for councils. As councils also face future reductions in their capital budgets, this further loss of income may have a significant impact on capital works programmes, including long-term implications for future investment in affordable housing, a key anti-poverty measure. This follows on from curtailed planned investment programmes during Covid, and could further undermine efforts to meet local and national targets for affordable housing at a time when a number of councils have declared a housing emergency amid mounting pressures on homelessness services<sup>9</sup>.

**Table 6: Rent Arrears and Council Tax Collection Rates**

	2010-11	2019-20	2020-21	2021-22	2022-23	Change since 2010/11	Change 2021/22 to 2022/23	Change since pre-Covid
Rent Arrears	5.6%	7.3%	8.2%	8.7%	9.6%	4.0pp	0.9pp	2.3pp
Council Tax Collection Rates	94.7%	95.8%	94.8%	95.7%	96.2%	1.5pp	0.5pp	0.4pp

*Note: Council Tax collection rates refer to 'in-year' collection rates*

8 <https://neweconomics.org/2023/05/universal-credit-is-falling-890-a-month-short-of-the-cost-of-living-despite-inflation-linked-uprating-1>

9 <https://solace.org.uk/wp-content/uploads/2023/07/Solace-Current-Context-and-Preparing-for-the-Future-1.pdf>

Council tax collection rates have increased in 2022/23, recovering to above pre-Covid levels, and reaching their highest level yet at 96.2%. It is important to note however, that in 2022/23, the majority of councils allocated the Scottish Government's £150 Cost of Living Award directly to Council Tax accounts as targeted relief, which is likely to have boosted collection rates. As this award is available only for 2022/23, any impact on collection rates will be temporary in nature.

Councils serving the most deprived areas continue to report lower collection rates in 2022/23 (95.2% compared to 97.3% in the least deprived communities). The method of payment is important in understanding the pattern of variation, with higher collection rates in areas with higher levels of Direct Debit payment compared to those more deprived communities with higher levels of cash payments. This longer-term trend highlights the need for digital inclusion to be at the heart of efforts to tackle poverty. It will be critical to closely monitor collection rates in the years ahead to understand the potential impacts of the cost-of-living crisis on the ability of households to pay council tax, and the extent to which cost-of-living payment and other initiatives, including the proposed Council Tax freeze, will be able to mitigate against this.

## Child Poverty

Child Poverty rates<sup>10</sup> increased to 22.6% in 2021/22, following the removal of the additional support provided to low-income families during the Covid pandemic via the £20 uplift to Universal Credit. This additional support had provided a temporary improvement in poverty rates experienced by children in 2020/21, including a narrowing of the gap between the most and least deprived council areas. Upon removal, the rate of child poverty increased sharply in all but one local authority area, almost reaching the pre-Covid peak of 22.9%.

Child Poverty data for 2022/23 is not yet available and the full impact of the cost-of-living crisis on the levels of child poverty is not yet clear. It is clear however, that the crisis exacerbates the financial hardship for children and families who are living in poverty. It has a disproportionate impact on these households as they spend a greater proportion of their income on household essentials and have the fewest financial resources at their disposal to assist with increased costs. Even with the Scottish Government's cost-of-living support package announced in May 2022, the temporary nature of some of the measures will address only the recent inflation in energy bills and rising prices and will not respond to the real terms cuts families have experienced for years.

The 2030/31 statutory child poverty reduction targets are unlikely to be met

<sup>10</sup> % of children who are in households with incomes net of housing costs that are below 60% of the median in the local authority area

without significant action and structural change. The introduction and significant uplift in the Scottish Child Payment will be an important element of tackling poverty and addressing the inadequacy of the current social security system. However, a long-term approach is also needed to address in-work poverty and to ensure families have access to holistic person-centred services to ensure families do not continue to fall into, or deeper into, poverty.

Action undertaken by local authorities, health boards and their community planning partners is set out in their annual Local Child Poverty Action Reports under the Child Poverty (Scotland) Act 2017. The reports highlight a wide range of innovative practice intended to both reduce child poverty and mitigate its impact. Many local areas are taking an increasingly preventative, holistic approach to tackling child poverty, focusing on the role of housing, transport, childcare and economic development in reducing socio-economic inequalities. There has also been increased focus on the use of data and intelligence to map child poverty and better understand which interventions are most effective.

Table 7: Child Poverty Rates

	2014-15	2018-19	2019-20	2020-21	2021-22	Change since 2014/15	Change 2020/21 to 2021/22	Change since pre-Covid
Child Poverty	20.2%	21.2%	22.9%	20.9%	22.6%	2.4pp	1.7pp	-0.3pp

## How Councils are Responding to the Cost of Living Crisis

Councils are putting cost-of-living support at the heart of their strategic commitments to tackle inequality and poverty. This seeks to mitigate the impact of the current, and sustained, pressures being faced by the families, businesses and communities they serve. Councils have moved quickly to provide support to communities and help ease the impact of the cost-of-living crisis. The speed and reach of this response was supported by joint working, including with third sector partners in the distribution of Crisis Grants as well as funding third sector partners directly to increase their support activity. The role of Community Planning Partnerships has also been pivotal, with councils working closely with cross-sector partners to understand and develop place-based plans to tackle inequalities.

Strategic frameworks have been drawn up by councils to deliver a package of measures aligned to local need and these continue to be kept under review to ensure the efficacy of ongoing support and follow the following themes:

- **Bolstering existing provisions** – Covering overspends in areas such as the Scottish Welfare Funds and Crisis Grants. Maintaining awards without prioritising spend. Allocating additional funding backed by reserves.

- **Sustaining or Supplementing Covid Funds** – With new governance processes in place, councils are considering whether these funds could be used to continue funding in areas such as Child Bridging Payments or top up ongoing provision, for example where food vouchers have been provided. This may also include support for local businesses through local grants.
- **Making Best Use of Council Facilities** - Working with Leisure Trusts, Health & Social Care Partnerships and volunteer groups to develop Warm Hubs over winter months. This could be aligned to extending provisions within leisure facilities, libraries or other community facilities for free, or extended use (which would have been heated anyway) and reduced meal prices.
- **Extending Grants to Voluntary Organisations** - Providing additional support to third sector networks such as the Citizens Advice Bureau and volunteer groups to enable them to extend provisions locally and signpost clients to better access financial and other support.
- **Debt Recovery** – There may be additional considerations around the extent to which the council actively pursues debt. There have been national conversations about school meal debt and whether this could be written off. This may extend to recovery within council tax or within commercial properties.
- **Housing Support** – Where councils have a housing stock there may be considerations regarding rent uplifts, energy vouchers, debt recovery and promoting links to existing council programmes on tenant support.
- **Welfare Advice and Health Partnerships** – Working with GP practices to provide access to money and rights advice in health care settings, including providing advice to help people cope with the cost-of-living crisis.

In this landscape of a sustained period of change, and ongoing inflationary pressures, it is clear that further analysis will be needed over the coming months to more fully understand the emerging consequences of the cost-of-living crisis.





# Health and Social Care Pressures

The biggest short-term and long-term pressure for council budgets is adult social care. 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. These demands were exacerbated by the pandemic, while at the same time the current crisis in workforce recruitment and retention is adding further to the pressures facing the sector. Long-term underfunding has led to a system in crisis; a system that is coping only through the exceptional efforts and commitment from those working in the sector, and closer partnership working between councils, health boards, Health and Social Care Partnerships (HSCPs), the third sector and private providers.

The long-term trends show how councils and their partners have worked together to expand provision in response to increasing demand, and have succeeded in shifting the balance of care towards greater home-based support despite the extraordinary challenges and extreme uncertainty they face. However, LGBF data this year provides clear evidence of current system pressures, with significant capacity issues contributing to the delivery of fewer hours of care at home, fewer people receiving personal care at home, and rapidly increasing delayed discharges. These trends add to growing concern about levels of unmet need, particularly within the community, and the capacity within the current system to be able to adequately respond to levels of growing need within our communities.

This continues to be a period of significant change and reform in the social care landscape. The issues facing social care have been the subject of much focussed attention since the 2021 [Independent Review of Adult Social Care](#), and within the current scrutiny of the [National Care Service \(Scotland\) Bill](#). It will be essential that the LGBF evolves to reflect the challenges and opportunities ahead. We will continue to work with Social Work Scotland and Chief Officers of the Integration Authorities to ensure developments in the LGBF support councils and partnerships to take action to ensure the sustainability of the sector and improve the availability and quality of social care services.

## Expenditure and Workforce Pressures

Against mounting budget pressures, councils have continued to protect social care spend in light of policy commitments and demographic change. The rate of increase, however, has not kept pace with increasing demand and recent cost pressures.

Expenditure on adult social care has increased by 29% in real terms since 2010/11, and by 2.9% in 2022/23. The most recent increase reflects sector pay settlements and additional national funding to support the commitment to paying

the Scottish Living Wage to care workers in line with Scottish Government's commitment to Fair Work<sup>11</sup>. Social care provision involves high volume services and even a small rise in hourly rates paid to staff in private provision, for example, results in significant additional costs. Increasing costs are making it more challenging for many providers to continue to deliver services. There are specific local pressures in different areas of Scotland, particularly within rural and island communities. An ageing population, coupled with depopulation and the significantly increasing costs of delivering services in these communities is of real concern.

Within overall social care spend, expenditure on care at home provision for older people has continued to increase significantly faster than the growth in care home provision for older people (36% compared to 11% since 2010/11)<sup>12</sup>. This reflects the success of strategies to shift the balance of care towards greater home-based support. There is considerable variation beneath the national expenditure trends, reflective of local need, demographics and cost pressures, and illustrating the importance of a flexible approach to focus on what is important locally.

The biggest single issue for councils and partnerships is the recruitment and retention of staff at all levels. This is particularly acute for some of our more rural and island communities where there is a high dependency ratio and a limited pool of people to attract into the workforce. While there are multiple drivers for the widespread staff shortages facing the sector, low rates of pay for often long and demanding working hours are central to this. The minimum rates of pay within social care are not competitive with the wider labour market, even with the recent Scottish Government commitment to increase the Scottish living wage from April 2024.

While these pressures are particularly evident for front-line care staff, recruitment of social workers, allied health professionals and nurses are all areas where competition is fierce, and posts can remain vacant for a very long time. There is evidence that not enough people are being trained in these key disciplines to meet the workforce needs.

Managing these ongoing recruitment and retention issues, against a context of increasing demand and growing financial pressures is threatening the sustainability of social care services. Not having the right staff in the right place leads to increased cost in the system. The rise in delayed discharges since the end of the pandemic is a symptom of this and is being driven in many areas by the fall in care at home availability and a lack of dementia specific care home beds. Vacancies for social workers and Allied Health Professionals (AHPs) in

<sup>11</sup> <https://www.gov.scot/publications/fair-work-action-plan-becoming-leading-fair-work-nation-2025/>

<sup>12</sup> Note: Care Home expenditure represents gross expenditure net of client receipts

particular, mean that early intervention is compromised, and rehabilitation and assessment activity is delayed.

A national and co-ordinated approach to workforce planning will be essential to address these issues, underpinned by sustainable funding.

## Provision

Data reveals a mixed picture in relation to provision in 2022/23, reflecting national pressures and local variability in relation to both need and capacity. This section will consider each in more detail.

**Table 8: LGBF Social Care Trends**

LGBF Adult Social Care Trends								
	2010-11	2019-20	2020-21	2021-22	2022-23	Change since 2010/11	Change in 2021/22 to 2022/23	Change since pre-Covid
Number of Care at Home hours delivered per year 65+	21.6m	24.5m	24.4m	24.8m	24.2m	11.9%	-2.5%	-1.2%
Number of Clients receiving personal care at home 65+	46,954	47,458	46,666	45,379	45,205	-3.7%	-0.4%	-4.7%
% people aged 65+ with long-term care needs who received personal care at home	58.9%	60.7%	61.7%	61.9%	61.5%	2.6pp	-0.4pp	0.8pp
Number of long-stay residents 65+ supported in Care Homes	31,050	30,125	28,368	27,948	28,248	-9.0%	1.1%	-6.2%
Number of readmissions to an acute hospital within 28 days of discharge	90,012	112,873	91,887	98,102	94,572	5.1%	-3.6%	-16.2%
Number of hospital discharges	1,003,688	1,076,118	764,451	919,043	930,133	-7.3%	1.2%	-13.6%
Number of bed days people spend in hospital when ready to be discharged 75+	391,389	360,733	227,524	357,719	439,596	12.3%	22.8%	21.9%

*Note: Data is based on an average of quarterly figures published as part of Scottish Government's Free Personal and Nursing Care Statistics.*

## Care at Home

As with other parts of the social care system, the sustainability of care at home services is under pressure due to significant workforce shortages, increasing demand, and growing costs. A preventative and early intervention approach to health and social care requires a resilient care at home sector which supports people to remain independent and safe in their own homes. In addition to valuing choice and independence, it prevents unnecessary admission or readmission to hospital which puts more pressure on an already strained service.

The level of care at home provision for over 65s has grown over the last decade, with 24.2 million hours delivered in 2022/23 compared to 21.6 million hours in 2010/11. The balance of care has shifted over the long-term, with an 11.9% growth in care at home hours provided since 2010/11, and a relative decline in residential places of 9.0%<sup>13</sup>. The percentage of older people with long-term needs who are now receiving personal care at home has increased from 58.9% in 2010/11 to 61.5% in 2022/23.

Although these trends are positive, the evidence also highlights increasing pressure on provision across this period. The number of people receiving personal care at home has decreased over time while the hours of care they receive on average has increased, i.e. in shifting the balance of care, a greater resource has become targeted on a smaller number of people with higher needs. The reducing number of personal care at home service users, alongside the size of the package delivered, reflects the resource councils have available to meet demand and the agreed eligibility criteria in place to ensure the fair allocation of care.

The most recent data provides further evidence of growing capacity issues resulting from the considerable recruitment and retention challenges highlighted previously, and the associated shortages in care staff. In 2022/23, the level of care at home provision fell by 2.5% and the percentage of people with long-term care needs receiving care at home reduced by 0.4 percentage points. While there was a 1.1% increase in the number of long-stay residents 65+ in care homes, levels remain lower than pre-Covid levels.

At the same time, there is a significant upshift in demand with a greater level of illness being presented post-pandemic. With significant workforce and resilience issues, there is increased pressure on waiting lists for assessment and care, and on the size of support packages offered. The growing level of unmet need is leading to more carer and informal family support being relied upon, illness and risk being held in community and primary care settings, and more people who are medically fit being delayed in hospital.

<sup>13</sup> Note: This relates to funded residents. Results from the 2023 care home census shows that the total number of care home places reduced by 5% in the last 10 years.

While the national trend is clear, it is important to note there is significant variation beneath this trend, reflecting local differences in need and workforce pressures.

## Care Homes

The care home sector remains fragile after the Covid pandemic and is now facing a renewed financial crisis due to workforce shortages and inflation. This has exacerbated concerns over the rate of care home closures, with the number of care homes reducing by a fifth in the last decade. This is a particular issue for rural and remote areas, and for small care homes, undermining efforts to offer care that is local. This financial instability in care homes creates further harm and additional stress for residents, staff and care home operators following on from what was an unimaginably traumatic time for everyone involved.

During 2022/23, the number of long-stay residents (65+) supported in care homes increased by 1.1%, to 28,248. This small increase sits within a longer-term reducing trend. There has been a 9% reduction in care home residents since 2010/11 as part of a longer-term trend to shift the balance of provision towards greater home-based support.

While the small growth in residents in 2022/23 does reflect a recent increase in demand on care homes, this is within the context of unusually low figures in 2020/21 and 2021/22 due to the Covid pandemic. During this time, residents of care homes for older people experienced a particularly high rate of Covid related deaths, and public health measures saw the closure of care homes to new residents for significant periods of time.

The future landscape remains challenging for the care home sector, as it responds to the myriad of complex challenges it faces in relation to workforce shortages, accelerating costs, funding pressures and the rate of care home closures. Close monitoring will be required to assess whether the uplift in care home resident numbers observed in 2022/23 is temporary in nature or whether it indicates the start of a longer-term trend.

## Readmissions

After spiking during 2020/21, the rate of hospital re-admissions within 28 days has reduced to below pre-Covid levels in 2022/23. While rates peaked during Covid reflecting the reduction in hospital discharges largely due to cancelled or delayed elective activity during the pandemic, the current reduction is counter to the long-term increasing pre-Covid trend in readmission rates.

Since 2010/11, the rate of readmissions within 28 days has increased by 13% overall, with the scale of movement varying significantly between councils (ranging from a 13% decrease to a 72% increase). To understand the long-term

trend, demographic factors are important. While the focus of care is to enable some of our most vulnerable in society to have support to live their lives as well as possible, the increasing complexity of need and frailty in an ageing population brings an increase in multiple and complicated health conditions for which readmission is often a natural part of the care journey. The role being played by decision making in the hospital discharge process alongside capacity issues in relation to follow up support in driving both the long-term national trend and local variation within it, is an area where further exploration would be helpful.

In 2022/23, the rate of readmissions fell by 4.7%, counter to trend, although again there was significant variability between councils (ranging from a decrease of 16% to an increase of 18%). Close monitoring will be needed to assess whether the reduction in readmissions observed in 2022/23 is part of a longer-term trend, and if it offers potential evidence that the long-term focus on the discharge process is now generating improvements in terms of getting the right destinations for people first time. It is important to recognise however, that as outlined in the previous sections, significant pressures remain in the exit solutions which are available to those ready to leave hospital and this may continue to have an impact on decision making in relation to the hospital discharge process.

## Delayed Discharge

After falling sharply in 2020/21, the number of bed days spent in hospital during delayed discharges for the over 75s reached a historic high in 2022/23, with levels increasing significantly in both 2021/22 and 2022/23 (by 54.5% and 23% respectively).

The 37% fall in delayed discharges in 2020/21 resulted from significant reductions in non-Covid related hospital admissions during this period, along with concerted efforts to move patients out of hospital to free up hospital capacity and create a better outcome for individuals at risk of hospital acquired infections. The recent increases reflect that people are going back into hospital after the lifting of Covid restrictions, often with greater level of frailty and illness. Delays in hospital treatment along with reduced activity levels during Covid have led to reduced confidence, reduced mobility, and more complex illness and conditions.

This has been an area of significant and sustained focus for authorities. Waiting unnecessarily in hospital is a poor outcome for the individual and is particularly bad for the health and independence of older patients. While there have been improvements in previous years pre-pandemic, the fact that levels remain stubbornly high and are rising points to the need for a genuine whole systems approach to resolve this issue, rather than addressing parts of the system.

Risk in the system must be addressed, rather than simply moving it downstream. For delayed discharges, viewing acute settings as the priority for intervention within the system (i.e. freeing up bed spaces) neglects the complex infrastructure that may be required in the community setting, which can involve community health, primary care, social care, social work and care home provision, for an individual to live safely in the community. Delayed Discharges on their own do not tell us about the outcomes experienced, as people need to be discharged to an appropriate setting that is best for their reablement. Focusing on discharging patients quickly at the expense of this is not desirable, and improvements need to be achieved by better joint working and use of resources.

In order to ensure the safety and wellbeing of individuals and their families, and prevent unnecessary admission or readmission to hospital, a whole system approach to service design and delivery, which takes account of, and maps across, the wide range of data available from councils and HSCPs is imperative. As highlighted previously, addressing the significant capacity and resilience issues within care at home and care home provision is an essential element of this whole system approach.

## Satisfaction

Satisfaction levels among both those being cared for at home and among carers shows a long-term declining trend. Biennial data from the Health and Care Experience Survey reveals reduced satisfaction with services in relation to the impact on quality of life, living independently, choice and control, and support for carers. The sharpest reductions were observed in relation to 'choice and control' and 'support for carers', both of which have fallen by approximately 5 percentage points since 2019/20. The reduction in relation to carers is particularly concerning, as satisfaction levels for this group are historically low. While the majority of authorities saw a reduction in satisfaction across all measures, this was not universal. In relation to improving quality of life and living independently, for example, a third of authorities reported improvements in satisfaction levels in the most recent year data is available for.



Table 9: LGBF Social Care Satisfaction Trends

LGBF Adult Social Satisfaction Measures						
	2013-14	2017-18	2019-20	2021-22	Change since 2013/14	Change 2019/20 to 2021/22
% agree that their services and support had an impact in improving or maintaining their quality of life	85.0%	80.0%	80.0%	78.1%	-6.9pp	-1.9pp
% agree that they are supported to live as independently as possible	82.8%	81.1%	80.8%	78.8%	-4.0pp	-2.0pp
% agree that they had a say in how their help, care or support was provided	83.1%	75.6%	75.4%	70.6%	-12.5pp	-4.8pp
% of carers who feel supported to continue in their caring role	43.0%	36.6%	34.3%	29.7%	-13.3pp	-4.6pp

(Source: Health and Care Experience Survey - Biennial)

Although there is a longer-term downward trend, the scale of the reduction in satisfaction in some areas in 2021/22 will most likely reflect experiences during Covid where services were run differently. During this time services were stopped or scaled back, respite changed, and family members were unable to visit. People's experiences fundamentally changed during this period, and it would be surprising if this did not have an impact on satisfaction rates.

In understanding the longer-term trend, it is important to recognise that service expectations have been raised amongst our communities, at a time when our ability to deliver is under greater pressure than ever, and demand is accelerating faster than ever. This can be seen particularly in expectations in relation to choice, control and support for carers which have been introduced via legislation on Self-Directed Support and via the Carers Act at a time when councils' capacity to deliver on this has deteriorated.

## Quality of Adult Care Provision

While quality gradings for adult care services have reduced sharply in recent years, falling from pre-Covid figure of 81.8% to a historic low of 75.0% in 2022/23, Covid related methodological changes are likely to account for much of this movement. The Care Inspectorate's approach to inspection under Covid changed significantly, with an increased inspection focus on higher risk services and on infection control. It is not possible therefore to draw any firm conclusions from the current data. It will be important to closely monitor data once routine inspection activity is fully resumed, in order to understand the full impact of the pandemic on the quality of adult care services.

## Future Pressures

The social care sector is currently facing exceptional challenges, including long-standing structural issues such as chronic underfunding, workforce issues, system fragmentation and supply chain limitations. Covid also appears to have made some longstanding problems worse, such as unmet need for care, and the burden on unpaid carers.

There are a number of ‘whole-system’ issues which need to be addressed:

- Over the longer-term period, the funding and level of provision in social care has not grown to sufficient levels to meet demand and drive the desired shift to early intervention advocated for by the Christie Commission. While there has been progress in shifting the balance of care towards greater home-based support, in doing so a greater resource has become targeted on a smaller number of people with higher needs.
- Councils and service providers face growing difficulties in recruiting and retaining staff due to low pay, anti-social hours, increasing workloads and difficult working conditions. Latest figures show workforce shortages are worsening in the care sector with 49% of care services reporting vacancies, up from a third in 2020<sup>14</sup>. These issues are whole system, affecting both public and private providers. This has led to wider issues and concerns in relation to resilience, especially at peak periods such as winter. Pressures often lead to a redistribution of resource rather than an ability to accelerate and increase overall provision and capacity with employees moving between organisations. A national and co-ordinated approach to workforce planning is needed, underpinned by sustainable funding.
- Most care and support is provided by unpaid carers and our social care system would struggle to function without the care they provide. There are an estimated 700,000 unpaid carers in Scotland compared to around 125,000 workers in care at home, housing support and care homes. Against a context of increasing demand and greater level of illness, alongside low workforce availability and resilience, this is leading to growing levels of unmet need, with more carer and family support being relied upon. There is significant concern over the increasing pressures facing unpaid carers and the challenges for the social care sector in delivering much-needed support, as evidenced in carer satisfaction levels presented in this report.
- A sustained and real commitment to the “whole system” of population health is required, including investment in the vital preventative and early intervention services councils provide which are critical to addressing

14 [https://data.sssc.uk.com/images/StaffVacancies/Staff\\_vacancies\\_2022\\_Sept\\_2023.pdf](https://data.sssc.uk.com/images/StaffVacancies/Staff_vacancies_2022_Sept_2023.pdf)

the social determinants of health. Viewing acute settings as the priority for intervention within the system simply moves the risk downstream and neglects the complex infrastructure that may be required in the community setting for an individual to live safely. Investment is required in community health, primary care, social care, social work and care home provision to ensure the safety and wellbeing of individuals and their families in the community and prevent unnecessary admission and readmission to hospital. The choice facing Scotland is whether we are prepared to finance a preventative approach that values personal choice and independence or to continue to fund an emergency response which is primarily focussed on acute and secondary hospital care.

- Whilst there is no doubt that change is incoming across adult social care provision, it is critical that the creation of a National Care Service, and its formation in the years ahead, does not undermine what has been achieved to date nor impact upon the ongoing pace of change required to support our citizens for the challenges ahead.

Many of these challenges have been in evidence for many years across the care sector, but arguably are more acute today, particularly since the Covid-19 pandemic. IJBs/HSCPs have demonstrated an ability to work collaboratively over the last 9 years to improve and transform services to deliver as high a quality of service as possible to their citizens. This work to make best use of the available resources will continue. HSCPs are working at many levels to support change; from a greater focus on staff well-being to seeking to harness digital solutions to improve work flow or service user engagement in health and care. It is clear that closer partnership working is essential during this exceptional period of sustained and deepening pressure, with the strongest partnerships best able to deal with the multiple challenges presented. Councils, Health Boards, HSCPs, the third sector and private partners all play a key role.



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HABEN SIE EIN Wörterbuch ??

WIEKOMMSTU SIE?  
Ich meine ich habe vergessen

KÖNNEN SIE DAS WIEDERHOLEN?  
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# Education for Children and Young People

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. Children and families from low-income households are amongst those who were most negatively affected by the Covid restrictions and disruption in education and childcare services, many of whom were already struggling before the pandemic. The significant changes during this period affected the family environment, physical and social development, wellbeing, learning experiences, opportunities for play and leisure, and access to services; these are all issues that have a particularly pronounced impact on families living in poverty. As a result of the cost-of-living crisis, more children are at risk of being pulled into poverty, or into deeper poverty. This can harm children's life chances, limiting their opportunities, holding them back in education, or lead to worse physical and mental health outcomes.

Throughout this period, our schools and early learning and childcare services have continued to deliver high-quality education and learning experiences to our learners and have worked in new and innovative ways to maintain connections and support wellbeing. LGBF data reveals how councils have responded to these ongoing challenges, the impact on service performance and outcomes and the degree of recovery from Covid. Recent data provides evidence that some key outcomes including attainment and positive destinations are showing strong improvement, beyond pre-pandemic levels. Other areas however, such as pupil attendance and the development of pre-school children remain lower than pre-Covid levels and in some cases are showing further and concerning signs of decline.

Important context for the interpretation of these trends lies in the increasing rates of mental health issues in children and young people which were growing pre-Covid and have accelerated in the last three years. There has also been a growth in support needs in relation to social, emotional and behavioural difficulties in recent years, and a particularly stark increase in speech, language and communication concerns, which will be important in the education trends we may see in future.

The cost-of-living crisis is creating additional difficulties for families that will further increase the incidence of these issues and is likely to have an impact on outcomes over the coming years. In light of this, achieving recovery to pre-Covid levels will be a significant challenge, even before seeking further improvement in closing poverty related gaps. Effective support for these families often needs

to happen out-with schools (e.g. involving family support, whole family wellbeing, and effective partnership working on mental health support) and will be key to improving outcomes, including better attendance and closing the attainment gap.

## Child Development and Early Years Provision

For the second year in a row, the percentage of young children with recorded developmental concerns has increased. In the most recent data available, the percentage of children with no developmental concerns at their 27–30-month review decreased from 85.1% in 2020/21 to 82.1% in 2021/22. Where developmental concerns were noted, these predominantly related to speech, language and communication. Prior to the Covid pandemic, there was a 4-year improving trend in this important measure of young children’s development. In 2021/22, less than one fifth of authorities continued to see improvement.

There are persistent inequalities in the proportion of children who are found to have a developmental concern. Children in the most deprived areas are 2.3 times more likely to have a developmental concern recorded compared to those living in the least deprived areas. Developmental concerns increased faster for children living in the most deprived areas during the pandemic, increasing by 4 percentage points (most deprived) and 3 percentage points (least deprived) from 2019/20 to 2021/22.

Adaptations to the delivery of child health reviews were necessary during Covid, however coverage has been largely maintained for each review (with the exception in the 4-5 year review). It is therefore possible that factors relating to assessment, and to genuine changes in the occurrence of developmental problems are contributing to the observed increase in concerns.

We will continue to closely monitor improvements in the coverage of the 4-5-year old review as we consider the potential to include this important area within the LGBF.

**Table 10: Developmental Milestones and Quality Ratings for Early Years Provision**

	2014-15	2019-20	2020-21	2021-22	2022-23	Change since 2014/15	Change in most recent year	Change since pre-Covid
Percentage of Children Meeting Developmental Milestones (27-30 month review)	80.8%	85.7%	85.1%	82.1%	-	1.3pp	-3.0pp	-3.6%
Quality of Early Years Provision <sup>15</sup>	93.5%	90.2%	90.9%	89.4%	90.1%	-3.4pp	0.7pp	-0.1pp

*Note: In 2020/21 and 2021/22, covid related adaptations to inspection practice and flexibilities which were introduced in relation to aspects of the National Standard may affect comparability of data with previous and future years*

The expansion of early years provision is a flagship policy which underpins broader ambitions to reduce child poverty and to support economic transformation. Improving the quality and flexibility of early years provision is a cornerstone of the expansion programme.

The quality of early years provision remains high at 90.1%, with a small improvement of 0.7 percentage points in 2022/23. While quality ratings have remained at or around 90% for the past 10 years, levels have shown a small decline of 3.4 percentage points since 2014/15. This trend is not universal, however, with a third of councils seeing the quality of their early years provision improve since 2014/15.

The growing blend of Local Authority and partner provision is important in these trends. The early years expansion has seen a rapid growth in the use of partner provision. In September 2023, 31% of all children who will receive expanded hours will be in partner provision, up from 27% in August 2020<sup>16</sup>. Given Local Authority run services continue to receive higher quality ratings compared to other sectors (93.6% compared to 81.4% in the private sector, and 90.8% in Voluntary/ Not for profit)<sup>17</sup>, this will be an important consideration as the expansion to 1140 hours is embedded.

The 1140 duty brings significant challenges around workforce expansion. It takes time to build the workforce necessary to expand and double the volume of early years provision, whilst simultaneously maintaining and improving the quality. While councils have significantly expanded the workforce, both councils and their

<sup>15</sup> This is based on data provided directly by the Care Inspectorate, and may not match what is published in 'Early Learning and Childcare Statistics', where estimates and imputations are used to account for non-submissions

<sup>16</sup> [https://www.improvementservice.org.uk/\\_data/assets/pdf\\_file/0027/45936/ELC-Delivery-Progress-Report-Sept-23.pdf](https://www.improvementservice.org.uk/_data/assets/pdf_file/0027/45936/ELC-Delivery-Progress-Report-Sept-23.pdf)

<sup>17</sup> [Early learning and childcare statistics 2022.pdf](https://www.careinspectorate.com/early-learning-and-childcare-statistics-2022) (careinspectorate.com)

partners are currently facing significant shortages in the availability of qualified staff and are seeing the average experience level of the workforce lowered.

The 2023 Audit Scotland follow up review into Early Learning and Childcare indicates that councils and their partners have done well to increase early learning and childcare provision to 1,140 hours a year per child, despite the challenge of the Covid pandemic. They warn, however, that the sector remains fragile, and budget pressures, workforce recruitment challenges and the ability of funded providers to stay in business are risks that could affect flexibility and choice for families<sup>18</sup>.

It is too early to assess the extent to which the expansion has supported improved outcomes for children and increased opportunities for parents to engage in employment or education. It will be important for local government to feed into and inform the ongoing Scottish Government evaluation of the Early Learning and Childcare Expansion programme, which is due for publication in late 2025<sup>19</sup>.

## Primary School Pupil Attainment

Primary school data shows continued improvement in attainment following Covid. Attainment levels improved strongly in both numeracy and literacy in 2022/23 and are now higher than pre-Covid levels. The poverty related attainment gap also narrowed in 2022/23, and is now smaller than pre-pandemic for Literacy, but remains slightly wider for Numeracy.

The improvement in achievement is true for almost all councils in 2022/23, with children in over half of authorities now achieving above pre-Covid levels. There is, however, greater variability in progress to narrow the gap in achievement between SIMD Quintiles 1 and 5, with around a third seeing their gap widen in the most recent year.

<sup>18</sup> <https://www.audit-scotland.gov.uk/publications/early-learning-and-childcare-progress-on-delivery-of-the-1140-hours-expansion>

<sup>19</sup> <https://www.gov.scot/publications/early-learning-childcare-expansion-programme-evaluation-strategy/>



Table 11: Achievement of Curriculum for Excellence Levels (ACEL)

	2018-19	2019-20	2020-21	2021-22	2022-23	Change 2021/22 to 2022/23	Change since pre Covid
% of P1, P4 and P7 pupils combined achieving expected CFE Level in Literacy	72.3	-	66.9	70.5	72.7	2.2 pp	0.4 pp
% of P1, P4 and P7 pupils combined achieving expected CFE Level in Numeracy	79.1	-	74.7	77.9	79.6	1.7 pp	0.5 pp
Literacy Attainment Gap (P1,4,7 Combined) - % point gap between the least deprived and most deprived pupils	20.7	-	24.7	21.3	20.5	-0.8 pp	-0.2 pp
Numeracy Attainment Gap (P1,4,7 Combined) - % point gap between the least deprived and most deprived pupils	16.8	-	21.4	17.8	17.0	-0.8pp	0.2 pp

*Note: Due to the COVID pandemic and the closure of schools, the Scottish Government suspended the collection of the literacy and numeracy attainment data in 2020 to avoid adding further pressures on schools during this challenging period and citing potential comparability issues with previous years. 2019/20 data is therefore not available. Data prior to 2018/19 is not presented due to its experimental status.*

Covid and the resulting lockdowns have had a significant impact on learning for children and this is reflected in trends reported here. The closure of schools in March 2020 and January 2021 is likely to have had a negative effect on pupils' progress and attainment with socio-economically deprived children amongst those who may have been most negatively affected.

While the profound effects of the pandemic, including the disruption to education, are likely to effect achievement levels for some children for a longer period, it is encouraging to see overall achievement levels recover and improve. This reflects the significant efforts being made within councils to bring attainment levels back to where they were previously and provides evidence of strong progress towards the 2025/26 stretch aims.

## Pupil Attendance

Pupil attendance rates declined both during the pandemic, and in the years following, particularly within council areas with higher levels of deprivation. Attendance rates declined from 93.1% in 2018/19 to 90.2% in 2022/23<sup>20</sup> with

<sup>20</sup> The rate reported in this attendance measure is methodologically consistent to attendance rates from previous years as it is not affected by the known underreporting of absence from home-learning. Therefore this measure is comparable to previous years (bearing in mind the impact of COVID).

levels in the most deprived council areas falling from 92.2% to 89.5%. The decline in attendance rates is universal, with all authorities reporting a reduction during 2022/23.

The extent to which this decline in attendance reflects an increase in long-term school absence and avoidance due to increased emotional and mental health issues during the pandemic and exacerbated by the cost-of-living crisis, will be an area for examination. It may also be important to understand any longer-term effect the Covid related disruption is having on our long-standing conventions and expectations in relation to school attendance.

## Senior Phase Attainment

Interpreting the trends in the senior phase over the last five years is complex due to the different assessment methods during Covid. Data reveals a decrease in Average tariff levels in 2022/23 compared to levels achieved during the pandemic years, although importantly levels remain above those achieved pre-pandemic in 2018/19.

This trend is true for pupils in all SIMD Quintiles. While there is a long-term narrowing of the poverty related attainment gap between 2011/12 and 2022/23, the gap widened slightly between 2018/19 and 2022/23, following a larger increase in 2022/23 for pupils living within the least deprived areas (SIMD Quintile 5).

The national increase in attainment since pre-pandemic disguises variability at local level, with Overall Average Tariff reducing between 2018/19 and 2022/23 in a quarter of council areas. While similar levels of local variability exist across most SIMD groups, the improvement trend is more consistent across councils in relation to pupils from the least deprived areas (SIMD Quintile 5).

Table 12: Senior Phase Attainment

	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	% Change since pre Covid
Overall Average Total Tariff	770	798	827	860	877	888	894	895	925	962	972	915	2.3%
SIMD Quintile 1	478	510	551	581	603	625	620	627	645	678	691	658	4.9%
SIMD Quintile 2	618	644	685	716	741	751	752	742	754	807	818	781	5.3%
SIMD Quintile 3	759	788	816	851	864	882	899	875	901	964	957	905	3.4%
SIMD Quintile 4	909	929	962	984	998	1002	1019	1015	1025	1099	1105	1051	3.6%
SIMD Quintile 5	1101	1134	1149	1185	1197	1210	1224	1195	1236	1310	1310	1264	5.8%

Source: Average total tariff by SIMD quintile provided by the Scottish Government<sup>21</sup>.  
Overall average total tariff calculated from this by the Improvement service.

The period covered by these statistics includes four distinct approaches to assessment and certification of SQA attainment. This includes a longstanding use of exams and externally assessed coursework pre-Covid (up to and including 2018/19), the use of teacher estimates as a basis for awards in 2020, an Alternative Certification Model in 2021, and the return of formal exams in 2022 with measures put in place to mitigate the ongoing effects of Covid. The significantly different circumstances and awarding processes between 2019 and 2023 do not allow for meaningful comparison or for conclusions to be drawn on changes in education performance between these years. Any changes between the attainment levels of the 2019/20 - 2021/22 cohorts, and those of previous or future years should not be seen as an indication that performance has improved or worsened, without further evidence.

While 2023 was not yet a full return to normal for learners, it marks a significant and positive step on the path back to normal awarding, following the years of disruption caused by the pandemic. The awarding approach in 2023 operated on the previously established procedure adopted pre-pandemic, with consideration of the impacts of the legacy of Covid disruption, modifications and supports.

Councils continue to demonstrate a significant commitment to meeting the policy goals of the National Improvement Framework, including improving attainment in the senior phase and closing the poverty related attainment gap. Each council has set locally identified stretch aims, to frame its aspirations for learners and to set

<sup>21</sup> Note: As the school leaver data is not yet available for 2022/23, the basis for the data included here is different from published data available on the Learning Analysis School Summary Dashboard, which is based on school leavers. To allow 2023 data to be included, the Scottish Government has provided pupil's attainment by S6 based on the S4 cohort. All years included are based on this calculated measure of pupil attainment by S6 based on the S4 cohort

an over-arching strategic ambition for improvement during the ongoing recovery from Covid. These stretch aims will also inform the Framework for Recovery and Accelerating Progress, as part of the Scottish Attainment Challenge.

## Positive Destinations

The destination of pupils after leaving school is an important outcome measure of how well schools prepare young people for life beyond school. Positive destinations can be either higher or further education, employment, training, voluntary work or personal skills development.

The long-term improving trend in positive destination rates has continued in 2022/23, after a temporary decline during Covid. In 2022/23, 95.9% of young people were in positive destinations within 3 months of leaving school.

The Covid related decline in 2019/20 was greater for school leavers from the most deprived areas, which reflects the particular impact of Covid on employment opportunities. In the years since however, significant improvement in positive destinations for the most deprived school leavers has seen the gap between those living in the least and most deprived areas narrow to 3.7 percentage points in 2022/23, the smallest gap in over a decade.

While it is encouraging that for school leavers in 2021, 2022 and 2023, positive destination rates have recovered to above pre-pandemic levels, including for the most deprived SIMD groups, it will be important to monitor what the medium to longer-term impact will be on leaver destinations, particularly for young people experiencing high levels of deprivation. It is likely that the pandemic will have continued to affect the choices made by, and opportunities available to, some school leavers.

**Table 13: Positive Destinations**

	2011 -12	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	Change since 2011 /12	Change 2021/22 to 2022/23	Change since pre-Covid
Positive Destinations	90.3%	95.0%	93.3%	95.5%	95.7%	95.9%	5.6pp	0.2pp	0.9pp
Positive Destinations for the most deprived school leavers	84.1%	92.4%	90.0%	92.8%	93.4%	94.0%	10.1pp	0.6pp	1.6pp

## Future Priorities

There is a strong focus on improving the wellbeing of children and young people, alongside the continued commitment to improved attainment. Going forward, the SAC Stretch Aims articulate our collective ambition for where we want to be by 2025/26 and set out our priorities in relation to further improvements in pupil attendance, Curriculum for Excellence attainment, leavers destinations and senior phase attainment.

It will be important for the LGBF to align more closely with National Improvement Framework (NIF) measures to ensure we address these challenges collectively as a system, reducing complexity and bringing greater coherence in how data is used to drive improvement. This includes a need to ensure we have measures more broadly across the four capacities set out within the Curriculum for Excellence, with a greater focus on confident individuals, responsible citizens and effective contributors, as well as successful learners.

In the spirit of bringing greater coherence to the data landscape, positive steps have already been made in increasing the alignment between the LGBF, NIF and the SAC Stretch Aims. The LGBF has moved to using leavers' data for the senior phase attainment measures relating to 5+ awards at levels 5/6 and will incorporate this data following publication of the February Insight release. The LGBF Board, ADES and Scottish Government continue to look at how we can bring further alignment to streamline the data landscape in this area and support the principles of the Verity House Agreement.



# Performance of Local Government Services

Council service performance has improved across the last decade with considerable progress being achieved against an increasingly challenging financial context. There is, however, clear evidence that performance improvement has slowed in recent years. This is true for all local authorities, regardless of resources or policies pursued, suggesting that the causes are system wide.

The long-term picture of council service performance 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. In 2022/23, for the first time, the rate of decline has overtaken the rate of improvement (45% and 43% respectively).

This is not unexpected, given the deepening fiscal, workforce and demand pressures facing councils. As outlined in this report, councils are having to make increasingly difficult decisions about the shape and level of service delivery which are beginning to have a clear impact on service performance. These include:

- Where to target disproportionate and substantial budget reductions within non-statutory service areas in light of growing ring-fencing.
- Where to reduce or ration service provision as part of continued efforts to achieve efficiencies.
- How to sustain services with insufficient staff with the appropriate experience, skills, and qualifications to deliver services to the level needed due to workforce pressures.
- Where to reduce capital investment programmes, undermining their ability to deliver local priorities and commission work in key areas, e.g. Net Zero targets and transformation plans which are essential for improved outcomes for local communities.
- How to retain focus on prevention and longer-term outcomes, given immediate pressure to deliver unprecedented savings many of which could have long-term implications.
- How to ensure the absorption of higher levels of risk by councils does not further undermine the future sustainability of essential services.

In addition to the longer-term fiscal, demand and workforce pressures, the full effects of the pandemic combined with the ongoing cost-of-living crisis are likely to take a number of years to emerge in their entirety, creating further pressure for service performance in the years ahead.

During the pandemic, councils were at the forefront of delivering the emergency response to their local communities which required a huge remobilisation and redeployment of resources at pace. The Covid emergency response and business critical activities were prioritised during this period, which had an impact on resourcing and service levels in those less business critical areas. Covid restrictions required the closure or cessation of key council services and/or the implementation of significant service adaptations to meet physical distancing requirements. This period also saw significant service redesign with greater reliance on virtual delivery, with face-to-face support prioritised for the most vulnerable, e.g., social work services. The wholesale shift to homeworking which happened at pace at the onset of the pandemic also had implications both for service delivery, and for the workforce.

These pressures, combined with the cost-of-living crisis and ongoing economic uncertainty resulting from Brexit, the war in Ukraine and more recent conflicts in the Middle East, continue to affect both the level of demand for local government services, and also the context in which they are delivered. This includes growing pressure on council budgets and workforce; increased financial hardship for families; increasing levels of vulnerability, including mental health and wellbeing; delays, cancellations, and backlogs across wider public services (e.g., NHS and justice); and volatility and uncertainty in the supplier/contractor landscape. The above factors provide vital context for the interpretation of performance data from this period, in particular when drawing comparisons with historic or future data.

The evidence indicates that the shock delivered by these combined events is likely to substantially disrupt performance and efficiency improvements gained in previous years. It is likely that some of these effects will be felt for a long time to come, and along with the growing demand and budgetary pressures facing councils, it is possible that efforts in the short-term in some service areas could be focussed more on prioritising and maintaining performance, rather than service improvement.

The recent trend in council service performance provides a stark warning on the future resilience of essential council services. 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. This will have serious implications in relation to access to front-line essential services for our communities. Signs of this impact are already evident in key areas, including the declaration of local housing emergencies,



high levels of unmet need within health and social care provision, and cuts to libraries, community, and leisure centres increasingly within scope, to name but a few. These services are pivotal for our collective efforts to improve long-term outcomes for our local communities, including those shared outcomes underpinning the Verity House Agreement in relation to tackling poverty, delivering a just transition to net zero, and delivering sustainable person-centred public services.

## Performance Trends and Impact on Service Areas

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.

While some of these areas did see a temporary Covid-related decline, they have since seen their long-term improvement trend recover.

There are, however, areas where a clear long-term improving trend has shown recent decline, albeit this is sometimes small in scale. It is unclear whether this decline is temporary in nature, perhaps resulting from Covid or the cost-of-living crisis, or whether it is indicative of the start of a more sustained trend. This covers a range of different services, and includes self-directed support, the balance of care for both older people and care experienced children; children's development; local procurement spend, housing quality and repairs, recycling rates, area wide emissions and corporate emissions from Electricity and Gas, and

culture and leisure usage. In some of these areas, including culture and leisure usage, housing quality, and recycling rates, while there has been some recovery from the initial Covid impact, performance levels remain below pre-Covid levels, and the long-term improvement trend has not yet recovered.

In those service areas where there were already signs of strain prior to the pandemic, this picture has largely continued, and in some cases has worsened. Areas experiencing a longer-term declining trend include pupil attendance rates; housing voids and rent arrears; delayed discharges, hospital readmission rates, care quality gradings for adults and early years, Business Gateway start-ups, processing of planning applications, street cleanliness, processing of Scottish Welfare Fund Crisis Grants, and council staff absence.

Of further concern, is the declining level of satisfaction with council services amongst the public. This is true for all service areas with the exception of parks and open spaces, and more recently, refuse collection. The decline is evident for almost all councils, although it is important to note that a couple of councils have seen their satisfaction improve over the longer term. Public expectations have not reduced despite the reduction in local government resources and increased demand due to demographic and other change. These trends relate to satisfaction for the public at large rather than for service users. It should be noted that satisfaction rates for service users are consistently higher than those reported by the general population.

Given these trends, consideration is required on whether current expectations of public services are realistic in the context of such changing conditions. As councils respond to increasing levels of need and demand, within ever tightening budget constraints, it is important that expectations in relation to local government priorities and performance do not remain static but are able to adapt to reflect the dynamic circumstances councils are operating within.

Table 14 – Public satisfaction with council services

	2010 /11	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	Change since 2010-11 (pp)	Change since pre-Covid (pp)
Schools	83.1%	73.0%	70.0%	72.5%	73.0%	78.0%	74.0%	69.0%	-14.1	-4.0
Libraries	83.5%	73.0%	72.0%	72.1%	73.0%	78.0%	71.0%	64.0%	-19.5	-9.0
Parks & Open Spaces	83.1%	87.0%	85.0%	82.5%	83.0%	91.0%	88.0%	83.0%	-0.1	0.0
Museums & galleries	75.5%	70.0%	69.0%	68.9%	70.0%	75.0%	74.0%	65.0%	-10.5	-5.0
Leisure facilities	74.6%	73.0%	72.0%	69.3%	69.0%	77.0%	71.0%	65.0%	-9.6	-4.0
Refuse collection	80.9%	79.0%	75.0%	74.9%	73.0%	78.0%	77.0%	79.0%	-1.9	6.0
Street Collection	73.3%	70.0%	66.0%	62.9%	59.0%	58.0%	59.0%	58.0%	-15.3	-1.0

*Note: As a result of the change in methodology, the lower response rates, and the change in the profile of respondents compared to typical survey years, the results for 2020/21 and 2021/22 are not comparable to earlier or later years. While annual data is presented here, within the LGBF, 3-year rolled averages are used to boost sample sizes and improve levels of precision at local levels. The data in this table will differ therefore from data within the LGBF dashboard.*

While the current trends in performance and satisfaction give cause for concern, some caution is required when drawing conclusions and making comparisons over time due to the volatility in recent years. Firstly, for several important areas, there were changes in assessment, survey or inspection methodologies during Covid. This includes senior phase attainment, satisfaction with Council services (Scottish Household Survey data), and quality ratings for early years and adult social care. Secondly, it will take time for the full impacts of the pandemic and cost-of-living crisis, along with other recent economic shocks, to emerge. This is of particular relevance given there remains a number of key policy areas in relation to children and young people for which 2022/23 data is not yet available. This includes care experienced children, child development, exclusion rates, and child poverty rates.

## Local Variation

While the recent decline in performance improvement is true for all councils, there is variation in the depth, severity and focus of impacts. The evidence indicates that island councils have seen their rate of performance improvement slow the least.

More generally, there is evidence that rurality and deprivation are becoming increasingly important factors in understanding the levels of variation between councils. Analysis of the LGBF data reveals an increase in the presence of systematic and statistically significant differences between authorities due to rurality and deprivation.

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. A range of interconnected factors will be important in shaping the variability observed in the data, including:

- 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

Tailoring services to the needs of local people and communities is a key function of local democracy and needs to be considered when comparing performance, however a variety in approach gives opportunities to learn and innovate. This has been, and continues to be, a period of historic change, and it is essential we do not lose the learning and innovation from this time. Given the growing pressures facing local government, it will be critical to take time to evaluate and learn from our response to inform the future design, delivery and shape of services.



# Conclusion

This year's report provides an evidence-based picture of the impact of deepening fiscal, workforce and demand pressures on local government services and the communities they serve. It reveals the extraordinary effort and achievements delivered across local government against an increasingly challenging backdrop. Councils have adapted quickly to meet new demands, maintain essential services and implement new ways of working, and have strengthened partnerships with communities as well as the third and private sectors, helping to protect those who are vulnerable, and maintain community wellbeing.

However, the LGBF data also presents further evidence on the widening budget gap, insufficient capacity or lack of local flexibility to respond to current demand, and declining service performance and public satisfaction. The data indicates that the shock delivered by Covid and the cost-of-living crisis, on top of sustained fiscal, workforce and demand pressures, is likely to substantially disrupt performance and efficiency improvements gained in previous years. It is likely that some of these effects will be felt for a long time to come, and coupled with the demand and budgetary pressures facing councils currently, it is possible that efforts in the short-term in some service areas may need to be focussed more on prioritising and maintaining performance, rather than service improvement.

In recognition of these pressures, local government, as a sector, is taking clear pro-active steps to mitigate the effects of these challenges. This includes:

- Incorporating digital technology in service redesign
- Reconfiguring and repurposing our estate
- Making better use of data to understand needs, make decisions and direct resources
- Adopting a collaborative leadership approach
- Working with partners, third sector and communities to adopt place-based approaches and reshape services and respond to need
- Adopting new ways of working, including flexibly redeploying staff
- Investing in the health and wellbeing of the workforce
- Workforce planning and developing workforce capacity and skills
- Focusing on areas of greatest priority and demand, and supporting the most vulnerable within our communities

To further build on these approaches, and to ensure the ongoing sustainability of services, local government has committed to a significant programme of sector led performance improvement and transformation. Important elements of this approach include the following:

## 1. LGBF and a more assertive approach to sector-led improvement.

The local government sector has committed to adopting a more assertive approach to sector led performance improvement, through the launch of a new approach to Peer Collaborative Improvement, with the LGBF as a key cornerstone. There has never been a greater requirement for working with and learning from each other, and the LGBF provides the essential platform to support councils in this. This approach will enable local government, with the support of the LGBF Board, to use the data highlighted in this report to prioritise opportunities to work together to drive performance improvement, whilst acknowledging the need for expectations to be realistic in the context of current pressures.

This commitment has gained further impetus in light of the Verity House Agreement and the commitment made around local government accountability and assurance arrangements. The role of sector-led improvement has also been the focus of recent discussion in relation to the scrutiny landscape, and how the full benefits of Crerar can be realised.

The aim is to take a local government led approach to developing the accountability and assurance framework that intended to underpin the Verity House Agreement. There is a clear opportunity for local government to build on and articulate its existing sector-led approaches to improvement and accountability, including the LGBF; Self-Assessment; the Local Government Data Platform; and the Solace/IS Transformation work. This will require local government to demonstrate as a sector that they have robust arrangements in place for reviewing their own performance and focusing on improvement. Given the role that Audit Scotland and the Accounts Commission have in providing assurance, their participation in the development of a monitoring and accountability framework will be essential.

## 2. The Local Government Transformation Programme

This Programme is aiming to bring the radical change required within local government and the wider system to tackle the challenges we face, and how we might transition to a model of public service delivery that is fit for purpose in the 21st century. This approach, led by Solace Scotland, and supported by

the Improvement Service, is developing proposals for a future operating model for councils and options for future delivery of council services. The six building blocks for transformation which have been identified are:

1. Unlocking community action
2. Enable a functioning, trusted local and central government relationship
3. Design for people's needs
4. Create digital, design and technology-enabled transformation
5. A focus on people through a public sector plc that tackles inequality at the root in order to improve everyone's life chances
6. Lead council and cross-sector partnerships with a focus on outcomes.



## Appendix

### Overview Table for all LGBF Data 2022-23

Full data and metadata, including data sources for all indicators is available via [LGBF Dashboard](#)

Note: The majority of data for LGBF indicators is financial year, however some indicators are calendar or academic year. Detail on the reporting period for each indicator is provided in the metadata data within the LGBF dashboard.

Indicator Description								%value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Children's Services	Cost per primary school pupil	£5,819	£5,981	£6,267	£6,451	£6,753	£6,863	1.6%	9.5%
	Cost per secondary school pupil	£8,034	£8,192	£8,421	£8,350	£8,422	£8,482	0.7%	0.7%
	Cost per pre-school education registration	£5,167	£5,732	£7,531	£10,113	£10,986	£11,008	0.2%	46.2%
	% of pupils gaining 5+ awards at level 5	62.0	63.0	64.0	67.0	69.0	dna	2.0	6.0
	% of pupils gaining 5+ awards at level 6	34.0	35.0	38.0	41.0	40.0	dna	-1.0	5.0
	% of pupils from deprived areas gaining 5+ awards at level 5 (SIMD)	42.0	45.0	47.0	49.0	52.0	dna	3.0	7.0
	% of pupils from deprived areas gaining 5+ awards at level 6 (SIMD)	17.0	19.0	21.0	23.0	23.0	dna	0	4.0
	The gross cost of "children looked after" in residential based services per child per week	£4,084	£4,376	£4,363	£4,776	£5,011	dna	4.9%	14.9%
	The gross cost of "children looked after" in a community setting per child per week	£388	£392	£394	£417	£429	dna	2.9%	8.9%
	Balance of care for looked after children: % of children being looked after in the community	89.6	89.9	90.1	90.3	89.8	dna	-0.5	-0.0
	% of adults satisfied with local schools	70.0	72.5	73.0	78.0	74.0	69.0	-5.0	-4.0
	Proportion of pupils entering positive destinations	94.6	95.0	93.3	95.5	95.7	95.9	0.2	0.9
	Overall average total tariff	894	895	925	962	972	916	-5.8%	2.3%
	Average total tariff SIMD quintile 1	620	627	645	678	691	658	-4.9%	4.9%
	Average total tariff SIMD quintile 2	752	742	754	807	818	781	-4.5%	5.3%
Average total tariff SIMD quintile 3	899	875	901	964	957	905	-5.4%	3.4%	
Average total tariff SIMD quintile 4	1019	1015	1025	1099	1105	1051	-4.9%	3.6%	
Average total tariff SIMD quintile 5	1224	1195	1236	1310	1310	1264	-3.5%	5.8%	

Indicator Description								%value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Children's Services	% of children meeting developmental milestones (27-30 months)	84.6	85.5	85.7	85.1	82.1	dna	-3.0	-3.6
	% Funded early years provision rated good/better	91.0	90.6	90.2	90.9	89.4	90.1	0.7	-0.1
	School attendance rates		93.0		92.0		90.2	-1.8	-2.8
	School attendance rates (looked after children)		86.8		87.9		dna	1.1	1.1
	School exclusion rates		21.7		11.9		16.6	39.8%	-23.3%
	School exclusion rates (looked after children)		152.2		77.8			-48.9%	-48.9%
	Participation rates for 16-19 year olds	91.8	91.6	92.1	92.2	92.4	94.3	1.9	2.7
	Child protection re-registrations within 18 months	6.0	7.2	6.9	7.0	8.0	dna	1	0.8
	% of looked after children with more than 1 placement in the last year	20.1	19.5	16.7	16.8	15.9	dna	-0.9	-3.7
	% of children living in poverty (after housing costs)	21.8	21.2	22.9	20.9	22.6	dna	1.7	-0.3
	% of P1, P4 and P7 pupils combined achieving expected CFE Level in Literacy		72.3		66.9	70.5	72.7	2.2	0.4
	% of P1, P4 and P7 pupils combined achieving expected CFE Level in Numeracy		79.1		74.7	77.9	79.6	1.7	0.5
Literacy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils		20.7		24.7	21.3	20.5	-0.8	-0.2	
Numeracy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils		16.8		21.4	17.8	17.0	-0.8	0.2	
Corporate Services	Support services as a % of total gross expenditure	4.5	4.3	4.0	4.0	4.1	4.0	-0.0	0.0
	% of the highest paid 5% of employees who are women	54.6	55.5	56.7	58.1	59.0	58.9	-0.1	2.1
	The gender pay gap (%)	3.9	4.2	3.4	3.7	3.5	2.5	-1.0	-1.0
	The cost per dwelling of collecting council tax	£8.57	£7.90	£7.36	£7.24	£7.05	£6.84	-2.9%	-7.2%
	Sickness absence days per teacher	5.9	6.2	6.4	4.1	5.8	6.8	16.4%	7.0%

Indicator Description								% /value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Corporate Services	Sickness absence days per employee (non-teacher)	11.4	11.5	11.9	9.6	12.2	13.2	8.5%	11.0%
	% of income due from council tax received by the end of the year	96.0	96.0	95.8	94.8	95.7	96.2	0.5	0.4
	% of invoices sampled that were paid within 30 days	93.2	92.7	91.7	91.8	92.2	90.6	1.6	-1.1
	% of SWF Crisis Grant decisions within 1 day		95.5	95.3	93.8	93.3	91.8	-1.5	-3.5
	% of SWF CCG decisions within 15 days		89.5	82.3	84.5	85.8	87.3	1.5	5.0
	Proportion of SWF budget spent	95.3	99.9	107.8	83.2	115.2	130.0	14.8	22.2
	Proportion of DHP Funding spent	101.2	102.6	104.5	97.2	96.0	94.4	-1.6	10.1
Adult Social Care	Older persons (over 65) home care costs per hour	£27.70	£28.20	£28.33	£30.12	£30.99	£31.85	2.8%	12.4%
	Direct payment & personalised budget spend as a % of total social work spend on adults 18+	6.8	7.2	7.7	8.1	8.4	8.7	0.3	1.0
	% of people 65+ with long-term needs receiving care at home	61.7	61.0	60.7	61.7	61.9	61.5	-0.3	0.8
	% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	80.0		80.0		78.1		-1.9	-1.9
	Percentage of adults supported at home who agree that they are supported to live as independently as possible	81.1		80.8		78.8		-2.0	-2.0
	Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided	75.6		75.4		70.6		-4.8	-4.8
	Percentage of carers who feel supported to continue in their caring role	36.6		34.3		29.7		-4.6	-4.6
	Older persons (over 65's) residential care costs per week per resident	£563	£596	£602	£695	£691	£684	-1.0%	13.7%
	Rate of readmission to hospital within 28 days per 1,000 discharges	102.8	103.4	104.9	120.2	106.7	101.7	-4.7	-3.1
	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	85.4	82.2	81.8	82.5	75.8	75.0	-0.8	-6.8
Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)	762	793	774	484	748	919	22.9%	18.7%	

Indicator Description								%/value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Culture and Leisure	Cost per attendance at sports facilities	£3.17	£2.98	£3.06	£43.95	£6.86	£4.89	-28.8%	59.9%
	Cost per library visit	£2.41	£2.34	£2.22	£3.14	£3.10	£2.81	-9.4%	26.5%
	Cost of museums per visit	£4.08	£3.96	£3.65	£11.11	£5.03	£3.07	-39.0%	-15.9%
	Cost of parks & open spaces per 1,000 population	£23,107	£23,003	£22,443	£20,842	£21,674	£23,311	7.6%	3.9%
	% of adults satisfied with libraries	72.0	72.1	73.0	78.0	71.0	64.0	-7.0	-9.0
	% of adults satisfied with parks and open spaces	85.0	82.5	83.0	91.0	88.0	83.0	-5.0	0
	% of adults satisfied with museums and galleries	69.0	68.9	70.0	75.0	74.0	65.0	-9.0	-5.0
	% of adults satisfied with leisure facilities	72.0	69.3	69.0	77.0	71.0	65.0	-6.0	-4.0
Environmental Services	Net cost per waste collection per premises	£76.94	£76.77	£76.85	£78.90	£74.76	£75.64	1.2%	-1.6%
	Net cost per waste disposal per premises	£118.25	£111.22	£110.67	£115.47	£106.97	£95.28	-10.9%	-13.9%
	Net cost of street cleaning per 1,000 population	£18,022	£16,951	£16,721	£15,804	£15,717	£16,068	2.2%	-3.9%
	Cleanliness score (%age acceptable)	92.2	92.8	92.2	90.1	89.7	90.6	0.9	-1.6
	Cost of roads per kilometre	£11,773	£11,330	£10,893	£10,228	£11,816	£12,844	8.7%	17.9%
	% of A class roads that should be considered for maintenance treatment	30.2	30.0	30.6	29.8	27.6	27.4	-0.2	
	% of B class roads that should be considered for maintenance treatment	35.9	35.7	35.0	34.0	33.6	31.5	-2.1	
	% of C class roads that should be considered for maintenance treatment	36.2	36.3	35.1	33.6	33.2	32.7	-0.5	
	% of unclassified roads that should be considered for maintenance treatment	39.0	38.2	37.8	38.3	36.7	36.4	-0.3	
	Cost of trading standards and environmental health per 1,000 population	£24,945	£23,712	£22,019	£20,718	£23,628	£22,302	-5.6%	1.3%
	Cost of environmental health per 1,000 population	£18,075	£16,984	£15,376	£14,254	£17,307	£15,239	-12.0%	-0.9%
	Cost of trading standards, money advice and citizens advice per 1,000 population	£6,870	£6,728	£6,639	£6,467	£6,320	£7,060	11.7%	6.3%
	% of total household waste arising that is recycled	45.6	44.7	44.9	42.1	43.0	43.3	0.3	-1.6
	% of adults satisfied with refuse collection	75.0	74.9	73.0	78.0	77.0	79.0	2.0	6.0
% of adults satisfied with street cleaning	66.0	62.9	59.0	58.0	59.0	58.0	-1.0	-1.0	

Indicator Description								%value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Housing Services	Gross rent arrears as a % of rent due for the reporting year	6.7	7.3	7.3	8.2	8.7	9.6	0.9	2.3
	% of rent due in the year that was lost due to voids	0.9	1.0	1.1	1.4	1.6	1.7	0.1	0.6
	% of dwellings meeting SHQS	93.9	94.3	94.9	85.2	68.5	70.9	2.5	-24.0
	Average time taken to complete non-emergency repairs	7.5	7.8	7.3	7.3	9.2	9.7	5.4%	32.0%
	% of council dwellings that are energy efficient	75.3	80.9	84.1	86.4	87.6	dna	1.2	3.5
Corp. Asset	Proportion of operational buildings that are suitable for their current use	80.8	82.2	82.5	82.3	85.3	86.1	0.8	3.6
	Proportion of internal floor area of operational buildings in satisfactory condition	86.3	87.2	88.6	89.2	90.1	89.7	-0.4	1.1
Economic Development	% of unemployed people assisted into work from council funded/operated employability programmes	14.3	12.6	12.7	6.0	17.4	12.9	-4.5	0.2
	Cost of planning and building standards per planning application	£4,718	£5,083	£4,955	£5,438	£4,617	£5,538	19.9%	11.8%
	Average time per business and industry planning application	9.3	9.1	10.5	11.1	11.7	12.0	2.8%	14.2%
	% of procurement spent on local enterprises	27.4	28.7	28.5	29.1	29.9	29.6	-0.3	1.1
	No of Business Gateway start-ups per 10,000 population	16.8	16.7	16.4	11.2	14.3	14.3	0.0%	-12.8%
	Investment in economic development & tourism per 1,000	£108,182	£122,830	£115,370	£96,601	£127,083	£109,349	-14.0%	-5.2%
	Proportion of people earning less than the real living wage	18.4	19.4	16.9	15.2	14.4	9.4	-5.0	-7.5
	Proportion of properties receiving superfast broadband	91.1	92.0	93.3	93.8	94.1	95.5	1.4	2.2
	Town vacancy rates	11.5	10.0	11.7	12.4	11.4	12.0	0.6	-0.3
	Immediately available employment land as a % of total land allocated for employment purposes in the local development plan	40.8	37.6	36.2	38.9	27.2	23.0	-4.2	-13.2
	Gross Value Added (GVA) per capita	26,942	26,963	27,125	23,945	25,758	dna	7.6%	-5.0%
	Claimant Count as % of Working Age Population	2.3	2.7	3.2	6.0	4.5	3.2	-1.3	0.0
Claimant Count as % of 16-24 Population	2.9	3.2	3.8	7.3	5.0	3.5	-1.5	-0.3	

Indicator Description								%value change 2021 - 22 and 2022-23	% change Pre COVID to most recent year
		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
Financial Sustainability	Total useable reserves as a % of council annual budgeted revenue	17.0	16.6	17.0	23.7	24.4	24.5	0.1	7.6
	Uncommitted General Fund Balance as a % of council annual budgeted net revenue	3.7	3.5	3.6	3.5	3.5	3.2	-0.3	-0.4
	Ratio of Financing Costs to Net Revenue Stream - General Fund	8.0	7.9	7.2	6.2	5.9	5.4	-0.5	-1.8
	Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account	23.6	22.8	22.6	22.9	22.6	21.3	-1.3	-1.3
	Actual outturn as a percentage of budgeted expenditure	99.3	99.4	99.4	97.4	98.3	98.6	0.3	-0.8
Climate Change	CO2 emissions area wide per tonne, per capita	5.6	5.5	5.4	4.6	5.1	dna	10.1%	-5.4%
	CO2 emissions are wide: emissions within scope of Local Authority per tonne, per capita	5.1	4.9	4.7	4.1	4.6	dna	10.9%	-2.1%
	Emissions from transport per capita	26.2	30.0	28.6	21.3	26.8	dna	25.7%	-6.3%
	Emissions from electricity per capita	90.9	70.1	55.5	42.2	46.1	dna	9.0%	-17.0%
	Emissions from natural gas per capita	60.4	56.5	52.1	52.8	57.2	dna	8.3%	9.9%

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## Local Government Benchmarking Framework Indicators 2021/22 – Linked to Priorities in the Council Plan 2023 to 2028

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
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	Ranked in the top eight Scottish Councils.
	Ranked between nine and 16.
	Ranked in the bottom 16.

## Priority: Growing Our Economy

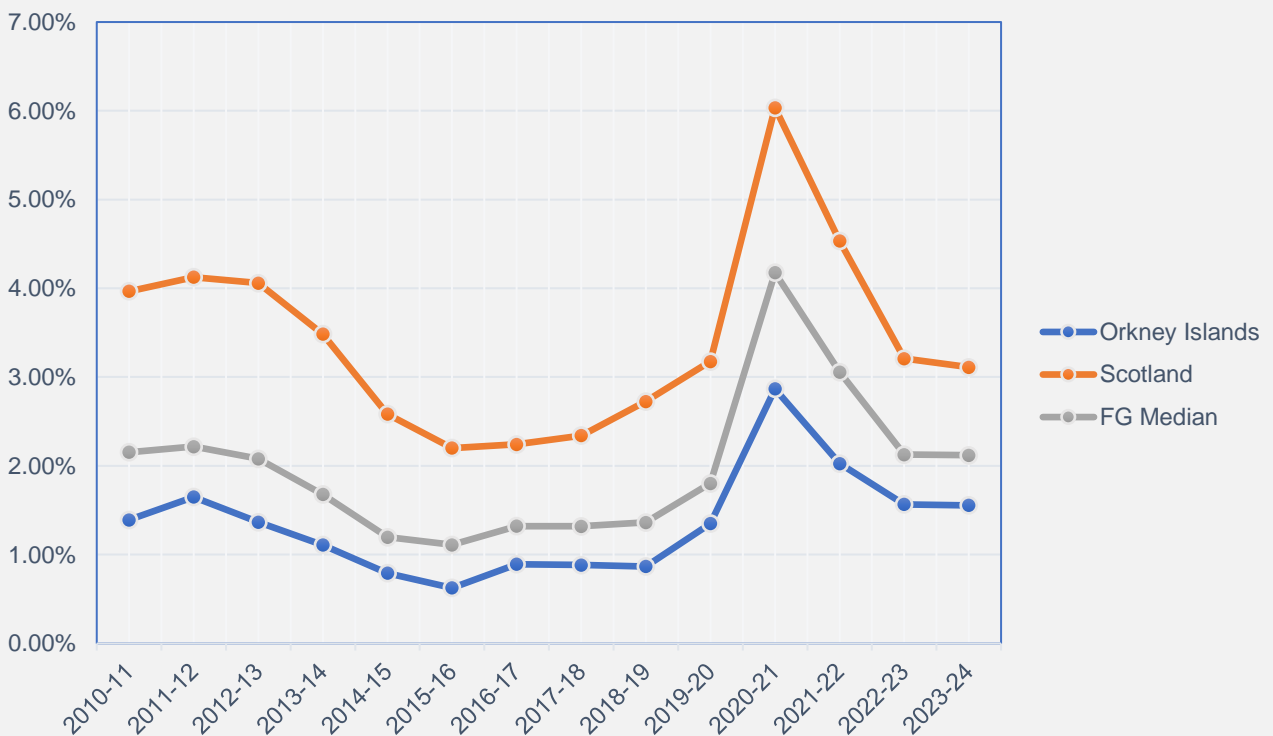
### ECON 12a – Claimant Count as a Percentage of Working Age Population.

The claimant count being low is linked to the very high employment rate which is a result of multiple job opportunities and an aging population meaning fewer people in the labour market and a housing crisis which makes it difficult for people to move to Orkney to take up those job opportunities.

Baseline 2020/21	Performance 2023/24	Target 2027/28
2.9%	1.56%	2.5%

Rank out of 32 Scottish Councils		
2021/22	1	✓
2022/23	1	

### CLAIMANT COUNT AS A PERCENTAGE OF WORKING AGE POPULATION



## Priority: Growing Our Economy

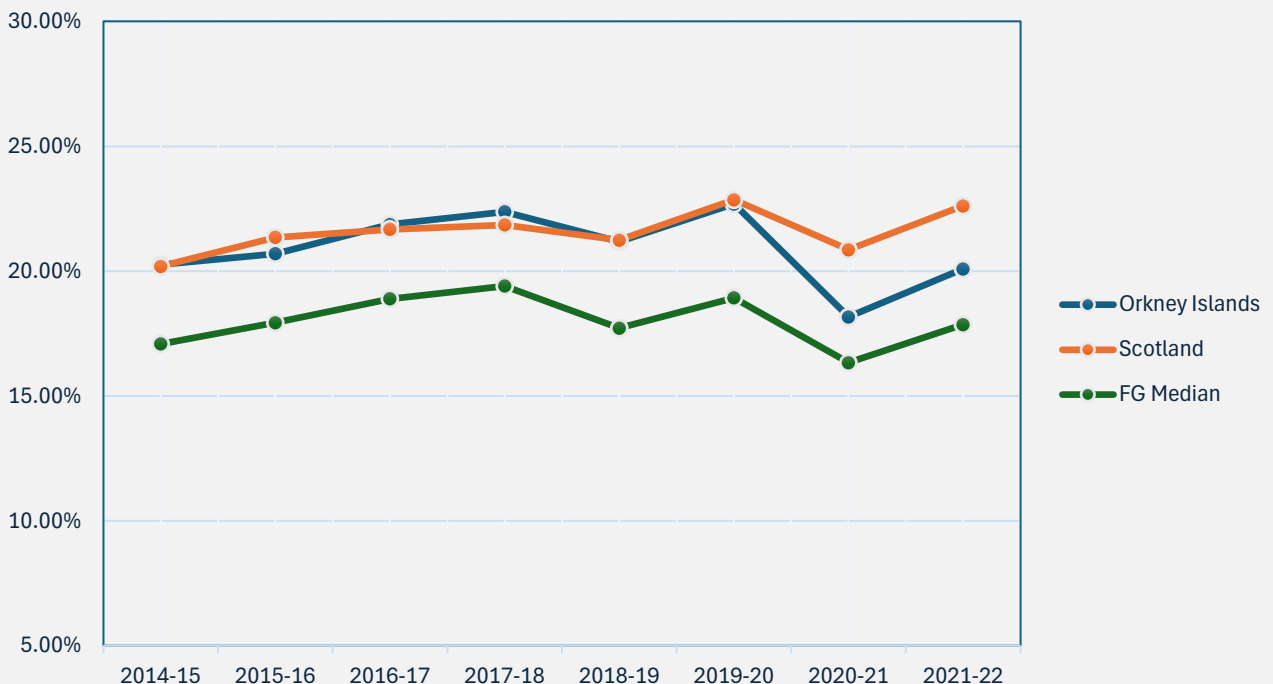
### CHN24 – Percentage of Children living in Poverty (after housing costs)

The current Cost of Living crisis continues to impact on this indicator across the country. Although much work is being done across the Community Planning Partnership, via the Cost of Living Taskforce, to address this, food and energy costs continue to take their toll.

Baseline 2020/21	Performance 2021/22	Target 2027/28
18.16%	20.1%	9%

Rank out of 32 Scottish Councils		
2020/21	7	✓
2021/22	7	

### PERCENTAGE OF CHILDREN LIVING IN POVERTY (AFTER HOUSING COSTS)



## Priority: Growing Our Economy

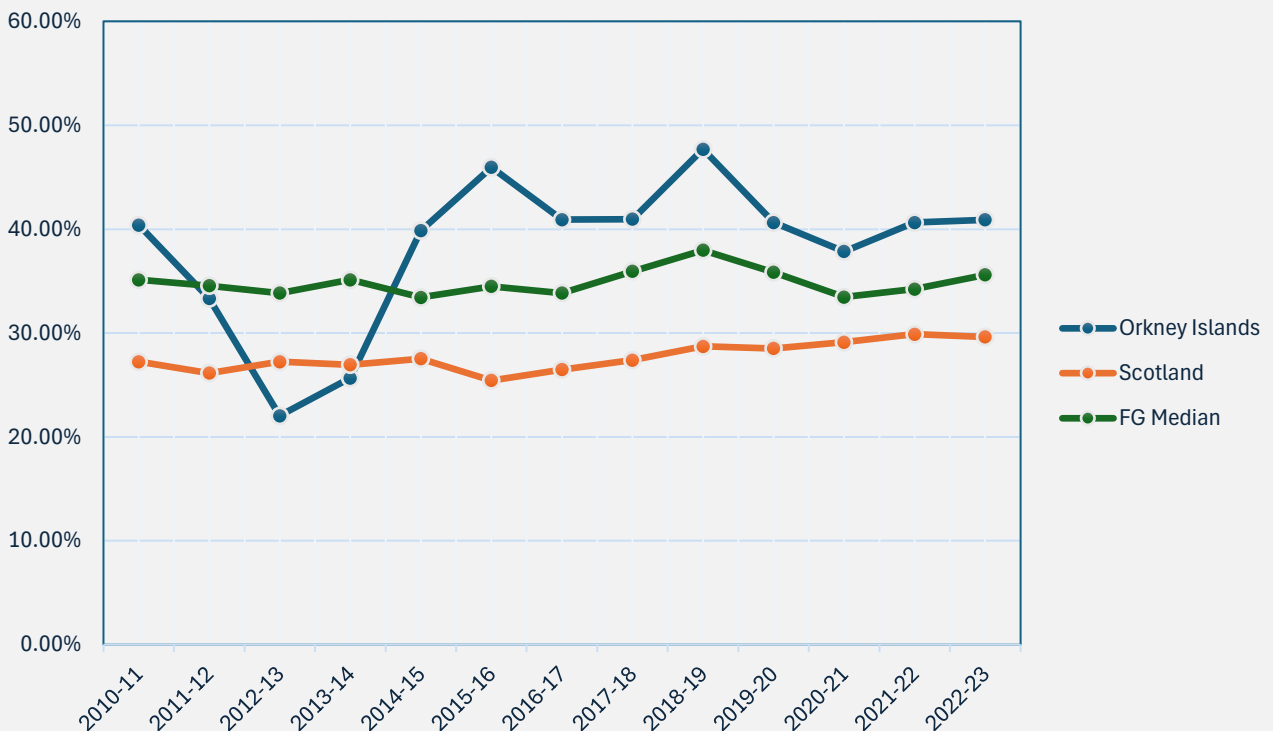
### ECON4 – Percentage of Procurement Spent on Local Enterprises.

The Council has a statutory duty to achieve best value in carrying out its functions, including the procurement of goods and services. On occasions the specification of a service or product required by the Council is able only to be met by suppliers based outwith Orkney.

Baseline 2020/21	Performance 2022/23	Target 2027/28
37.85%	40.9%	45%

Rank out of 32 Scottish Councils		
2021/22	4	✓
2022/23	3	

### PERCENTAGE OF PROCUREMENT SPENT ON LOCAL ENTERPRISES




## Priority: Growing Our Economy

### CLIM1 – CO<sub>2</sub> Emissions Area-Wide per Capita.

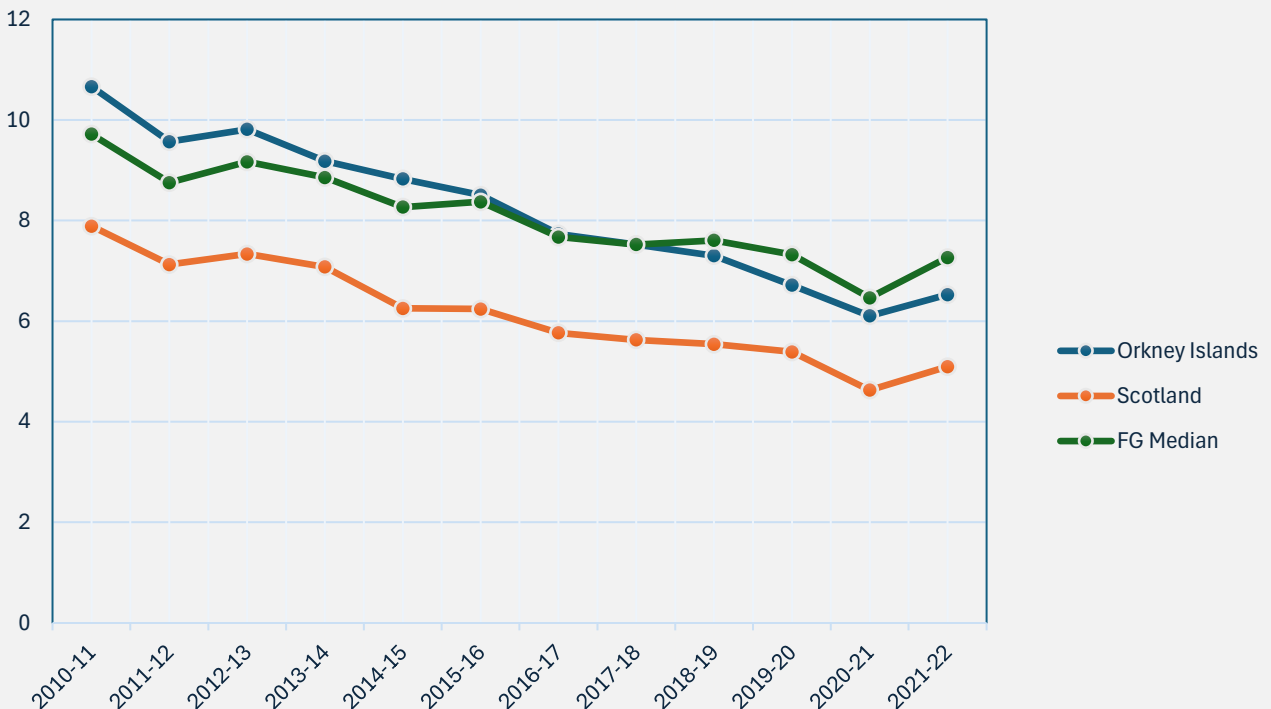
The Council is working in collaboration with the Island Centre for Net-Zero to develop projects to minimise emissions of the three Island Groups.

Scottish and Southern Electricity Networks (SSEN) works on new network interconnector will enable more renewable projects in Orkney.

Baseline 2019/20	Performance 2021/22	Target 2027/28
6.72	6.53	9

Rank out of 32 Scottish Councils		
2021/22	24	
2022/23	24	

### CO<sub>2</sub> EMISSIONS AREA WIDE PER CAPITA




## Priority: Growing Our Economy

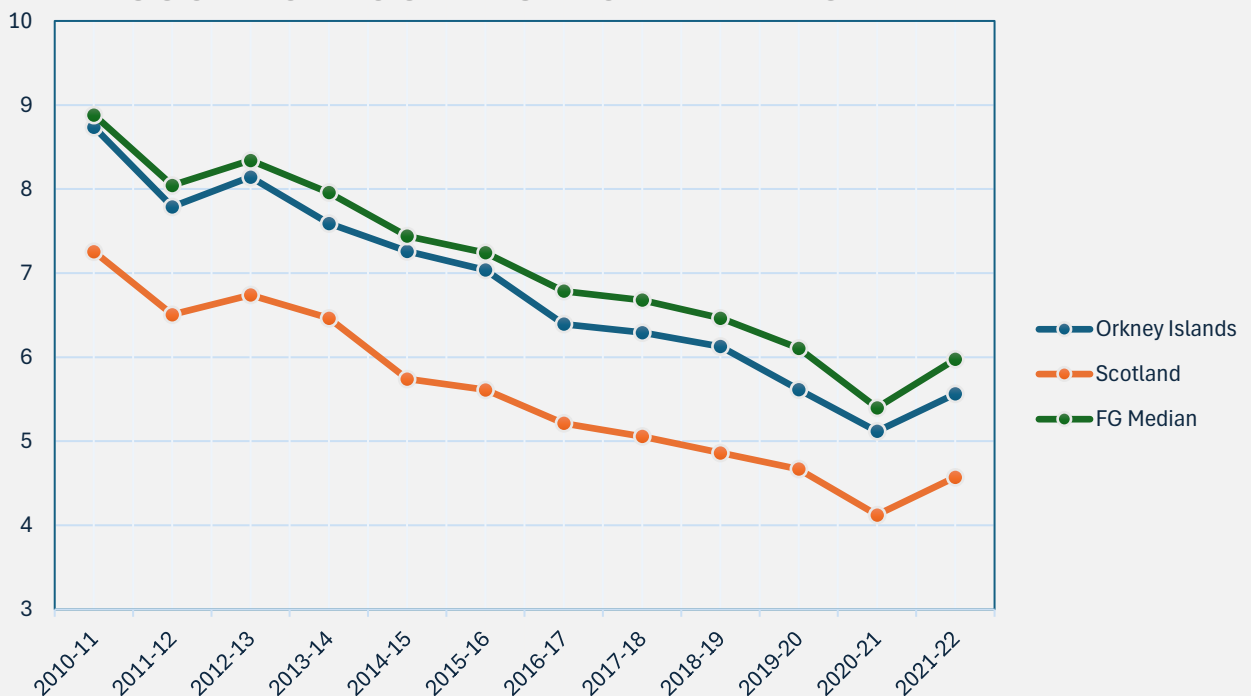
### CLIM2 – CO<sub>2</sub> Emissions within Scope of Local Authority per Capita.

Completion of the St Andrews primary school extension and conversion of the heating system from oil to Ground Source Heat Pumps  
 Progress on the external insulation of Stromness Academy  
 Completion of the Orkney Library re-lighting with LED and improvements to the building air tightness testing.

Baseline 2019/20	Performance 2021/22	Target 2027/28
6.52	5.56	4

Rank out of 32 Scottish Councils		
2020/21	22	
2021/22	21	

### CO<sub>2</sub> EMISSIONS AREA WIDE: EMISSIONS WITHIN SCOPE OF LOCAL AUTHORITY PER CAPITA




## Priority: Strengthening Our Community

SW4d – Adults Supported at Home Who Agree that They had a Say in How Their Care, Help or Support was Provided.

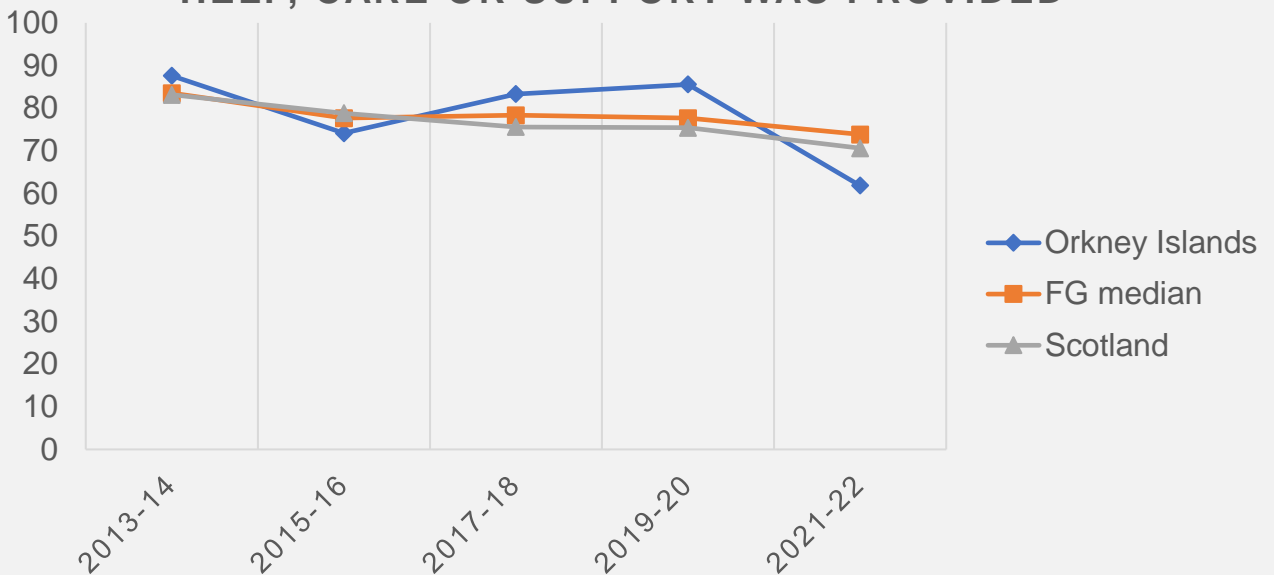
Most recent benchmarking data has not yet been published for this indicator.

Data from the most recent Scottish Health and Care survey will be published in 2024.

Baseline 2019/20	Performance 2022/23	Target 2027/28
85.56%	No Data	93%

Rank out of 32 Scottish Councils		
2021/22	30	
2022/23		

**PERCENTAGE OF ADULTS SUPPORTED AT HOME WHO AGREE THEY HAD A SAY IN HOW THEIR HELP, CARE OR SUPPORT WAS PROVIDED**






## Priority: Strengthening Our Community

SW4b – Adults Supported at Home Who Agree that Their Services had an Impact in Improving or Maintaining Their Quality of Life.

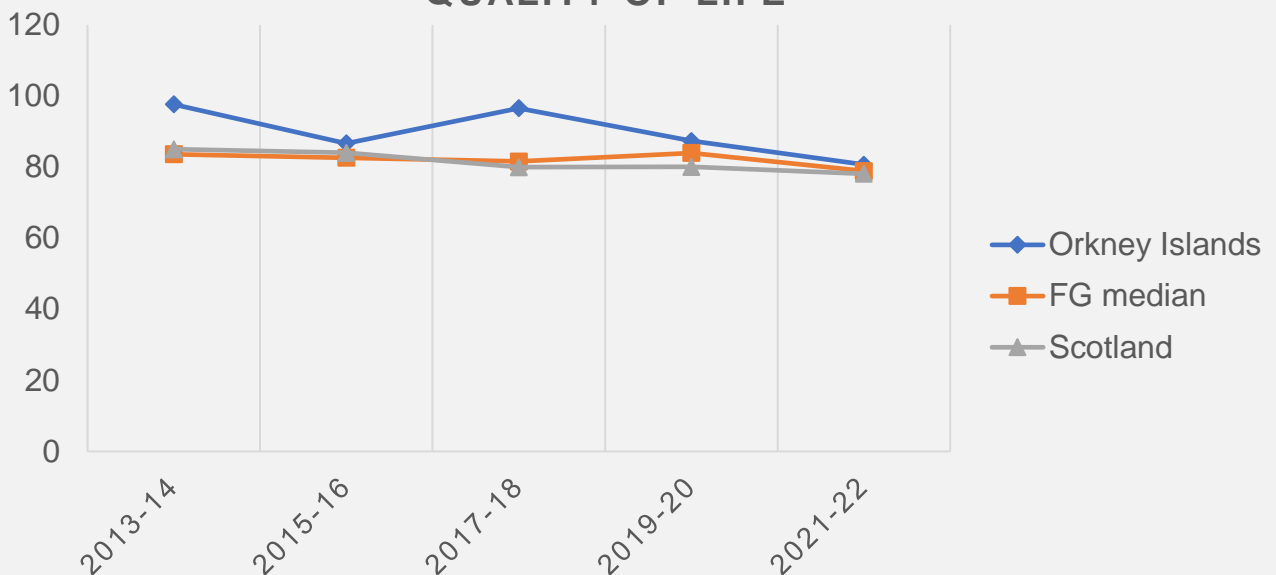
Most recent benchmarking data has not yet been published for this indicator.

Data from the most recent Scottish Health and Care survey will be published in 2024

Baseline 2019/20	Performance 2022/23	Target 2027/28
87.33%	No Data	93%

Rank out of 32 Scottish Councils		
2021/22	9	
2022/23		

**ADULTS SUPPORTED AT HOME WHO AGREE THEIR CARE HAD A POSITIVE IMPACT THEIR QUALITY OF LIFE**




## Priority: Strengthening Our Community

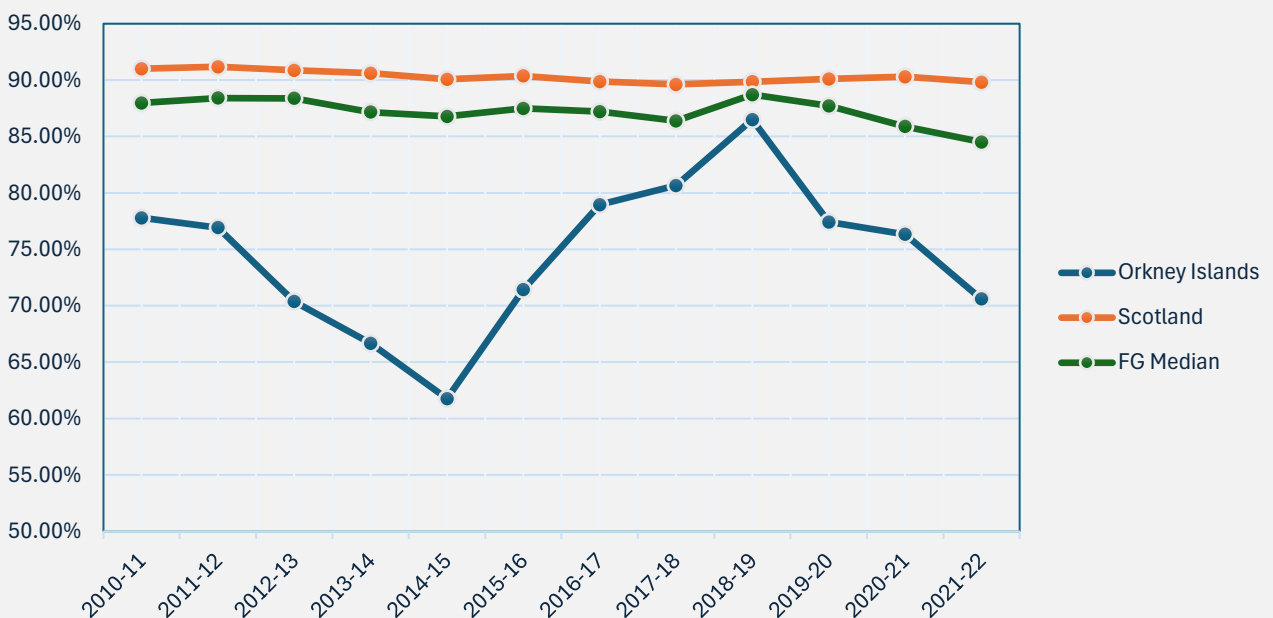
### CHN9 – Balance of Care for Looked After Children: Percentage of Children Being Looked After in the Community.

The current low numbers of available foster carers has had an impact on this indicator with a number of young people requiring to be cared for in placements off-island. A fresh recruitment campaign is being planned over the course of 2024/25.

Baseline 2020/21	Performance 2022/23	Target 2027/28
76.3%	66.7%	85%

Rank out of 32 Scottish Councils		
2021/22	32	
2022/23	32	

### BALANCE OF CARE FOR LOOKED AFTER CHILDREN: % OF CHILDREN BEING LOOKED AFTER IN THE COMMUNITY



## Priority: Strengthening Our Community

### CHN4 – Percentage of Pupils Gaining 5+ Awards at Level 5.

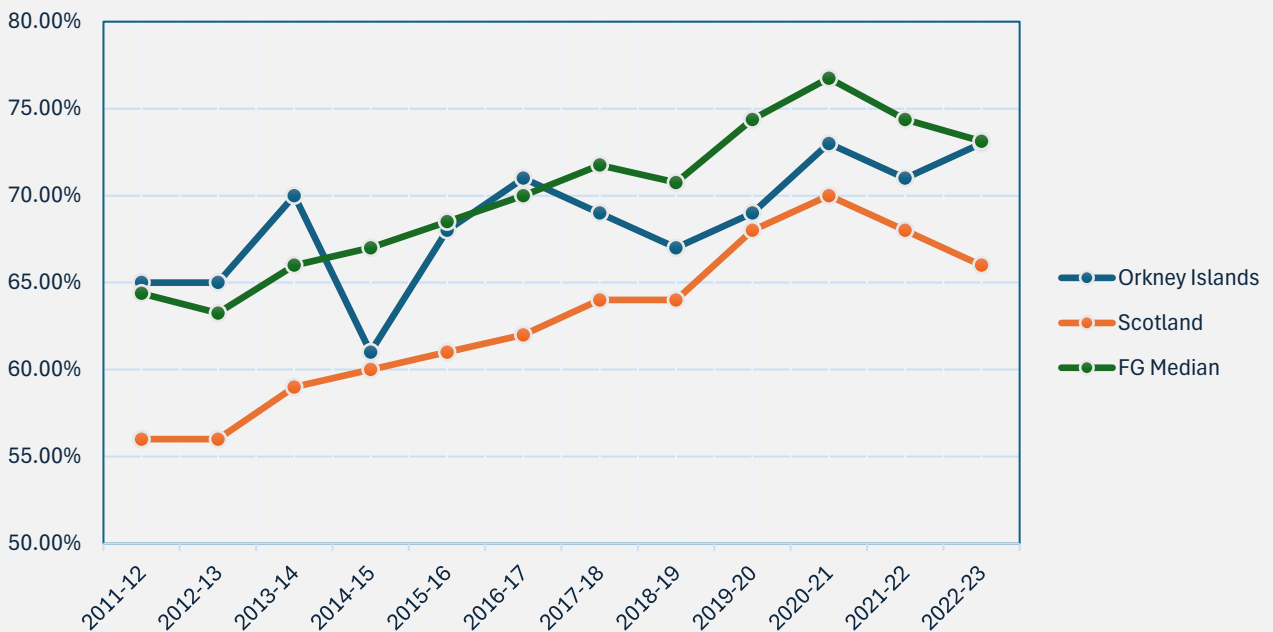
This measure is derived from the attainment of all pupils who would be in S6 in the relevant year, including those who left school before S6.

In 2022/23, 73% of these pupils gained 5 or more qualifications at level 5. This equals the 2020/21 baseline and is a 2-point improvement over 2021/22.

Baseline 2020/21	Performance 2022/23	Target 2027/28
73%	73%	80%

Rank out of 32 Scottish Councils		
2021/22	7	✓
2022/23	4	

### PERCENTAGE OF PUPILS GAINING 5+ AWARDS AT LEVEL 5




## Priority: Strengthening Our Community

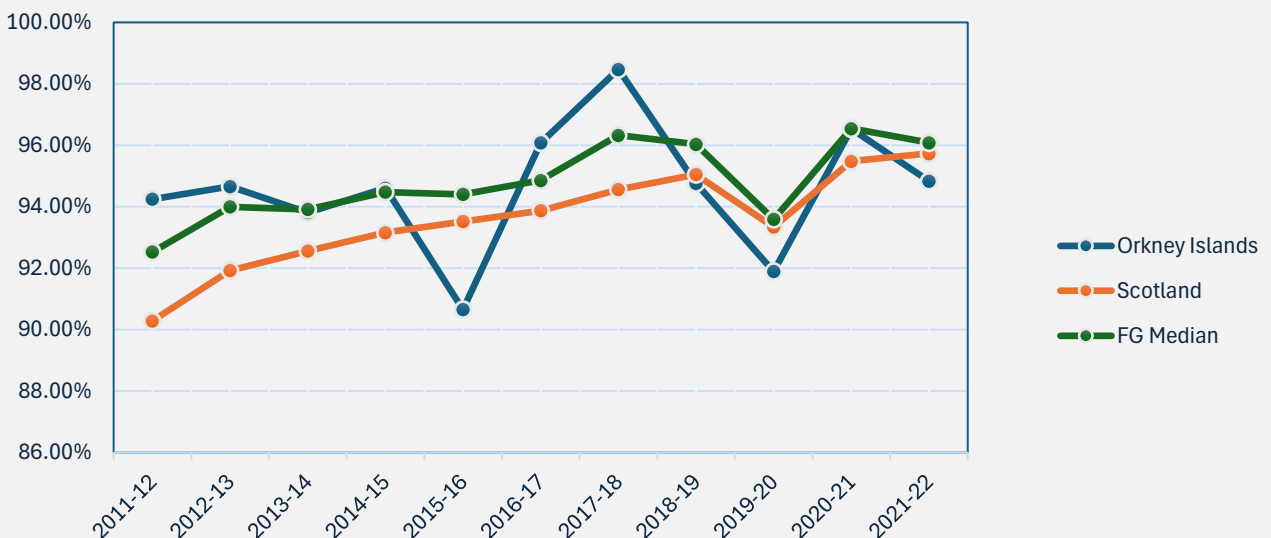
### CHN11 – Proportion of Pupils Entering Positive Destinations.

This measure records the destinations of school leavers of all ages approximately 3 months after the end of the school year on 31st July, as published in the 'School leaver initial destinations and attainment survey'. In 2022/23 94.4% of Orkney school leavers entered positive destinations, a small decrease compared to the 2021/22 figure of 94.8%. Orkney's small cohorts cause swings in the data. The 2022/23 leavers cohort contains 241 young people. 3 more young people moving into a positive destination would put Orkney above the Scottish average of 95.9%, and 5 more would put Orkney into the top 8 Scottish Councils.

Baseline 2020/21	Performance 2022/23	Target 2027/28
96.53%	94.84%	98%

Rank out of 32 Scottish Councils		
2021/22	22	
2022/23	28	

### PROPORTION OF PUPILS ENTERING POSITIVE DESTINATIONS



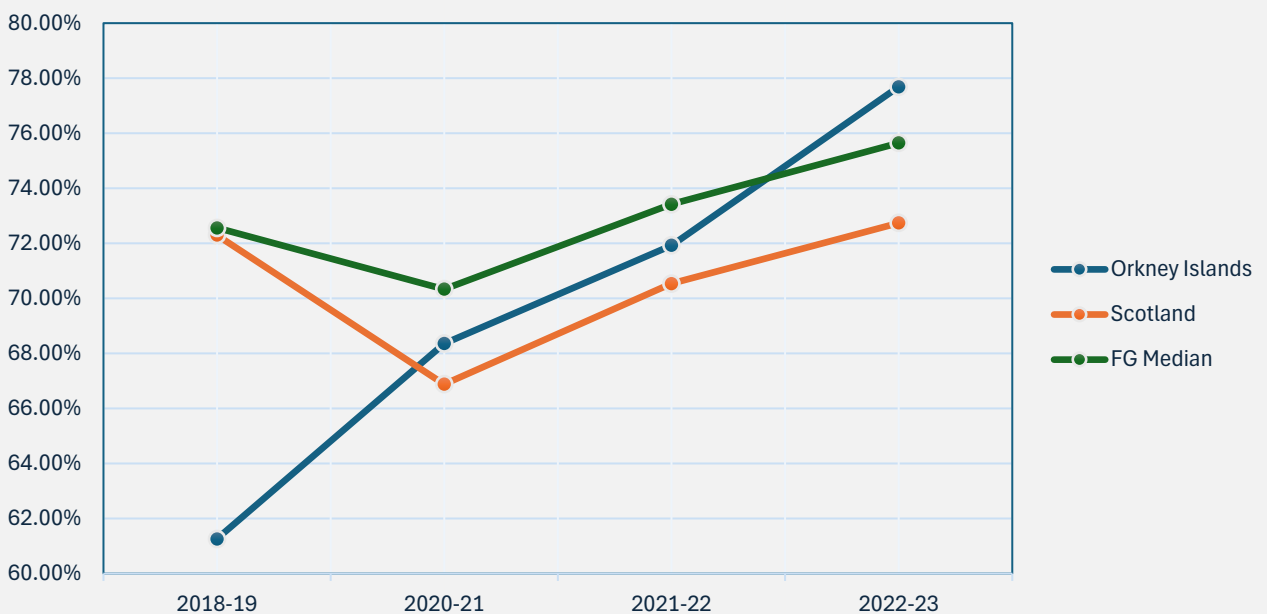
## Priority: Strengthening Our Community

### CHN13a – Percentage of P1, P4 and P7 Pupils Combined Achieving Expected Curriculum for Excellence Level in Literacy.

Attainment in literacy in P1/4/7 has continued to improve. The robust tracking and monitoring toolkit that is in place in the primary schools has been further developed to allow us to accurately capture the literacy attainment in an ongoing basis. This is when children achieve the expectations across all three organisers of reading, writing and listening and talking.

Baseline 2020/21	Performance 2022/23	Target 2027/28
68.4%	77.7%	85%
Rank out of 32 Scottish Councils		
2021/22	12	✓
2022/23	5	

**PERCENTAGE OF P1, P4 AND P7 PUPILS COMBINED ACHIEVING EXPECTED CFE LEVEL IN LITERACY**



## Priority: Strengthening Our Community

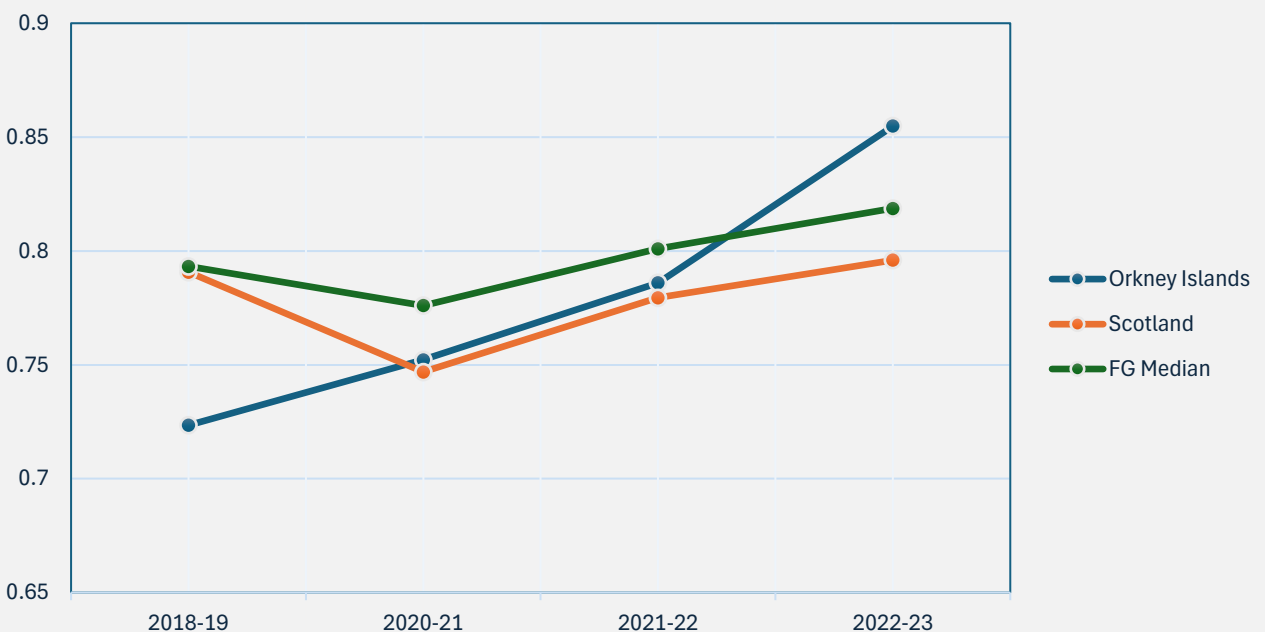
### CHN13b – Percentage of P1, P4 and P7 Pupils Combined Achieving Expected Curriculum for Excellence Level in Numeracy.

Attainment in numeracy has continued to improve. The robust focus on tracking and monitoring children's progress in this area is helping to contribute to the improvement.

Baseline 2020/21	Performance 2022/23	Target 2027/28
75.2%	85.5%	90%

Rank out of 32 Scottish Councils		
2021/22	14	✓
2022/23	3	

### PERCENTAGE OF P1, P4 AND P7 PUPILS COMBINED ACHIEVING EXPECTED CFE LEVEL IN NUMERACY



## Priority: Strengthening Our Community

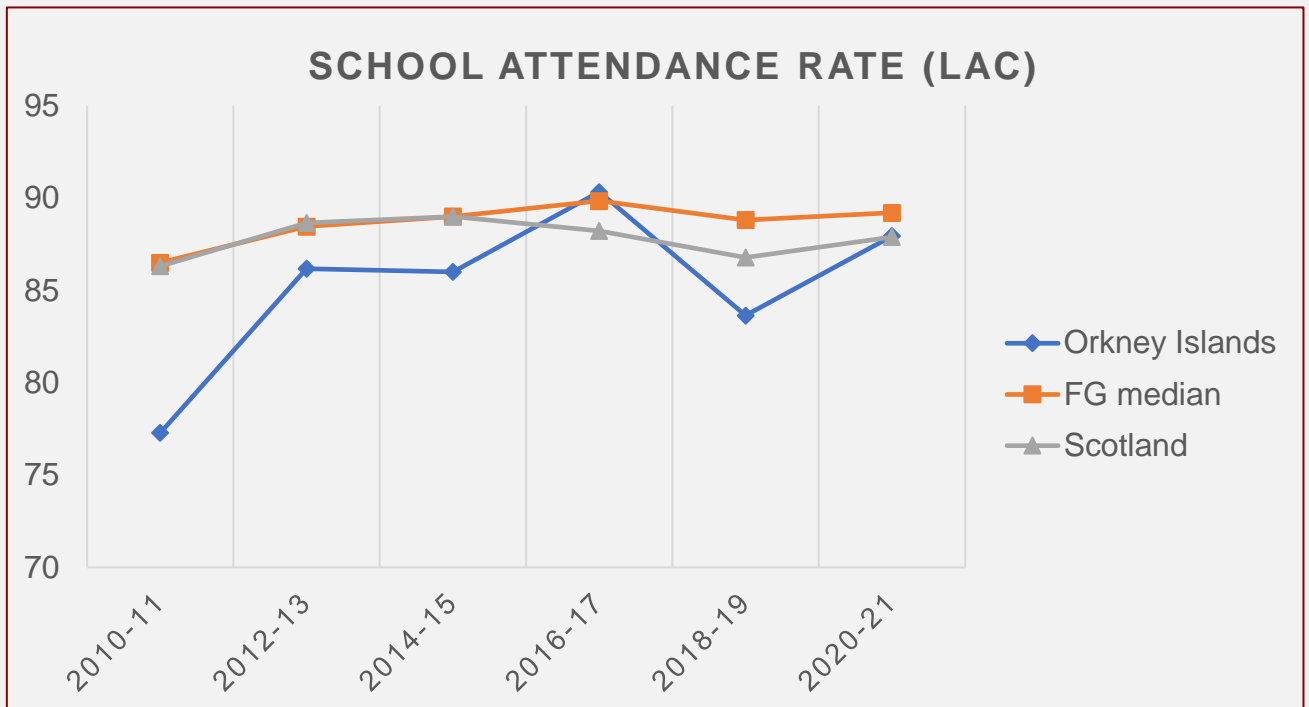
### CHN19b – School Attendance Rate for Looked After Children.

Most recent benchmarking data has not yet been published for this indicator.

Data for this indicator is provided directly from the Scottish government.

Baseline 2018/19	Performance 2022/23	Target 2027/28
83.64%	No Data	90%

Rank out of 32 Scottish Councils		
2020/21	18	
2022/23		




## Priority: Developing Our Infrastructure

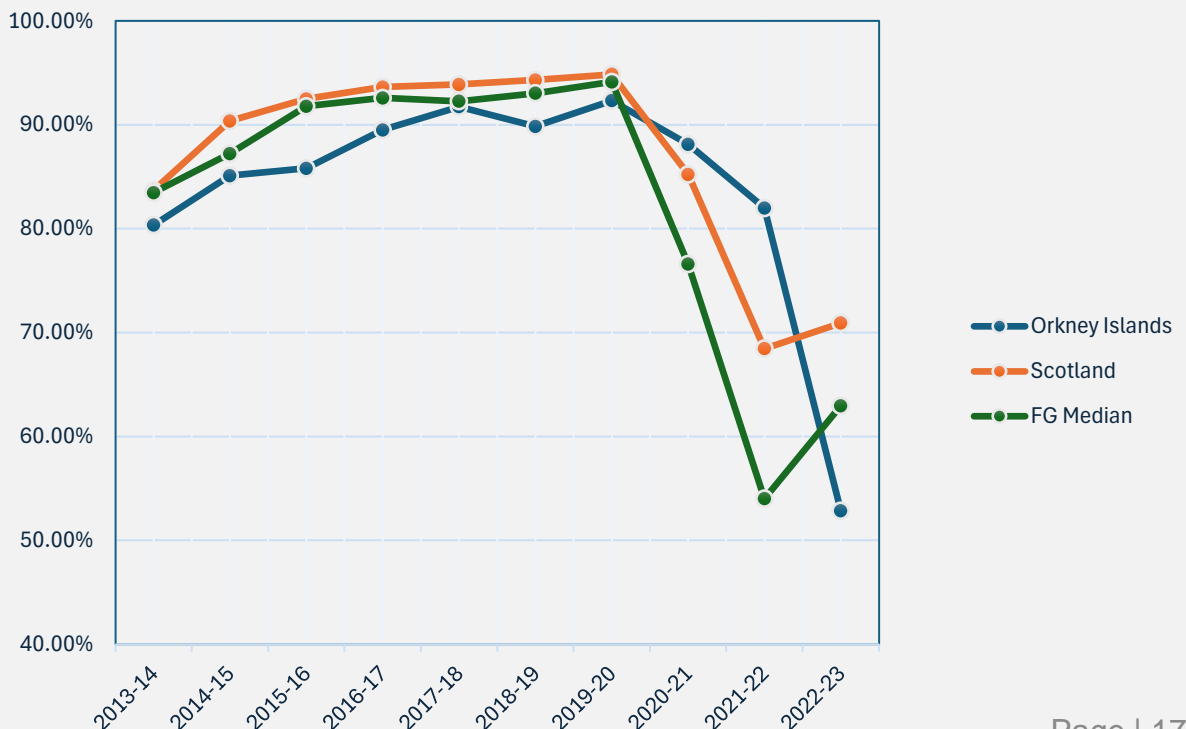
### HSN3 – Percentage of Council Dwellings meeting Scottish Housing Quality Standards.

In late 2022, an issue was identified around interlinked heat and smoke alarms, and Electrical Installation Condition Reports (EICR). A programme of works was instigated and is still underway to ensure the final remaining households have their interlinked smoke alarms fitted & and electrical installation checks before the end of 2023. This programme is also to instigate a process of evidencing compliance.

Baseline 2020/21	Performance 2022/23	Target 2027/28
88.1%	52.8%	90%

Rank out of 32 Scottish Councils		
2021/22	6	
2022/23	20	

### PERCENTAGE OF DWELLINGS MEETING SHQS





## Priority: Developing Our Infrastructure

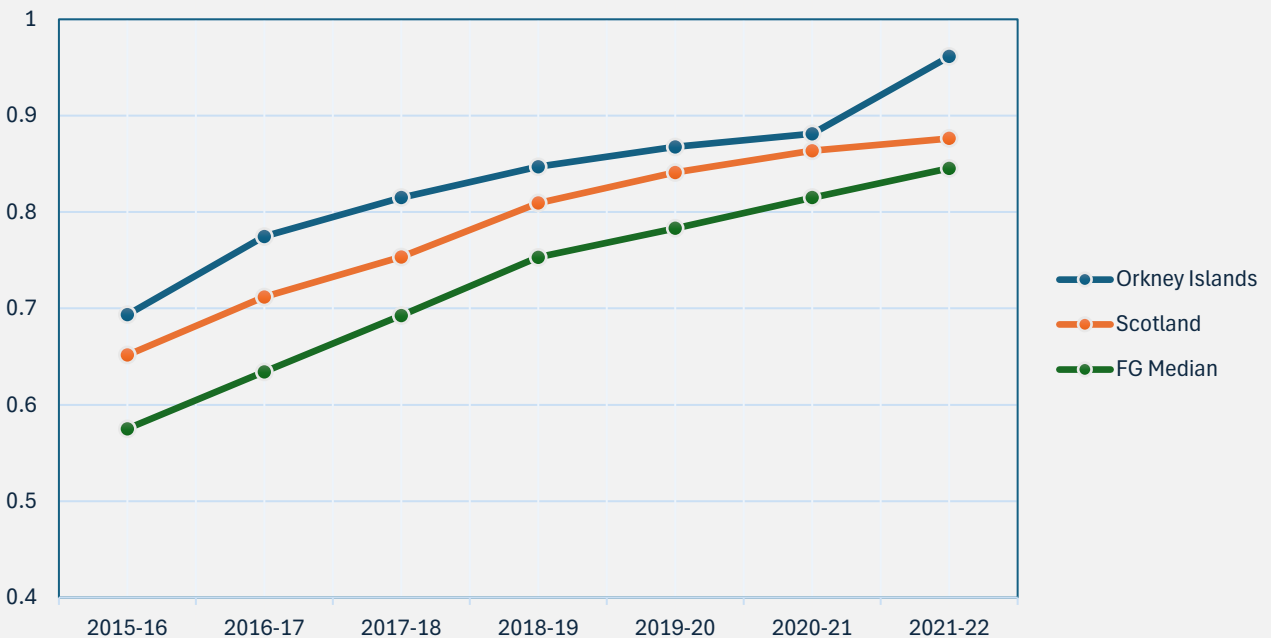
### HSN5 – Percentage of Council Dwellings that are Energy Efficient.

Data for this indicator for 2022/23 has not been collected or published due to the Scottish Government's ongoing review of the Energy Efficiency Standard for Social Housing post 2020 (EESH2).

Baseline 2020/21	Performance 2022/23	Target 2027/28
88.12%	No Data	90%

Rank out of 32 Scottish Councils		
2021/22	6	
2022/23		

### PERCENTAGE OF COUNCIL DWELLINGS THAT ARE ENERGY EFFICIENT



## Priority: Transforming Our Council

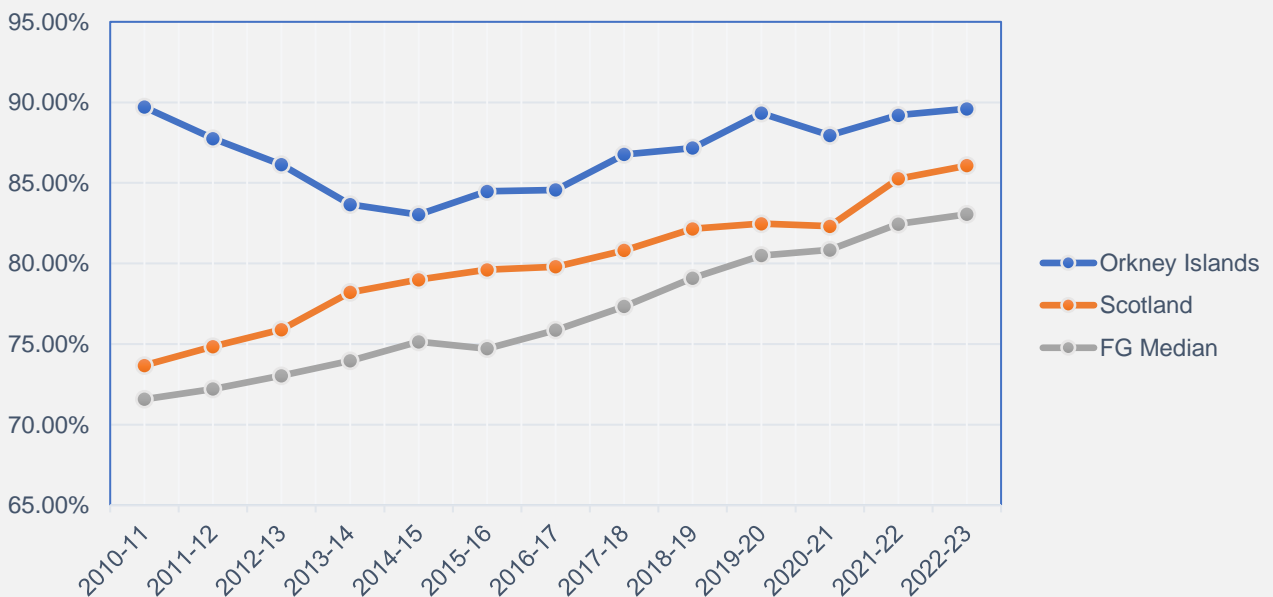
### CORP-ASSET1 – Proportion of Operational Buildings that are Suitable for their Current Use.

2023 figures for the suitability indicators are 92.164%. This means that only 7.836% of the total is classified as C or D. This is a slight improvement from the 2022 figures, which were 91.771% and 8.229% respectively.

Baseline 2020/21	Performance 2022/23	Target 2027/28
87.95%	89.6%	90%

Rank out of 32 Scottish Councils		
2022/21	14	▲
2022/23	13	

### PROPORTION OF OPERATIONAL BUILDINGS THAT ARE SUITABLE FOR THEIR CURRENT USE




## Priority: Transforming Our Council

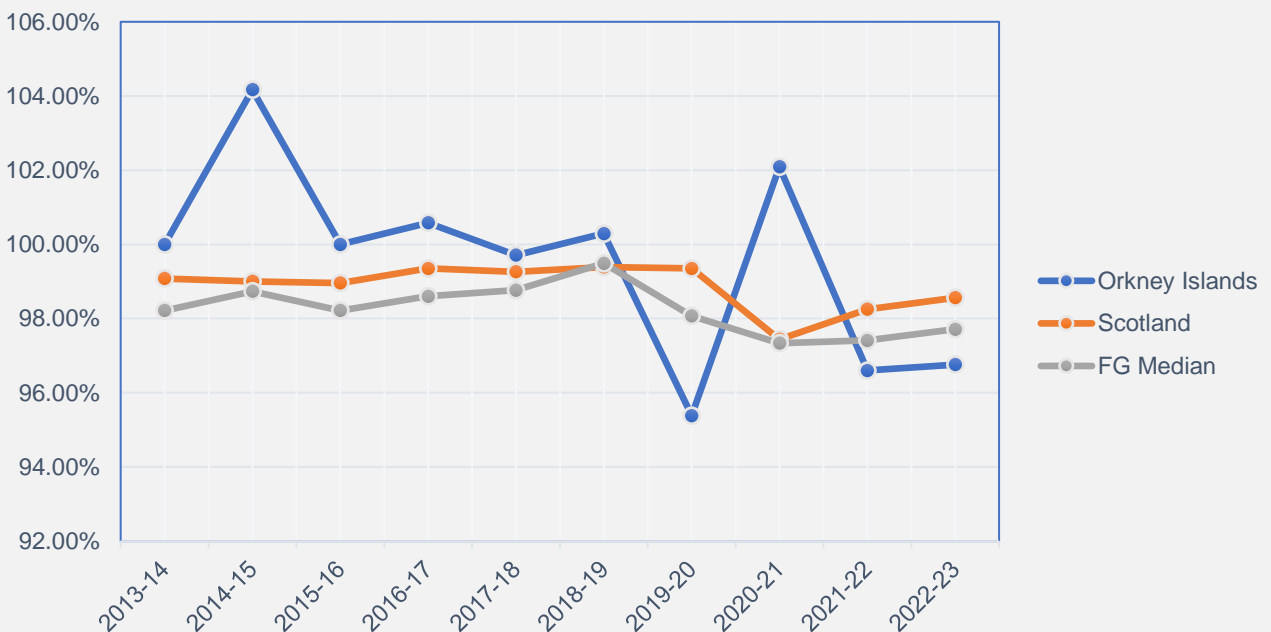
### FINSUS5 – Actual Outturn as a Percentage of Budgeted Expenditure.

The position in 2020/21 reflected the commitment of an additional £2.1 million from non-earmarked reserves to roads service expenditure and staff vacancies. In 2021/22 inflationary cost pressures on supplies and services, pay awards that have not been fully funded and escalating agency staff costs have placed budgets under severe pressure.

Baseline 2020/21	Performance 2022/23	Target 2027/28
102.09%	96.8%	100%

Rank out of 32 Scottish Councils		
2021/22	20	
2022/23	21	

### ACTUAL OUTTURN AS A PERCENTAGE OF BUDGETED EXPENDITURE




## Priority: Transforming Our Council

### CORP6a – Sickness Absence Days per Teacher.

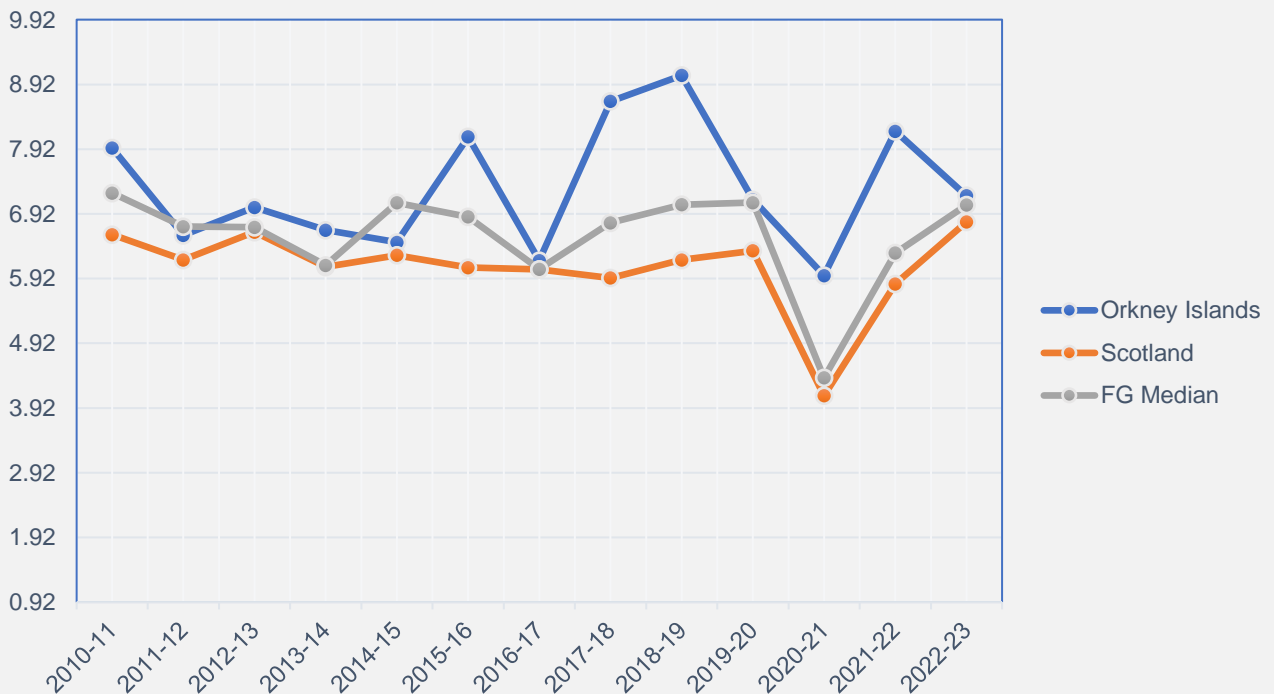
Sickness absence has increased since pre-covid levels, which is consistent with the picture elsewhere in the country.

The Corporate Leadership Team have agreed to have a renewed focus on reducing absence, and new initiatives in terms of health and wellbeing continue to be rolled out to help support attendance.

Baseline 2020/21	Performance 2022/23	Target 2027/28
5.97	7.2	6

Rank out of 32 Scottish Councils		
2021/22	31	
2022/23	22	

### SICKNESS ABSENCE DAYS PER TEACHER




## Priority: Transforming Our Council

### CORP6b – Sickness Absence Days per Employee (Non-Teacher)

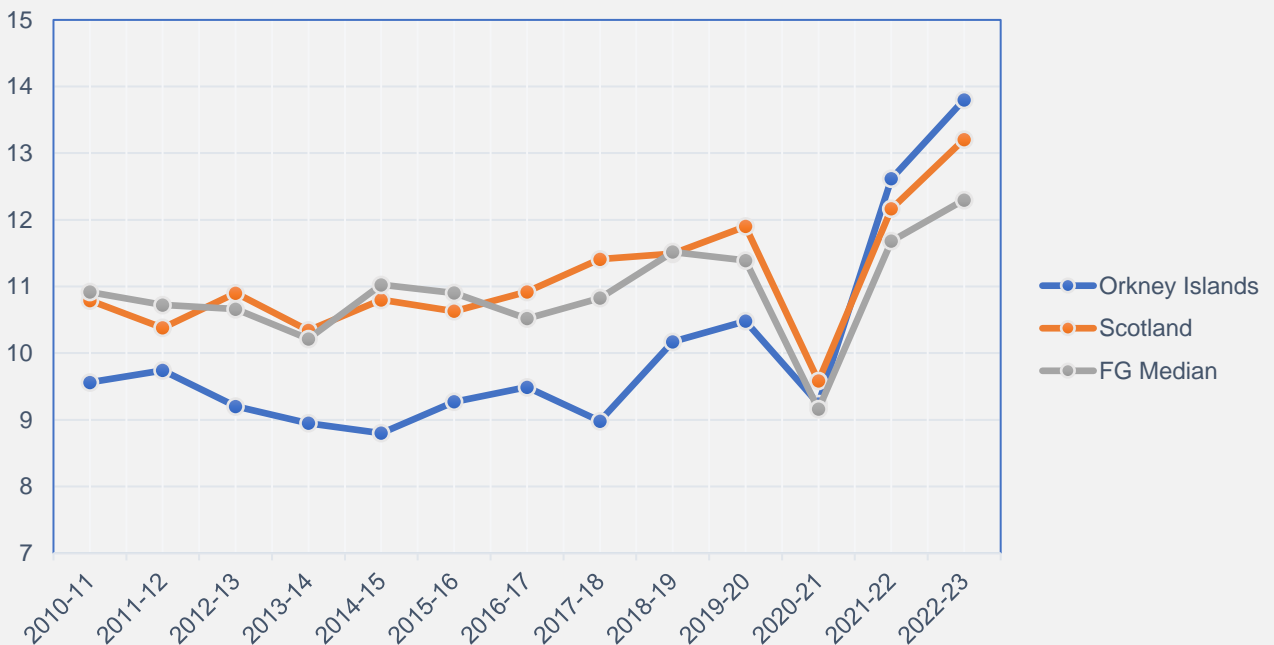
Sickness absence has increased since pre-covid levels, which is consistent with the picture elsewhere in the country.

The Corporate Leadership Team have agreed to have a renewed focus on reducing absence, and new initiatives in terms of health and wellbeing continue to be rolled out to help support attendance.

Baseline 2020/21	Performance 2022/23	Target 2027/28
9.24	13.8	9

Rank out of 32 Scottish Councils		
2021/22	19	
2022/23	18	

## SICKNESS ABSENCE DAYS PER EMPLOYEE (NON-TEACHER)





# Local Government Benchmarking Framework

## 2022/23 Indicators not included in Council Plan

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## Children's Services

LGBF Indicator	2021/22	2022/23
CHN1 – Cost per primary school pupil.	£10,800	£10,843
CHN2 – Cost per secondary school pupil.	£13,176	£12,772
CHN3 – Cost per pre-school education place.	£9,095	£9,804
CHN5 – Percentage of pupils gaining 5+ awards at level 6.	34%	31%
CHN8a – Gross cost of looked after children in residential-based services per child per week.	£7,580	£6,121
CHN8b – Gross cost of looked after children in a community setting per child per week.	£495	£707
CHN9 – Percentage of children being looked after in the community.	71.4%	66.7%
CHN10 – Percentage of adults satisfied with local schools.	87% (2019-22)	88.3% (2020-23)
CHN11 – Percentage of pupils entering positive destinations.	94.8%	94.4%
CHN12a – Overall average total tariff.	983	917
CHN12c – Average total tariff SIMD quintile 2.	768	775
CHN12d – Average total tariff SIMD quintile 3.	1,088	1,139
CHN12e – Average total tariff SIMD quintile 4.	1,029	924
CHN12f – Average total tariff SIMD quintile 5.	764	801
CHN17 – Percentage of children meeting developmental milestones.	88.9%	87.1%
CHN18 – Percentage of funded early years provision which is graded good / better.	95%	90%
CHN19a – School attendance rate.	94.90% (2020-21)	91.00%

## Children's Services (continued)

LGBF Indicator	2021/22	2022/23
CHN21 – Participation rate for 16 to 19 year olds.	93.37%	96.4%
CHN22 – Percentage of child protection re-registrations within 18 months.	0%	0%
CHN23 – Percentage of looked after children with more than one placement in the last year (August to July).	13.16%	16.7%

## Corporate Services

LGBF Indicator	2021/22	2022/23
CORP1 – Support services as a percentage of total gross expenditure.	4.7%	4.8%
CORP3b – Percentage of the highest paid 5% employees who are women.	30.4%	38.3%
CORP3c – The gender pay gap.	11.6%	6.7%
CORP4 – The cost per dwelling of collecting Council Tax.	£15.70	£16.85
CORP7 – Percentage of income due from Council Tax received by the end of the year.	96.27%	98.8%
CORP8 – Percentage of invoices that were paid within 30 days.	84.04%	84.1%
CORP9 – Percentage of crisis grant decisions within one day.	100%	98.75%
CORP10 – Percentage of community care grant decisions within 15 days.	97.50%	98.75%



## Corporate (continued)

LGBF Indicator	2021/22	2022/23
CORP11 – Percentage of Scottish Welfare Fund budget spent.	71.58%	70.46%
CORP12 – Proportion of Discretionary Housing Payments funding spent.	74.72%	70.12%

## Adult Social Care

LGBF Indicator	2021/22	2022/23
SW1 – Home care costs per hour for people aged 65 or over.	£38.31	£72.46
SW2 – Self-directed support spend on adults 18+ as a percentage of total social work spend on adults 18+.	5.67%	5.94%
SW3a – Percentage of people aged 65 and over with long-term care needs receiving personal care at home.	68.51%	54.02%
SW4c – Percentage of adults supported at home who agree they are supported to live as independently as possible.	98.32% (2019-20)	90.23% (2021-22)
SW4e – Percentage of carers who feel supported in their caring role.	41.06% (2019-20)	42.45% (2021-22)
SW5 – Residential costs per week per resident for people aged 65 or over.	£1,395	£1,202
SW6 – Rate of readmission to hospital within 28 days per 1,000 discharges.	76.37	69.04
SW7 – Proportion of care services graded 'good' or better in Care Inspectorate inspections.	76.20%	67%
SW8 – Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+).	368.00	509.87

## Culture and Leisure Services

LGBF Indicator	2021/22	2022/23
C&L1 – Cost per attendance at sports facilities.	£7.35	£1.14
C&L2 – Cost per library visit.	£0.35	£0.98
C&L3 – Cost per visit to museums and galleries.	£210.31	£6.83
C&L4 – Cost of parks and open spaces per 1,000 population.	£16,860	£16,681
C&L5a – Percentage of adults satisfied with libraries.	91.67% (2017-20)	89.3% (2020-23)
C&L5b – Percentage of adults satisfied with parks and open spaces.	73.13% (2017-20)	83.0% (2020-23)
C&L5c Percentage of adults satisfied with museums and galleries.	86.13% (2017-20)	84.7% (2020-23)
C&L5d – Percentage of adults satisfied with leisure facilities.	87.27% (2017-20)	83.3% (2020-23)

## Environmental Services

LGBF Indicator	2021/22	2022/23
ENV1a – Net cost per waste collection per premise.	£71.85	£89.12
ENV2a – Net cost of waste disposal per premise.	£161.77	£160.05
ENV3a – Net cost of street cleaning per 1,000 population.	£10,767	£16,903
ENV3c – Street cleanliness score.	100.00	100.00
ENV4a – Cost of roads per kilometre.	£4,120	£6,737

## Environmental Services (continued)

LGBF Indicator	2021/22	2022/23
ENV4b – Percentage of A class roads that should be considered for maintenance treatment.	25.80% (2019-21)	26.29% (2021-23)
ENV4c – Percentage of B class roads that should be considered for maintenance treatment.	20.70% (2019-21)	19.33% (2021-23)
ENV4d – Percentage of C class roads that should be considered for maintenance treatment.	16.10% (2019-21)	15.42% (2021-23)
ENV4e – Percentage of unclassified roads that should be considered for maintenance treatment.	23.35% (2018-22)	23.67% (2019-23)
ENV5 – Cost of trading standards and environmental health per 1,000 population.	£36,012	£43,611
ENV5a – Cost of trading standards, money advice and citizen advice per 1,000 population.	£8,339	£11,000
ENV5b – Cost of environmental health per 1,000 population.	£27,673	£32,609
ENV6 – Percentage of household waste arising that is recycled.	25.98%	23.00%
ENV7a – Percentage of adults satisfied with refuse collection.	81.3% (2017-20)	77.3% (2019-22)
ENV7b – Percentage of adults satisfied with street cleaning.	69.33% (2019-22)	67.33% (2020-23)

## Housing Services

LGBF Indicator	2021/22	2022/23
HSN1b – Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year.	14.64%	12.66%
HSN2 – Percentage of rent due in the year that was lost due to voids.	1.34%	1.32%

## Housing Services (continued)

LGBF Indicator	2021/22	2022/23
HSN4b – Average number of days taken to complete non-emergency repairs.	17.14	15.16

## Corporate Assets

LGBF Indicator	2021/22	2022/23
CORP-ASSET2 – Proportion of internal floor area of operational buildings in satisfactory condition.	92.14%	93%

## Economic Development

LGBF Indicator	2021/22	2022/23
ECON1 – Percentage of unemployed people assisted into work from Council operated / funded employability programmes.	1.25%	28.5%
ECON2 – Cost of planning and building standards per planning application.	£4,359	£5,880
ECON3 – Average time per business and industry planning application (weeks).	9.53	10.23
ECON6 – Investment in economic development and tourism per 1,000 population.	£123,069	£151,775
ECON8 – Proportion of properties receiving superfast broadband.	69.50%	70.46%
ECON9 – Town vacancy rates.	3.01%	4%
ECON10 – Immediately available land as a percentage of total land allocated for employment purposes in the Local Development Plan.	7.30%	8.84%

## Economic Development (continued)

LGBF Indicator	2021/22	2022/23
ECON11 – Gross Value Added per capita.	£24,832 (2019-20)	£23,558
ECON12a - Claimant Count as a % of Working Age Population	2.90%	1.57%
ECON12b – Claimant count as a percentage of population aged 16 to 24.	5.30%	2.48%

## Financial Sustainability

LGBF Indicator	2021/22	2022/23
FINSUS1 – Total usable reserves as a percentage of Council annual budgeted revenue.	327.20%	272.60%
FINSUS2 – Uncommitted general fund balance as a percentage of Council annual budgeted net revenue.	7.70%	12.6%
FINSUS3 – Ratio of financing costs to net revenue stream – general fund.	1.50	0.70
FINSUS4 – Ratio of financing costs to net revenue stream – housing revenue account.	26.30	18.00

## Tackling Climate Change

LGBF Indicator	2021/22	2022/23
CLIM03 - CO2 emissions from transport per capita	554.74 (2019-20)	566.78 (2021-22)
CLIM04 - CO2 emissions from electricity per capita	139.92 (2019-20)	132.52 (2021-22)