

Local Government, Housing and Planning Committee

22nd Meeting, 2023 (Session 6)

Tuesday 26 September 2023

Pre-Budget Scrutiny – Local Government workforce planning issues

Introduction

1. At its meeting on 20 June 2023 the Committee agreed to focus its pre-budget scrutiny on the local government budget, which has been a key feature of the Committee's ongoing work on the New Deal. Scotland's local authorities employ more than 260,000 people, and the largest element of local government expenditure is on pay and other workforce costs. Therefore, the committee agreed to place a particular focus on workforce planning.
2. This paper sets out the focus of the Committee's work and the evidence the Committee will be taking to inform its consideration.

Background

3. Workforce planning in local government is complex and challenging.
4. In 2018 this Committee's predecessor Committee (the Local Government and Communities Committee) focussed its pre-budget scrutiny on workforce planning issues.
5. In a [letter to the Minister for Local Government, Housing and Planning](#) in November 2018, the Committee raised the following points:
 - There is a need for more work to be done at a national level on data-gathering, horizon scanning, and decision-making.
 - The annual budget process can be used as an opportunity to reallocate resources in response to long-term trends and to incentivise proactive responses to them by councils.

- Single-year budget settlements from the Scottish Government make planning difficult for local authorities in personnel matters as in other areas.
- The Committee heard of the disproportionate impact an overall reduction in local authority personnel has had on smaller council departments.
- Planning, environmental health, and building standards departments were amongst those given as examples.
- There were concerns over an aging workforce but, at the same time, to a hollowing out of more senior staff within councils in recent years, with many in the 40-50 cohort accepting redundancy or otherwise moving on.
- Witnesses referred to difficulties in recruiting younger and graduate-entry staff, who for a variety of reasons appear to find work in local government less appealing than previous cohorts did.
- The Committee heard that council workforces tend not to reflect the diversity of the communities they serve.

6. More recently, the Accounts Commission's Overview of Local Government highlighted that increasing workforce challenges such as recruitment difficulties and high sickness absence levels are putting councils under continued pressure. In the same report the Accounts Commission also recommends that workforce planning must improve so that councils have the staff, skills and leaders needed to bring about change and create a resilient workforce for the future.

7. Since the publication of that report [COSLA and the Scottish Government published the Verity House Agreement](#), a partnership agreement which sets out the shared vision for a more collaborative approach between national and local government. This agreement commits to, by the end of September 2023:

- Improve engagement on budgetary matters ahead of the preparation of the Scottish Budget in December
- Conclude a fiscal framework between the Scottish Government and Local Government
- Agree a shared programme of activity covering the three priorities (tackling poverty, just transition to net zero and sustainable public services), which will cover the period up to the next Scottish Council elections in 2027.
- By October 2023, there will be a joint review of Specific Grants and in year transfers to local government, aiming to identify those which can be baselined into the General Revenue Grant or the General Capital Grant (starting in the financial year 2024-25)
- And by August 2024 to jointly consider the first year of implementation of the Verity House Agreement

8. The Committee will explore what progress has been made since its predecessor Committee considered this issue and how the Scottish Government and COSLA expect next year's Budget to address the challenges raised by the Accounts Commission earlier this year, particularly in the context of the New Deal.

Evidence programme

9. To inform its consideration of this issue, at its meeting on 19 September the Committee heard from the following:

Panel 1: Union representatives; GMB (Sean Baillie, GMB Scotland Organiser), Unison (Johanna Baxter, Head of Local Government, UNISON Scotland) and the STUC (Linda Sommerville, Deputy General Secretary)

Panel 2: Local Government Directors of Finance; Martin Booth, Executive Director of Finance, Glasgow City Council, Robert Emmott, Executive Director of Corporate Service, Dundee City Council, and Paul Manning, Executive Director of Finance and Corporate Services, South Lanarkshire Council

Panel 3: The Society of Personnel and Development (Fiona Whittaker, Chief Officer), SOLACE (Gerry Comes, Chief Executive) and APSE (Mo Baines, Chief Executive and Councillor Lynne Short, Dundee City Council and Chair of APSE Scotland)

10. At this meeting the Committee will pursue the issues arising out of last week's session with the Minister for Local Government Empowerment and Planning and COSLA.

11. Following the session with the Minister and COSLA the Committee will write to the Minister to inform the development of the budget.

Clerks

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