

Corporate Services

Support Services

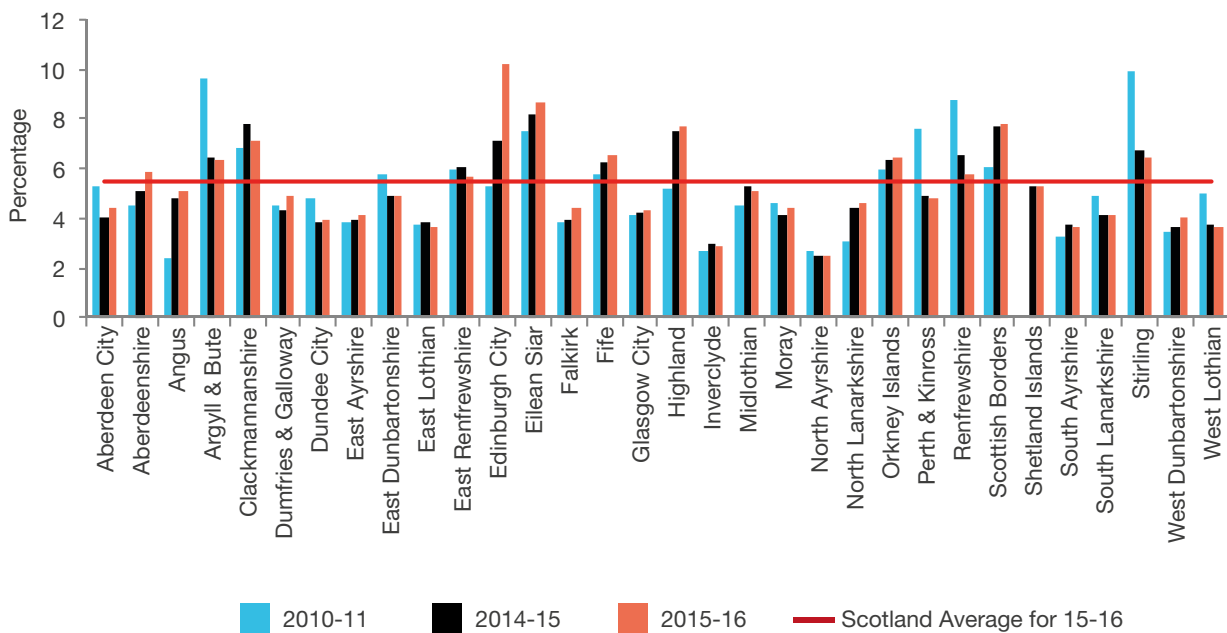
Corporate support services within councils cover a wide range of functions including finance, human resources, corporate management, payroll, legal services and a number of other corporate functions.

In 2015/16 the Scottish average among councils for the cost of support services as a percentage of the total revenue budget of a council was 5.4%. an increase from 4.9% in 2010/11. Spend on support services has reduced by 0.8% during this 6-year period, however there has been a proportionately larger reduction in the total revenue budget of councils which has reduced by 11%.

In the last 12 months however, expenditure on support services has increased by 8%. Significant digital investment and increasing centralisation of support services may be important factors contributing to this trend. However, it is also possible an element of this increase is due to improved reporting following refined guidance from the Scottish Government in their financial return.

In 2015/16 the range across councils is from 2.5% to 10.2%, with clear differences between urban, rural and semi-rural councils. In general terms support services represent a higher percentage of the total gross expenditure in rural authorities than urban and semi-rural councils; the rates were 6.3% on average for rural councils and 4.3% and 4.4% for urban and semi-rural councils respectively.

Support Services as a Percentage of Total Gross Expenditure



Source: Council supplied expenditure figures

Note: Missing values reflect no data returned for that year

Democratic Core

The democratic core service of local authorities covers all the services including committees that are necessary to support the council in discharging its democratic functions on behalf of the community.

In 2015/16, the Scottish average for the cost of the democratic core per 1,000 of population was £29,981. Over the six-year period 2010/11 to 2015/16 the cost reduced by 16.5% in real terms.

Work within Family Groups has identified the following factors as important in understanding the variation between authorities in Support Services

Workforce composition and structure – workforce exit; staff terms & conditions; role redefinition

Asset Management and rationalisation

Service redesign – service integration; centralisation; self-service;

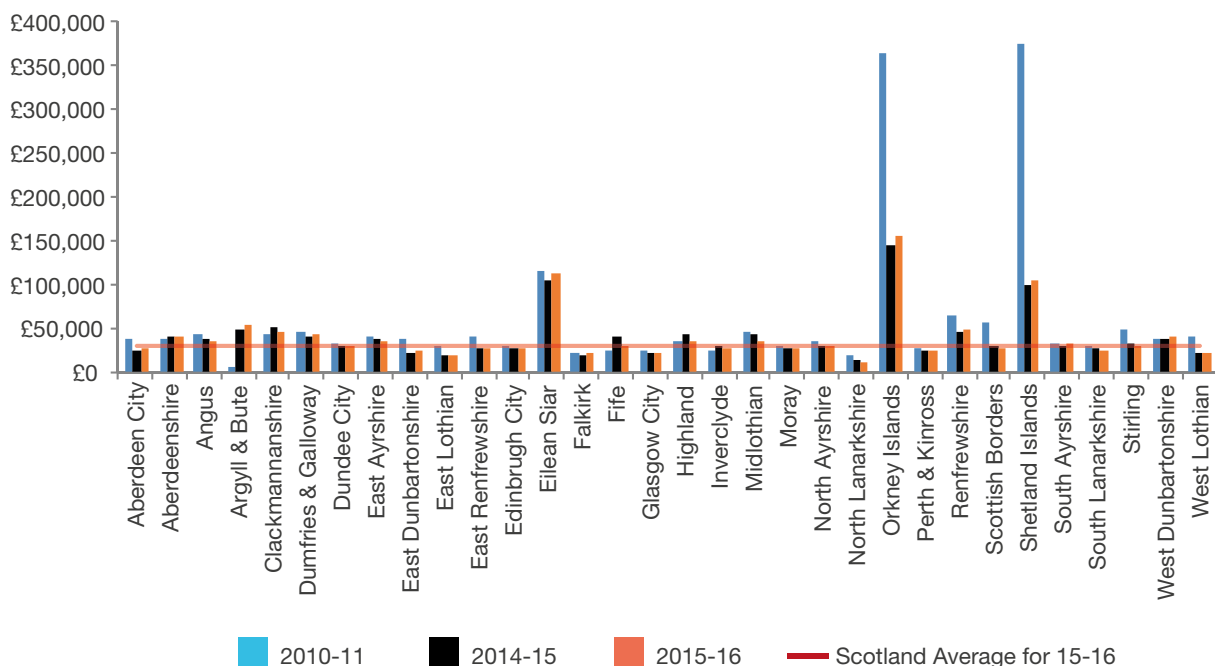
Digital Strategy

Cost of Democratic Core Per 1,000 Population

% Change	Cash	Real
2010/11 - 2015/16	-10.4	-16.5
2010/11 - 2011/12	-6.0	-7.3
2011/12 - 2012/13	1.0	-1.1
2012/13 - 2013/14	0.8	-0.9
2013/14 - 2014/15	-4.2	-5.6
2014/15 - 2015/16	-2.3	-2.8

In 2015/16, there remains significantly large variation across councils although this has narrowed since the base year. Excluding the islands which are significant outliers, costs range from £12,490 to £53,148, This range widens to £12,490 to £152,699 including islands. Rural councils have significantly higher costs than urban/semi-rural equivalents (£42,493 for rural councils on average compared to £26,503 and £29,296 for urban/semi-rural respectively). These figures indicate the higher costs rural and island councils face associated with the distances elected members have to travel to attend meetings plus accommodation and other expenses incurred as a consequence of this.

Cost of Democratic Core Per 1,000 Population



Source: Mid year population estimates, National Records Scotland: Council expenditure figures

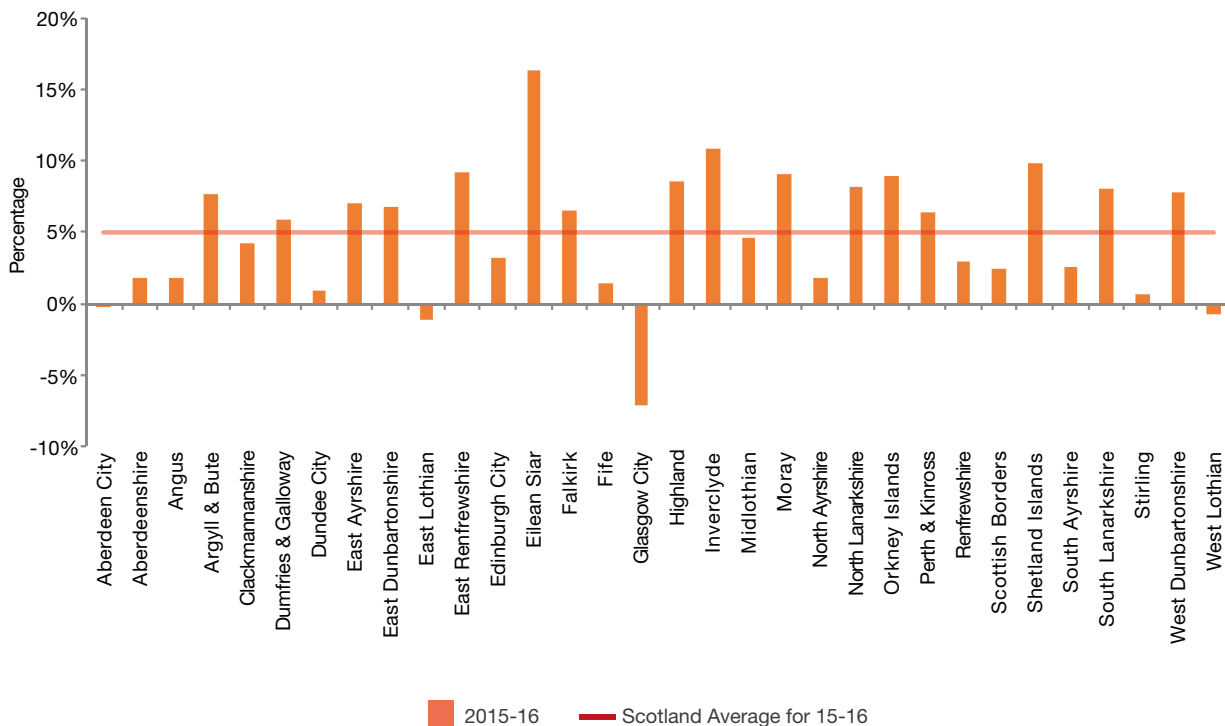
Gender Equality

The percentage of women in the top 5% of earners in councils is a significant measure of the attempts by councils to ensure equal opportunity between genders. From 2010/11 to 2015/16 this has increased from 46.3% to 51.7%. The range across councils is from 23% to 61%.

While this is an important measure reflecting the progress which has been made in relation to gender equality in senior positions, there is a need to capture the progress being made across the wider workforce. As such, we have been working with councils and other partners to include a measure on the Gender Pay Gap which is introduced here for the first time. The Gender Pay Gap represents the difference between men's and women's earnings and is a key measure under the Public Sector Equality Duty. This measure takes the average hourly rate of pay (excluding overtime) for female employees and divides this by average hourly rate for male employees (also excluding overtime). Both part-time and full-time employees are included. As this is the first year of inclusion, this measure will be subject to review and on-going development across the coming period.

In 2015/16, the Gender Pay Gap was 4.98%, ranging from -7.0% to 16.4%. Those staff employed via arms-length organisations are not included within the calculation, which will influence the variability observed and may be important in understanding the figures observed for Glasgow.

Gender Pay Gap

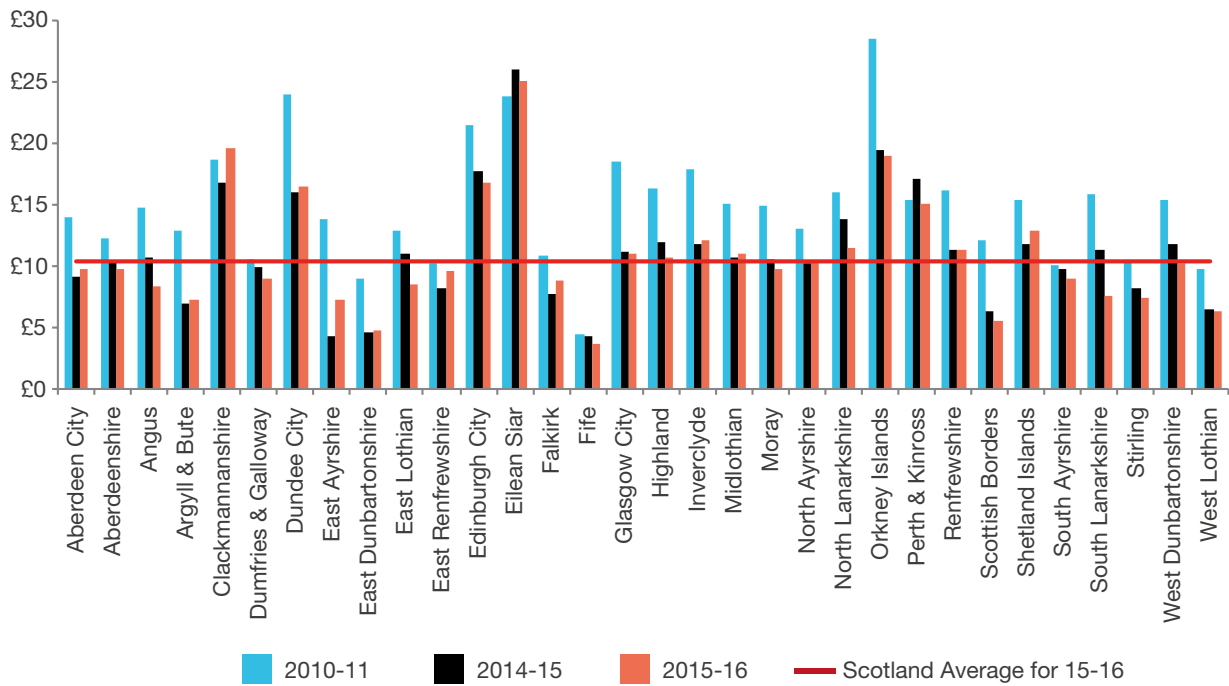


Council Tax

The cost of collecting Council Tax is measured on a per property basis to standardise the measure across councils. Over the six-year period from 2010/11 to 2015/16, this has reduced by 30.2%, from £14.81 to £10.34. There has been a year-on-year reduction in costs, which has accelerated in recent years.

The range however varies significantly from £3.65 to £24.98, with medium-sized councils reporting the lowest costs. A key factor driving the reduction in costs is the continued digital transformation and shift to embrace new technology and automation.

Cost of Collecting Council Tax (£)



Source: Council supplied figures

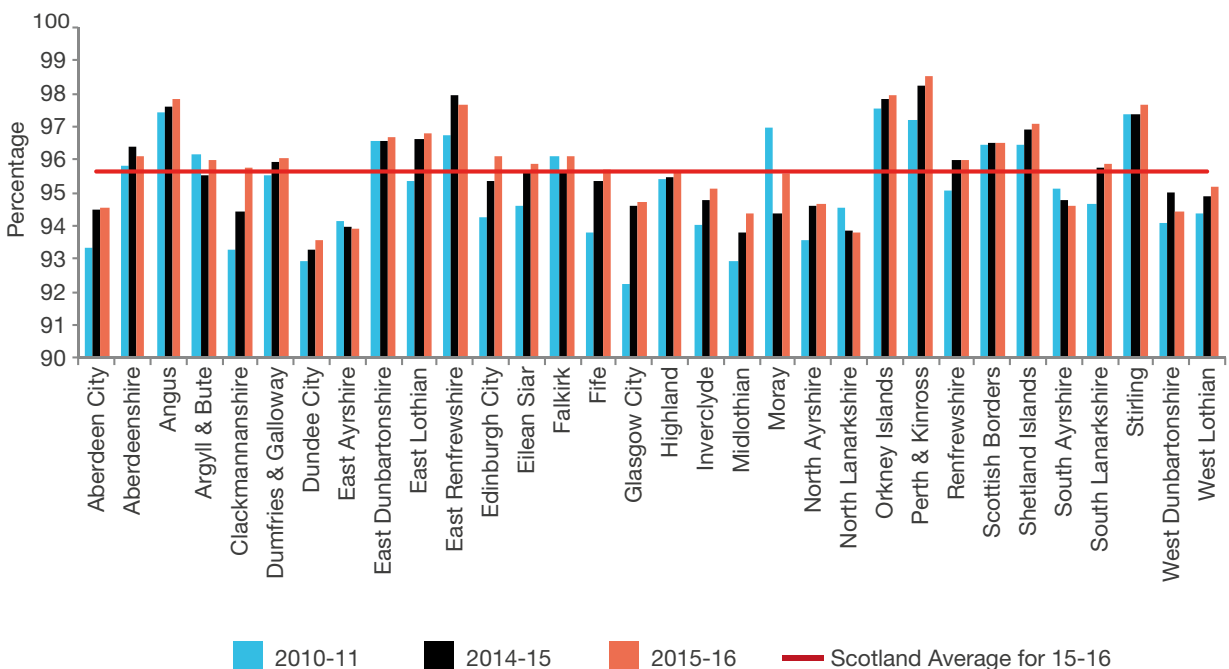
At the same time as the reduction in unit costs, the overall rate of in-year collection for Council Tax has remained high and shown steady improvement from 94.7% in 2010/11 to 95.7% in 2015/16. This has been achieved despite the challenges created by a difficult economic climate and significant welfare reform.

The range across councils is 93.6% to 98.5% with a significant pattern in relation to rurality and level of deprivation. The roll-out of Universal Credit is likely to further exacerbate this over the coming period.



Fife Council has low and reducing collection costs along with high collection rates. The council has focused on channel shift by investing in digital methods to reduce the number of council tax reminders issued, administration costs and incoming calls.

Percentage of Income Due from Council Tax Received by the End of the Year





performance.

Eilean Siar Council traditionally had higher costs for Council Tax collection with a lower collection rate. Benchmarking was undertaken with all other councils to ascertain the timescales they used for council tax debt recovery and identify options for change to increase council tax collection. Following this research, the service's recovery timetables were amended resulting in an increase in recovery



East Ayrshire Council expanded council tax payment options and used a targeted approach, including cold calling, to improve contact with hard to reach customers and reduce administration costs. The Council has significantly reduced the cost of collecting council tax (47% reduction to below the Scotland and family group average), without having a detrimental impact.

Work within Family Groups has identified the following factors as important in understanding the variation between authorities in Council Tax performance

Channel Shift to greater automation and self-service (both customer facing and back office)

Structural variations in relation to council owned or transferred housing stock and the impact of discount/exemption/CTR take-up on collection

Procedural variations such as:

- *Local set ups – Revenues and Benefits, shared service etc*
- *Impact of annual/regular billing regimes on subsequent collection and recover*
- *Types/variety of accessible payment options, particularly the level of Direct Debit payment*
- *Follow-up and recovery timetables*
- *Payment arrangement guidelines*
- *Impact of 'water only' debt and success of DWP collections (including Water Direct)*
- *Working with others – RSL's, Educational Establishments, Advice Sector*

Recovery and Enforcement approaches, e.g.

- *Corporate debt strategies (refunds/offsets etc)*
- *In-house recovery activity*
- *Pre and post warrant intervention*
- *Use of available diligence and enforcement actions*
- *Relations with/management of third party collectors (Sheriff Officers etc.)*

Asset Management and rationalisation in relation to office premises

Rurality - rural councils have higher collection rates (96.1% compared to 94.7% for urban and 95.6% for semi-rural authorities)


Deprivation - the least deprived councils have higher collection rates (96.9% in the family group with lowest levels of deprivation compared to 94.6% family group with the highest levels in the most deprived councils). The collection rates vary by council tax banding, with lower collection rates achieved for properties in the lowest value council tax bandings (A-D). Therefore, councils with a lower proportion of properties in the lowest value council tax banding (A-D) have on average a higher collection rate (96.7%) than councils with a higher proportion of properties in the lowest value council tax banding (95.1%). This trend is consistent across all years²³

²³ Source: Local Government Finance Statistics, Scottish Government, <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/PubScottishLGFStats>

Sickness Absence Rates

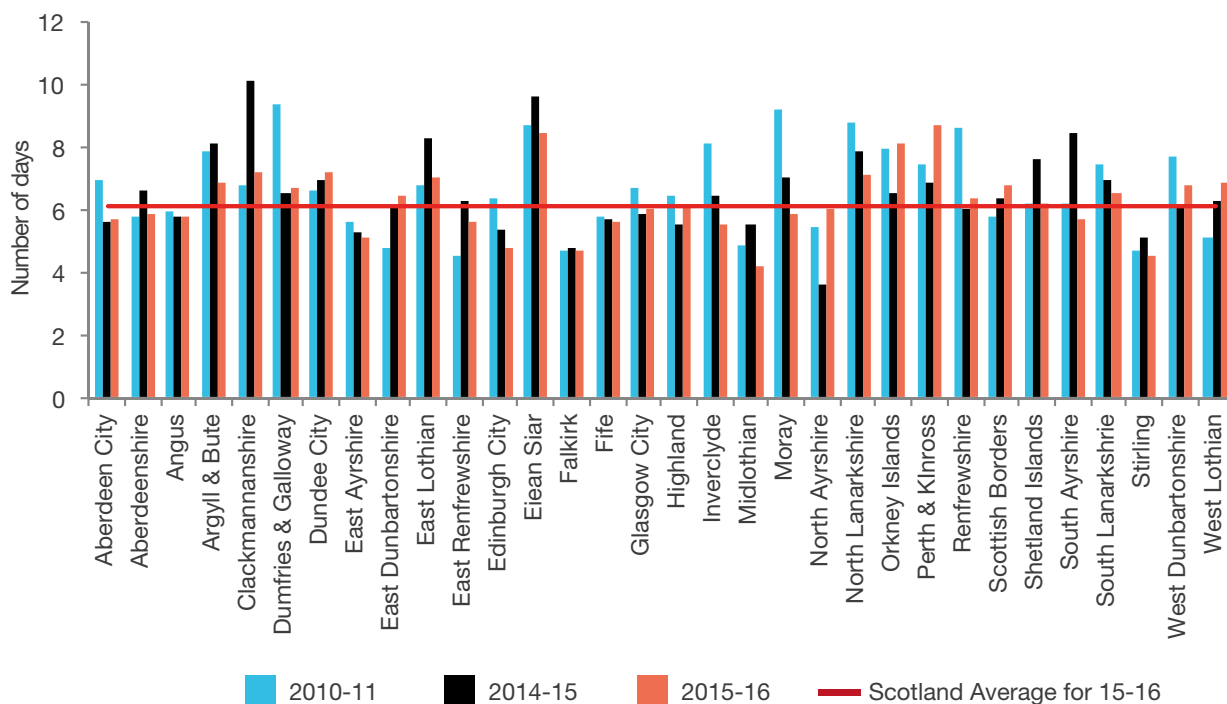

The management of sickness absence is a major priority for councils in their efforts to manage their costs. There has been a small reduction in sickness absence days per employee both for teaching and non-teaching staff since the base year. Sickness absence days for non-teaching staff has reduced from 10.8 days to 10.6 days, while for teaching staff this has reduced from 6.6 days to 6.1 days. Although this has fluctuated over the period, there has been a reduction for both groups in the past 12 months.

For teaching staff, the number of absence days ranges from 4.16 to 8.68, with rural authorities reporting significantly higher levels, and smaller authorities reporting significantly lower levels. For non-teaching staff, the number of days range from 8.76 to 14.76 with variation not related to the urban/rural nature of a council or its size.



North Lanarkshire conducted a review of all long term absence cases and were successful in getting a number of cases back to work with an overall reduction in absence levels. Absence rates have reduced over the past 4 years by 10.5%.

Number of Sickness Absence Days Per Teacher

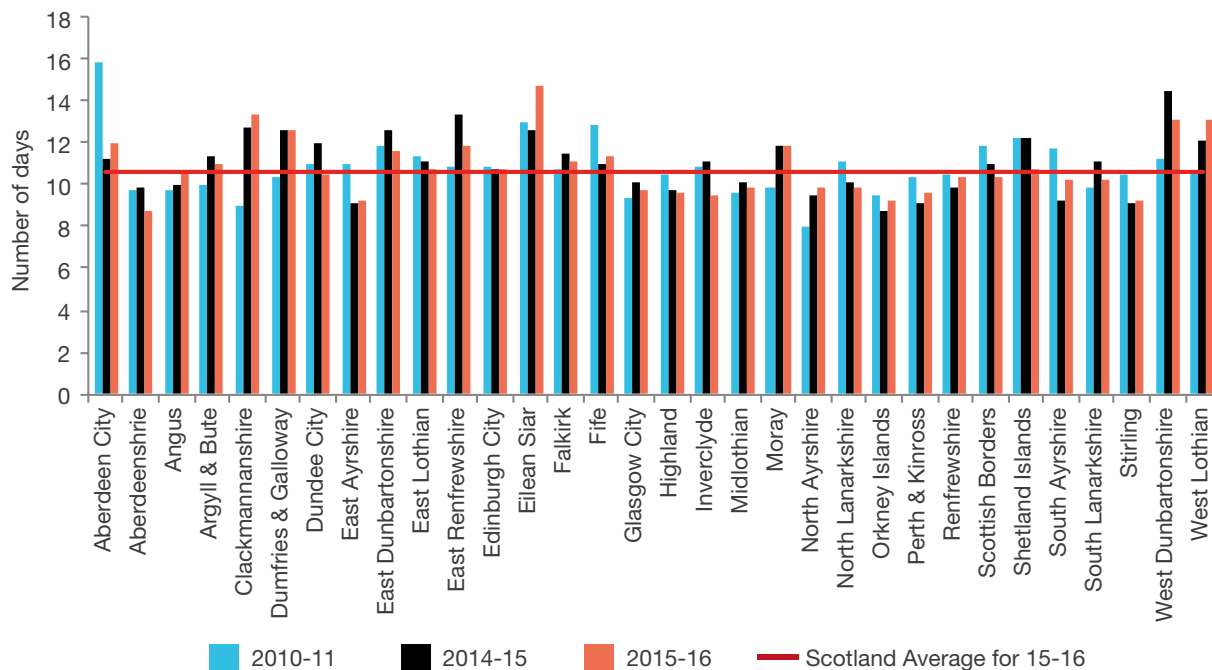



South Ayrshire Council have improved all staff attendance through a review of absence management arrangements and an improved monitoring and reporting regime, which is aimed at supporting staff and their overall welfare to ensure attendance at work and facilitate early return to work if sickness absence does occur.



Shetland Council introduced a greater focus on case management of sickness absence that includes the organisations most senior management and have seen a reduction in staff absence.

Number of Sickness Absence Days Per Employee (Non-Teacher)



Source: Council Supplied Figures



Aberdeenshire Council reduced both staff and teacher absence through enhanced practical attendance management policy training and the provision of guidance to managers which focuses on the proactive management of attendance and the follow through of the attendance management processes. Further targeted support was provided by HR to line managers in areas with high absence levels and the provision of Wellbeing Initiatives has also been made available.

Work within Family Groups has identified the following factors as important in understanding the variation between authorities in sickness absence levels

Workforce composition and age profile

Priority given to performance management and business intelligence to support early intervention

Strategic priority given to health and wellbeing initiatives

Level of staff engagement and involvement

Differences in absence management policy and procedures, including the point at which disciplinary intervention is triggered

Level of flexible working practices

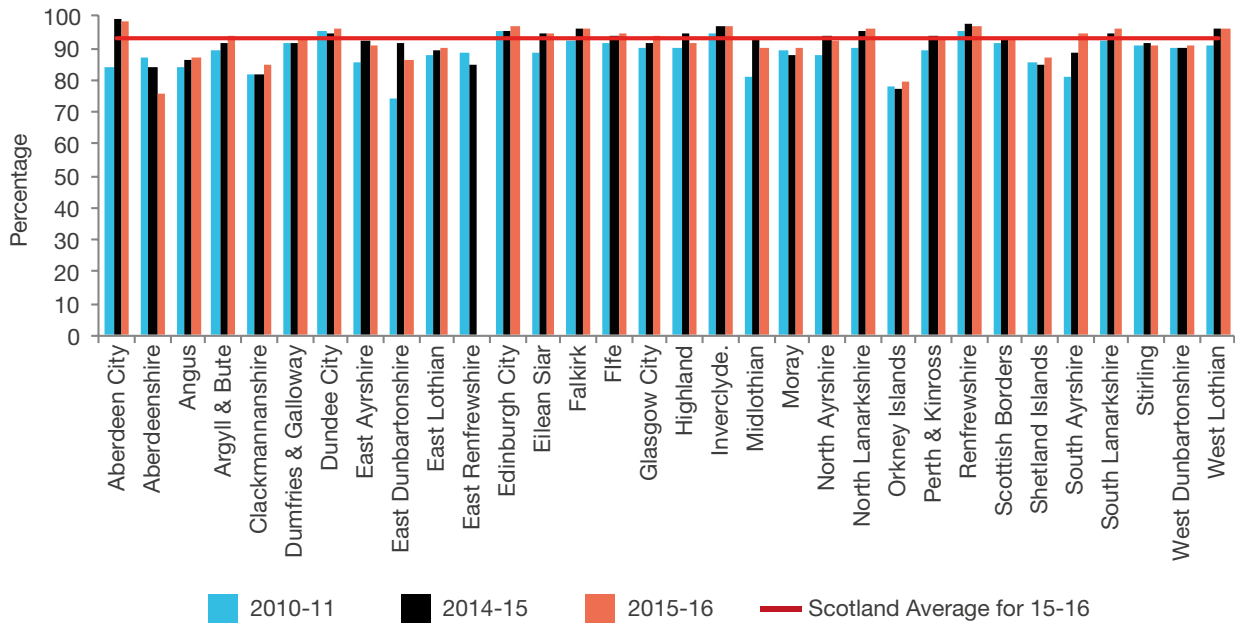
Level and type of occupational health and counselling

Level of resource dedicated to maximising attendance and managing absence

Invoices Paid

Councils are major purchasers of goods and services both within their local economies and across the Scottish economy as a whole. The percentage of invoices paid within 30 days has steadily increased from 89.5% to 92.8% over the six-year period. In 2015/16 the range across councils was 75.9% to 98.0%.

Percentage of Invoices Sampled that were Paid Within 30 Days



Source: Council Supplied Figures

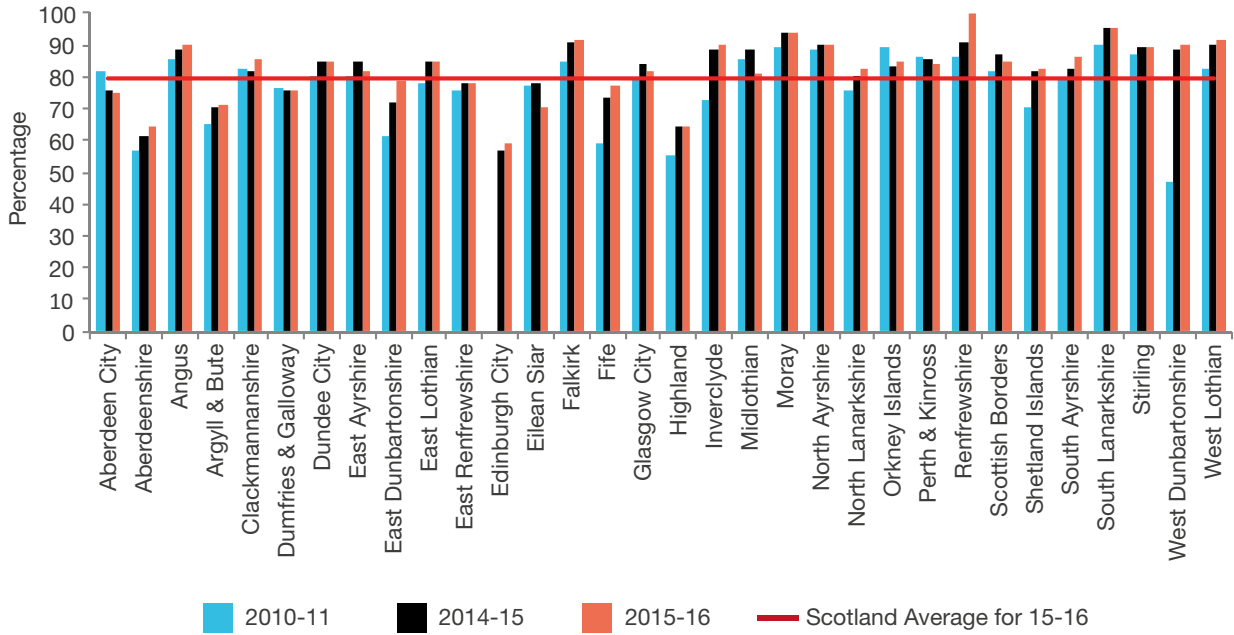


Aberdeen City Council focused on digital channel shift, completed a workflow project for invoice processing and introduced more online services including e-invoicing, resulting in an improvement in the percentage of invoices being paid within target.

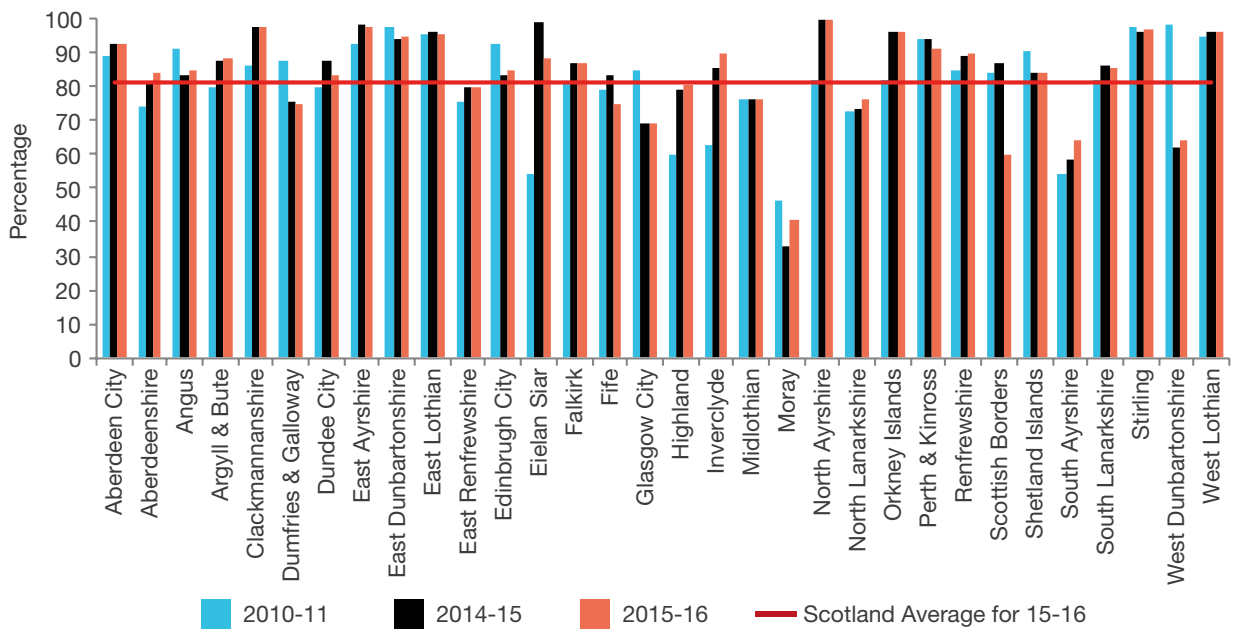
Corporate Assets

There has been consistent improvement in the condition of councils' corporate assets over the period. The percentage of operational buildings that are suitable for their current use has improved from 73.7% to 79.6%. The proportion of internal floor area of operational buildings in satisfactory condition has improved since the base year and has remained consistently high at above 80%. There has been some fluctuation over the period, with a slight deterioration in the last 12 months from 82.9% to 81.5%. There is significant variation across councils in both measures, ranging from 59% to 100% for buildings suitable for use, and 41% to 99% for condition of floor area. Rural councils have significantly lower levels of buildings suitable for their current use, although there is no similar relationship in terms of the condition of internal floor area.

Proportion of Operational Buildings that are Suitable for their Current Use



Proportion of Internal Floor Area of Operational Buildings in a Satisfactory Condition



Source: Council supplied figures