

LOCAL GOVERNMENT IN SCOTLAND - FINANCIAL OVERVIEW 2017/18

The Chief Finance Officer presented a report (copies of which had been circulated) on the recently published Local Government in Scotland – Financial Overview 2017/18 annual report by the Accounts Commission.

This report set out the financial position at a national level and reflected the increasing challenges that all local authorities in Scotland faced. These challenges included increasing demand across a range of services while Council budgets continued to be reduced, and the position following the UK's withdrawal from the European Union, the impact of which remained unclear.

The report by the Chief Finance Officer set out the key issues and the messages contained in the Accounts Commission report which was attached to the report at Appendix 1. The four key messages for local authorities were presented alongside relevant information specific to West Lothian. Part 3 of the report focussed solely on the role of Integration Authorities which was the first time the annual report had looked at this separately.

In summary, it was advised that the Local Government Settlement had increased by 0.2% in real terms in 2018/19. However, there were continuing challenges for planning and budgeting effectively for the medium term as local government settlements continued to be provided annually.

Discussion took place about inconsistencies with the budget planning procedures of the Council and the NHS, with the Council setting medium term plans while NHS financial plans were generally shorter term, and the difficulties this presented for the IJB's planning. It was noted that NHS Boards were considering developing a medium term financial plan which may assist with budget planning in future.

Members suggested that the Integration Joint Board should consider the report in order for a thorough discussion to take place, to determine what the findings meant for West Lothian and what actions the IJB should take in response. The Committee also agreed that there was an opportunity to learn from other IJBs across Scotland in terms of what others were doing to reach the required levels of savings and to share best practice and ideas.

The Committee was asked to note and consider the content and key messages contained in the Financial Overview 2017/18 report, particularly in relation to the overview of integration authorities.

Decision

- 1) To note the terms of the report.
- 2) To agree that the Chief Finance Officer would liaise with other IJBs to seek examples of best practice that West Lothian Integration

Joint Board could consider implementing to make savings.

- 3) To agree that the report be submitted to the Integration Joint Board for scrutiny and for decisions to be made relating to the content and key messages contained in the Financial Overview 2017/18 report.