NLGN

LEADERSHIP INDEX

AUGUST 2018

NLGN Leadership Index is a survey of leaders, chief executives, and council mayors of local authorities across the UK. It asks their level of confidence in key service areas and wider indicators of community wellbeing.

The August 2018 Leadership Index illustrates councils' diminishing confidence in their power and resources to deliver services and in the broader economic, social and environmental health of their area. The survey included a topical question on the provision of discretionary services, which reflects similar concerns.

HEADLINE FINDINGS

- **THE FUTURE OF DISCRETIONARY SERVICES,[1] SUCH AS CLEAN PARKS, LIBRARIES AND MUSEUMS, ARE IN DOUBT:** Less than one third of councils report that they will be able to provide discretionary services beyond 2023, with a majority of social care providing councils (87.5 per cent) indicating they will not be able to provide discretionary services beyond the next five years.
- **CONFIDENCE LEVELS IN THE DELIVERY OF ALL SERVICE AREAS IS FALLING:** Confidence in the delivery of services has fallen across all six service areas included in the Index: adult social care, children's services, housing, health and wellbeing, environmental services, and economic development.
- **THE OUTLOOK FOR ADULT SOCIAL CARE AND CHILDREN'S SERVICES IS PARTICULARLY BLEAK:** Councils report particularly low levels of confidence in their power and resources to deliver adult social care and children's services: overall scoring each service 35.3 and 39.2 respectively on a scale of 0 (lowest) to 100 (highest). This confidence level has declined considerably since the start of the year, falling by 6.2 points (a decline of 15 per cent) for adult social care and 4.2 points (a decline of 10 per cent) for children's services.
- **REGIONAL VARIATIONS IN ECONOMIC OPPORTUNITIES PERSIST:** There are significant regional variations in the confidence level attached to employment opportunities, the local business environment and standards of living. For example, respondents from the South East (excluding London) were twice as confident that residents in their area had a sufficient income to achieve a decent standard of living than those in the North East of England.

1 Discretionary services are those services that an authority has the power but not a duty to provide: http://www.legislation.gov.uk/ukpga/2003/26/notes/division/4/8. These services include: leisure centres; the majority of youth clubs and services; arts centres and museums; the funding and maintenance of local parks; and the breadth and accessibility of services such as libraries and children's services. A full list of local government's *statutory* duties is available at: https://data.gov.uk/dataset/01171494-e40b-463f-9967-56d158412321/statutory-duties-placed-on-local-government.

ABOUT THE AUGUST 2018 LEADERSHIP INDEX

The survey asked for confidence levels in the following areas:

- DISCRETIONARY SERVICES
- KEY SERVICE AREAS: adult social care, children's services, housing, health and wellbeing, environmental services, and economic development
- THE LOCAL ECONOMY AND LIVING STANDARDS
- COMMUNITY COHESION AND TRUST

1. DISCRETIONARY SERVICES

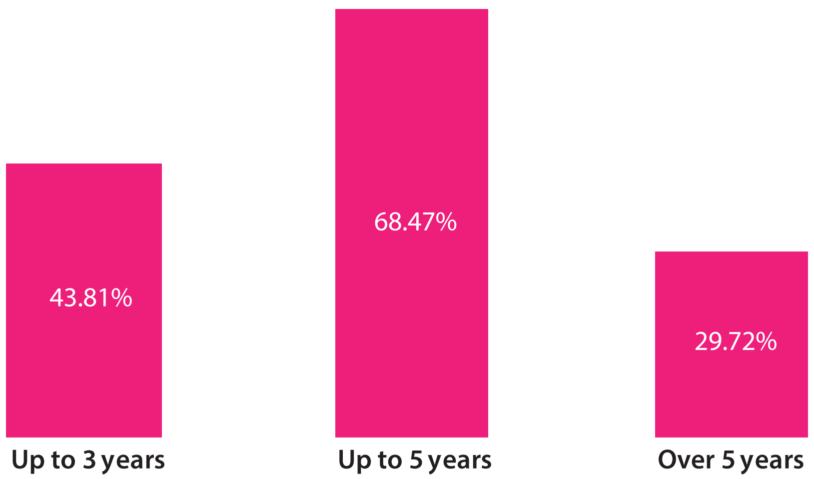
In March 2018, the National Audit Office concluded that under current financial trajectories, councils will soon only be able to provide a narrow core offer of statutory services, while discretionary services disappear due to lack of funds.[2] The August 2018 survey asked leaders, chief executives and council mayors to consider how long they feel that their council will be able to provide discretionary services without a change in funding.

KEY FINDINGS

OVERALL

- Less than one third (29.72 per cent) of respondents indicate that they will be able to continue to provide discretionary services beyond the next five years (July 2023).
- 43.81 per cent of respondents indicate that they will not be able to continue to provide discretionary services beyond July 2021.

FIGURE 1: IF THERE IS NO CHANGE IN THE FUNDING AVAILABLE TO YOUR COUNCIL, HOW LONG DO YOU FEEL YOU WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES?



2 https://www.nao.org.uk/press-release/financial-sustainability-of-local-authorities-2018/

VARIATION BY UK REGION

- No respondents from the North East of England indicate that their council will be able to continue to provide discretionary services beyond July 2023.
- The East and South East of England (excluding London) are comparatively optimistic, with almost half of respondents (46 and 48 per cent respectively) indicating that they will be able to continue to provide discretionary services beyond July 2023.

FIGURE 2: PROPORTION OF RESPONDENTS WHO INDICATE THAT THEY WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES WITHIN THE NEXT 3 YEARS – REGIONAL VARIATION

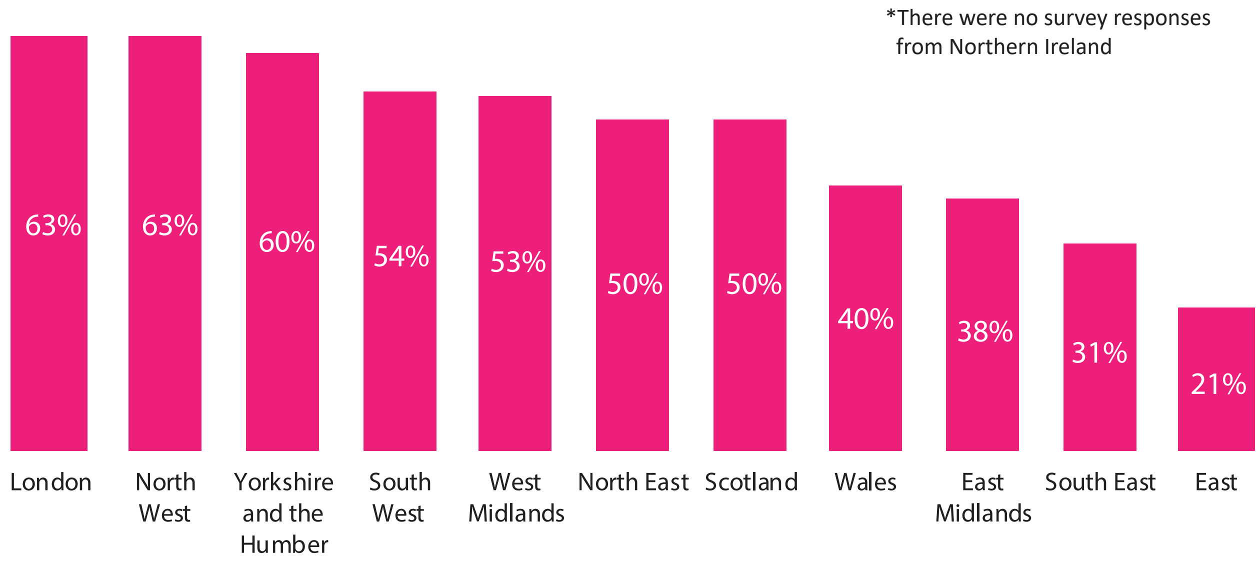


FIGURE 3: LENGTH OF TIME THAT COUNCILS WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES (AUGUST 2018)

VARIATION BY LOCAL AUTHORITY TYPE

- Respondents from district councils are most optimistic, with 49 per cent indicating that they will continue to be able to provide discretionary services beyond July 2023.
- Respondents from metropolitan councils are most pessimistic, with only 7 per cent of respondents indicating that they will be able to continue to provide discretionary services beyond July 2023.

FIGURE 4: LENGTH OF TIME THAT COUNCILS WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES (BY LOCAL AUTHORITY TYPE)

VARIATION BY POLITICAL LEADERSHIP

- At a first glance, 63 per cent of Conservative-led councils indicate that they will not able to continue to provide discretionary services beyond the next five years (July 2023). Labour-led councils are even more pessimistic, with 83 per cent of labour-led councils indicating that they will not able to continue to provide discretionary services beyond July 2023.
- However, focusing on local authorities with social care responsibilities, there appears to be little difference between the two main political parties when it comes to confidence in the future of discretionary services; 88.1 per cent Conservative-led councils and 91.7 per cent Labour-led councils indicate they will not be able to continue to provide discretionary services beyond July 2023.
- 87.5 per cent of local authorities with social care responsibilities indicate they will not be able to provide discretionary services beyond July 2023.

FIGURE 5: LENGTH OF TIME THAT COUNCILS WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES (BY POLITICAL LEADERSHIP)

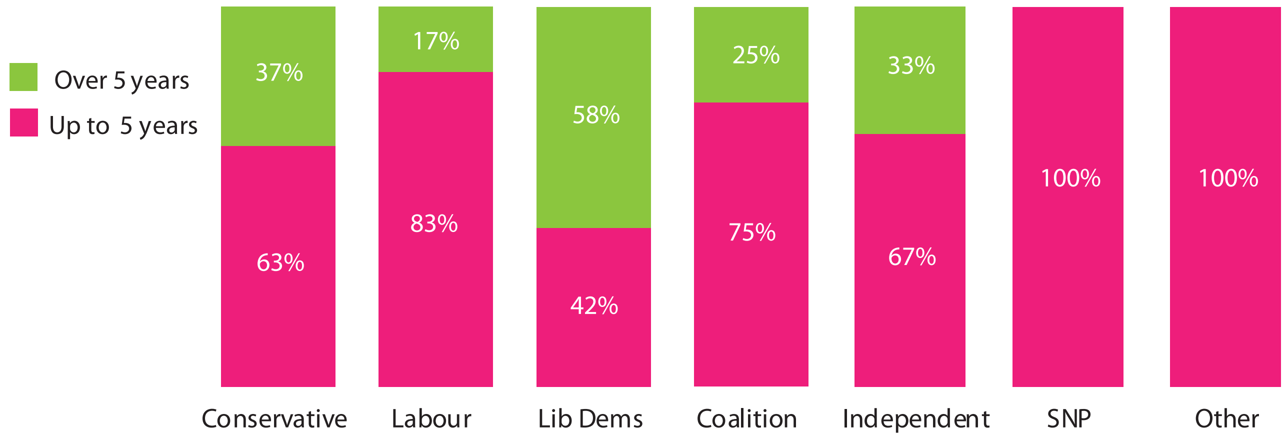


FIGURE 6: LENGTH OF TIME THAT TOP-TIER COUNCILS WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES (BY POLITICAL LEADERSHIP)

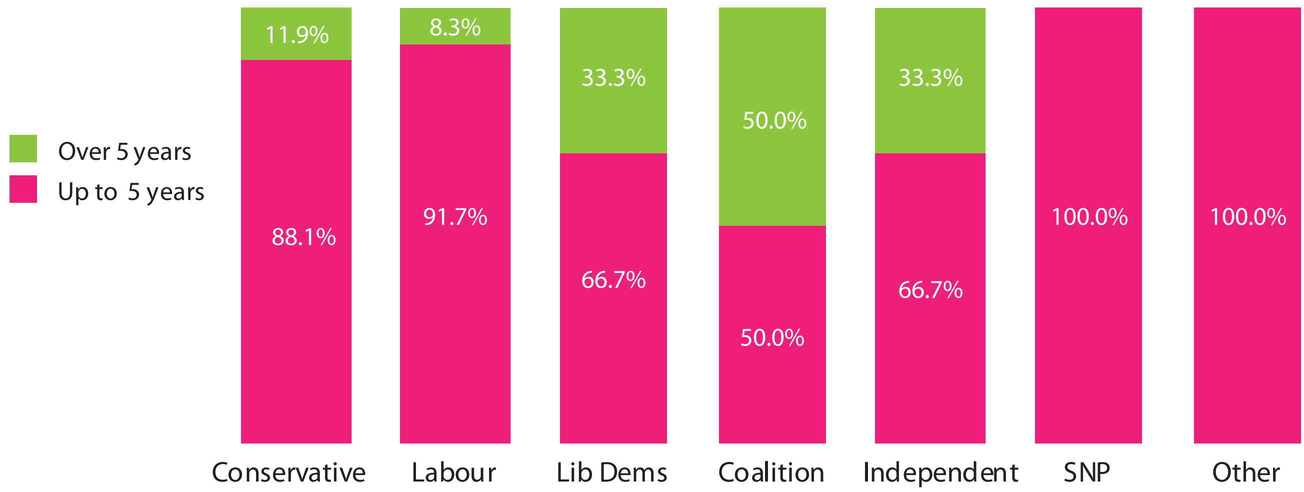
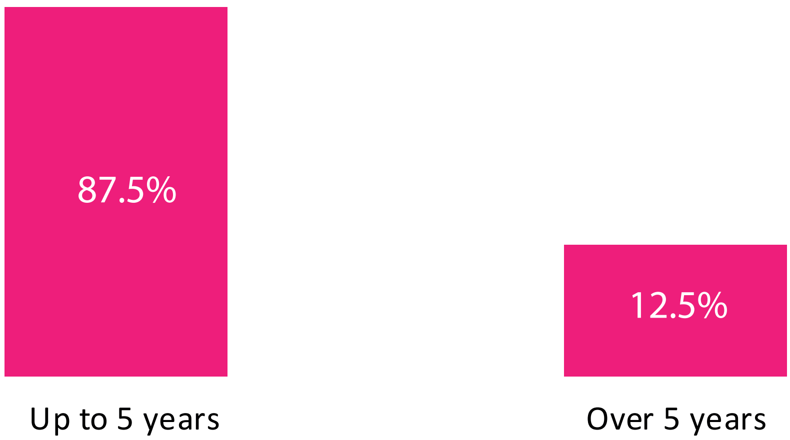


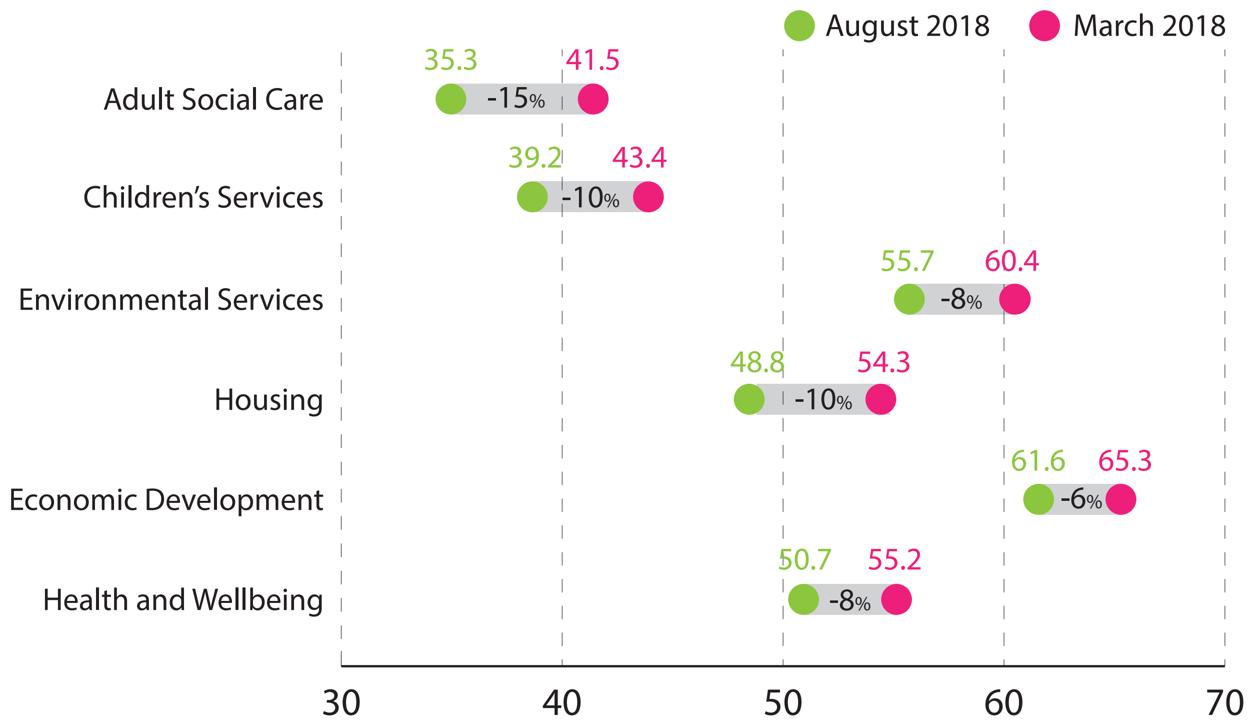
FIGURE 7: LENGTH OF TIME THAT TOP-TIER COUNCILS WILL BE ABLE TO CONTINUE TO PROVIDE DISCRETIONARY SERVICES



2. KEY SERVICE AREAS

- Respondents reported a lower level of confidence in their council's power and resources to meet needs across all service areas included in the Index, compared to results from March 2018.
- Adult social care remains the area with the lowest confidence level, scoring just 35.3 on a scale of 0 (lowest) to 100 (highest). It is also the service area with the most dramatic decline of 6.2 points in confidence level, from 41.5 in March 2018 to 35.3 in August 2018, which equates to a 15 per cent drop.
- Confidence in both children's services and housing declined by 10 per cent; confidence in children's services dropped by 4.2 points, from 43.4 to 39.2 since March 2018, and housing by 5.5 points, from 54.3 to 48.8.

FIGURE 8: CONFIDENCE LEVEL ACROSS KEY SERVICES IN MARCH 2018 AND AUGUST 2018



SPOTLIGHT ON ADULT SOCIAL CARE AND CHILDREN'S SERVICES

Respondents are least confident in their power and resources to meet the needs of adult social care and children's services. For adult social care, the reported overall level of confidence is just 35.3 on a scale of 0 (lowest) to 100 (highest) – a decline of 6.2 points since March 2018. Overall confidence is similarly low for children's services, scoring 39.2, a decline of 4.2 points since March 2018.

VARIATION BY LOCAL AUTHORITY TYPE

- **LOW CONFIDENCE ACROSS ALL LOCAL AUTHORITY TYPES:** All council types report a confidence level of 45 or below in the ability to deliver adult social care with current levels of power and resources. Confidence levels for children's services are similarly low, with an average of 46 or below. This demonstrates limited confidence across both social care providing councils and those that do not provide these services.

- **CONFIDENCE LEVELS ARE PARTICULARLY LOW IN TOP-TIER COUNCILS:** Top-tier councils (social care providing councils) reported an overall average confidence level of 35.5 in their power and resources to deliver adult social care services compared to 46.6 in March 2018 (a decline of 11.1 points, which equates to a 23.8 per cent drop). In children's services, top-tier councils reported an overall average confidence level of 36.6 compared to 45.9 in March 2018 (a decline of 9.3 points, which equates to a 20.2 per cent drop).

- **CONFIDENCE LEVELS IN METROPOLITAN COUNCILS ARE PARTICULARLY LOW:** Metropolitan councils remain the most pessimistic across adult social care and children's services, with a confidence level of only 28 and 33 respectively.

FIGURE 9: HOW CONFIDENT ARE YOU THAT THERE ARE SUFFICIENT POWERS AND RESOURCES TO MEET THE NEEDS OF ADULT SOCIAL CARE
[August 2018; 0=not at all confident, 100=very confident]

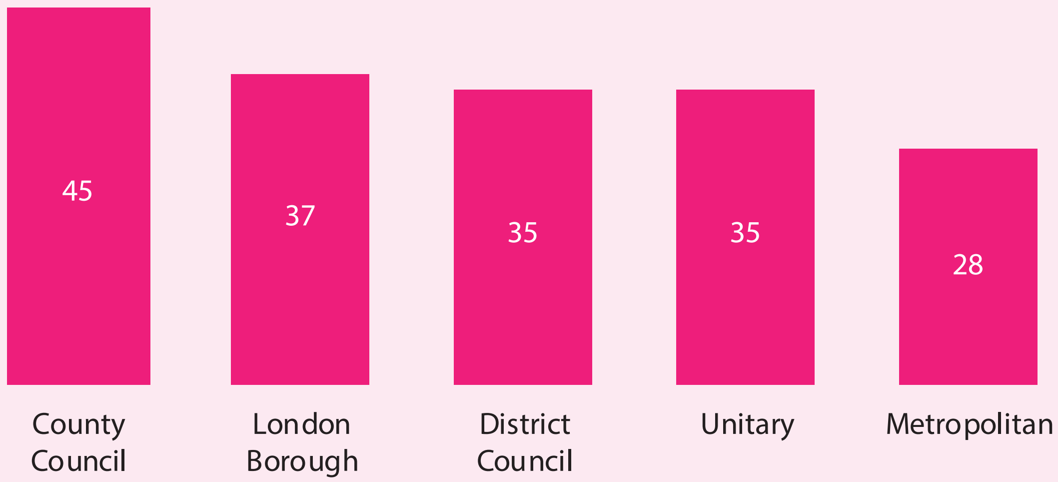
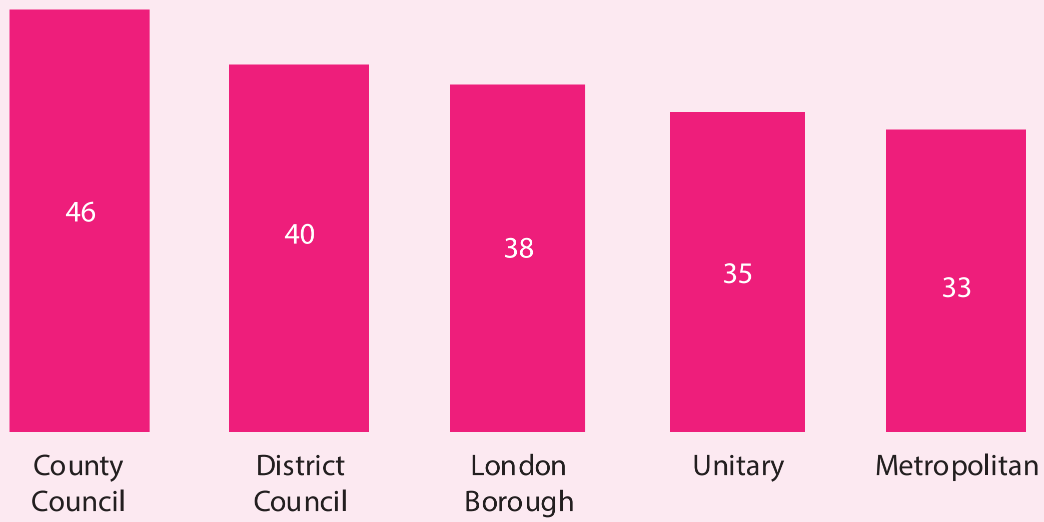


FIGURE 10: HOW CONFIDENT ARE YOU THAT THERE ARE SUFFICIENT POWERS AND RESOURCES TO MEET THE NEEDS OF CHILDREN'S SERVICES
[August 2018; 0=not at all confident, 100=very confident]



3. THE LOCAL ECONOMY AND LIVING STANDARDS

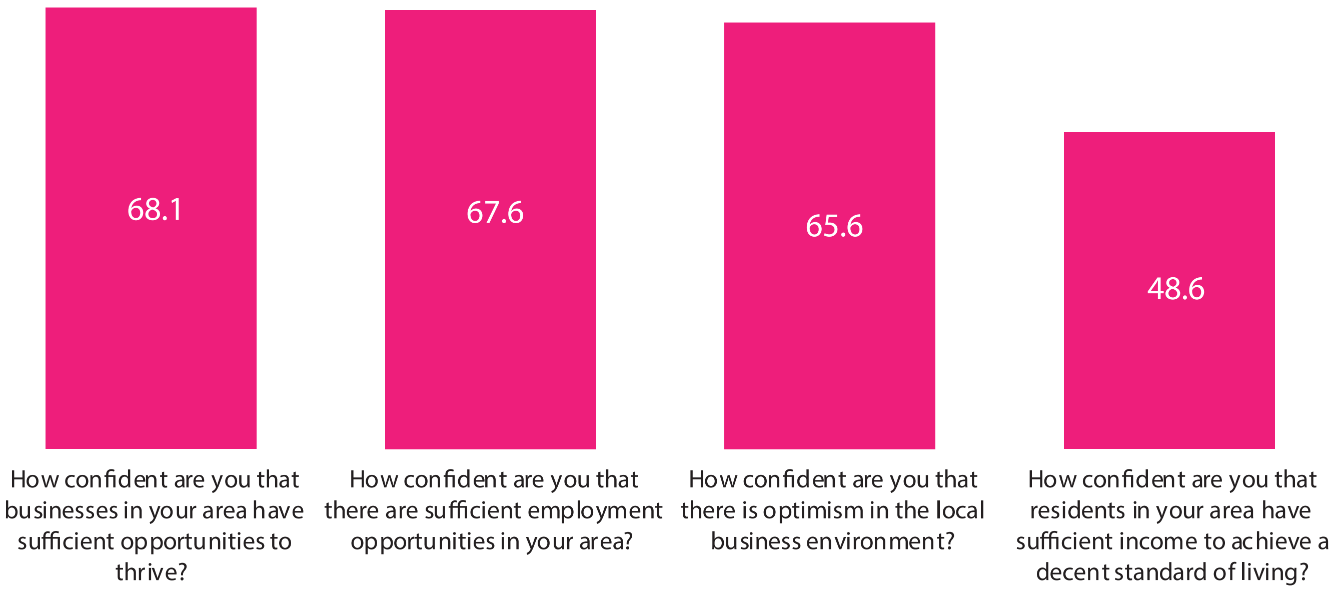
The August 2018 confidence levels in local economic and living standard indicators are:

- **BROADLY FLAT LEVELS OF CONFIDENCE IN THE LOCAL ECONOMY AND BUSINESS OPPORTUNITIES:** Confidence levels in these indicators are broadly the same as March 2018, with a moderate overall confidence level ranging from 65 to 68, on a scale of 0 (lowest) to 100 (highest).[3]

- **CONFIDENCE IN EMPLOYMENT OPPORTUNITIES HAS GONE UP:** There has been a slight increase in confidence in employment opportunities since March 2018 from 64.5 to 67.6.[4]

- **CONFIDENCE IN LIVING STANDARDS HAS GONE DOWN:** When it comes to residents having a sufficient income to achieve a decent standard of living, respondents recorded a much lower confidence level compared to the other indicators. Respondents reported a confidence level of only 48.6, in comparison to the three indicators across the local economy and business opportunities, which score between 65 and 68.

FIGURE 11: OVERALL AVERAGE CONFIDENCE LEVEL
[August 2018; 0=not at all confident, 100=very confident]



3 Detailed charts on the local economy and business opportunities can be found in Appendix 2.
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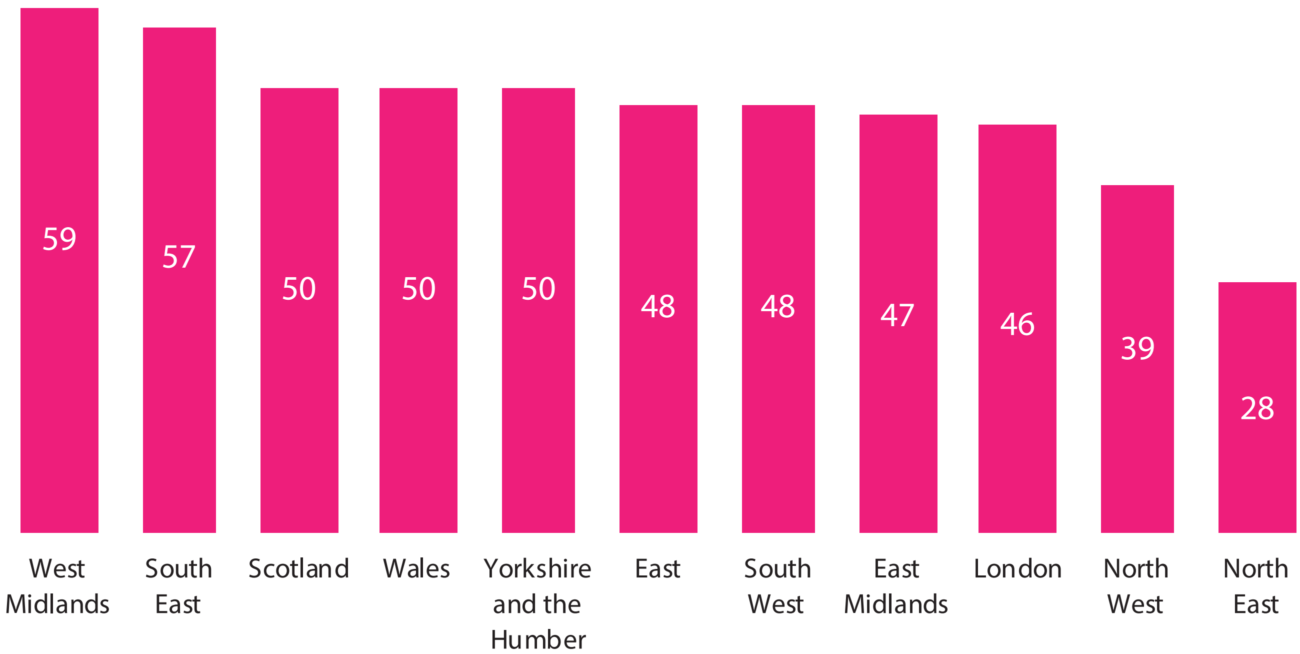
REGIONAL VARIATIONS IN CONFIDENCE LEVELS: The North East of England remains the area with the lowest confidence level in residents having sufficient income to achieve a decent standard of living at only 28. Meanwhile, West Midlands appears to be the region with the highest confidence level of 59, followed by the South East (excluding London at 57.[5]

FIGURE 12: HOW CONFIDENT ARE YOU THAT RESIDENTS IN YOUR AREA HAVE SUFFICIENT INCOME TO ACHIEVE A DECENT STANDARD OF LIVING?
[August 2018; 0=not at all confident, 100=very confident]



5 The regional variation in business opportunities, employment opportunities and the local business environment can be found in Appendix 2.

4. COMMUNITY COHESION AND TRUST

- The confidence in local area trust and community cohesion has remained broadly similar since March 2018, with a score of 66.1 and 69.0 respectively on a scale of 0 (lowest) to 100 (highest).

FIGURE 13: OVERALL AVERAGE CONFIDENCE LEVEL
[August 2018; 0=not at all confident, 100=very confident]

For further details about this NLGN Leadership Index report, please contact Pawda Tjoa (ptjoa@nlgn.org.uk).

APPENDIX 1: ABOUT THE AUGUST 2018 SURVEY

The NLGN Leadership Index survey was sent to 767 leaders, chief executives and council mayors across the UK. It was open between 7 June and 2 July 2018. This latest survey received a total of 191 complete responses, which translates to a 25 per cent response rate. Survey responses were received from all UK regions apart from Northern Ireland.

All overall average figures have been weighted by region based on the regional breakdown of respondents, unless otherwise stated.

FIGURE 14: BREAKDOWN OF RESPONDENTS BY TIER [August 2018]

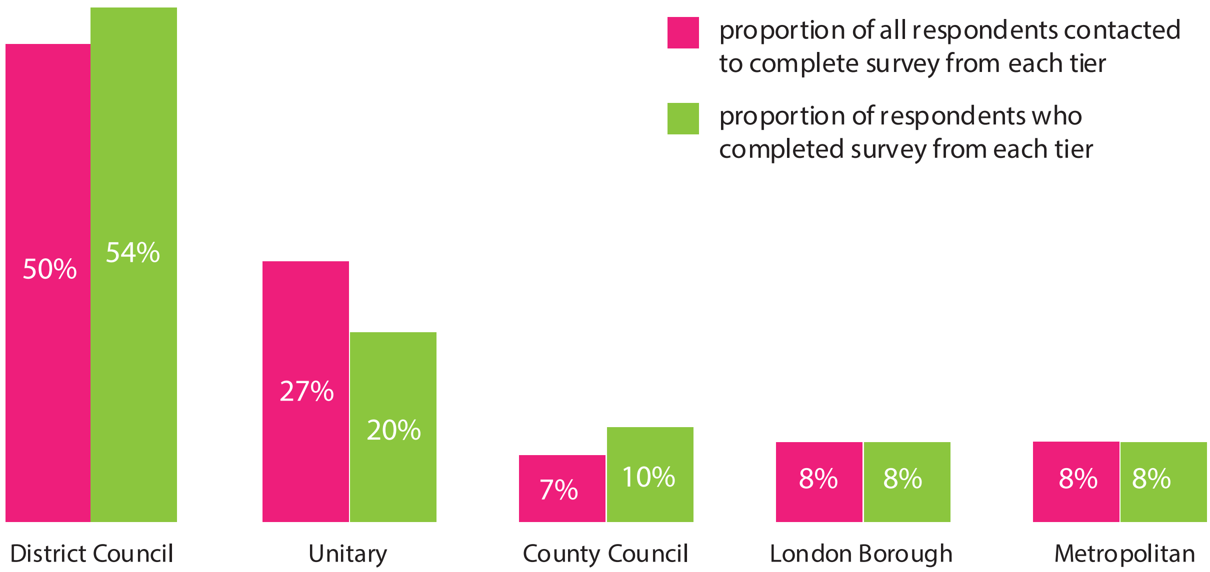
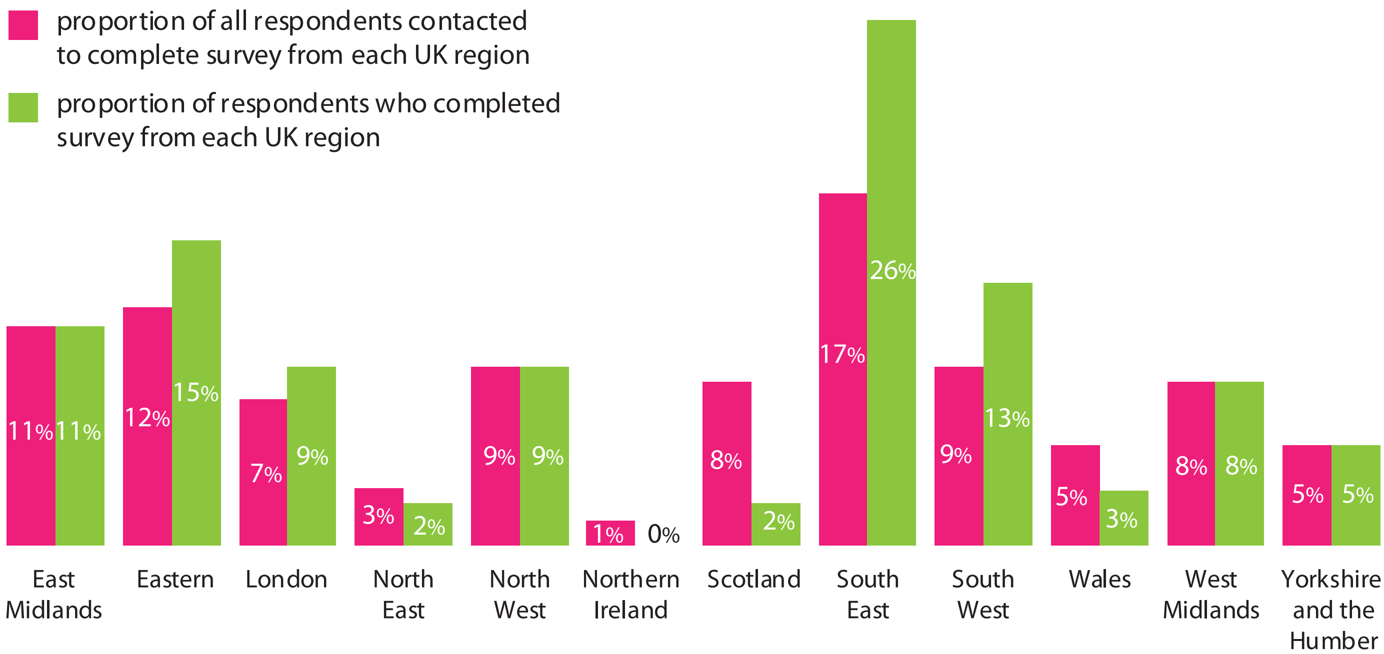


FIGURE 15: BREAKDOWN OF RESPONDENTS BY UK REGION [August 2018]



APPENDIX 2: ADDITIONAL DATA

FIGURE 16: CONFIDENCE LEVELS IN BUSINESS OPPORTUNITIES, THE LOCAL BUSINESS ENVIRONMENT, EMPLOYMENT OPPORTUNITIES, AND STANDARD OF LIVING IN MARCH 2018 AND AUGUST 2018 [0=not at all confident, 100=very confident]

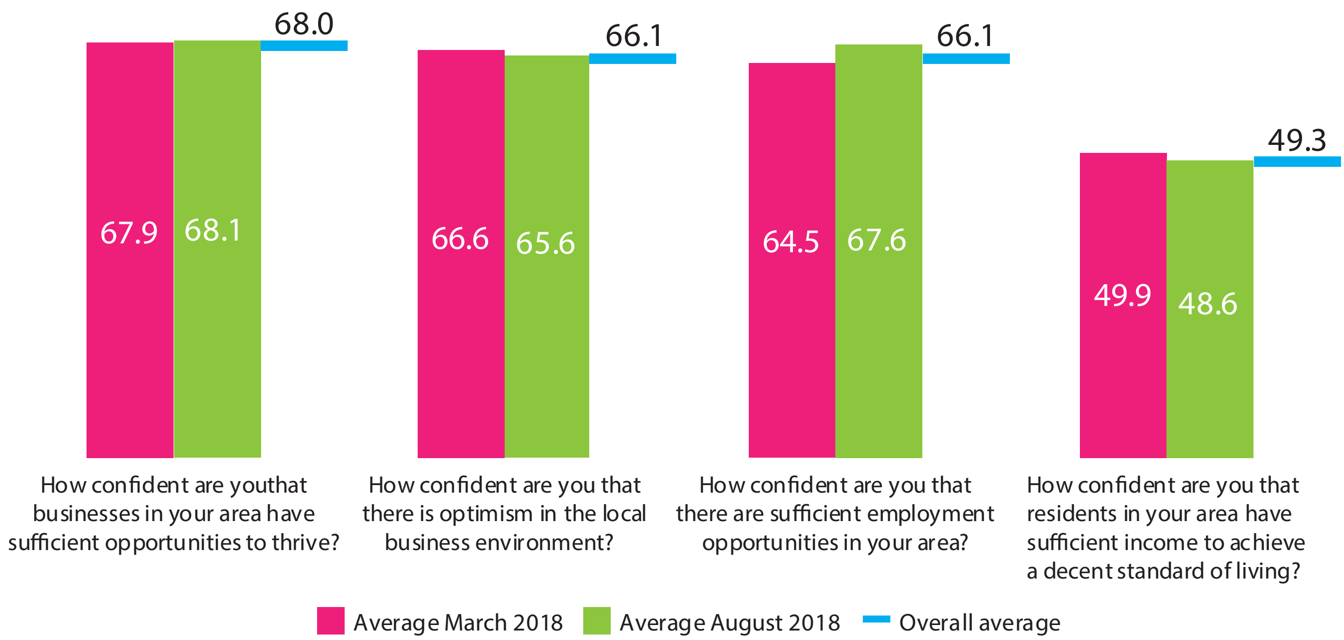


FIGURE 17: CONFIDENCE LEVELS IN BUSINESS OPPORTUNITIES, THE LOCAL BUSINESS ENVIRONMENT, AND EMPLOYMENT OPPORTUNITIES – REGIONAL VARIATION [AUGUST 2018]