



Audit Scotland report: Local government in Scotland overview 2022

Committee Audit and Standards

Date of meeting 9 September 2022

Date of report 29 August 2022

Report by Chief Executive

1. Object of report

To advise the committee on the issue of an Audit Scotland report titled '*Local government in Scotland overview 2022*' and outline SPT's response to the key messages contained therein.

2. Background

The report highlights that Scotland's councils have had a pivotal role in supporting and working with communities as they collectively responded to the impacts of Covid-19. At this time, councils must lead recovery work with and alongside their local communities, focusing on getting the services people need in place as pressures and stresses escalate and impact the day to day lives of individuals and communities.

The Accounts Commission, who report to the public on the performance of local government, are clear that recovery and renewal across councils isn't about a return to pre-pandemic service delivery. It must be about much more, changing and challenging how services are delivered.

However, the position for councils is challenging and complex and this is acknowledged in the report:

- dealing with increasing demand and service backlogs;
- long-standing pressures, including rising poverty and inequalities;
- high absence levels and acute skills shortages amongst some key front-line workers;
- a lack of certainty and flexibility over long-term funding; and
- national priorities, including climate change and public sector reform.

The full report and supplement 1 can be found at:

<https://www.audit-scotland.gov.uk/publications/local-government-in-scotland-overview-2022>

3. Outline of findings

The key messages outlined in the '*Local government in Scotland overview 2022*' report are:

- councils have had a very difficult year;
- the challenging context means collaborative leadership is more important than ever;
- pressure on the local government workforce continues;
- the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality;
- the early response showed what could be achieved by working closely with communities and the voluntary sector; and
- improvements are needed in data availability, tools and skills to support performance monitoring, strategic decision-making and planning service improvements.

The report includes a suite of key recommendations, namely:

- (i) Councils together with their partners and communities should revise their strategic plans, including Local Outcomes Improvement Plans to realign priorities and provide a roadmap for recovery and renewal. They should also consider how this contributes to the national recovery strategy set out by the Scottish Government.
- (ii) Elected members and senior managers need to work together to drive change, make decisions and deliver recovery and renewal.
- (iii) Councils should consider the leadership skills needed for now and in future. This includes clear succession planning arrangements and a structured programme of induction for new elected members.
- (iv) Councils' governance arrangements should ensure that their elected members have sufficient information to support the scrutiny and decision-making needed for recovery and renewal.
- (v) Councils need to clearly set out how they are evaluating new service models and learning lessons from the response to Covid-19.
- (vi) Councils should have a clear plan for developing the use of data in their councils, this includes data skills, data standards and data tools.
- (vii) Councils must ensure that financial plans and overarching recovery strategies and actions are clearly aligned, including funding to deliver on their duty to address inequalities.
- (viii) Councils must have clear plans for management of reserves.
- (ix) Councils should update their workforce plans to build on lessons learned, address skills gaps and build a resilient workforce for the future. This will include monitoring the wellbeing of the workforce, and the effectiveness of health and wellbeing initiatives.
- (x) While some progress has been made in improving the use of data in decision-making, councils need to have a clear sense of where increased demand and service backlogs exist so that they can identify areas of high risk and direct resources accordingly. This information also needs to be more transparent and publicly available.

- (xi) A key priority for councils' recovery and renewal is assessing the impact of the pandemic and service disruption on the most vulnerable and learning from this to inform how they support those most affected and address inequalities. This will need better local data to improve understanding.
- (xii) Where councils plan to continue with the changes made to services during the pandemic, they need to conduct impact assessments and consult the community. With the expansion of digital services, councils need to assess and mitigate the impacts of digital exclusion.
- (xiii) Councils need to ensure that partnership working forged in the pandemic with their communities, partners and the voluntary sector remains in place. They also need to learn what made it work and harness this to transform future engagement. The momentum and energy from communities may be lost if public bodies don't capitalise on what has been achieved.

SPT is expected to consider audit recommendations as part of its own governance framework. It is fair to say that given councils in the Partnership area fund SPT's revenue budget, SPT has and continues to face similar challenges as set out in the background of the report and that the key messages also apply to service provision.

4. Conclusions

Audit Scotland published a report titled '*Local government in Scotland overview 2022*'. As 12 councils fund SPT's revenue budget, SPT has and continues to face similar challenges as set out in the background of the report and that the key messages also apply to service provision.

5. Committee action

The committee is asked to note the contents of this report and the Audit Scotland report titled '*Local government in Scotland overview 2022*' and SPT's response to the recommendations made.

6. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>None.</i>
Climate Change, Adaptation and Carbon consequences	<i>None.</i>

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