
NORTH AYRSHIRE COUNCIL

13 September 2022

Audit and Scrutiny Committee

Title:	Accounts Commission's Report: Local Government in Scotland: Overview 2022
Purpose:	To inform the Audit and Scrutiny Committee of the findings of the recently published report.
Recommendation:	That the Committee (i) notes the findings of the Accounts Commission report, (ii) notes the recommendation contained therein; and (iii) notes North Ayrshire Council's current approach in relation to each.

1. Executive Summary

- 1.1 The Accounts Commission recently published its national report 'Local Government in Scotland: Overview 2022'. This report reflects on the evolving and long-term nature of the impact of the Covid-19 pandemic, considers the second year of the pandemic, building on last year's review of the initial response of Councils to the challenges, and assesses the ongoing impact of Covid-19 and Councils' progress towards recovery and renewal. A link to the full report is attached as follows:

[Local Government in Scotland 2022](#)

- 1.2 Throughout the report, the Accounts Commissions has identified a number of key messages in relation to Councils' response to the pandemic and made recommendations on future actions for Council leadership in relation to "Organising the Council" and "Meeting local needs".

2. Background

- 2.1 The Accounts Commission has published a national report, 'Local Government in Scotland: Overview 2022', which reflects on the impact of the Covid-19 pandemic and assesses Councils' progress towards recovery and renewal.
- 2.2 The Local Government in Scotland: Overview 2022 is based on evidence gathered from a range of local and national audit work carried out throughout the year and includes data and information to the end of February 2022.

2.3 The report identifies a number of key messages in relation to Councils' response to the pandemic, including:

- **Councils have had a very difficult year:**

Alongside the ongoing response to the pandemic, councils have faced challenges in recovering services, dealing with increased demand and backlogs, and meeting community needs and expectations. This has taken place against a backdrop of long-standing pressures such as increased demand from an ageing population and rising poverty.

- **The challenging context means collaborative leadership is more important than ever:**

Councils are operating in a difficult and uncertain strategic context and face longer-term financial pressures, a lack of certainty and flexibility over long-term funding, and the prospect of major service reforms. This challenging context needs local government leaders skilled in effective strategic thinking, decision-making and collaborative working, and able to learn lessons from new ways of working. Collaborative leadership is more important than ever as councils work with partners, communities, and citizens to support recovery and improve outcomes.

- **Pressures on the local government workforce continues:**

Councils are continuing to experience high absence levels. Impacts on staff wellbeing and skills shortages, particularly in front-line workers, have also been noted. A resilient workforce is critical to the ongoing response to Covid-19 and the recovery of services. Workforce plans will need to be updated, considering lessons learned from new ways of working. Wellbeing support for the workforce must also continue.

- **The impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality:**

Councils have worked hard and adapted to maintain service delivery but not all services are back at pre-pandemic levels so those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities. Recovery and renewal should also reflect the wider ambitions of the public service reform agenda.

- **The early response showed what could be achieved by working closely with communities and the voluntary sector:**

This momentum may be lost if communities and the voluntary sector are not involved in shaping recovery. Flexible governance and decision-making structures will be needed, as will opportunities for more local participation.

- **Improvements are needed in data availability, tools and skills to support performance monitoring, strategic decision-making and planning service improvements:**

Data has been important in guiding the response to the pandemic but there are key areas where a lack of data could hamper recovery, such as unmet needs, service demands and backlogs. Data is a key tool in tackling inequality but there are gaps in equality data, particularly at a local level.

2.4 The report makes a number of recommendations in relation to Council organisation, including:

Recommendation	North Ayrshire Council Response
<p>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.</p>	<p>The 2019-24 Council Plan was approved in June 2019. The Plan describes our vision, mission and priorities and sets out a strategic approach which is focused on making North Ayrshire a fairer and more equal society.</p> <p>Regular Council Plan progress reports are considered by members and include detailed updates on Covid-19 recovery and renewal support activity.</p> <p>The Council Plan aligns with the Local Outcomes Improvement Plan, which sets out how we will work with other public, private and voluntary organisations and groups to achieve our key priorities.</p> <p>Work on the new Council Plan has already started and will include extensive consultation with communities and agencies. The Council's Administration has identified initial key priorities across Poverty and cost of living, Communities and climate change.</p>
<p>Elected members and senior managers need to work together to drive change, make decisions and deliver recovery and renewal.</p>	<p>The Council's strong leadership, which was demonstrated in the collaborative response to Covid-19, has been recognised by our external auditors in their annual audit reports and the Best Value Assurance Report. Recovery and Renewal Investment of £14.744m was approved in June 2021.</p>
<p>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.</p>	<p>Our workforce planning approach utilises a variety of tools and techniques, including succession planning and strategic leadership development programmes.</p> <p>A development programme is in place for all Elected Members and a full Member's induction programme took place during May 2022 for all recently elected Members.</p>

<p>Councils' governance arrangements should ensure that their elected members have sufficient information to support the scrutiny and decision-making needed for recovery and renewal.</p>	<p>The Council's Scheme of Administration, Standing Orders Relating to Meetings, Scheme of Delegation and Other Key Governance documents were reviewed and approved by Council in May 2022. The Council also undertakes self-evaluation through toolkits and this has been evidenced through the Audit and Scrutiny Committee.</p>
<p>Councils need to clearly set out how they are evaluating new service models and learning lessons from the response to Covid-19.</p>	<p>We have developed our Sustainable Change Programme, aligned to the Council priorities and the Council Transformation themes and set within the context of the Council Plan and Community Wealth Building Strategy, with the objective of developing a pipeline of projects that will deliver improved outcomes, meet the Council's environmental ambitions, and deliver financial efficiencies.</p>
<p>Councils should have a clear plan for developing the use of data in their councils, this includes data skills, data standards and data tools.</p>	<p>The Council's Performance Management Strategy 2021-24 outlines how the Council's performance management supports a culture of continuous improvement in order to achieve the best outcomes for the people of North Ayrshire. Our Annual Performance Reports detail progress against our Council Plan Performance Framework and Delivery Plan.</p>
<p>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.</p>	<p>Our Recovery & Renewal Strategy sets out a series of key principles and themes to enable North Ayrshire Council to recover and renew its services in a prioritised way, ensuring they meet resident needs.</p> <p>As part of our Financial Recovery Plan, our Recovery and Renewal Fund identified £14.744m to address economic recovery, environmental initiatives, support for vulnerable families, citizens and communities, sustainable investment on infrastructure and open spaces and investment in mental health and wellbeing. This included a £3m contribution to our Community Investment Fund to support</p>

	<p>recovery and renewal across our communities.</p> <p>Our Economic Recovery and Renewal Approach was agreed in September 2020 to support businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive.</p>
Councils must have clear plans for management of reserves.	Our utilisation of reserves, both earmarked and unearmarked are reported to elected members throughout the financial year with an annual review of appropriate reserves levels reported to members as part of the annual budget setting and annual accounts processes.
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.	Our workforce planning approach utilises a variety of tools and techniques to ensure our workforce requirements for the future, in terms of skills and capabilities, are planned. Each Head of Service has a workforce plan, and these are monitored six-monthly with continued HR support and guidance to ensure service review and redesign of the workforce is on track.

2.5 The Accounts Commission report also makes several recommendations in relation to “Meeting local needs”, including:

Recommendation	North Ayrshire Council Response
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.	Our Annual Performance Reports detail progress against our Council Plan which is supported by 34 performance indicators and 41 actions. More detailed information is provided through half yearly Council Pan Progress reports and our North Ayrshire Performance Dashboard, which is publicly available on our website and includes details of our nationally comparable LGBF indicators.
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	Community engagement sessions, carried out to support the development of our annual budget programme, have been used to help shape our Transformation and Renewal programme and will continue to

<p>will need better local data to improve understanding.</p>	<p>influence the structure of current and future service delivery.</p> <p>The North Ayrshire Community Engagement Toolkit/ Hub has been developed to support and promote effective community engagement practice carried out across North Ayrshire by the Community Planning Partnership (CPP), the Health and Social Care Partnership (HSCP), and their respective Locality Partnerships and Locality Forums.</p>
<p>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.</p>	<p>Our Community Learning and Development Plan for 2021-24 was approved in September 2021 and sets out how we will support each of our localities by providing digital learning and career support, address poverty including food insecurity and, by doing so, improve the life chances of our residents.</p> <p>This has been further supported by the allocation of £0.250m of investment to support the recruitment of a Digital Officer to support the digital strategy review following the pandemic.</p>
<p>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.</p>	<p>Throughout our Recovery & Renewal Strategy is the key theme that communities need to be at the heart of what we do. This is an opportunity to build on the strong partnership working already in place with our communities and to continue to actively involve them in the design of new service delivery models.</p> <p>This will be achieved through an increase in the use of participatory approaches, including Participatory Budgeting, and through Design Experiments. Key to the ongoing success in community engagement is through maintaining the locality based community hub support model of approach which has been key in supporting communities.</p>

3. Proposals

- 3.1 It is proposed that the Committee (i) notes the findings of the Accounts Commission report, (ii) notes the recommendation contained therein; and (iii) notes North Ayrshire Council's current approach in relation to each.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 None.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 None.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 No consultation has been required in the preparation of this report

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

Background Papers

Accounts Commission's Report: Local Government in Scotland: Overview 2021, Audit and Scrutiny Committee, 16 November 2021