
NORTH AYRSHIRE COUNCIL

16 November 2021

Audit and Scrutiny Committee

Title: Local Government in Scotland: Overview 2021

Purpose: To inform the Committee of the findings of the recent national report.

Recommendation: That the Committee (a) notes the findings of the Audit Scotland report and the challenges highlighted in relation to the Covid-19 pandemic, and (b) notes the significant actions by North Ayrshire Council, its staff and its partners in responding to these challenges.

1. Executive Summary

1.1 Audit Scotland recently published its national report 'Local Government in Scotland: Overview 2021'. This report reflects on the impact of the Covid-19 pandemic on the delivery of Council services, the initial response of Councils to the challenges and the progress being made in supporting the recovery within local communities. A link to the full report is attached as follows:

[Local Government in Scotland 2021](#)

1.2 The review complements the Audit Scotland report 'Local Government in Scotland: Financial Overview 2019/20' which was reported to Committee in June 2021.

1.3 The review analyses the key characteristics of the response to the pandemic in terms of Communities and People, Service Delivery and Partnership Working and Resources and Governance and identifies a number of key messages learned over the period.

2. Background

2.1 The Local Government in Scotland: Overview 2021 is based on evidence gathered throughout the initial response phase of the pandemic and includes financial data to the end of February 2021. It provides an independent overview of the issues and challenges faced by Councils, their partners and communities and provides a range of case studies which exemplify the various responses to these challenges.

2.2 The report highlights the context in which Councils continued to deliver services across communities including unprecedented economic and social impacts, additional financial pressures and service demand, negative impacts across communities and the need for new service delivery models. The key characteristics of these responses have been analysed across Communities and People, Service Delivery and Partnership Working and Resources and Governance.

2.3 The report identifies a number of key messages in each of these areas, including:

- Communities and People:
 - The Covid-19 pandemic is having a profound impact on all aspects of society including the economy, jobs and the physical and mental health of the public;
 - Relationships with communities have been vital;
- Service Delivery and Partnership Working:
 - Levels of service disruption have varied;
 - Some services were delivered virtually;
 - The workforce demonstrated the versatility to take on new roles;
- Resources and Governance:
 - There were significant changes in council governance structures and processes;
 - Councils continue to face significant financial challenges and these have been exacerbated by the pandemic;
 - The Scottish Government has provided substantial additional financial support but the nature and timing of funding has created further challenges for councils;
- General:
 - Councils have started to plan for longer term recovery from the crisis;
 - There has been some ongoing learning resulting from the emergency response to the pandemic

2.4 Full details of North Ayrshire Council's response to the pandemic has been reported to members throughout the year with the latest report "Supporting North Ayrshire Together – An Update on Our Response to the Coronavirus Pandemic" being considered by the Audit and Scrutiny Committee on 14 September 2021. This highlighted a number of key statistics for the period from September 2020 to March 2021, including:

- 33,152 calls received by our Community Hubs and 96,465 food deliveries made;
- 60,000 shopping vouchers worth £1.7million provided to children eligible for free school meals;
- 3,194 pieces of IT equipment such as Chrome Books, iPads, Wi-Fi routers and SIMs provided to our pupils to access online learning;
- An average of 1,002 children were cared for at our Childcare Hubs during January and February;
- Over four million items of PPE were supplied including over one million masks during the year;
- £14million of grants has been distributed to local businesses since September. This is in addition to £24.16million of business grants and £312,000 of newly self-employed hardship grants provided to our residents during the first six months of the pandemic;

- We contributed to national projects such as the Carnegie UK Trust's Covid-19 and Communities Listening Project;
- Our first fully online Joint Cabinet saw 110 of our young people share their views alongside our Council Cabinet, senior officers, Members of the Scottish Youth Parliament and the Youth Council Executive;
- We assisted 285 residents into employment; and
- We supported our workforce's wellbeing to ensure they could continue to provide high quality services including through the introduction of Wellbeing Warriors, employees trained in mental health first aid, to support colleagues and Health and Wellbeing Hubs for care teams.

2.5 The Audit Scotland report also highlights a number of lessons learnt throughout its analysis, including:

Communities and People

The impact of Covid-19 has been extremely detrimental for many of Scotland's most vulnerable people and communities. The impact will be long-lasting and will significantly increase inequalities. Recovering from the pandemic will require tackling inequalities to be a priority.

As councils may look to embed longer-term changes to service provision as seen during the pandemic, it is important that they are adaptable in their approach, to ensure that services are reaching communities in the right way. Councils need to understand the needs of those experiencing digital exclusion and put a strategy in place to ensure equal access to services for all citizens and communities;

Action taken by communities has been vital in supporting councils and their partners to deliver an emergency response. Partnerships that were well-established before the pandemic had a smoother transition into the response phase and acted more quickly than others.

The importance of strengthening relationships with communities has been apparent. Greater flexibility in decision-making structures has been an effective tool for communities, empowering them while allowing the council to operate more efficiently. Giving communities more scope to use initiatives like this will be important in the future but must be balanced with the return of robust governance arrangements and continued openness and transparency in decision-making.

Service Delivery and Partnership Working

Councils must closely monitor the impacts of service changes and disruptions on people and communities. There are growing concerns about the effects of service disruptions on different groups, for example the impacts of moving school education into homes and online on disadvantaged and vulnerable children and young people, and of reduced or paused care services on people who rely on them and their carers. Councils must develop targeted responses to tackle both the immediate negative impacts of the pandemic and the long-term inequalities that have been exacerbated.

As councils embrace longer-term digital service provision, they must balance the efficiencies digital services bring against the needs of communities and the workforce. Citizens must be at the heart of decisions about the services they rely on.

Councils and their staff have been at the centre of unprecedented efforts to protect and support people and communities through the Covid-19 pandemic. Demands on people have been intense, and both council staff and the citizens they serve will need continued targeted support through the move to recovery and renewal. Councils' recovery and renewal efforts must be informed by comprehensive understanding of the issues that affect all those who live and work in their communities, and the positive partnerships built on during their initial response should be a core element in this. The impacts of the pandemic, particularly its unequal impacts on groups in society and the awareness it has raised of issues of fairness and equality, the importance of community and the value of local services are all key to deciding future priorities for public services and what 'building back better' might mean for communities.

Resources and Governance

The timing and nature of funding for local government is creating pressure and uncertainty for councils beyond the current financial year. Funding is being provided incrementally and the lack of certainty regarding future budgets makes effective short- and medium-term planning very difficult for councils. Covid-19 will have long-term impacts on councils and the communities that they serve. Councils are likely to require additional support to address the challenges of remobilising services, and supporting social and economic recovery. If additional funding is provided with specific conditions or is ring-fenced for specific purposes councils will then be forced to make difficult prioritisation decisions with potential negative impacts on other services. A lack of flexibility in future funding may lead to a differential impact on service delivery and exacerbate existing financial sustainability risks.

As reported in Local government in Scotland: Challenges and performance 2018, services such as planning, cultural services, environmental health and roads have borne the brunt of service cuts in recent years. The trend has been one of larger reductions to relatively smaller service areas with no change in real terms to social care and education spending. The increased financial constraints created by Covid-19 are likely to create a further risk to recovery should smaller services face further cuts. This will adversely affect councils' ability to provide importance services that people and communities rely on.

Councils have reacted well to the changing environment and have acted quickly to implement new governance arrangements that are safe and flexible. Although delegation to officers and emergency committees was undertaken at some councils in the early stages, it is welcome that all 32 councils now have arrangements in place to support remote meetings. It is likely that the requirement for remote meetings will continue for some time, therefore all councils should ensure that public participation is facilitated as soon as possible to provide openness and transparency in decision-making.

Councils' medium-term financial plans will need to be updated to reflect the significant financial impact of the Covid-19 pandemic. Although considerable challenge and uncertainty still exists, it is important that councils have a plan in place that identifies medium-term impacts so that steps can be taken to manage risk and plan effectively. Good medium-term financial planning, based on modelling various future scenarios and focusing on clear priorities, is more important now than ever.

2.6 North Ayrshire Council's response to the challenges posed by the pandemic have continually developed over the course of the last 18 months with regular reporting through Cabinet on the development of specific strategies to address the issues identified. Following the initial response phase, the focus of many of these strategies has been on the recovery and renewal required to repair much of the damage inflicted on our communities and businesses by the pandemic. Key strategies and plans approved by Cabinet during this period have included, but not limited to:

- Covid-19 Financial Impact 2020/21, June 2020
- Food Support to Families in Response to the Covid-19 Pandemic, June 2020
- Education Local Phasing Delivery Plan, June and December 2020
- Recovery and Renewal Strategy, September 2020
- Covid-19 Financial Recovery Plan 2020/21, September 2020
- Covid-19 Economic Recovery and Renewal Approach, September 2020
- Long Term Financial Outlook 2021/22 to 2030/31, December 2020
- NALL Recovery and Renewal Plan, February 2021
- Green Jobs Fund, February 2021
- Discretionary Business Support Fund, February 2021
- General Services Revenue Estimates 2021/22 to 2023/24, March 2021
- Regeneration Delivery Plan, March 2021
- NAC Recovery and Renewal Funding and Investment Proposals, June 2021

2.7 The Council's response to the pandemic has also been subject to external assessment by the Council's external auditors, Deloitte LLP. Their reports on 'Audit Dimensions and Best Value' and the 'Report on the 2020/21 Audit' examined North Ayrshire Council's response to the pandemic and its impact on the areas of Financial Management, Financial Sustainability, Governance and Transparency and Value for Money. Among their key findings the auditors noted:

- It is positive to note that the Council has reassessed its medium and long term financial planning to take into consideration the impact of COVID-19 and has a clear picture of the financial challenges it faces;
- The Council has continued to make good progress during 2020/21 with transformation, in particular the development of the Recovery and Renewal Strategy and Renewal Programme in response to the COVID-19 pandemic;
- It is also positive that the Council has started to consider the impact COVID-19 has had on the workforce via the Future Working Environment project and is actively engaging with staff as part of this;
- Strong leadership has been demonstrated in the collaborative response to COVID-19 in working closely with partners, including the Council, Health Board, third sector, volunteers and private providers; and
- We are pleased to see that the Council are responding to demand for changes in service delivery as a result of the pandemic.

3. Proposals

3.1 It is proposed that the Committee (a) notes the findings of the Audit Scotland report and the challenges highlighted in relation to the Covid-19 pandemic, and (b) notes the significant actions by North Ayrshire Council, its staff and its partners in responding to these challenges.

4. Implications/Socio-economic Duty

Financial

4.1 None.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

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.

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For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

Annual Report on the 2020/21 Audit - Audit and Scrutiny Committee, 27 September 2021