

Local Government in Scotland Overview 2022

Gary Fairley, Chief Officer Corporate Solutions

Report for Information

1 Recommendations

Audit Committee are asked to note the publication of the [Local Government in Scotland Overview 2022](#) report by Audit Scotland on 26 May 2022 and consideration of the report findings for Midlothian Council.

2 Executive Summary

Whilst noting that Council's have had a difficult year following the year one response to the pandemic, the report further notes the continuing need to respond to Covid-19 in a complex and uncertain environment stating that *"Recovery and renewal are not about returning to the pre-pandemic status quo. The process of recovery and renewal includes directing resources to help ensure that services can restart and are reshaped to meet the new needs of the local area, to address the harm caused by the pandemic, to support economic recovery, to empower communities, to address inequalities, and to tackle key priorities including climate change, growing poverty, and the long-standing need for public service reform."*

The report states that is the second in a series of reports reflecting the evolving and long-term nature of the impact of Covid-19, it considers the second year of the pandemic from March 2021 to February 2022 and includes data and information correct as at the end of February 2022 and includes exhibits and case studies throughout.

The report notes that it builds on the 2021 overview report and assesses:

- the ongoing impact of Covid-19 and councils' progress towards recovery and renewal
- how councils are positioned to address long-term priorities including climate change, inequality and public service reform
- how effectively council leadership is managing recovery and renewal

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3 Background/Main Body of Report

3.1 This year's local government overview report is the second overview report taking place during the second year of Covid-19, and as a result reflects the response phase from March 2021 (correct as at the end of February 2022) and presents a number of exhibits and case study examples. An extract of the timeline considered is available in Appendix C.

3.2 Key messages captured within the report state that:

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

3.3 The report is structured around three main themes on which progress towards recovery and renewal depends, noting that leaders need to consider how well their council is:

- Responding to the external environment: climate change, reform, financial pressures, Brexit, demographic change
- Organising the council: leadership, resources, workforce
- Meeting local needs: inequality

Each of the three main themes are set out in more detail and relevant exhibits and case studies are provided to support each area, including the following principles of leadership exhibit:

Exhibit 1.
Principles of leadership that enabled the response to Covid-19

<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Communicative – being available, engaging, honest and open. The pandemic created uncertainty that demanded more frequent communication with staff, partners, and communities. This provides assurance, uncovers issues, and enables decision-making. The shift to remote and hybrid working also demands more frequent communication.</p> </div> </div>	<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Data driven – using data and information to plan, make decisions, direct resources and monitor progress, as well as to learn from looking back. Data has been a vital tool, and leaders' ability to use data will be important as we move into the future.</p> </div> </div>
<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Collaborative – working with and empowering others. This was critical to the pandemic response and harnessing the resources of the community and partners. Complex problems need a 'whole systems approach' that works across organisational and functional boundaries and aligns objectives and outcomes.</p> </div> </div>	<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Agile and flexible – making decisions and working quickly to respond to emerging issues. Having a clear vision and purpose is important, but also being agile and flexible in an uncertain environment.</p> </div> </div>
<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Emotionally intelligent – showing empathy, understanding and dealing with the 'whole person'. The impacts on the health and wellbeing of the workforce and communities demands greater emotional intelligence from leaders.</p> </div> </div>	<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Culture focused – being open and honest, inspiring trust and respect, and having empathy are all important, as are encouraging learning, improvement, innovation and collaboration. Leaders need to focus on creating the right organisational culture.</p> </div> </div>
<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Enables community empowerment – supports communities to take more control, builds effective relationships with communities, and shows strong public sector leadership on community empowerment. These can help improve outcomes and reduce inequalities.</p> </div> </div>	

Source: Audit Scotland

- 3.4** Of the three themes identified in the report, two identify a number of recommendations and actions for leadership as follows:

Organising the council: recommendations (Actions for leadership)

- 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.
- Elected members and senior managers need to work together to drive change, make decisions and deliver recovery and renewal.
- 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.
- Councils' governance arrangements should ensure that their elected members have sufficient information to support the scrutiny and decision-making needed for recovery and renewal.
- Councils need to clearly set out how they are evaluating new service models and learning lessons from the response to Covid-19.
- Councils should have a clear plan for developing the use of data in their councils, this includes data skills, data standards and data tools.
- 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.
- Councils must have clear plans for management of reserves.
- 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.

Meeting local needs: recommendations (Actions for leadership)

- 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.
- 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.
- 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.

- 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.

- 3.5** The detailed narrative within the report largely reflects Midlothian's experiences with regard to the initial and ongoing period of the pandemic and our response in terms of actions already taken or planned align well with the recommendations noted, particularly with regard to the approval by Council in June 2020 of [Midlothian's Route Map through and out of the crisis](#) and ongoing development of the five year strategic plan.
- 3.6** The report also includes a supplement document which is designed to support elected members in scrutinising and understanding how well their council is planning recovery and renewal and the questionnaire is included in Appendix D for information for officers and for convenience should members find completing the checklist useful.

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

There are no direct resource implications as a result of this report.

4.2 Digital

There are no direct IT issues arising from this report at this time.

4.3 Risk

There are no additional direct risks associated with this report.

4.4 Ensuring Equalities

This report does not recommend any change to policy or practice and therefore does not require an Equalities Impact Assessment.

4.4 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

Appendix B – Background information/Links

Appendix C – Timeline of key events

Appendix D – Local Government in Scotland Overview 2022 – Supplement 1

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:-

- Reducing the gap in learning outcomes
- Reducing the gap in health outcomes
- Reducing the gap in economic circumstances
- Reducing the impact of climate change

This report does not directly impact Midlothian Council's key priorities but the key messages and recommendations provide an opportunity for reflection in terms of Midlothian's experience and response to Covid-19.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

The overview report reiterates the need for skilled leadership, learning lessons from the pandemic, collaborating with partners and communities and making best use of resources to improve outcomes, all of which support delivery of Best Value.

A.5 Involving Communities and Other Stakeholders

The report references the importance of collaborating with partners and communities as we plan for renewal and recovery.

A.6 Impact on Performance and Outcomes

The report does not directly impact Midlothian Council's and wider partners performance and outcomes but it does highlight the importance of wider strategic planning which includes a focus on partnership working. In addition the importance of data as a vital tool to plan, make decisions, direct resources and monitor progress is also identified as a key principle of leadership.

A.7 Adopting a Preventative Approach

This report supports current actions and plans in place to adopt preventative approaches moving forward.

A.8 Supporting Sustainable Development

This report supports current actions and plans in place to ensure sustainable development approaches moving forward, in particular our ambition to achieve net zero.

APPENDIX B - Background Papers/Resource Links

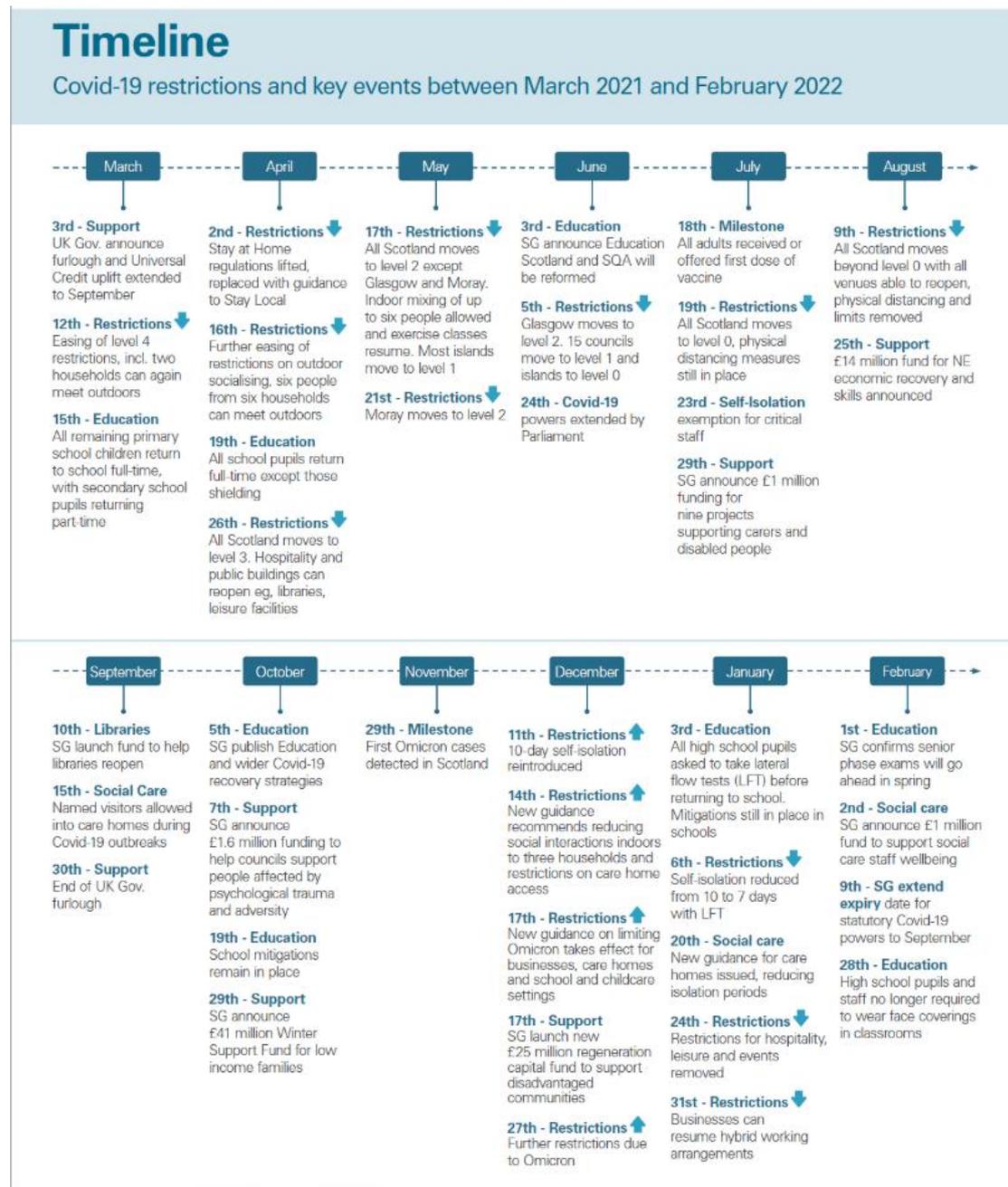
1. Local Government in Scotland Overview 2022

[Local government in Scotland Overview 2022 | Audit Scotland \(audit-scotland.gov.uk\)](#)

2. Midlothian's Route Map through and out of the crisis

[Midlothian Route Map |](#)

APPENDIX C - Timeline



APPENDIX D – Local Government in Scotland Overview 2022

Supplement 1 – Questions for elected members

This checklist captures a number of questions for elected members to consider and relates to the [Local Government in Scotland Overview 2022](#). It is designed to support elected members in scrutinising and understanding how well their council is planning recovery and renewal.

Questions for elected members to consider	What do I know	Do I need to ask any further questions
Leadership – planning, strategy, and improvement		
<ol style="list-style-type: none"> 1. Does my council have clear plans for recovery and renewal, that outline: <ul style="list-style-type: none"> • what it needs to do in the short, medium, and longer term • the outcomes it will achieve • and the investment needed? 2. Is my council together with our partners, reviewing and aligning strategic plans and priorities (including Local Outcome Improvement Plans) to deliver recovery and renewal? Has it consulted with communities on these priorities? 3. Do recovery plans for my council consider key themes, including: <ul style="list-style-type: none"> • New ways of working • Inequalities • Education recovery • Economic recovery • Climate emergency • Health and wellbeing – community and workforce 4. Has my council considered the Scottish Government National Recovery Plan and Programme for Government as part of the refresh of its strategic plans and recovery plans? 5. Does my council have clear plans for restarting paused, closed, or reduced services and dealing with any service backlogs caused by the pandemic? 6. Do I know how my council is learning lessons from the pandemic response and evaluating new service models to inform improvement and drive recovery and renewal? Am I assured my council is building on innovations made during the pandemic: <ul style="list-style-type: none"> • Supporting vulnerable groups • Working in partnership • Faster decision-making • Delivering services differently – eg digital • Working differently – remote and hybrid 7. Do I know how well my council uses data and what plans it has to develop data skills, data standards, and data tools? 		

Leadership – skills		
<p>8. Is my council clear on what leadership skills are needed to drive forward recovery and renewal, and are there arrangements in place to deliver these?</p> <p>9. Am I aware what succession planning arrangements and leadership development arrangements are in place for the council management team? Am I satisfied these are appropriate?</p> <p>10. Do I have access to training and learning materials that meet my needs as an elected member? Have I taken up available opportunities that will assist me in being effective in my role?</p>		
Governance		
<p>11. Do I have access to clear, timely, and sufficiently detailed information that allows me to carry out my governance and scrutiny role?</p> <p>12. Do I have a clear picture of where my council is in terms of recovery and renewal:</p> <ul style="list-style-type: none"> • what new service demand, unmet needs, and what backlogs exist? • what changes to services have taken place and what impact assessments have been carried out for changes that have continued or are proposed? <p>13. Am I satisfied that the governance arrangements in place in my council offer sufficient transparency and opportunities for public participation?</p> <p>14. Do I understand what my responsibilities are when serving on external bodies (eg, ALEOs) and joint boards or committees?</p> <p>15. Am I familiar with the Councillors Code of Conduct for elected members?</p>		
Finance		
<p>16. Am I clear about the financial challenges facing the council and how they are being managed?</p> <p>17. Has my council developed longer term financial plans that clearly link to recovery plans?</p> <p>18. Does my council have clear and robust plans in place for the management of reserves?</p>		
Workforce		
<p>19. Does my council have detailed corporate and service workforce planning in place? Have these plans been updated to reflect the impact of Covid-19? Do these include plans for managing impact of pandemic on staff wellbeing?</p> <p>20. Does my council understand any specific areas of skills shortages that risk delivery of its objectives? Eg social care, facilities management</p>		

Meeting local needs

21. Does my council understand the changing demographic profile, poverty levels, and cost of living increases in our council area and how this will impact on demand for council services?
22. Does my council have data and an understanding at a local level of the impact of the pandemic on different groups, in particular how inequalities have been exacerbated?
23. Does my council have plans in place to address these unequal impacts?
24. Does my council have plans in place to address key priorities and areas of reform, including social care and climate change?

Community empowerment and collaboration

25. How well is my council involving communities and citizens in driving recovery plans and reshaping services? What needs to improve?
26. How well is my council collaborating with local partners, including the third sector in planning, and delivering services?