



## **Accounts Commission – Local government in Scotland overview 2021**

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only: England, Northern Ireland and Wales

### **Key Issues:**

The Accounts Commission for Scotland has published its local government in Scotland overview 2021.

This latest overview will be the first in a series of reports that will reflect on the “evolving and long-term nature of the impact of Covid-19”. The report also confirms that this will be a priority for the Accounts Commission in terms of future reporting.

For a full copy of the report please [click here](#)

### **1.0 Introduction**

The Accounts Commission for Scotland has published its first in a series of reports that will reflect on the impacts of Covid-19. This report will consider the initial response phase from March 2020 and includes financial data up until the end of February 2021. It also includes a number of local authority case study examples, highlighting the local government response to the challenges faced during the pandemic.

The Accounts Commission plan to publish a number of further reports which will provide a more detailed analysis of impact, lessons learnt as well as an assessment of the early

stages of recovery in 2022. Further progress will be reported in 2023 looking at renewal and recovery.

The report highlights that local authorities in Scotland operate in a complex and challenging landscape and that Covid-19 has created unprecedented issues and challenges for public services. It notes that the pandemic has put an even sharper focus on public services and the vital role they play within communities. Recognising that local authorities have adapted and, in some cases, transformed in order to respond to the Covid-19 pandemic and in fact, that services will continue to do so as they navigate from response to renewal and recovery.

The Accounts Commission recognises the extremely challenging financial context the response has been achieved within. With the report noting the importance of long-term financial planning and the need for certainty which could be achieved from a multi-year financial settlement. It highlights the increasing amounts of funding from Scottish Government over the past few years but notes that as this has been ring-fenced for specific purposes it can limit local flexibility, with the same challenges emerging from Covid-19 funding arrangements. In terms of the financial landscape the report also identifies the significant loss of income and additional costs which have been caused by the pandemic and will continue to impact on local authorities over the coming years. It indicates that as local authorities look to build back through recovery and renewal, they will have to make difficult decisions during this journey in terms of their services and how they are delivered, support will be needed to enable them to take a holistic approach. "A key issue will therefore be reaching agreement between the Scottish Government and COSLA to achieve a funding model for local government that targets and supports those most in need".

## **2.0 Key Messages**

The Accounts Commission report outlines 10 key messages which fall within the report's 3 themes of:-

- **Community and people** – Covering community wellbeing and the role of communities in responding to the crisis including the impact of the pandemic on

demographic groups and inequalities as well as the contributions made by communities to help respond to the crisis.

- **Service delivery and partnership working** – Looking at the adaption of service provision and working with partners including reduced service provision and the prioritising of services, innovation and shift to digital delivery as well as enhanced collaboration and more positive working relationships.
- **Resources and governance** – Covering the financial impact of responding, the use of resources and changes to governance arrangements including financial challenges, new funding and flexibilities, staff redeployment, moving to virtual decision-making and changing governance arrangements.

**The 10 key messages are:-**

1. 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
2. Relationships with communities have been vital
3. Levels of service disruption have varied
4. Some services were delivered virtually
5. The workforce demonstrated the versatility to take on new roles
6. There were significant changes in council governance structures and processes
7. Councils continue to face significant financial challenges, and these have been exacerbated by the pandemic
8. The Scottish Government has provided substantial additional financial support, but the nature and timing of funding has created further challenges for councils
9. Councils have started to plan for longer term recovery from the crisis
10. There has been some ongoing learning resulting from the emergency response to the pandemic

**3.0 APSE Comment**

The Accounts Commission report provides an overview of the local authority landscape during the initial response to Covid-19. It looks at many significant challenges which have been and still are being faced by local authorities throughout, from having to quickly adapt / transform in order to continue to provide the vital services communities require on

a daily basis, to ensuring those most at risk received the support and help needed during these unprecedented times. As well as this, the report identifies the huge financial challenges as a result of the pandemic, including information from COSLA's cost collection exercise carried out in July 2020, which highlights that councils estimate the total 2020/21 net financial impact of Covid-19 would be £767 million. This brings into sharp focus the need for longer term financial stability in order to help support local authorities as they move towards recovery and renewal.

During 2020, APSE published a number of Covid-19 remobilisation reports, with information used in these reports, gathered during a number of UK wide frontline service focus groups. These reports looked to help identify the challenges and opportunities faced by APSE Member authority services during these unprecedented times, as well as providing an opportunity for best practice to be shared in relation to the steps being taken to help remobilise services. The four areas of focus for the reports were:-

- Budget, finance and re-establishing financial activity
- Operational activity
- Re-grouping the workforce
- Technical considerations

A number of the themes touched on within these remobilisation reports echo that of the Accounts Commission's overview report. To view APSE's remobilisation reports please [click here](#)

As well as the remobilisation reports, APSE's Performance Networks service also undertook data collection specifically related to Covid-19 for April to June 2020. The reports looked at the impact on a service-by-service basis and the response made in terms of operational practices, priorities, impact on staff as well as the financial impact. These reports are available to members of [APSE performance networks](#), which all councils in Scotland are members of. The impact for the full 2020-21 financial year will be assessed in the coming months through the next annual data collection exercise which will use 2019-20 as a baseline year to assess the full impact of Covid-19 across 15 front line service areas for

2020-21 in terms of cost, income, productivity, quality and outcomes. For more information, please contact [djohns@apse.org.uk](mailto:djohns@apse.org.uk)

In addition, APSE Scotland has also recently set up Recovery and Renewal group to help harness information sharing and learning between local authorities in regards to their pandemic recovery strategies. For more information on this group or any of the other APSE Scotland advisory groups please email [Lmelville@apse.org.uk](mailto:Lmelville@apse.org.uk)

**Reminder: APSE has set up a COVID-19 Information Hub to deal with frontline service issues as they arise, ensuring greater resilience and learning between each other during this difficult time. You can access this hub by [clicking here](#) and you can also join our WhatsApp Support Network by [clicking here](#).**

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