



Agenda Item 6

Local Government in Scotland Overview Report

Falkirk Council

Title: Local Government in Scotland Overview Report

Meeting: Scrutiny Committee

Date: 9 September 2021

Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to set out the key messages identified by The Accounts Commission Local Government in Scotland Overview Report and, provide a local context to these messages. This national report will be of particular interest to Members as our own Best Value Report will be considered by The Accounts Commission in December and published shortly thereafter.

2. Recommendations

- 2.1 Members are invited to note:

- (1) the key messages set out in The Accounts Commission's Overview of Local Government**
- (2) the local context to these key messages**
- (3) a follow up report on the Council's response to Coronavirus will be submitted to Committee by December 2021.**

3. Background

- 3.1 Members will be familiar with the annual reports produced by the Accounts Commission which look at an Overview of Local Government in Scotland.
- 3.2 Their report is non Council specific, but rather provides what the Commission see as being the key messages that local government should consider in preparing policies and strategies to tackle current matters.
- 3.3 The most recent Overview report was published by the Commission in May this year and can be found at [Local government in Scotland Overview 2021 | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/publications/2021-05-14-local-government-in-scotland-overview-2021/)

4. Key Messages in the Overview Report

- 4.1 The Commission's Overview report traditionally focuses on a number of themes. These are continued in the most recent report but are set against the backdrop of the COVID pandemic. Their report comments on the impact of COVID on Councils and their communities and how both have responded to these challenges.
- 4.2 A number of case studies are used throughout the Commission's report to provide examples of how Councils have adapted during the pandemic. The Council's Employment and Training Unit (ETU) is used as a case study in addressing future inequalities through digital learning (case study 4, page 20 of Overview report).
- 4.3 The Commission's report identifies 10 key messages:
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** - The negative impacts have been greater for those already experiencing socio-economic disadvantage, and existing inequalities have intensified. Councils have been at the centre of the response to the pandemic, supporting communities through these difficult times. They responded quickly and put their initial focus on maintaining service delivery and protecting communities.
 2. **Relationships with communities have been vital** - Councils and communities have worked well together to manage local responses to Covid-19. These included supporting initiatives to promote wellbeing and support people who were shielding and facilitating community support hubs. Existing partnerships that were stronger before the pandemic made a smoother transition into the response phase, as there were fewer barriers. Moreover, some communities were able to offer a faster and more targeted response and deliver some vital services as a result of having fewer formal decision-making structures. In some cases, Community Planning structures have been strengthened and community groups have been able to work more flexibly, demonstrating the value of community empowerment.
 3. **Levels of service disruption have varied** - Services such as education, social care and culture and leisure were badly affected, while other core services continued on a reduced or amended basis. Services that could be delivered by people working from home were very resilient. The disruption to services had significant negative impacts on vital areas and on some client groups. These included carers who lacked access to respite care, people with learning disabilities who lacked access to important services and wider support, and school children, who experienced significant disruption to their education. Communities experienced significant service disruptions alongside the wider impact of the pandemic. This created further challenges including job losses and

increased economic uncertainty, the impact on people's mental health, and increased child protection risks during lockdown.

4. **Some services were delivered virtually** - For example, education continued where students were able to access learning materials online. Councils worked fast to enable homeworking for staff and to provide innovative IT (information technology) solutions. There were challenges for some councils in the early days of the move to homeworking, including limited internet connectivity and insufficient supplies of IT equipment to enable the required numbers of staff to work remotely.
5. **The workforce demonstrated the versatility to take on new roles** - Staff were redeployed from services that were closed or reduced into services facing increased pressure while working at pace under challenging circumstances. There will be an increased need in future for staff to be agile as services continue to evolve in line with the pandemic and the recovery phases. Councils must also manage the pressures on staff to ensure their people are not put at risk of burnout as the pandemic continues.
6. **There were significant changes in council governance structures and processes** - At the onset of the crisis, councils suspended or revised their meeting schedules, and adopted different approaches to decision-making. Virtual meetings were established in growing numbers of councils, and all councils now hold remote meetings. There is now less reliance on delegation to officers or emergency committees than in the early stage of the pandemic, but councils must continue to balance the need for urgent decision-making with transparency.
7. **Councils continue to face significant financial challenges, and these have been exacerbated by the pandemic** - The Convention of Scottish Local Authorities (COSLA) estimated that the total net financial impact of Covid-19 in 2020/21 would be £767 million. This includes forecast financial pressures of £855 million, with loss of income accounting for around £400 million of this total. The financial pressures have been offset slightly by estimated cost reductions of £88 million from a range of areas such as lower property costs and reduced school meal costs.
8. **The Scottish Government has provided substantial additional financial support, but the nature and timing of funding has created further challenges for councils** - Funding announced by the Scottish Government by February 2021 is likely to support councils in covering the net financial impact of the pandemic for 2020/21. This additional funding includes a significant element of one-off grant funding; therefore this may present financial sustainability risks for some councils in future years. Furthermore, funding announcements have been frequent but not regular, and in some cases specific conditions are attached. This has created an additional administrative burden for the Scottish Government and councils arising from awarding and accepting grants and completing the related reporting requirements.

9. **Councils have started to plan for longer term recovery from the crisis** - While restarting services is led largely by national guidance, and the response to a second wave of Covid-19, councils are beginning to think about how to rebuild local economies and support communities in the long term. Councils will play a pivotal role in this, and as they progress through the recovery phases, there must be recognition that a return to 'business as usual' will not be possible and that the negative impacts of the pandemic will be felt for years to come. Councils' recovery plans have signalled this kind of thinking, focusing on areas that were already priorities before the pandemic, such as digital, tackling inequalities and climate change. We are still learning about the significant long-term challenges, and councils' recovery and renewal plans should address the longer-term implications of the pandemic for local economies, communities and individuals. Recovery plans must also recognise the longstanding issues of inequality that exist and set out actions to address the differential impact of Covid-19 on different groups.
10. **There has been some ongoing learning resulting from the emergency response to the pandemic** - Councils' service delivery arrangements and working practices changed at an unprecedented pace and on a scale that would have been considered impossible in the past. The need to respond quickly with simplified procedures has allowed councils to operate more flexibly and achieve outcomes that would previously have taken much longer. For example, the use of digital technology, to support changes to service delivery and councils' governance arrangements, has accelerated at a greater pace than many councils had planned for or thought achievable. It is important that councils now consolidate and build on the factors that allowed this level of change and innovation to take place so quickly. Councils should also identify the positive developments to take forward into renewal planning to maintain this momentum. It is also important for councils to avoid the risk of reverting to 'business as usual' in areas where new ways of working are having positive outcomes, for example flexible working and an increase in digitally enabled services. We will consider further lessons learned in more detail in future local government overview reports.

5. Local Context

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

- 5.1 The latest figures (19/20) show that an estimated 6980 Falkirk children are classed as living in poverty (after housing costs). This is 24.8% of the children living in the Falkirk area. These figures show an increase from 2018/19 when there were 6691 (23.8%) children living in poverty in the Falkirk area.

- Economic growth returned to all major national economies in the second quarter of 2021.
- In the UK, robust growth was primarily driven by the reopening of the service sector, rising 4.8% in quarter 2 of 2021.
- monthly GDP data suggests ongoing recovery in the Scottish economy, however the economy shrank 2.7% between Feb 2020 and May 2021.
- Staff shortages are emerging in some sectors (e.g., hospitality) as many former furloughed workers have found different jobs in other sectors
- KPMG suggest that the GVA of the Falkirk economy (presently c£3500m p.a.) dropped by -5.8% in 2020.
- In May 2021, Falkirk's claimant unemployment rate was 5.4% (5,560 persons), this had risen from 3.3% in March 2020 (3,325 persons)
- Youth unemployment increased in the Falkirk area from 5.35% in March 2020 to 10.1% in June 2020 and reduced to 7.4% in May 2021.

5.2 As at 17 August 2021 there has been a total of 10,050 positive Covid-19 tests across the Falkirk area

- At the height of the pandemic, on 5 January 2021, the rate reached 317.6 people per 100,000 with a test positivity rate of 10.4%. For comparison, on 17/08/21 the equivalent figures were 145.1 per 100,000 with a test positivity rate of 5.1%)
- A total of 279,523 Covid-19 tests have been undertaken in the Falkirk area this doesn't include home tests etc.
- There have been 258 deaths within 28 days of a positive Covid-19 test in the Falkirk area
- A total of 118,892 (92%) adults have received their first vaccination and 106,708 (82.5%) have received their second dose of vaccination

Relationships with communities have been vital

5.3 Members will recall the report to Scrutiny Committee in June which considered the Council's response to COVID and provided case studies on our work with communities. As set out in this report, over the past 15 months, a blend of response / recovery and transformation initiatives accelerated the reshaping of our service delivery models:

- Communities made it clear they want to do more for themselves.
- this highlighted what can be achieved when we work with communities, side-by-side.
- It has accelerated and enhanced digital service provision for our communities.
- It has heightened the focus on supporting businesses and the economic recovery of the area. Following consultation with business, the Council and its partners agreed a 3-year Economic Recovery Plan with £523k of added support for businesses in 2020/21 and a further £500k of support in 2021/22.

5.4 Throughout the pandemic we worked in partnership with communities to make sure that people had access to essentials like food, medicines and access to support. As of the end of June 2021 this had supported:

- 833 households with fuel costs
- 553 school pupils with food costs during self-isolation
- 712 individuals/households with the costs of staying connected
- ~683 households a week with food via Community Food Groups
- 25 Volunteers from 8 Community Groups with expenses
- 1,332 pupils via the Winter Hardship Payment
- 184 Citizen's Advice Bureau benefits appointments
- 5618 pupils with direct payment of free school meals during school holiday and closures
- 1428 individuals/households to become digitally included with devices and/or connectivity via Connecting Scotland or Falkirk Covid-19 Digital Exclusion Fund

5.5 Transformation projects such as the new Falkirk Plan, Closer to Communities and Community Choices will be vital in building community capacity and confidence for communities to do more for themselves.

Levels of service disruption have varied

5.6 As noted in the Accounts Commission report, COVID has had a significant impact on the delivery of services to our communities. In the early days of the pandemic, the focus of our resources was on priority services as set out in our Business Impact Assessments. Service provision has followed the Scottish Government guidelines, and as the country has moved through the various levels, more services have been able to be provided. As restrictions were eased, risk assessments were updated and our services were re-introduced, adopting social distancing and other protective measures as necessary. This enabled the Council to rapidly restore its operations, maintaining service for its communities. Members were kept advised of changes in service delivery through continuous communications. Communities have been kept apprised of the situation through our website and other social media channels.

5.7 Some of the key impacts on service delivery have been in education and social care. A summary is set out below.

During the pandemic, Falkirk Council Children's Services Education Division have worked in collaboration and partnership with Early Learning and Child Care Heads of Centre, Primary, ASN and Secondary headteachers to assess the quality of remote learning experiences, across all of our settings. This was to ensure that:

- All children, young people and families had regular, high quality educational input in support of their home learning experience.
- Childcare Hubs and then classes were available to all eligible children and young people. Significant numbers of education staff volunteered to run this provision, in addition to supporting remote learning, which was commended.
- Enhanced support was available to our vulnerable, severe, and complex and children with significant medical needs.
- Senior secondary school pupils were supported to ensure that they had every opportunity to complete coursework and ensure they had adequate evidence in support of their grades which were assessed and awarded by our teaching staff.
- Robust assessment and moderation processes were developed at pace to ensure our senior pupils were not disadvantaged due to the late cancellation of SQA examinations.

Transitions for children of all ages and stages have been considered in all of our response and recovery plans. We have provided more detailed support and guidance for the key stages of ELC into Primary 1 and for P7 in first year. In 2020, the creativity and efforts of teams to make this as robust and supportive as possible for families was tremendous in Falkirk. Digital approaches were developed to provide children and young people with virtual tours, introduction to staff and family learning activities. Door to door drop offs of resources and information were common.

Over the last 18 months the Division has been significantly impacted by the requirement for both staff, children, and young people to self-isolate. This has placed demands on schools and the service to ensure the continuity of education delivery.

Concurrently with the running of our hubs, all other colleagues continued to engage with their learners to provide online, remote learning or where this was not possible, ensure suitable equipment, resources and support was available to enable our children and young people to engage.

Since March 2020, services provided via the Health & Social Care Partnership (HSCP) have operated on an emergency footing with a key aim to ensure that

people continue to have access to urgent care and support in line with assessed need. Essential services such as care at home and residential care setting have continued to operate. These services have been agile in their delivery, in compliance with Public Health guidance to ensure the safety of service users, carers and staff.

The HSCP quickly formed a mobilisation centre, which brought manager from across the partnership together, to co-ordinate the delivery of services and ensure staff deployment to areas of most need. The team have worked together in a solution focussed way, which has benefitted services whilst also providing a supportive environment for staff. The Care Home Assurance Team (CHART) was established in May 2020. The focus of this team has been to work with the 32 care homes across the Falkirk area to gather management data and also to assure safe practice.

As a result of the ongoing pandemic, some HSCP services were temporarily closed, including all day care services. We are now in the process of reopening internal services and supporting partners to safely reopen. There continues to be significant focus on care in the community, community intermediate care and community hospital facilities. Work to support and develop these activities is on-going through the Falkirk HSCP remobilisation plan.

Some services were delivered virtually

- 5.8 Unlike some Councils, our IT infrastructure has been robust enough to allow employees and Members unlimited access to systems throughout the COVID pandemic. IT equipment was prioritised and rolled out to enable home working and the delivery of services in a virtual manner. Some examples of the services we have been able to provide in a virtual manner include – digital devices for pupils and teachers to allow a blended model of education, contact centre, support for people helpline, the continuation of Committee meetings on a virtual basis, the provision of social work support on a virtual basis where this is appropriate, the delivery of business support grants and training for unemployed people by digital methods.
- 5.9 The provision of services in a digital manner has been a significant step change in enabling those who are able to self-help to do so. This has released officer time to work with those who need our support most. More needs to be done to create digital services to create flexibility for citizens on how and when they contact the Council whilst increasing officer capacity to work with our most vulnerable citizens. Our Digital Communities project is focused on supporting such further developments, ensuring connectivity for communities, access to devices and appropriate training being available. In addition, we are considering how we enhance the online provision of services to ensure these are as inclusive as possible.
- 5.10 We have also seen significant developments in our Analogue to Digital project, Falkirk Council and Falkirk Health & Social Care Partnership are the first in Scotland to implement digital telecare. At this time, Falkirk have

migrated 70% of our most vulnerable citizens away from analogue community care alarms to an IP based service. This has maintained our life and limb services in Falkirk and reduced risk of telephony failure.

- 5.11 Our achievement in digital telecare has spawned further innovation. Working with the Digital Office for Local Government and the Scottish Government Technology Enabled Care Programme, Falkirk are providing a proof of concept in the use of consumer technology / smart speakers. This enables users to seek support / assistance from family, friends and formal / informal care services without the use of traditional computers, tablet PC's or mobile telephones. The outcomes of this proof of concept will enhance digital skills in our older population and can reduce social isolation. Through the use of voice technology, it provides added benefit in the development of using consumer technology to switch on and off lights, heating and provide medication prompts, all of which may reduce the burden of care on NHS and Social Care Services.

The workforce demonstrated their versatility to take on new roles

- 5.12 During the course of the pandemic the majority of employees were assisted to be able to continue to work during the lockdown period, either at work, with social distancing and other safety measures in place (and where permissible under the national guidance), or at home. Significant developments were made to the digital technology offered to employees; in particular, O365 which has continued to enable meetings, 1-1 support meetings and other support mechanisms to be put in place.
- 5.13 It is important to recognise the substantial efforts made by staff during the pandemic. Across each area of service there are examples where staff have acted far beyond their remits to meet the needs of communities. Situations of staff working longer hours, being redeployed or volunteering into roles where peaks of demand were being experienced were common. Without these efforts, Council services would not have coped.
- 5.14 Regular communication was kept with the workforce through email and social media (many Facebook and WhatsApp groups were spawned). A dedicated page on the Council's website was established for employees to ensure they had easy access to changing employment guidance, information on COVID-19, and details on any changes to working arrangements. For those who can work from home, the national guidance confirms that this will remain the default way of working at Level 0. The majority of office-based staff will continue to work from home for the foreseeable future for most of their working week. To support this, employees have been provided with a range of IT equipment and offered an allowance to support the purchase of a desk and chair for the home to ensure a safe workplace.
- 5.15 Managers have been reminded of the steps they must take before employees can return to the workplace. This includes information on how workplaces should be designed to ensure a safe workspace including building checks, risk assessments, signage, hand sanitiser, cleaning arrangements. Where

appropriate, individual risk assessments or 1-1 meetings should be undertaken to ensure that the health of employees is safeguarded prior to a return to the workplace.

- 5.16 Wellbeing has also been a key issue in managing our workforce. The impact of Covid has had a range of implications for individuals. In some cases, this is due to the impact of Covid on an employee's family or their colleagues. In other cases, there have been implications due to schools being closed and the childcare implications flowing from this. Working from home has also been of great benefit to some employees, whilst difficult for others. All such issues can impact on wellbeing. Managers have aimed to support employee wellbeing throughout this period. This is an on-going area of work and one which the Wellbeing Group continues to discuss and review.

There were significant changes in Council governance structures and processes

- 5.17 As reported to Members in June, Falkirk was one of the first Councils to hold committee meetings remotely and live stream them. An Emergency Executive was established which met on a fortnightly basis to consider urgent items of business. Council agreed in September 2020 to reintroduce the full cycle of committee meetings. This continues to be reviewed through regular reports to Council. Members were provided with intensive training and support in systems such as WebEx and O365 from employees within the ICT and Member Support teams.

Councils continue to face significant financial challenges, and these have been exacerbated by the pandemic

- 5.18 The financial implications for the Council of COVID-19 have been significant and are likely to last for some time. These have been advised to the Council and Executive in reports on the budget and business plan. A report with details of the expenditure impact was prepared for the June Executive giving the most recent information on the budget effects of COVID-19. In summary, the impacts of Covid on the outturn of the Council's budget are summarised in the table below:

	March 2020/21 £'000
Government Funding	(33,978)
Loss of Income:	
Service Fees and Charges	2,345
Council Tax	250
Commercial Rents	155
Net Additional Costs	13,718
Budget Savings Not Achieved	3,334

Integration Joint Board	-
Falkirk Community Trust	-
Overall (Surplus)/Deficit	(14,176)
COVID Funding C/Fwd	13,896
General Fund Movement	(280)

- 5.19 As shown above, the effects have been mitigated to a substantial extent by support received from Government, including direct grant awards.
- 5.20 Where necessary, the Council has allocated additional funds to respond to the crisis. This included a range of funds necessary to provide support for households adversely impacted by the crisis. Additional funds (£300k in 2020-21 & £500k in 2021/22 and 2022/23) were also allocated to aid the economic response. In relation to Falkirk Community Trust, c£3.7m was received from the Job Retention Scheme for staff placed on furlough due to facility closures.
- 5.21 Members are aware from the Business Plan report to Council in May this year that there is a forecast budget gap of c£55m over the course of the next 4 years. This will require Members to take decisions to reshape Services either by transformation or through budget cuts. Members will be asked to consider these matters through the “in year” reports on our top ten priority projects and the annual budget exercise.

The Scottish Government has provided substantial additional financial support, but the nature and timing of funding has created further challenges for Councils

- 5.22 The additional Revenue Support Grant for COVID-19 significantly increased from the £9.1m reported in January to £20.3m. In addition, £14m has been allocated direct to Services, with the overall position summarised in the table below. An update was provided to Members at the Executive Committee in June.

Description	Grant Rec'd £m	Applied in 20/21 £m	C/Fwd to 21/22 £m
Direct LG Funding (Not ringfenced)	15.1	6.4	8.7
Financial Support to families and individuals	8.3	7.0	1.3
Education Recovery	7.2	3.1	4.1
Test and Protect	0.2	0.2	-
Economic Recovery	3.0	2.6	0.4
Other	0.2	-	0.2
Totals	34.0	19.3	14.7

- 5.23 Of the £34m received, £15m was for general pressures arising as a result of the pandemic, with £6m received in late March.
- 5.24 The other £19m of funding was for specific purposes including education recovery, funding to support families and communities and economic funding for businesses. As the funding was received this was applied to the relevant areas, however a number of funding streams were received very late in the financial year, leaving little opportunity for it to be used in 2020/21. These balances were carried forward to be applied in the new financial year.

Councils have started to plan for longer term recovery from crisis

- 5.25 Members will recall new corporate plan priorities were agreed at Council in September 2020. Work started on the new corporate plan and identification of priorities back in May 2020. Following a number of workshops involving Members to develop draft priorities, consultation took place with various community groups, businesses and individuals during the summer of 2020, with a final report being submitted to Council in September last year. Delivery of the actions designed to achieve our new priorities is through our Business Plan, Economic Recovery Plan, Digital Falkirk, CotF Change Programme and business as usual improvements. Progress on the delivery of each of these priorities has been considered by Scrutiny Committee over the last twelve months. The last meeting of Scrutiny Committee considered a report on the overall delivery of our new priorities.

There has been some ongoing learning resulting from the emergency response to the pandemic

- 5.26 The report to this Committee by the Chief Executive in June identified a number of lessons learned from our response to COVID thus far.
- 5.27 It is important that the experiences from handling the pandemic and lessons learned are taken into account to inform business continuity plans and the assessments of risk from future events that may face the Council. In the early period of the pandemic, a series of business continuity plans were enacted and steps taken to implement these to enable essential services to be maintained while enabling business as usual activities to proceed with home working and social distancing measures in place.
- 5.28 All Services in Falkirk Council, including Falkirk Community Trust and the Falkirk Health and Social Care Partnership (including one care home and a supported housing complex) have had interim Structured Debriefs carried out in respect of how the Service reacted to the initial outbreak of Covid-19. Each Service was provided with recommendations to consider as well as lessons learned and good practice. Overall, the debriefs were found to be very positive with a great deal of examples given of the goodwill, initiative and

cross service working that has typified the Council's response. Amongst the key lessons learned were

- the need for clear methods of command, control & communication across the strategic (CMT), tactical (Service) and operational (units and teams) levels of resilience support, involving co-opted advisors as necessary
- decision logs should be maintained to capture key decisions being made and actions required. These logs should be reviewed regularly.
- ensure parity of communication between staff working at home, in offices or deployed in operational settings
- review authoring rights to the Council website to enhance capacity for update
- to consider a review of work/life balance supporting mental health issues and addressing issues arising from staff working from home
- to review the approach to the engagement of volunteers, mapping as necessary to job profiles
- identify staff who have skills where they could assist colleagues in the continued delivery of critical functions.
- enhance the provision of ICT support to enable mobile & flexible working
- update business continuity plans in light of lessons learned from the debriefing following the pandemic.

6. Consultation

- 6.1 All Services have been consulted in the preparation of this report.

7. Implications

Financial

- 7.1 The financial implications of COVID are set out in this report. It is too early to say what the ongoing financial implications will be. The financial implications will be factored into future iterations of our Business Plan. The budget gap in our Business Plan is estimated to be c£53m over the next four years.

Resources

- 7.2 None

Legal

- 7.3 None

Risk

- 7.4 Risk management of COVID was set out in the report to this Committee in June.

Equalities

7.5

Sustainability/Environmental Impact

7.6

8. Conclusions

- 8.1 The key messages set out in the Accounts Commission report are a helpful benchmark for us to consider how the Council has responded to COVID-19 and is planning for recovery. Members will be familiar with our local response through recent reports to this Committee and the Executive and it is important to recognise that the issues identified by the Accounts Commission are evident in the Council's experience of Covid. Our best value report at the end of this year will set out the view of the Accounts Commission on how we have dealt with the emergency and our plans for recovery.
- 8.2 Finally, Members will be aware that a further report on the Council's response to Coronavirus will be submitted to this Committee in November 2021 at which point we will return to the issues raised in this report.

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Appendices

List any appendices; or if none state 'None.'

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Insert list here or None