

# Agenda

## Audit Committee

**Date:** Wednesday, 10 August 2022

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**Time:** 10:00

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**Venue:** Council Chambers, Clydebank Town Hall, 5 Hall Street, Clydebank,  
G81 1UB

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**Contact:** Ashley MacIntyre, Committee Officer  
[ashley.macintyre@west-dunbarton.gov.uk](mailto:ashley.macintyre@west-dunbarton.gov.uk)

Dear Member

Please attend a meeting of the **Audit Committee** as detailed above.

The business is shown on the attached agenda.

Yours faithfully

**PETER HESSETT**

Chief Executive

**Distribution:**

Councillor Karen Conaghan (Chair)  
Councillor Ian Dickson  
Councillor Craig Edward  
Councillor Jonathan McColl (Vice Chair)  
Councillor James McElhill  
Councillor Michelle McGinty  
Councillor John Millar  
Councillor Martin Rooney  
Mr C Johnstone

All other Councillors for information

Chief Executive  
Chief Officers

Date of issue: 28 July 2022

**AUDIT COMMITTEE**  
**WEDNESDAY, 10 AUGUST 2022**

**AGENDA**

**1 APOLOGIES**

**2 DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

**3 MINUTES OF PREVIOUS MEETING 5 - 9**

Submit for approval as a correct record, the Minutes of Meeting of the Audit Committee held on 15 June 2022.

**4 OPEN FORUM**

The Committee is asked to note that no open forum questions have been submitted by members of the public.

**5 ACCOUNTS COMMISSION: LOCAL GOVERNMENT IN SCOTLAND OVERVIEW 2022 11 - 61**

Submit report by the Chief Officer – Resources providing information on a national audit report which has been received from the Accounts Commission.

**6 INTERNAL AUDIT PLANS 2021/22 AND 2022/23 PROGRESS TO 30 JUNE 2022 63 - 77**

Submit report by the Chief Officer – Resources advising of progress at 30 June 2022 against the Internal Audit Plans for 2021/22 and 2022/23.

**7 PUBLIC INTEREST DISCLOSURES AND OTHER INTERNAL AUDIT INVESTIGATIONS 1 FEBRUARY TO 15 JULY 2022 79 - 83**

Submit report by the Chief Officer – Resources advising of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 1 February and 15 July 2022.



## **AUDIT COMMITTEE**

At a Hybrid Meeting of the Audit Committee held in the Civic Space, 16 Church Street, Dumbarton on Wednesday, 15 June 2022 at 10.00 a.m.

**Present:** Councillors Karen Conaghan, Ian Dickson, Craig Edward, Jonathan McColl, James McElhill, Michelle McGinty, John Millar and Martin Rooney and Lay Member Mr Chris Johnstone.

**Attending:** Joyce White, Chief Executive; Laurence Slavin, Chief Officer – Resources; Angela Wilson, Chief Officer – Supply, Distribution & Property; Amanda Graham, Chief Officer – Citizen, Culture & Facilities; Andi Priestman, Shared Service Manager – Audit & Fraud; Julie Slavin, Chief Finance Officer; Stephen Daly, Citizen & Digital Manager; Gillian McNeilly, Finance Manager; and Ashley MacIntyre, Nicola Moorcroft and Gabriella Gonda, Committee Officers.

**Also attending:** Christopher Gardner, Senior Audit Manager, Audit Scotland.

### **Councillor Karen Conaghan in the Chair**

## **STATEMENT BY CHAIR**

Councillor Conaghan, Chair, welcomed all those present to the meeting which was being held in hybrid format.

## **DECLARATIONS OF INTEREST**

It was noted that there were no declarations of interest in any of the items of business on the agenda.

## **RECORDING OF VOTES**

The Committee agreed that all votes taken during the meeting be done by roll call vote to ensure an accurate record.

## **OPEN FORUM**

The Committee noted that no open forum questions have been submitted by members of the public.

## **ANNUAL REPORT ON THE AUDIT COMMITTEE – 2021/22**

A report was submitted by the Chief Officer – Resources providing the Audit Committee Chair's 2021/22 Annual Report on the Audit Committee.

After discussion and having heard the Chair in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to review and endorse the Chair's Annual Report on the Audit Committee for 2021/22; and
- (2) to agree that the report would be presented to a future meeting of the Council in line with best practice guidance.

## **INTERNAL AUDIT PLANS 2020/21 AND 2021/22 - PROGRESS TO 15 JUNE 2022**

A report was submitted by the Chief Officer – Resources advising of progress at 31 May 2022 against the Internal Audit Plans for 2020/21 and 2021/22.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2022**

A report was submitted by the Chief Officer – Resources advising of the work undertaken by Internal Audit in respect of the 2021/22 Annual Audit Plan and advising of the contents of the Assurance Statement given to Members of West Dunbartonshire Council, the Chief Executive and the Section 95 Officer (Chief Officer - Resources) in support of the Annual Governance Statement.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **2022/23 INTERNAL AUDIT PLAN**

A report was submitted by the Chief Officer – Resources advising of the planned programme of work for the Internal Audit Section for the year 2022/23.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to approve the 2022/23 Audit Plan.

## **CODE OF GOOD GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2021-22**

A report was submitted by the Chief Officer – Resources advising of the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance and inviting consideration of the Annual Governance Statement that would be published in the Council's Abstract of Accounts.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance, together with the issues identified and improvement actions; and
- (2) to consider the detail of the Annual Governance Statement and approve the actions identified by management to improve the internal control environment.

## **AUDIT SCOTLAND MANAGEMENT LETTER: WEST DUNBARTONSHIRE COUNCIL – INTERIM AUDIT TESTING 2021/22**

A report was submitted by the Chief Officer – Resources advising of the Council's 2021/22 mid-year management letter issued by our external auditors, Audit Scotland and the management actions agreed in relation to the issues identified in the letter.

After discussion and having heard the Senior Audit Manager, Audit Scotland in further explanation of the report and in answer to Members' questions, the Committee agreed to note the report and the agreed management actions.

## **APPOINTMENT OF LAY MEMBERS**

A report was submitted by the Chief Officer – Resources providing an update on the current status of Lay Member appointments to the Audit Committee.

After discussion and having heard the Chief Officer – Resources in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the resignation of Lay Member Christopher Todd;
- (2) to note the continuation of current Lay Member Chris Johnstone; and
- (3) that recruitment of a new lay member would be undertaken in line with previous practice.

Councillor McColl wished to note thanks to the Lay Members for the hard work and dedication shown over the years.

## **PRUDENTIAL INDICATORS 2021/22 TO 2031/32 AND TREASURY MANAGEMENT STRATEGY 2022/23 TO 2031/32**

A report was submitted by the Chief Officer – Resources providing the opportunity to further scrutinise the Prudential Indicators for 2021/22 to 2031/32 and the Treasury Management Strategy (including the Investment Strategy) for 2022/23 to 2031/32 and the indicative indicators for 2024/25 to 2030/31.

After discussion and having heard the Finance Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) the following Prudential Indicators and Limits discussed in Appendix 1 to the report and set out within Appendix 6 to the report for the period to 2024/25;
  - Capital Expenditure and Capital Financing Requirements (Tables A and B)
  - Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D).
- (2) to approve the policy for loans fund advances discussed in Appendix 1 to the report in section 3;
- (3) to approve the Treasury Management Strategy for 2022/23 to 2024/25 (including the Investment Strategy) contained within Appendices 2 to 6 to the report;
- (4) to agree the following Treasury Prudential Indicators and Limits discussed in Appendix 2 to the report and set out within Appendix 6 to the report for the period 2022/23 to 2024/25;
  - Operational Boundaries (Table F)
  - Authorised Limits (Table G)
  - Counterparty Limits (Table J)
  - Treasury Management Limits on Activity (Table L)
- (5) to note the draft Prudential and Treasury Management indicators for the period 2025/26 to 2031/32 discussed in Appendices 1 and 2 to the report and set out within Appendix 6 to the report;
- (6) to approve the statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 to the report – Point 2.3); and
- (7) to note the report would be referred to Audit Committee for further scrutiny.



## **SCOTTISH PUBLIC SERVICES OMBUDSMAN COMPLAINTS REPORT 2020-21**

A report was submitted by the Chief Officer – Citizen, Culture & Facilities presenting the Scottish Public Services Ombudsman (SPSO) report on complaints handling by West Dunbartonshire Council for the year 1 April 2020 – 31 March 2021.

After discussion and having heard the Citizen & Digital Manager in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report and the ongoing commitment at a service and strategic level to monitor complaints and ensure compliance with Scottish Public Services Ombudsman (SPSO) timelines.

Councillor Conaghan wished to note thanks to the Citizen & Digital Manager and the full team for their hard work.

The meeting closed at 11:21 a.m.



## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer – Resources

Audit Committee: 10 August 2022

**Subject: Accounts Commission report: Local government in Scotland Overview 2022**

#### 1. Purpose

- 1.1 The purpose of this report is to provide Committee with information on a national audit report which has been received from the Accounts Commission.

#### 2. Recommendations

- 2.1 The Committee is invited to note the attached report together with the key messages and recommendations as detailed at 4.1 and 4.2 below.

#### 3. Background

- 3.1 The Accounts Commission report: Local Government in Scotland Overview 2022, published on 25 May 2022, is the second in the series of reports that reflects the evolving and long-term nature of the impact of the Covid-19 pandemic. The report considers the second year of the pandemic from March 2021 to February 2022 and builds on last year's overview report.
- 3.2 This report assesses the 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 and how effectively Council leadership is managing recovery and renewal.

#### 4. Main Issues

- 4.1 The report contains a number of key messages:
- **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.

- **Pressure 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.

- 4.2. The report contains a number of recommendations which are listed under two headings, Organising the Council and Meeting Local Needs.

<b>Organising the Council</b>
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
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.
<b>Meeting Local Needs</b>
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.

**4.3** A representative from Audit Scotland will be in attendance at the meeting.

## **5. People Implications**

**5.1** There are no direct people implications arising from this report.

## **6. Financial and Procurement Implications**

**6.1** There are no direct financial or procurement implications arising from this report.

## **7. Risk Analysis**

**7.1** There are no direct risk implications arising from this report.

## **8. Equalities Impact Assessment (EIA)**

**8.1** There are no equalities issues arising from this report.

## **9. Consultation**

**9.1** This report has been subject to consultation with appropriate Chief Officers.

## **10. Strategic Assessment**

**10.1** The report is for noting and, therefore, does not directly affect any of the strategic priorities.

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**Laurence Slavin**  
**Chief Officer - Resources**  
**Date: 15 July 2022**

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**Person to Contact:** Laurence Slavin, Chief Officer - Resources  
Church Street, Dumbarton  
E-mail: [laurence.slavin@west-dunbarton.gov.uk](mailto:laurence.slavin@west-dunbarton.gov.uk)

**Appendix:** Appendix 1: Accounts Commission report: Local Government in Scotland Overview 2022

**Background Papers:** Accounts Commission report: Local Government in Scotland Overview 2021 – June 2021 Audit Committee

**Wards Affected:** All Wards

# Local government in Scotland

# Overview 2022



ACCOUNTS COMMISSION 

Prepared by Audit Scotland  
May 2022

# Who we are

## The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

### **Our work includes:**

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website:

[www.audit-scotland.gov.uk/about-us/accounts-commission](http://www.audit-scotland.gov.uk/about-us/accounts-commission)



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# Key messages



## 1. 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.



## 2. 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.



### 3. Pressure 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.



### 4. 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.



### **5. 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.



### **6. 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.

# Key facts



**32**

**Councils**



**5.5 million**

People served by councils



**213,000**

**Workforce**

Local government workforce FTE Q4 2021. 2.4 per cent increase since Q4 2020



**£13.8 billion**

**Budget**

Net expenditure budget for 2021/22



**1.3 million**

**Covid-19 cases**

Cases between Mar 2021 and Feb 2022



**£0.5 billion**

**Lost income**

Estimated loss of income from customers and clients in 2020/21



**Inequality**

**24 years less**

Healthy life expectancy in most deprived areas compared to less deprived areas

**24.3 per cent**

Children living in poverty in 2019/20 (most recent year available)



**Financial hardship**

**8.8 per cent**

Rent arrears as a per cent of rent due at Dec 2021. Up from 7.3 per cent in 2019/20 (pre-pandemic)

**132,435**

Claimant count Feb 2022. Still above pre-pandemic levels



**Support**

**30 per cent**

Increase in Discretionary Housing Payment budget since 2019/20 (pre-pandemic)

**£600 million**

Value of business support grants administered 2021/22

**56,205**

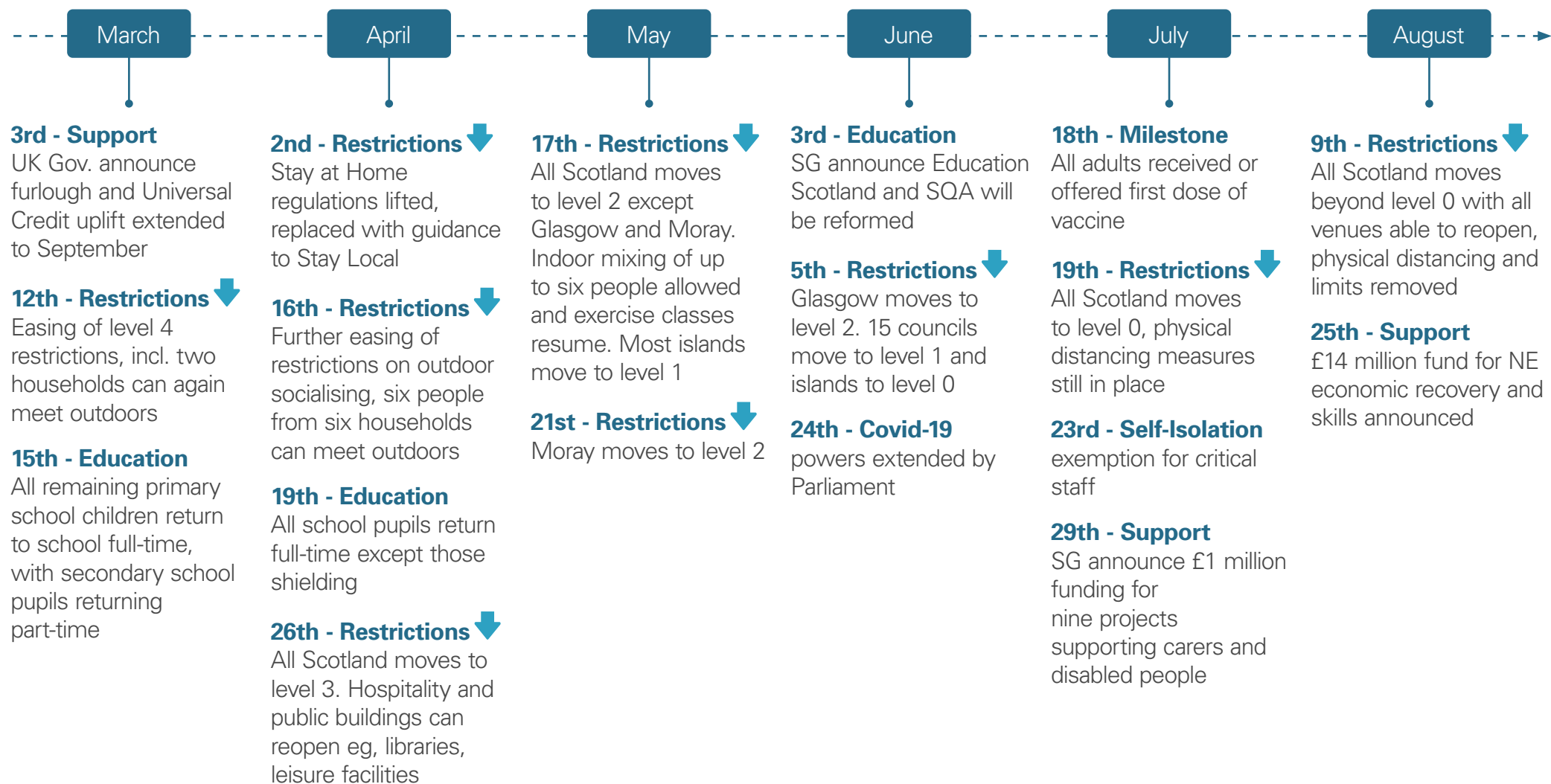
Self-isolation grants awarded at end Nov 2021 (started 12 Oct 2020)

**491,016**

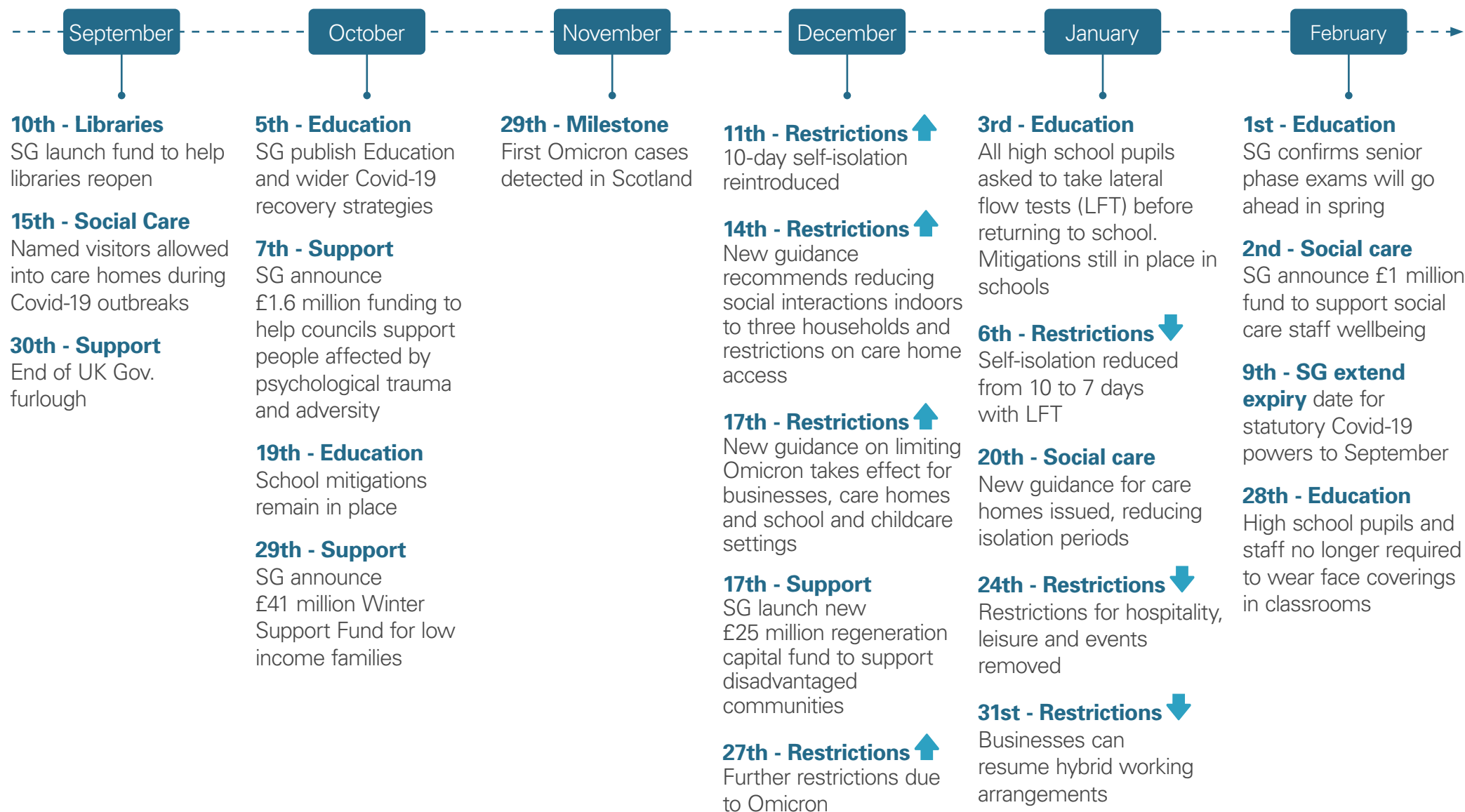
Number of Helpline calls and texts (includes Test and Protect), Mar 2021 to Feb 2022

# Timeline

## Covid-19 restrictions and key events between March 2021 and February 2022



## Timeline continued



# Background

## Reporting on the impact of Covid-19 on local government

### Our strategic approach to covering Covid-19 in local government overview reporting

1. In August 2020, we set out a strategic medium-term approach to reflect Covid-19 in future local government overview reporting.
2. The first report in the series, [Local government in Scotland: Overview 2021](#), considered the initial response phase of the pandemic from March 2020 to February 2021. This included:
  - the initial emergency response and the impact on council services, how councils and their workforce were working in new ways, and how collaboration with communities and partners had been vital
  - the continued financial challenges councils face, and how councils were starting to plan for recovery and learn lessons from responding to the pandemic.
3. Future reporting will cover further progress towards recovery and renewal and examine the longer-term impact of the pandemic.
4. An in-depth financial overview of the sector complements each local government overview. This year's report, [Financial overview 2020/21](#), was published in March.

### This report:

- is the second in the series of reports that reflects the evolving and long-term nature of the impact of the Covid-19 pandemic
- considers the second year of the pandemic from March 2021 to February 2022, with data and information correct as at the end of February 2022. We attempted to use this timeframe for all data but where it was not possible the most recent available was used instead
- builds on last year's 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
- includes exhibits and case studies throughout to illustrate issues and practice across councils
- The findings of this report are drawn from the range of local and national audit work carried out during the year as well as specific research and analysis of available data and intelligence.



# Progress towards recovery and renewal

Councils have had a difficult year. Alongside continuing to respond to Covid-19 they have been planning and recovering services and renewal in an increasingly complex and uncertain environment.

5. As we began scoping this year's overview, we hoped that the second year of the pandemic would be about recovery and returning to normal. That has not been the case. Covid-19 has continued to have a significant impact on all aspects of daily life.

6. Councils too have had a difficult year. They have moved on from the immediate emergency response of year 1, but they have had to continue to respond to Covid-19 – managing restrictions and mitigation measures, providing support to communities, and operating differently – while also recovering services and planning renewal in a complex and uncertain environment. The [timeline \(pages 8 and 9\)](#) shows the complexity as councils moved in and out of restrictions throughout the year and different programmes of support were introduced.

7. 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.

8. We have structured this report around three main themes on which progress towards recovery and renewal depends. 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



Shaped by  
engaging with  
communities and  
collaboration



# Responding to the external environment

As councils continue to plan their recovery from Covid-19 and renewal they need to tackle key priorities including climate change, poverty, and the long-standing need for public service reform.

## Councils have to respond to a large and complex programme of reform and the impacts of departure from the EU

### Social care reform

**9.** The Accounts Commission together with the Auditor General for Scotland recently reported on the huge challenges that face the social care sector in Scotland in their [Social care briefing](#). Increasing demand, severe workforce pressures and limited progress in service improvement and reform are affecting the sustainability of services. Action is needed now to address these issues.

**10.** Scottish Government proposals for a new National Care Service are still at an early stage but will have a substantial impact on local authorities' responsibilities. Such a significant programme of reform brings challenges and risks. Reform in other areas of the public sector has shown that expected benefits are not always clearly defined, and even when they are, they are not always delivered.<sup>1</sup> Focusing on such a major transformation will also risk a diversion from tackling the immediate challenges within the social care sector. For local government there is uncertainty about the destination of the policy, and concern over a loss to local empowerment and funding for councils.

### Brexit

**11.** The UK's departure from the European Union is exacerbating the challenges councils face. The Trade and Customs Agreement (TCA) between the United Kingdom and the European Union has imposed new tariff and non-tariff barriers in stages from 1 January 2021. This represents a further supply shock to the United Kingdom's economy in addition to Covid-19 and the rise in global energy prices. Councils are facing higher prices and shortages of key resources, for example construction materials and labour shortages particularly in the construction and care sectors. There is also uncertainty around the loss of EU structural funds and their replacement. There is a reported lack of understanding about how the Shared Prosperity Fund, due to launch in 2022, will work for councils, and what its relationship will be to the Community Renewal Fund and the Levelling-Up Fund.<sup>2</sup>

**12.** It is difficult to untangle the combined impacts of Brexit and Covid-19. Councils remain uncertain about the long-term effect of EU departure and are continuing to monitor impacts on the labour market including staff shortages, access to funding, and on business.

## Climate change

**13.** Councils recognise that climate change is an urgent issue. They have committed to taking action to achieve net zero, but clearer plans are needed to achieve it.



### Climate change – policy spotlight

Around two-thirds of councils have formally declared a climate emergency, and COSLA's Blueprint for Local Government states that climate change is a 'greater threat than COVID'.<sup>3</sup> However, there is no universally shared understanding of what declaring a climate emergency means in practice and there is variation in policy and practice across councils. The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action.<sup>4</sup>

Councils' ambitions for how and when they will achieve net zero or other emissions reductions targets are varied, but all are either on or before the Scottish Government's national target year of 2045. Council recovery plans have climate change as a theme with commitments such as providing active travel routes in communities, installing electric car charging infrastructure, and pushing forward plans for low-emission zones.

Source: Audit Scotland

We, together with the Auditor General, set out our joint approach to auditing climate change in October 2021 in [Auditing climate change: An update \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/publications/auditing-climate-change-an-update). It reported that while public bodies, including councils, have declared a climate emergency, there are questions around definitions of net zero and the robustness of plans. It also highlighted the importance for bodies in tackling adaption and resilience to reduce the impact of climate change that has already taken place, the need for investment to achieve net zero, the critical role for the public, and the need for strong partnership working and public sector leadership.

Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic. We will be reporting on the approach that councils are taking to meet their climate change ambitions in late summer 2022.

## The impact of the pandemic sits against a backdrop of long-standing and growing demographic pressures and a growing cost of living crisis that will affect demand for council services

**14.** The overall population is projected to fall over the next 25 years.<sup>5</sup> The trend is towards an ageing population and the proportion of those aged over 65 will increase. The latest data shows that overall life expectancy has fallen as has healthy life expectancy. Deprivation has a big impact on both.<sup>6 7</sup>

**15.** Poverty rates have been rising in recent years, with the highest rates among children. The proportion of children living in poverty (after housing costs) has increased from 21.6 to 24.3 per cent since 2013/14, including a 1 percentage point increase in the most recent year in which data is available.<sup>8</sup> This trend is seen across all 32 councils but in recent years poverty rates have increased at a faster rate in councils with lower levels of deprivation.

**16.** Increasing financial hardship is expected as the cost of living rises rapidly, with the greatest effects felt by those already experiencing poverty. Energy Action Scotland estimate that in 12 council areas over 40 per cent of households will live in fuel poverty after April's energy price rises. Eileanan Siar is forecast to be the worst affected area with an estimated 57 per cent of households living in fuel poverty.<sup>9</sup>

## Challenges for councils

**17.** Planning to respond to these longer-term issues is difficult. Funding levels continue to be uncertain because of short-term funding cycles, ring-fenced funding and uncertainty over how long Covid-19 funds will remain in place.

**18.** It will be challenging for councils to find the capacity and resources to respond to, influence and shape this programme to their own contexts particularly while continuing to respond to Covid-19 and deal with service backlogs and increased demand and harms arising from the pandemic. This uncertain and challenging context needs effective strategic thinking, decision-making and collaborative working from local government leaders. It also needs a resilient workforce, and a culture that promotes collaboration, innovation and wellbeing.

**19.** Councils can learn from how they responded to the pandemic – through strong partnership working, engaging with communities and focusing on vulnerabilities.



# Organising the council: leading recovery and renewal

Leaders in local government face a challenging context. As they plan for recovery and renewal it will be important that they collaborate with their partners and communities. This will need skilled leadership, learning lessons from the pandemic and working to make the best use of resources to improve outcomes.

## Councils prepared recovery plans in response to the pandemic, and leaders are now starting to plan and set out their vision and strategy as their councils navigate the uncertainties and challenges they face

**20.** Local government leaders are operating in a complex, uncertain and volatile environment, and external pressures make it difficult to plan and deliver councils' recovery from the pandemic. These include:

- uncertainty about the course the pandemic will take and its impact on operations, pivoting between response and recovery
- the impact of major public service reforms, including the proposed National Care Service
- a lack of longer-term financial settlement and limited flexibility because of ring-fenced funding.

**21.** Councils have prepared recovery plans that vary in their approach from high-level strategic statements to more detailed short-term operational plans. They have been a helpful tool for managing the early recovery phase and reinforcing the need for councils to remain flexible in a changing and volatile environment. We expect that councils will continue to refresh and refine their plans to set out more clearly how they will address inequalities, mitigate the harm caused by the pandemic, improve outcomes and monitor progress.

**22.** Recovery plans include a focus on partnership working, but leaders have an opportunity to collaborate more widely with their communities in planning for the future. This could lead to more sustainable, community-focused renewal and innovative ways of delivering services in communities.

By **leaders** we mean elected members, chief executives and the senior management team.



## Case study 1

### City of Edinburgh Council



#### **In response to the pandemic, the council quickly developed and implemented their Adaptation and Renewal Plan.**

It realised that pre-pandemic working practices could not continue and might never return. It created the Now, Near, Far & Beyond programme linked to national guidance but with the ability to respond to any changes. The plan was regularly updated and aligned with the agreed City Vision 2050. Updates included a Covid-19 dashboard containing a range of public health, Covid-19 response and economic data, as well as details of decisions made at committee meetings. These were made available online to the public, via the council website, providing transparency of the council's decision-making and governance process.

Source: Audit Scotland using information from City of Edinburgh Council

**23.** Some councils have integrated their recovery plans into refreshed strategic plans, including Local Outcomes Improvement Plans, recognising the impact of the pandemic, lessons learned from the response, and the need to realign priorities. This can help councils move from response to renewal and set a roadmap for the future. Common themes in recovery plans that are being reflected in wider strategic plans include:

- New ways of working – digital technology, the workforce
- Addressing growing inequalities
- School education recovery
- Focus on health and wellbeing both in the community and workforce
- Economic recovery
- Climate emergency.

**24.** The Scottish Government published a national recovery plan in October 2021.<sup>10</sup> While most councils' recovery plans were published before this, councils will have an opportunity to consider the priorities set out in the national recovery plan as they refresh their own plans. There is also an opportunity to consider the wider public service reform agenda and how to incorporate the principles of people, prevention, performance, and partnership into their plans.<sup>11</sup>



## **Current recovery plans emphasise the negative effect that Covid-19 has had on inequalities but are not clear on how planned recovery actions will improve outcomes for those most affected**

**25.** As outlined in [paragraph 77](#), there is a lack of data on the scale of service backlogs and increased demand, and evidence of the harm caused is still emerging.

**26.** Councils have struggled in the past to bring about the level of change that is needed to deliver public service reform, sustainable local government, and better outcomes. Transformation programmes have been disrupted by Covid-19 at the same time as new operating models and service delivery approaches have been presented.

**27.** There is a risk that councils are unable to deliver the level of recovery and transformation needed with their existing resources and will have to make difficult decisions about prioritising services.

## **There are good examples of councils showing leadership in tackling long-standing structural issues through new place-based initiatives such as community wealth building**

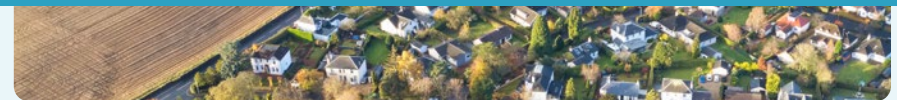
**28.** Following successes in England, North Ayrshire was the first council in Scotland to create a community wealth building strategy, in which the council, other public bodies and key organisations work with communities to support local economic development and tackle poverty.<sup>12</sup> Community wealth building has now been adopted by a number of councils and is part of the programme for government.

## **Collaborative leadership skills have been important during the response phase and need to be maintained to meet the complex challenges ahead**

**29.** Collaborative leadership enabled the response to the pandemic as councils worked with partners, communities and across departments. [Exhibit 1. \(page 18\)](#) outlines key leadership principles that have been important in the response phase and could further support recovery and renewal. Recent Best Value Assurance Reports have shown that not all councils have the collaborative leadership needed to drive change, and so it is particularly important that they develop the leadership skills needed in this complex and uncertain environment.

### Case study 2

#### **Renfrewshire Council**



**Renfrewshire Council worked with partners to carry out a community impact assessment to gather information on how the pandemic has affected people in Renfrewshire.**

This included analysis of all available data, a programme of community meetings and surveys, and engagement with local partnerships on key issues affecting local communities. The findings were used to develop a social renewal plan which sets out the work the council will do with other public sector and voluntary sector partners to tackle inequality and poverty and to support families and communities in the wake of the pandemic.

Source: Audit Scotland using information from Renfrewshire Council

# Exhibit 1.

## Principles of leadership that enabled the response to Covid-19



**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.



**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.



**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.



**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.



**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.



**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.



**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.

Source: Audit Scotland



## Changes and turnover in senior officer and political leadership present a risk to councils' capacity to maintain momentum and drive forward recovery

**30.** Turnover of senior officers has been high recently with half of all council chief executives coming into post within the past four years as well as other changes to senior leadership teams in some councils over the past year. Some councils are experiencing difficulties in filling vacant senior management positions. The pandemic is reported to have led to a surge in resignations, as senior leaders and management consider their work/life balance and overall position, potentially leading to further change in the sector. The local council elections may also bring in a new cohort of elected members and changes in political leadership in councils.

**31.** This turnover in officials and elected members could bring new ideas and energy to the challenges of recovery, but it could also risk a loss of momentum, organisational knowledge and capacity and disrupt decision-making. At this time, it is important that councils establish stability in their leadership to provide strong support and guide recovery and renewal. Effective succession planning arrangements are needed so that the skills required at a senior level are developed in new and emerging leaders.



Our [‘Questions for elected members’](#) checklist has been developed to help elected members in their scrutiny and decision-making roles and in working with council executives. The Improvement Service has also worked with councils to prepare induction materials that will be available for the new cohort of elected members which will help them take up their role in leading and scrutinising recovery.

## As governance structures are re-established, better information is needed on service recovery to support scrutiny and inform decision-making

**32.** Councils put in place emergency governance arrangements in the initial months of the pandemic. They have since re-established their full committee structures, albeit via online, virtual and hybrid meetings.

**33.** Public accessibility and therefore participation has changed following the shift to online and virtual meetings. All councils provide public access via either live streaming or a recording of council and committee meetings, and most councils offer both. As restrictions continue to be lifted, councils should review how their approach can best meet the needs of their citizens and make sure that no one is excluded.

**34.** Councils have taken a range of approaches to the governance of recovery and renewal, with some having recovery boards and other structures that can involve both elected members and senior managers.

**35.** It is not clear whether sufficient information on the status of, and changes in, council services is available to support scrutiny and inform decision-making. It is difficult to find update papers that clearly set out councils' progress on recovery and renewal, what demand and backlogs exist, and what changes to services are planned. Greater transparency is needed to provide assurance that proper scrutiny is in place.

## **Councils recognise that they have an opportunity to learn lessons from the new ways of working and approaches to service delivery that have been put in place in response to the pandemic**

**36.** Leaders need to do more to learn the lessons from the pandemic response and use this to drive longer-term recovery and renewal. Key lessons learned include the benefits of:

- collaborative working with partners and communities to respond and reshape services
- having access to and making better use of data to understand needs and plan services
- the rapid use of digital technology in service redesign
- focusing on vulnerability and inequality, including taking a 'whole systems' and holistic approach
- new ways of working for staff
- focusing on physical and mental wellbeing – for communities and the workforce
- promoting shared values and a caring culture (kindness)
- the opportunity to reconfigure the estate
- adopting place-based approaches.

**37.** The Improvement Service is supporting councils by updating the Public Service Improvement Framework (PSIF) to capture learning from the Covid-19 response.<sup>13</sup> It has developed several checklists and self-assessment tools that councils are starting to use.

**38.** South Lanarkshire Council pioneered the new PSIF checklists, resulting in its 'New Ways of Working' plan, which includes technology, maintaining the new networks and new volunteers, 'agile' working, and maintaining its work with partner organisations on information sharing.

## **Data has been important in guiding the response to the pandemic. But improvements are needed in data availability, tools and skills to support performance monitoring, strategic decision-making and planning service improvements**

**39.** Council performance reporting has been affected by the pandemic and, while councils continue to report regularly, there have been delays and inconsistencies. Comparing performance over time is difficult given the disruption to council services during the pandemic.

**40.** The Local Government Benchmarking Framework (LGBF) 2020/21 shows increasing variation in performance across councils and a level of complexity that needs careful interpretation but offers councils a rich source of intelligence to evaluate how local factors (ie, different local restrictions, patterns of demand and need, and local response and solutions) affected their performance.<sup>14</sup>

**41.** Early in the pandemic the Improvement Service developed a Covid-19 data dashboard to provide councils with up-to-date council- and Scotland-level data across 22 measures. This helps councils to monitor key aspects of their Covid-19 response and supports more immediate data-driven decision-making. Alongside the Local Government Digital Office, the Improvement Service is working to create a local government data portal.

**42.** Research by the Urban Big Data Centre found that since the beginning of the pandemic councils have experienced a rapid increase in demand for 'on the ground' information to understand their local communities.<sup>15</sup> But this is hampered by challenges including access to data, a lack of joined-up data, issues with data quality and a lack of analysts to generate intelligence from it.

**43.** The pandemic has introduced additional complexity into existing data sets, with data gaps and disruption of data collection, as well as the impact of service disruptions on data trends, making it more challenging to interpret the data. We know that councils were reporting data skills shortages before the pandemic.<sup>16</sup> It will be important for leaders to collectively drive improvements in data, in terms of not only data quality and timeliness but also building data skills within councils. This will support councils to put a performance monitoring framework in place that allows them to make strategic decisions and to plan improvements, recovery, and renewal.



# Organising the council: managing resources

Councils' finances have been significantly affected by Covid-19. The long-term funding position remains uncertain, with significant challenges ahead as councils continue to manage and respond to the impact of the pandemic on their services, finances, and communities.

## **Covid-19 significantly impacted on many aspects of councils' finances in 2020/21**

**44.** Our report [Local government in Scotland: Financial overview 2020/21](#) is the first to capture the full year effect of Covid-19 on councils' finances and explains how the pandemic and the associated lockdowns have created significant financial challenges and uncertainty.

**45.** Councils experienced significant additional costs, loss of income and unrealised savings as a result of the pandemic. For example, councils experienced a drop in the income generated from customer and client receipts of approximately £0.5 billion in 2020/21, from the disruption of key income streams such as cultural and community activities, car parking, school meals and trade waste disposal.

**46.** In 2020/21, the Scottish Government increased funding to councils by £1.5 billion to support them to deal with the impacts of the pandemic.

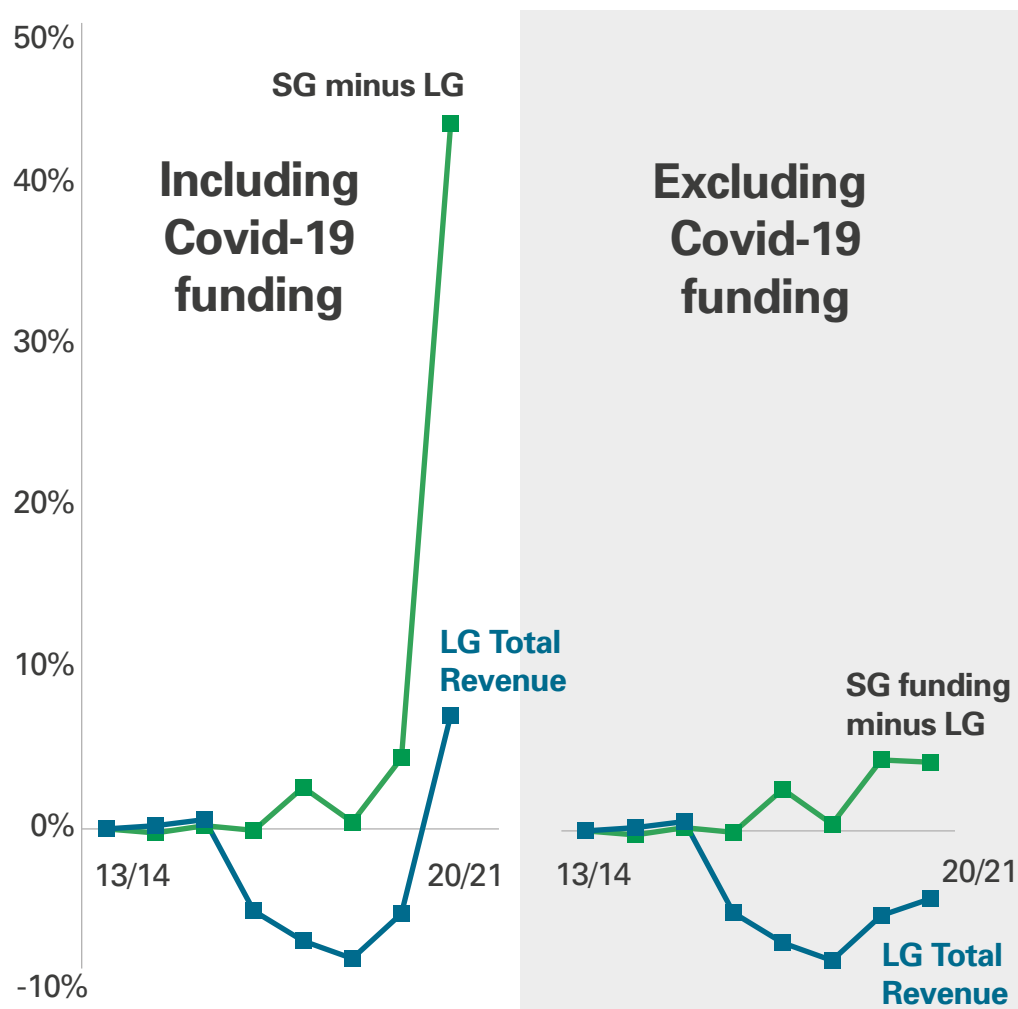
**47.** All councils reported surpluses in 2020/21, largely because of the additional funding received. Total usable reserves across Scotland increased significantly, from £2.6 billion in 2019/20 to £3.8 billion in 2020/21. However, this has artificially inflated the position. Councils are unlikely to have flexibility in how large elements of reserves can be used.

## **Funding to local government has been reduced in real terms since 2013/14. The rest of the Scottish Government budget has seen an increase in funding over the same period**

**48.** Funding from the Scottish Government to local government increased by 7.0 per cent in real terms between 2013/14 and 2020/21. However, this was because of significant additional Covid-19 funding. When this additional funding is excluded, councils' underlying cumulative funding has fallen by 4.2 per cent in real terms since 2013/14. This is in contrast to an increase of 4.3 per cent in Scottish Government funding of other areas of the budget over the same period [Exhibit 2. \(page 23\)](#).

## Exhibit 2.

A comparison of real-terms changes in revenue funding in local government and other Scottish Government areas (including and excluding Covid-19 funding)



Source: Finance Circular 5/2021 and Scottish Government budget documents

**The ongoing absence of a multi-year financial settlement creates uncertainty for councils at a time when effective and robust financial management is crucial**

**49.** The Scottish Government continues to fund councils on an annual basis. This makes it challenging for councils to plan and budget effectively for the medium and longer term, and work with partners to develop long-term plans to deliver better outcomes and address inequalities.

**50.** Managing reserves and having in place robust medium- and longer-term financial plans will continue to be key to maintaining financial sustainability.

**51.** The Scottish Government has indicated that a longer-term funding settlement for councils may be possible, however multi-year allocations were not included in the 2022/23 budget.

**52.** The Scottish Government and COSLA are currently developing a fiscal framework to determine future funding of local government. Work on the Local Governance Review also continues. These may result in additional spending powers for local government, giving communities and places greater control over the decisions that affect them most.<sup>17</sup>

## **Councils now need to review longer-term financial plans as Covid-19 uncertainty diminishes. They should ensure that financial plans are clearly linked to overarching recovery strategies**

**53.** Auditors have reported greater uncertainty in current financial planning arrangements at councils because of Covid-19. Analysis of a sample of 22 councils found 15 with a long-term plan in place. However, many of these now need to be updated to reflect current circumstances.

**54.** As the uncertainty created by Covid-19 diminishes, councils should update their longer-term financial plans and take account of their overarching recovery strategies to ensure a cohesive approach to recovery and renewal of services, finances and communities.

## **As Covid-19 funding ends, councils will need to adapt and make difficult decisions to maintain financial sustainability**

**55.** COSLA expect that councils will need to restart change programmes that have stalled, deliver savings and bring forward proposals to reduce costs. Transformation programmes will be important for councils in helping identify resources for priority areas.

**56.** Responding to the programme of reform outlined in [paragraph 10](#) further exacerbates this challenge. In addition, councils' financial outlook challenges are heightened by increasing inflation – data from the Office for National Statistics shows that this has risen to a level higher than has been seen for many years.<sup>18</sup>

## **While COSLA and the Scottish Government continue to discuss the extent of ring-fencing in the local government budget, it is clear that spending on priority areas have increased while other areas of the local government budget have faced spending cuts**

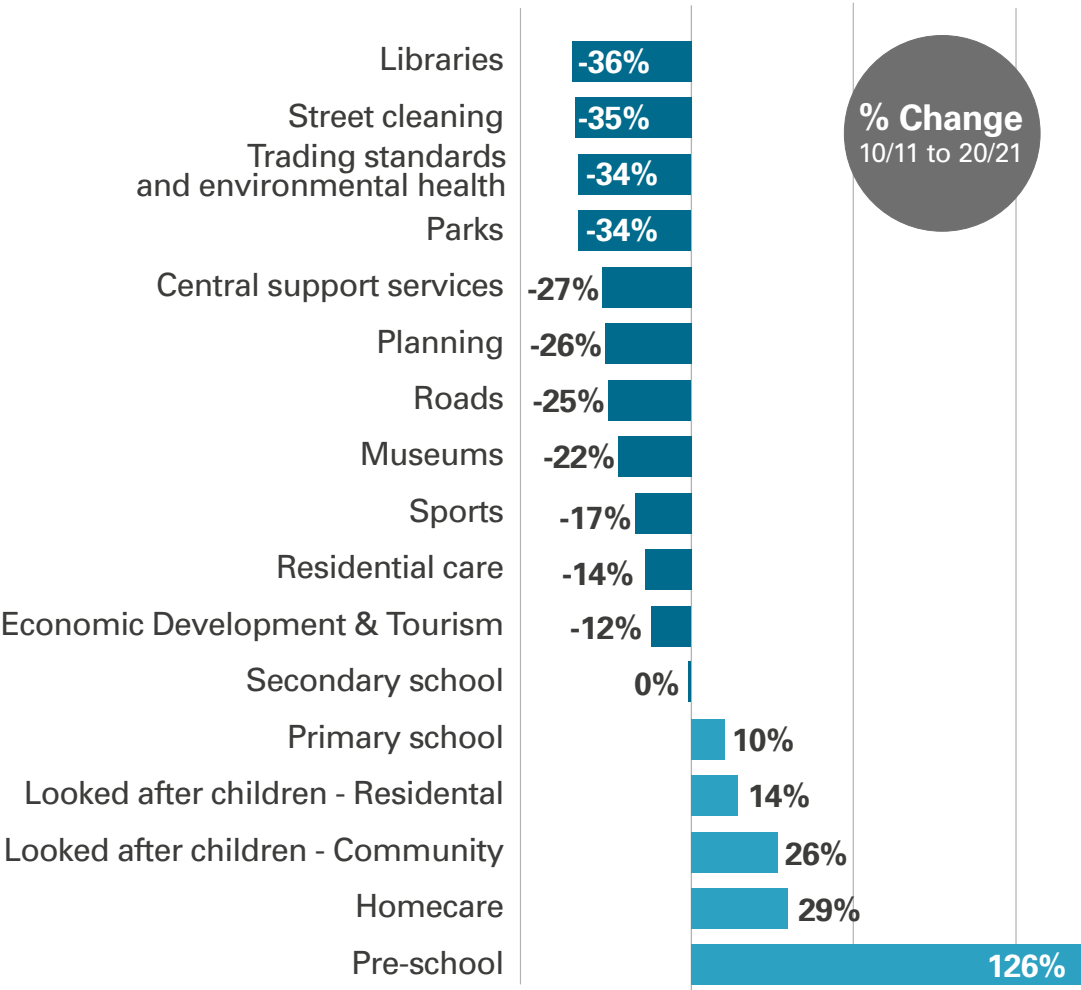
**57.** There is a significant difference between the view of COSLA and that of the Scottish Government on the extent of ring-fencing in local authority budgets.

**58.** While ring-fenced funding helps support delivery of key Scottish Government policies, such as expanding early learning and childcare services, it can constrain a proportion of the total funding and resources available to councils and removes local discretion over how these funds can be used.

**59.** [Exhibit 3. \(page 25\)](#) shows the change in revenue expenditure over the longer term 2010/11 to 2020/21 for protected and unprotected service areas. These longer-term spending reductions on areas including environmental services, culture and leisure, and corporate services, have placed these services under pressure as councils respond and recover from Covid-19.

### Exhibit 3.

Percentage change in expenditure (real terms)  
by service from 2010/11 to 2020/21



Source: LGBF 2020/21 data, using Audit Scotland Covid-19 adjusted methodology for calculating real terms (page 7, [Local government in Scotland: Financial overview 2020/21](#) for further detail)

### Covid-19 has impacted on capital projects and volatility in capital funding allocations could affect councils' recovery and investment plans

**60.** Auditors reported that Covid-19 had a significant impact on the delivery of capital projects in 2020/21. Capital project costs increased owing to increases in the cost of raw materials, supply chain delays and inflation associated with delayed contracts. CIPFA Local Government Directors of Finance Section notes that these cost increases have not been matched by an increase in the capital grant received.

**61.** At the same time most councils, 26 in total, reported reduced capital expenditure in 2020/21, with Covid-19 restrictions disrupting construction activity in many instances.

**62.** Capital investment is likely to play a key role in councils' recovery from Covid-19 and in particular address the impact of climate change. The local government estate, comprising buildings and vehicles, will need some modernising to deliver councils' carbon reduction targets and wider investment needed to mitigate and adapt to the impacts of climate change. Funding will need to be in place to support this.

**63.** Our [Local government in Scotland: Financial overview 2020/21](#) report notes that the local government capital settlement in 2021/22 decreased from £0.8 billion in 2020/21 to £0.6 billion, and capital funding received in recent years has been very volatile. Lack of longer-term funding settlements will again impact on councils' investment plans.





# Organising the council: managing the workforce

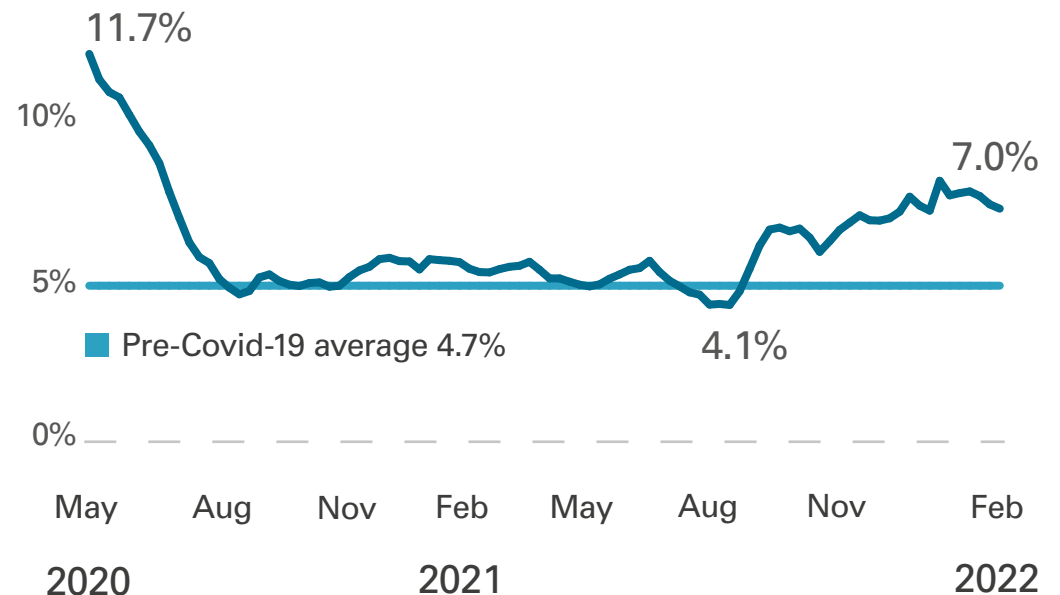
Pressure on the local government workforce continues, with high absence levels, impacts on wellbeing, particularly for front-line workers, and skills shortages in key areas. A resilient workforce is critical to the ongoing response to Covid-19 and the recovery of services. Councils will need to update workforce plans, learn lessons from new ways of working put in place, and provide wellbeing support for their staff.

## The second year of the pandemic continues to have a negative impact on the workforce and staff wellbeing

**64.** Council services are facing high demand, high staff absence levels from new waves of the pandemic and staff burnout from the prolonged response and recovery phase. These impacts have been felt across the workforce but particularly so in front-line community-facing roles. [Exhibit 4. and Exhibit 5. \(page 27\)](#) show that teaching and education staff absence levels peaked in December 2021 and wider staff absences also rose in the last quarter of 2021.

### Exhibit 4.

Average percentage of council staff absent during the pandemic



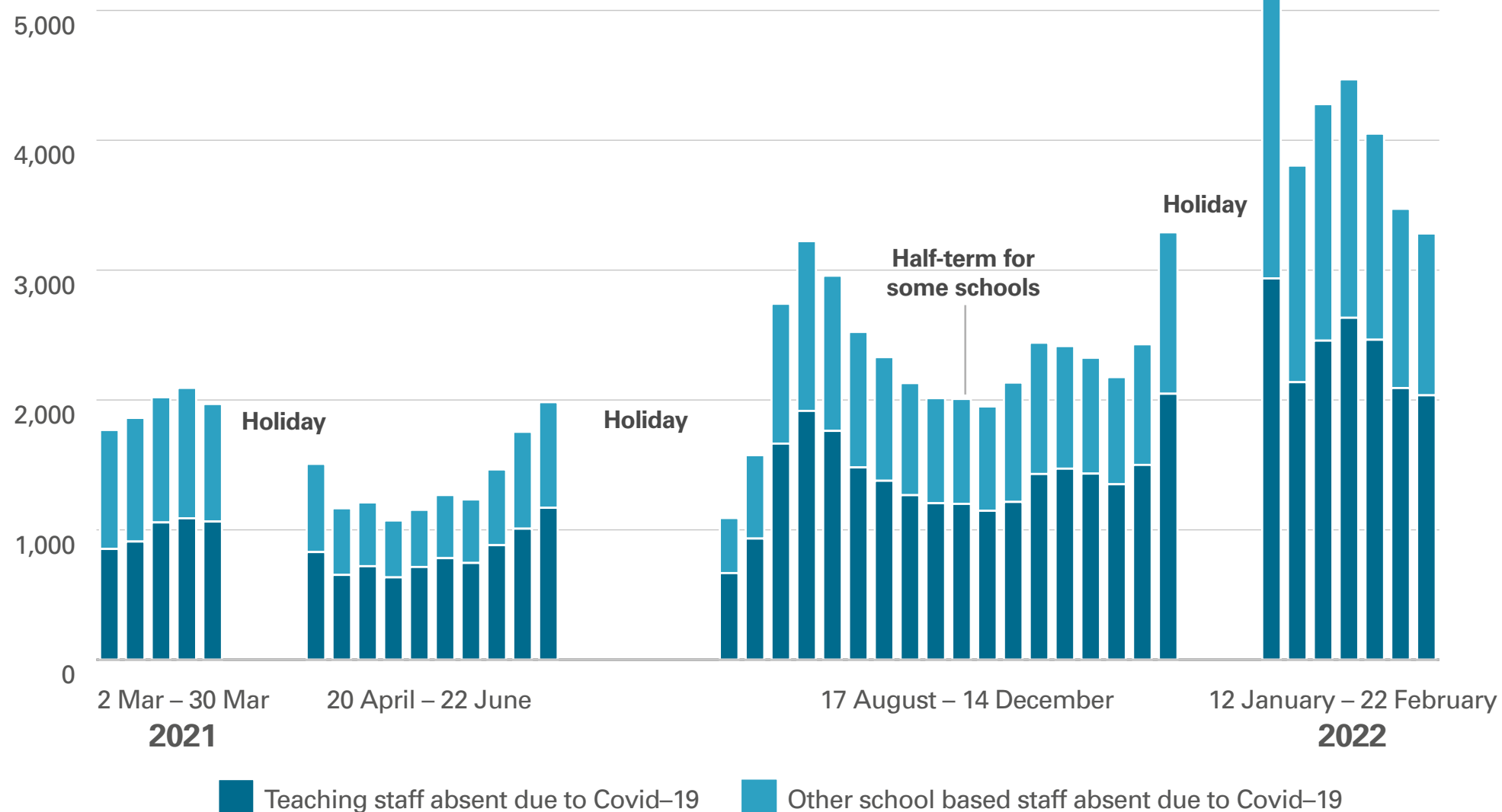
Note: Pre-Covid-19 average is based on 2018/19 data.

Source: Improvement Service



## Exhibit 5.

### Number of school staff absent March 2021 to February 2022



**65.** Staff wellbeing, both physical and mental, has been a prominent theme within recovery plans. Councils are making efforts to understand these issues through staff surveys and other methods, provide confidential support services, and incorporate training for stress and mental health into council training programmes ([Exhibit 6.](#)).

## Exhibit 6.

### Examples of council wellbeing initiatives



Dundee City Council launched a new wellbeing support service and also gives staff access to the intranet on their own devices.



Clackmannanshire Council integrated training on stress and mental health into its corporate training calendar to increase awareness.



Argyll and Bute Council launched 'Wellbeing Wednesday'.

Source: Audit Scotland using information from councils

## Councils are facing skills shortages and recruitment difficulties in key areas

**66.** Covid-19, combined with Brexit, is exacerbating skills shortages, many of which were pre-existing ([Exhibit 7., page 29](#)). Covid-19 has had a particular impact on facilities management services because of the increased need for cleaners and a tighter labour market. HGV (Heavy Goods Vehicle) driver shortages have been affected by Brexit, as councils are unable to compete with private sector wages.

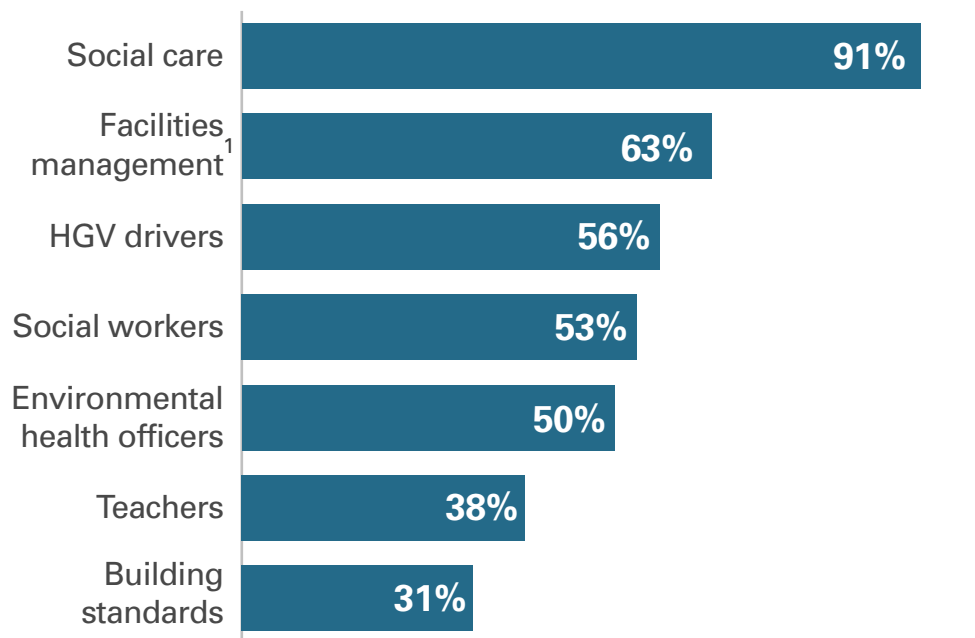
**67.** Social care faces the greatest skills shortages. Our [Social Care briefing](#) highlighted the considerable vacancy and recruitment problems facing the sector, with poor terms and conditions contributing to these issues. See [Exhibit 9. \(page 35\)](#) for further details.

**68.** Councils are changing their recruitment strategies in the face of these shortages, with more marketing, use of social media and local employability initiatives. The Scottish Government established a Fair Work in Social Care Group, in partnership with COSLA, which includes representation from local government, private sector provider groups, third sector, and trade unions. Since summer 2020 the group has been working to develop and implement recommendations regarding improving pay, terms and conditions, and effective employee voice for the social care workforce.

**69.** Councils are also seeing an increase in retirement and flexible working contributing to the skills shortage. Fifty-six per cent of councils report difficulties in recruiting to senior posts and leadership positions. Succession planning is important in this context.<sup>19</sup>

## Exhibit 7.

### Percentage of councils reporting skills shortage by occupation



Note: Facilities management includes catering and cleaning

Source: Society of Personnel and Development Scotland

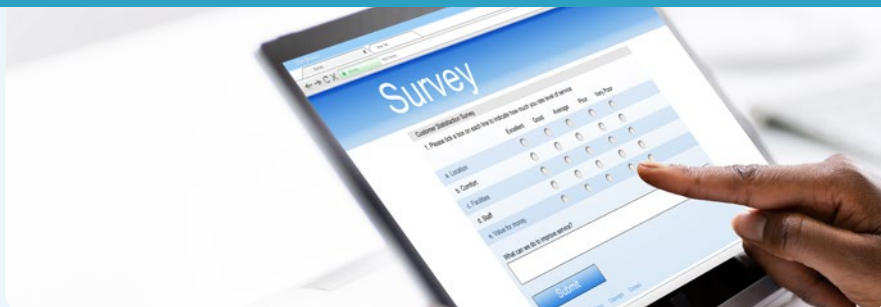
## Councils have adopted new ways of working

**70.** Councils have shown considerable flexibility in redeploying staff to areas of greatest priority and demand and in adopting remote and hybrid working. The shift to home working brought about by the pandemic is likely to have a longer-term impact on how councils work. Wider evidence shows that it can bring benefits for both employers and staff, but individual circumstances should be considered.<sup>20</sup>

**71.** Councils are considering how hybrid working can support their ambitions for a more flexible and adaptable workforce in future. For it to work well, councils need to provide staff with a wide range of support, including health and wellbeing support, a supportive workplace and management culture, and appropriate technology and equipment. The diverse roles in councils mean that not all staff can work remotely. It will be important for councils to continue to consult and engage with their employees, learn lessons from what has been done to date, and test new models of working as they move forward.

## Case study 3

### City of Edinburgh Council



**The City of Edinburgh Council developed a new work strategy after receiving feedback from 6,400 employees via two surveys conducted in 2020. The surveys asked employees how the pandemic has changed the way they work and how they would like to work in the future. The responses made it clear that staff want to retain a more flexible approach to work in future.**

‘Our Future Work Strategy’ outlines three trials to explore new ways of working. Two of the trials are about adapting current office space to best fit a future of hybrid working. The third trial is of a longer-term plan to develop local offices that would enable staff to work close to where they live, reducing the need for commuting. The council believes that investing in local working and following the principle of ‘20-minute neighbourhoods’ will contribute to reducing emissions locally, and so help Edinburgh achieve its target of becoming a net-zero city by 2030.

Source: Audit Scotland using information from City of Edinburgh Council

### The pandemic has made workforce planning both more difficult and more necessary

**72.** Workforce planning is developing in councils. Some have plans that are linked to wider strategic plans as well as individual service plans, while other councils’ workforce plans are more limited.

**73.** As a result of the pandemic, councils have had to respond to short-term pressures, but they need to plan for longer-term resilience in the workforce. Some councils have started to update their plans to reflect more flexible and remote ways of working and to focus on wellbeing.

**74.** There are common recruitment pressures across councils, as detailed above, but these are changing more frequently as the pandemic affects the wider labour market. Some councils are ‘growing their own talent’ by improving modern apprentice programmes and creating new internal recruitment and movement of staff across the council or new talent programmes.

**75.** Councils report that they lack resources to support workforce planning and are collaborating and sharing practice to make improvements.<sup>21</sup> Joint working through the Improvement Service and the Society for Personnel and Development Scotland is allowing common challenges and practice to be shared. The Improvement Service has provided tools for councils to develop workforce plans.<sup>22</sup> It is vital for councils to share lessons learned and to use them to inform their revised plans.

# 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: impact of Covid-19 on services and inequality

Covid-19 continues to disrupt council services, and those already experiencing inequality have felt the impacts of both the pandemic and service disruption most strongly. As councils focus their efforts on addressing these unequal harms, they need better local data and community engagement.

## **The Covid-19 pandemic continues to affect council service delivery, but a lack of clarity on demand, unmet need, and service backlogs makes the full extent of the effect unclear**

**76.** Councils are still early in recovery, having moved on from the initial emergency response and operating under lockdowns. They report that the second year of the pandemic has been more difficult than the first. Ongoing restrictions, Covid-19-related staff absences and the non-linear nature and uncertainty of the pandemic, for example the emergence of the Omicron variant, mean that councils still need to adapt service provision and many services are disrupted.

**77.** The picture of service disruption is incomplete. A lack of up-to-date publicly available data makes it difficult to assess the extent to which council activities have returned to pre-pandemic levels, the level of demand for services and levels of unmet need.

**78.** Disruption has continued in those services we reported as most affected last year: education, social care, and culture and leisure. [Exhibits 8, 9 and 10 \(pages 34-36\)](#) provide more detail.

**79.** Alongside continued disruption, councils are also having to manage new pressures across services:

- from backlogs due to paused activity in the first year of the pandemic, such as repairs to roads and housing
- from an increase in demand, for example administering support grants, assisting with testing and vaccinations and in environmental health and trading standards. Increased levels of financial hardship are driving an increase in applications for discretionary housing payments and other support grants.

An inability to clear backlogs and meet new demands is a risk to wider recovery.

**80.** Public tolerance of service disruption and backlogs is declining, and communities have expressed their frustration in some cases. Councils are having to balance a growing expectation that services should be back to normal while still adhering to Covid-19 guidelines and facing absences that limit their capacity to deliver.

**Councils have worked hard and adapted to maintain delivery of key services. Digital delivery has expanded but brings with it the risk – for some – of increased digital exclusion**

**81.** As we found in our [Digital progress in local government report](#), the pandemic has brought about a change in the way in which many council services are delivered. Councils have expanded their digital service provision, to replace temporarily unavailable services, to respond to new needs, or to provide an alternative means of accessing services. Councils have introduced online booking systems for services such as recycling, created online learning hubs for parents and carers to support children's learning, and developed more digital resources from libraries and leisure services.

**82.** The rapid shift to digital delivery allowed services to be delivered rather than stopped. It also highlighted how unequal access to the internet, devices and skills leaves those most disadvantaged without the same opportunities to learn, access services and remain socially connected as others.<sup>[23](#)</sup>

**The extent to which councils have assessed and can evidence the impact that Covid-19 related service changes and disruption have had on different groups and citizens in their local areas is unclear**

**83.** Changes in service provision have offered an opportunity to learn lessons about how services are delivered in the future. But it is not clear that councils have carried out equality impact assessments or community consultation where they have made changes or plan to continue changes made to service delivery during the pandemic.

# Exhibit 8.

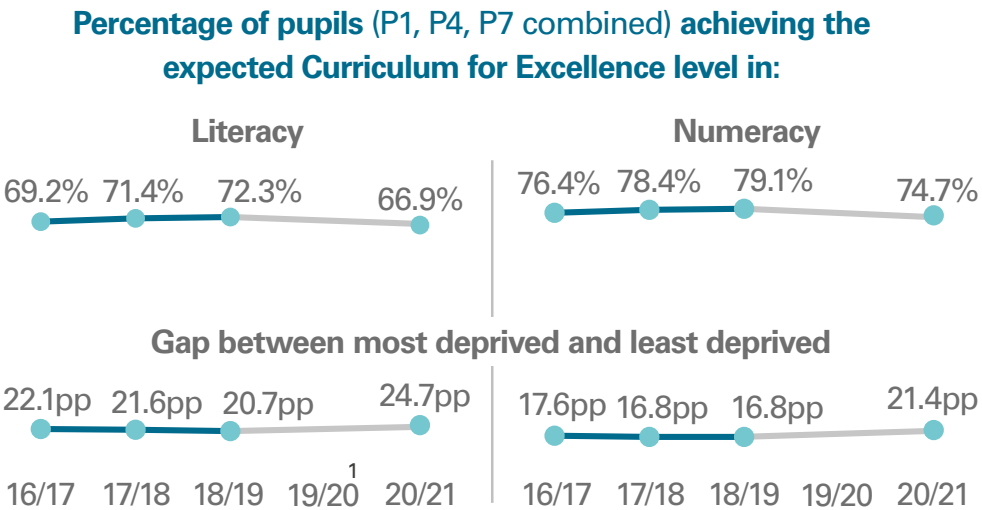
## Education services continued to be disrupted throughout the second year of the pandemic

### Disruption included:

- infection control measures in place, including masks, increased ventilation, ‘bubbles’ to limit contact and restrictions on school visitors
- the cancellation of S4-6 exams, which were again replaced by teacher assessment
- high levels of Covid-19-related pupil and staff absences ([Exhibit 5, page 27](#)) which made it hard for schools to offer continuity and stability to pupils.

### Emerging data is now evidencing the adverse effect the pandemic has had on children and young people:

Educational attainment data is only available for primary school pupils. Attainment has fallen in both literacy and numeracy and more so for those pupils in the most deprived areas, meaning that the attainment gap has widened. For example, the attainment gap in literacy has increased from 22.1 to 24.7 percentage points.



We talk more about the negative impact the pandemic has had on children and young people’s social and wellbeing, including on their mental health, in [paragraph 86](#).

### Risks and challenges

The pandemic has affected the comparability of education data for 2019/20 and 2020/21 when S4-6 exams were replaced with teacher assessed grades. Our joint report, [Improving outcomes for young people through school education](#), noted the difficulties and risk this could cause for councils in assessing and acting on the poverty related attainment gap.

Restrictions on school visitors have limited access for vital voluntary sector support services, including preventative youth work: 34 per cent of organisations that want access to school facilities do not have it. This has a particular impact on those with additional support needs, who need alternative supportive environments outside school.

Note 1. No data available for 2019/20  
Source: See endnote [24](#)



## Exhibit 9.

### The pandemic has exacerbated ongoing challenges in social care

Our [Social care briefing](#) outlined the immense pressure the social care sector is facing. The pandemic has exacerbated the long-standing staffing challenges, compounded by Brexit. This has increased workloads, leading to staff burnout and high sickness absence levels, and risks limiting the capacity to provide good quality, consistent care to citizens.

#### There is evidence of ongoing disruption with:

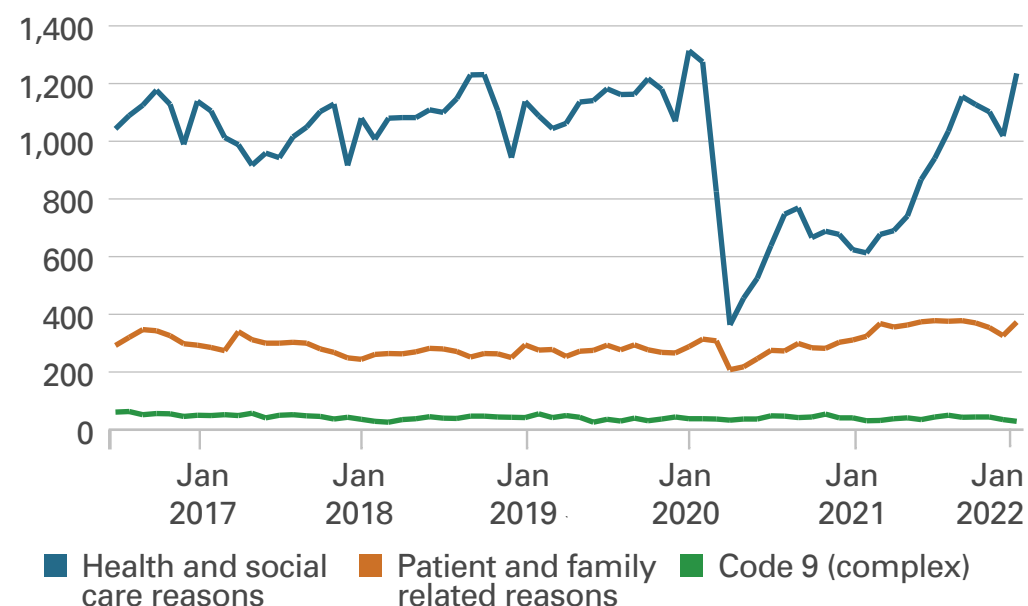
- reductions in home care packages because of staff shortages and tighter eligibility criteria for accessing care being applied to manage demand
- many day centres and respite services still closed.

Unmet demand puts additional pressure on unpaid carers, who are reporting increased feelings of anxiety, depression, and mental exhaustion.

Delayed discharges dropped significantly early in the pandemic, because of a marked reduction in non-Covid-19 related admissions along with a focused effort to get people out of hospital as quickly as possible. Delayed discharges returned to pre-pandemic levels in September 2021 and remain high reflecting the continued pressure in the system.

During strict restrictions, a rapid shift to digital tools allowed some staff to work in more flexible ways and to provide some services remotely including some online assessments and triage, and support and wellbeing check-ins through technology enabled care.

#### Delayed discharge Census by Delay Reason



#### Risks and challenges

The Scottish Government is planning significant reform of social care over the next five years ([paragraph 10](#)) but, as we state in our social care briefing, action is needed now to address critical issues and better meet the needs of people relying on care and support.

The ongoing disruption means that unmet demand continues, and older people, and adults and children with disabilities face a reduction in or

complete withdrawal of care and support in the home. The Scottish Human Rights Commission has expressed significant concern that this affects the human rights of these individuals. It highlighted the need to invest in a social care system, based on human rights, that meets people's needs and improves outcomes.

## Exhibit 10.

### Public library services continue to be disrupted following Covid-19 restrictions

Libraries could fully reopen in April 2021 with some social distancing measures in place. However, most library services were still operating a reduced service in early 2022, compared to pre-pandemic. During lockdown many councils adapted and found innovative ways to deliver library services to continue to support their communities. Librarians across councils shared ideas.



#### Examples of innovative service adaptations include:

- enhanced digital offer; click and collect and home delivery services; bespoke book selection; digital story-telling; online book groups and contact calls to socially isolated elderly users.



Research found that engagement with library services had a positive impact on wellbeing and building community connectedness.

#### Not all councils give reasons for continued reduced hours. Those that do cite:

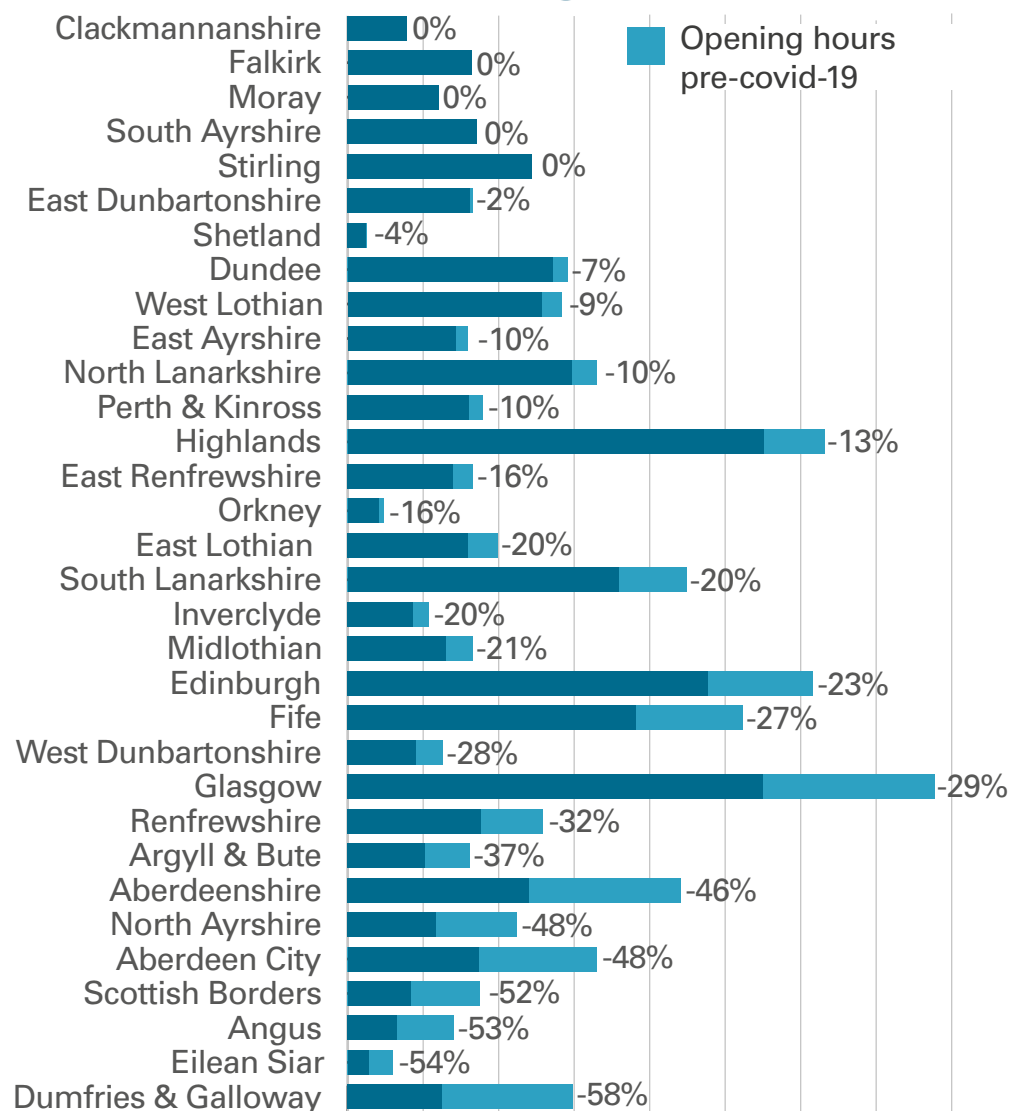
- staffing issues including high sickness absence or redeployment
- access issues such as the building being used for covid-19 testing, restricted access arising from sharing space with schools or buildings undergoing refurbishment.

#### Change in total library opening hours, pre-covid-19 and at end Feb 2022



Opening hours at end of February 2022

Opening hours pre-covid-19



## Exhibit 10. (continued)

### Risks and challenges

Library services have faced declining investment. The ten years since 2010/11 saw a 29 per cent reduction in spend, yet the same period saw a 42 per cent growth in visit numbers (physical and virtual visits).

Some councils have plans to increase opening hours further. Other councils were already reducing hours and the level of service before the pandemic, and they have faced the most significant issues in recovering.

Library closures have shone a light on the extent of digital exclusion. It is not clear that councils have fully assessed the impacts of closures and reduced hours on communities and groups. And while the digital offer will shape the future of library services, research shows the buildings are vital as a safe, accessible, free, trusted and communal space in communities.

Source: See endnote<sup>26</sup>

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## **The impact of the pandemic and service disruption has been felt most strongly by those communities and citizens already experiencing inequalities**

**84.** A substantial and growing body of evidence, mostly from research at a national level on the 'four harms of Covid-19' – the direct impacts of Covid-19, other health impacts, societal impacts and economic impacts – shows that particular groups have been most affected. For example:

- People with disabilities have faced increased clinical risk from Covid-19 as well as disruption to care services and social connections.
- Minority ethnic communities have faced high clinical risk from Covid-19 and increased risk of social and economic harm as a result of pre-existing inequalities in employment, income and opportunity.
- Those on low incomes and living in the most deprived communities have faced worsening social and economic inequalities, including digital exclusion, lower educational attainment and increased financial hardship.
- Older people have faced increased clinical risk from Covid-19 and are more likely to have experienced disruption to care services and social connections.

- Women have been disproportionately affected both economically and socially because of the increased childcare burden and because they are more likely to be front-line workers and have lower pay and insecure jobs.

**85.** For some, inequalities have worsened. Others are experiencing inequalities for the first time. Those with intersectional characteristics, that is people who fall into more than one group, and therefore experience several disadvantages at the same time, have suffered the most severe impacts. Councils' recovery and renewal efforts need to take account of worsening, new and overlapping disadvantage.

**86.** Mounting evidence suggests that the pandemic has had severe social and wellbeing impacts on children and young people. This includes developmental delays seen in the very youngest because of increased social isolation, worsening mental health, a fall in educational attainment, and young people's increasing concerns about their job prospects. Evidence also suggests that more children are presenting with additional support needs or behavioural issues and that these children are not always able to access services and get the support they need because of a lack of staff capacity. The impacts are greatest for children and young people in vulnerable groups and living in poverty.

**87.** Ongoing disruption to council services has meant that those most in need of support are still experiencing that unequal impact.

## While councils recognise the disproportionate impact the pandemic has had on different groups, they need to learn lessons from taking early action and assess the impact of service disruption to address longer-term impacts

**88.** Early in the pandemic there was a huge collective effort to support the most vulnerable, with more collaborative working at a local level, a coordinated response with the voluntary sector and more place-based and holistic approaches. As we highlighted in our 2021 report, councils targeted their responses to support the most vulnerable. This included supporting families and children living in poverty through the provision of free school meals, distribution of digital devices, community food initiatives, fuel poverty and period poverty initiatives, action to prevent homelessness and eliminate rough sleeping, and online events and programmes to support mental health and wellbeing.

**89.** As we move into the recovery phase, some evidence suggests that councils are putting in place services to mitigate the impacts of the pandemic on the groups most affected by:

- supporting employment and improving economic prospects for women, minority ethnic groups and disabled people
- improving routes to employment and training for young people
- doing more to address the social isolation of older people and people with disabilities.

## Some councils are using lessons learned from the pandemic to improve how they tackle vulnerability and inequality

**90.** The collaborative place-based approaches, cross-council working and community engagement that enabled the early response is informing

new ways of tackling poverty and vulnerability. Several councils have since adopted or adapted these service models to put in place a more holistic approach to tackling inequality. ([Case study 4](#))

### Case study 4

## Dumfries and Galloway Council



**In response to the pandemic four locality hubs were established in Dumfries and Galloway to coordinate partner and volunteer activity at the local level. Since then, the four hubs have developed to become the recognised model for local community planning in Dumfries and Galloway.**

Another model that evolved from the council's pandemic response is the 'single access to services' model, known as the single access point. This brings together different council services and partner agencies in one multi-agency team to ensure an efficient, clear and streamlined approach to assist those who are vulnerable. The single access point model will continue to evolve and the council is reviewing other opportunities to develop this approach.

Source: Audit Scotland using information from Dumfries and Galloway Council

## Data is a key tool in tackling inequality but there are gaps in equality data, particularly at a local level

**91.** While councils recognise the disproportionate impact of the pandemic on different groups, it is less clear how councils have assessed how their changes in the way services are delivered, and the pandemic more widely, have affected those most in need in their area.

**92.** There is still a lack of data and evidence at local level that would allow councils to fully understand the adverse impacts of the pandemic on different groups within their area and inform local plans. Most council recovery plans and reports on mainstreaming equality cite national report findings or increases in measures such as housing applications, unemployment or complex case work, rather than local equality data.

**93.** This problem is not unique to local government, and the Scottish Government's Equality Data Improvement Programme is working to improve equality data, in particular data on overlapping inequalities, ie intersectionality.

**94.** Some councils have used data well to understand the impacts of the pandemic on specific groups and the emerging needs.

[\(Case study 5\)](#)

### Case study 5

## Glasgow City Council



**Before the pandemic Glasgow City Council had been gathering detailed data to enable it to better understand the extent of child poverty in the city. The Council's Centre for Civic Innovation (CCI) took a 'deep dive' into the data the council holds on recipients of Housing Benefit and Council Tax reductions, as well data on kinship care and education benefits. This work meant that the council was able to measure the levels of relative child poverty before the pandemic and in the middle of it.**

The research found that in December 2020 at least 26 per cent of children in Glasgow were living in relative poverty compared with 24 per cent in February 2020. This equates to at least 2,510 more children living in poverty and 27,995 children overall. This data profiling and analysis is unique to Glasgow, and it provides a detailed 'snapshot' of families that will help the council to map and understand the impact of interventions to reduce child poverty.

Source: Audit Scotland using information from Glasgow City Council





# Meeting local needs: collaboration and communities

The early response phase showed what could be achieved by working closely with communities and the voluntary sector. This momentum may be lost if they are not involved in shaping recovery.

## Collaboration has enabled new relationships and more effective ways of working but communities and local partners need to be more involved in recovery

**95.** Our report [Local government in Scotland: Overview 2021](#) showed how communities and the voluntary sector were a vital asset in the response phase. Collaborative working enabled vulnerable citizens most in need to be speedily supported through initiatives such as community hubs.

**96.** In October 2021, Audit Scotland published [Community empowerment: Covid-19 update](#), bringing together the learning points from the community response to the pandemic to help public bodies develop their longer-term approaches to supporting and empowering communities. The briefing outlines key learning points under the five principles for community empowerment: community control, leadership on community empowerment, effective relationships, improving outcomes and accountability.

**97.** Assistance was most effectively provided in areas where local engagement and collaboration with local groups was already established before the pandemic. Greater flexibility, trusting relationships, relaxation of bureaucracy and autonomy in decision making enabled the public sector to work with communities and voluntary organisations and deploy support quickly. [\(Case study 6\)](#)

### Case study 6

#### Fife Council



**Fife Council introduced multi-disciplinary teams to respond to the pandemic. Teams composed of council staff and partners worked well together to respond quickly and effectively to meet the needs of Fife residents. The council is focused on learning from the success of these groups as it aims to 'build back better' and renew its public services. Reforming how it works collaboratively with partners and communities and focusing on people and place is seen as critical to sustaining the sense of common purpose brought about by the pandemic.**

As part of the Plan for Fife, the council has established People and Place Leadership Groups across its seven areas. The council sees these groups as an initial step forward from the team working that evolved during the pandemic response. The council sees these groups as a fundamental part of driving community wealth building as the council aims to create a fairer, more socially just economy.

Source: Audit Scotland using information from Fife Council

## There is limited evidence of direct community input driving recovery actions and more needs to be done

**98.** Some councils are seeking the views and experiences of citizens and communities to inform recovery and learn from their experiences ([Case study 2, page 17](#)) ([Case study 7](#)). But there is limited evidence of direct community input driving recovery actions or meaningfully reshaping services.

**99.** Councils need dialogue and involvement of communities and the voluntary sector in planning service priorities and delivering support to vulnerable groups. More flexible governance and decision-making structures will be needed to make community participation easier.

**100.** Some councils have set up models of co-production. There are examples of joint work with youth councils to develop services for young people.

## Voluntary sector organisations are facing pressures that could threaten their ability to deliver services to vulnerable people who rely on them

**101.** Throughout the pandemic voluntary sector organisations have lost income, while demand for their services has increased. A Scottish Council for Voluntary Organisations (SCVO) report found that 57 per cent of surveyed organisations saw increased demand for their services while almost half faced financial issues, as uncertainty over annual funding makes it difficult to plan for the future.<sup>27</sup>

### Case study 7

## Aberdeenshire Council



**Aberdeenshire Council carried out a community impact assessment (CIA) in the summer of 2020. The CIA included an online survey of the local community asking about the impact of the pandemic and the council's response during its early stages. On reporting the findings, the council acknowledged that there was a need for further engagement and feedback from harder-to-reach, more vulnerable groups.**

The council then engaged with several groups and individuals most likely to be affected negatively by existing inequalities. The final report, *Aberdeenshire Voices on the Pandemic: Same storm, different boats*, includes insight from low-income households, care home residents, the recovery community and New Scots and volunteers.

The themes covered in the report include digital exclusion, access to food, home-schooling challenges and impacts on mental wellbeing. Local voices from Aberdeenshire have also been included in the national report *If Not Now, When?*, published by the Social Renewal Advisory Board in January 2021.

Source: Audit Scotland using information from Aberdeenshire Council



**102.** Organisations providing support to children and young people, from early years to youth work services, are also facing barriers to delivering their services.<sup>28</sup> A lack of staff capacity, increased demand, and lack of access to premises to deliver services (of those voluntary sector organisations wishing to access local authority premises 65 per cent say they have no access) is affecting delivery of a range of services.

**103.** A collaborative, place-based approach has been essential in supporting communities during the pandemic and mitigating the harm caused. Voluntary sector organisations have been a vital component of this, and councils and the Scottish Government need to do more to make sure they can continue to deliver services to those that need them.

### **Councils worked well with their community planning partners in the response phase, but they need clearer plans for the future**

**104.** Councils worked with their partners in planning, sharing data and information, and coordinating the response to the pandemic. Some of this joint working is continuing with community planning partnerships working together to revise their Local Outcomes Improvement Plans to take account of recovery, and this collaborative working should continue.

## Case study 8

### South Ayrshire Council



**South Ayrshire Council worked with partners to provide support to vulnerable communities during the pandemic by creating the Ayrshire Resilience Partnership.**

This group included the Ayrshire councils' chief executives, along with representatives from health, police, and fire services. It established close working relationships with business and local voluntary groups to deliver a range of services and support.

Source: Audit Scotland using information from South Ayrshire Council

# 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.

# Endnotes

- 1 [Consultation response: A National Care Service for Scotland](#), Audit Scotland, Nov 2021
- 2 [What is happening with the new Shared Prosperity Fund? – SPICe Spotlight](#), Jun 2021
- 3 [Blueprint for Scottish Local Government](#), COSLA, Sep 2020
- 4 [Public sector leadership on the global climate emergency: guidance](#), Scottish Government, Oct 2021
- 5 [Projected Population of Scotland \(Interim\) 2020-based](#), National Records of Scotland, Jan 2022
- 6 [Life Expectancy in Scotland, 2018-2020: Infographic Summary](#), National Records of Scotland, Sep 2021
- 7 [Healthy Life Expectancy 2018-2020, Infographic Summary](#), National Records of Scotland, Feb 2022
- 8 [LGBF Benchmarking Overview Report 2020-21](#), Improvement Service, Mar 2022
- 9 [Energy Action Scotland news release](#), Mar 2022
- 10 [Covid Recovery Strategy: for a fairer future](#), Scottish Government, Oct 2021
- 11 [Audit Scotland blog: Christie - it really is now or never](#), Oct 2021
- 12 [Elected Member Briefing Note: Community Wealth Building](#), Improvement Service, Sep 2020
- 13 [Improvement Service - Public Service Improvement Framework](#)
- 14 [LGBF Benchmarking Overview Report 2020-21](#), Improvement Service, Mar 2022
- 15 [Scottish local government during Covid-19: Data needs, capabilities, and uses](#), UBDC, May 2021
- 16 [Digital progress in local government](#), Audit Scotland, Jan 2021
- 17 [Fiscal Framework and Local Government letter](#), LGHP committee, Scottish Parliament, Dec 2021
- 18 [Consumer price inflation, UK: Jan 2022](#), Office for National Statistics, Feb 2022
- 19 Society of Personnel and Development Scotland
- 20 [The longer-term shift to hybrid working: Implications for local government](#), LGIU, Oct 2021
- 21 Society of Personnel and Development Scotland
- 22 [Workforce Planning, Improvement Service](#)
- 23 [Report on the impact of the Covid-19 pandemic on equalities and human rights](#), Scottish Parliament, Mar 2021

# Endnotes

- 24 Audit Scotland using information from [Achievement of Curriculum for Excellence Levels 2020-21](#); the Improvement Service, [Minutes from the Coronavirus \(COVID 19\): Advisory Sub-Group on Education and Children's Issues](#) and [Cross Party Group: Children and young people pandemic survey 2022](#), Scottish Parliament, Feb 2022
- 25 Audit Scotland using information from: [PHS delayed discharges census table, January 2022](#); [Briefing: Learning from changes to social care during the Covid-19 pandemic, The Alliance](#); [Covid-19, Social Care and Human Rights, SHRC Monitoring Report](#); [State of Caring report, Carers Scotland news release, Oct 2021](#); [BBC research, February 2022](#); [Health and Sport Committee evidence session, November 2021](#).
- 26 Audit Scotland using information from SLIC and additional data from councils; [LGBF Benchmarking Overview Report 2020-21](#), Improvement Service, Mar 2022 [Libraries in lockdown: Scottish public libraries and their role in community cohesion and resilience during lockdown](#)
- 27 [The Scottish Third Sector Tracker](#), SCVO, Nov 2021
- 28 [Cross Party Group: Children and young people pandemic survey 2022](#), Scottish Parliament, Feb 2022

# Local government in Scotland

## Overview 2022

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## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer – Resources

**Audit Committee: 10 August 2022**

#### **Subject: Internal Audit Plans 2021/22 and 2022/23 – Progress to 30 June 2022**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise Members of progress at 30 June 2022 against the Internal Audit Plans for 2021/22 and 2022/23.
- 1.2** The report also advises Members of:
- Recently issued Internal Audit reports and action plans; and
  - Status of implementation progress relating to action plans from previously issued Internal Audit reports.

#### **2. Recommendations**

- 2.1** It is recommended that Members note the contents of this report.

#### **3. Background**

- 3.1** The annual audit plans for 2021/22 and 2022/23 were approved by the Audit Committee on 10 March 2021 and 15 June 2022 respectively. This report provides information on the progress in implementing the plans.
- 3.2** When audit reports are issued by Internal Audit, an action plan is agreed with management in relation to issues highlighted by the audit report. Progress on implementing the actions is monitored by Internal Audit on a monthly basis and regularly reported to the Audit Committee.

#### **4. Main Issues**

- 4.1.** The annual audit plan sets out the audit coverage for the year utilising available staff resources to enable the Shared Service Manager – Audit & Fraud to provide the annual internal audit opinion regarding the adequacy and effectiveness of internal control within the Council.
- 4.2** A new risk-based audit methodology was implemented during 2020/21. For each audit, one of four audit opinions is expressed:

<b>Strong</b>	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
<b>Satisfactory</b>	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.

<b>Requires Improvement</b>	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
<b>Unsatisfactory</b>	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

- 4.3** Detailed findings and recommendations reported to management are graded using the following criteria:

<b>Red</b>	In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole. Corrective action must be taken and should start immediately. Overseen to completion by Corporate Management Team.
<b>Amber</b>	In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole. Corrective action must be taken (some exceptions may be agreed with Internal Audit) within reasonable timeframe. Overseen to completion by Chief Officer/Head of Service.
<b>Green</b>	In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness. Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit. Managed by service owner. Not reported in Audit Committee papers.

- 4.4** One audit review has been finalised since the Audit Committee meeting in June 2022 as follows:

- Debtors – Limited Scope Finance Review

#### **Debtors**

- 4.5** West Dunbartonshire Council issues in the region of 60,000 invoices each year for goods and services. At 31 March 2022 the total value of the debtors account was approximately £10.6 million. Although services raise debtors accounts, the Accounts Receivable within Finance Service Centre Team are responsible for the billing and collection of all charges levied by for goods and services provided. The Finance Service Centre manages the day to day operation of the Council's policy in this regard such as Financial Regulations and the Corporate Debt Policy.
- 4.6** The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by the Council in relation to the Debtors process.



- 4.7** The review focussed on the high level processes and procedures in relation to the Debtors process and concentrated on identified areas of perceived higher risk, such as debtors invoices were not valid, accurate or complete or raised in a timely manner and Debtors reconciliations were not being performed.
- 4.8** The overall control environment opinion for this audit review was **Satisfactory**. Areas of good practice were identified including:
- Detailed procedural documentation is in place in relation to the Debtors process.
  - There are a number of different teams who are involved in managing the debtors process i.e. Finance Service Centre Team, Reconciliation Team, Banking and Income control Team ensuring clear segregation of duties and effective internal control.
- 4.9** There were three GREEN issues identified which if implemented would enhance the control environment and an action plan is in place to address all issues by 31 March 2023.
- 4.10** The fieldwork for the 2021/22 Annual Audit Plan is now complete and the current status is as follows:

Stage	Number of Audits
Final Report	4
Draft Report	2
Fieldwork Complete	1
Fieldwork	0
Planning	0
Deferred to 22/23	4
B/f 20/21 Audits completed in 21/22	5
<b>Total</b>	<b>16</b>

- 4.11** Full delivery of the 2021/22 audit plan was delayed due to unanticipated staff turnover, staff absence and completion of 2020/21 audit plan. The team is now back to full complement has regained momentum over the last few months to complete the audit plan for 2021/22 and has started the planning for audits in the 2022/23 audit plan. The status of both audit plans is attached at Appendix 1.
- 4.12** In relation to audit work for Integration Joint Board, two planned audits have been finalised.
- 4.13** In relation to the Valuation Joint Board, one planned audit has been finalised.
- 4.14** In relation to the Leisure Trust, one planned audit has been finalised.

#### 4.15 Internal and External Audit Action Plans

In relation to audit action plans, these are monitored by Internal Audit on a monthly basis. There were three actions due for completion by the end of May and all three actions have been reported as completed by management.

Work is ongoing with services to ensure action plan dates agreed are realistic. The status report at 31 May 2022 is provided at Appendix 2.

#### Ongoing Corporate Fraud Team Work

- 4.16 From 1 April to 30 June 2022, the Corporate Fraud team's day to day work has resulted in actual recoveries, charges and re-billings as detailed below, against an annual target of £250,000.

Description	Amount (£)
Council Tax Reduction	2743
Council Tax Single Person's Discount	4307
National Fraud Initiative (Housing Benefit)	12042
National Fraud Initiative (Council Tax/Council Tax Reduction)	3955
National Fraud Initiative (Small Business Bonus Scheme)	0
Joint Working Housing Benefit/Council Tax Reduction	0
Non Department for Work and Pensions Housing Benefit	16538
Non Department for Work and Pensions Council Tax Reduction	0
Covid 19 Business Grants	5250
Administrative Penalty	0
<b>Total</b>	<b>44835</b>

- 4.17 The Internal Audit Team and the Corporate Fraud Team continue to work together as appropriate in order to ensure a joined-up approach to fraud investigation and detection.

#### National Fraud Initiative

- 4.18 The National Fraud Initiative is a series of biennial exercises run by the Cabinet Office and Audit Scotland to identify or prevent fraud and error by matching electronic data held by public bodies. Participating bodies are required to investigate data discrepancies within a timescale and report back on any savings.
- 4.19 The most recent biennial exercise for 2020/21 is now complete and Audit Scotland are preparing a report on the outcomes relating to the 2020/21 exercise and this will be presented to the next meeting of the Audit Committee in November 2022.

#### Benchmarking

- 4.20 In accordance with the Council's Strategic Improvement Framework, services should undertake benchmarking activity with the equivalent function in other Councils. Therefore, the Council's Internal Audit service has entered into a benchmarking group which involves seven other Councils, these being:

- Argyll and Bute;
- Clackmannanshire;
- East Dunbartonshire;

- Falkirk;
- West Lothian;
- Inverclyde; and
- Stirling.

**4.21** Regular meetings will continue to take place during 2022 to review performance against agreed performance indicators and identify other areas for sharing of best practice. Relevant action will be taken where improvements are identified. The outcome of this review will be reported to Committee when completed.

## **5. People Implications**

**5.1** There are no people implications.

## **6. Financial and Procurement Implications**

**6.1** As a result of Corporate Fraud Team activity, actual recoveries, charges and re-billings of £44,835 from 1 April to 30 June 2022 have been identified, against an annual target of £250,000.

**6.2** There are no procurement implications arising from this report.

## **7. Risk Analysis**

**7.1** There is a risk that failure to deliver the Internal Audit Plan would result in an inability to provide a reasonable level of assurance over the Council's system of internal financial control to those charged with governance. The main basis for providing assurance is coverage of the planned risk-based audits. Every endeavour is made to ensure that no material slippage occurs in risk-based audits by concentrating resources on these audits.

## **8. Equalities Impact Assessment (EIA)**

**8.1** There are no direct equalities impacts arising from the report however where an agreed action results in a change in process this will be considered for equalities impact by the relevant service.

## **9. Consultation**

**9.1** This report has been subject to consultation with appropriate Chief Officers.

## **10. Strategic Assessment**

**10.1** This report relates to strong corporate governance.

.....  
**Laurence Slavin**  
**Chief Officer - Resources**  
**Date: 15 July 2022**

<b>Person to Contact:</b>	Andi Priestman, Shared Service Manager – Audit & Fraud E-mail: <a href="mailto:andi.priestman@west-dunbarton.gov.uk">andi.priestman@west-dunbarton.gov.uk</a>
<b>Appendices:</b>	2021/22 and 2022/23 Annual Audit Plans – Progress to 30 June 2022 (Appendix 1) Status of Internal Audit Action Plans at 31 May 2022 (Appendix 2)
<b>Background Papers:</b>	Audit Committee – 02 March 2022: Internal Audit Annual Plan 2022/23 Audit Committee – 10 March 2021: Internal Audit Annual Plan 2021/22 Audit Committee – 21 March 2018: Counter Fraud and Corruption Strategy Internal Audit Reports - Copies available on request
<b>Wards Affected:</b>	All wards

## 2021-2022/2022-2023 Internal Audit Annual Audit Plans – Progress to 30 June 2022

Audit/Status 2021-22 Audit Plan	Not Started	Planning	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Date Reported to Audit Committee
Risk –Based Reviews							
Integrated Housing Management System – Stock Control		✓	✓	✓	✓	✓	March 2022
Learning Disability Services – Financial Monitoring	✓	Carried forward to 2022/23 Audit Plan					
Building Services – Work In Progress	Advisory work was carried out with the Service on interim process during Q1 2022. A full review of this work will be included in the audits of Building Services during 2022/23.						
Building Services – Price Checks	Advisory work was carried out with the Service on interim process during Q1 2022. A full review of this work will be included in the audits of Building Services during 2022/23.						
Occupational Therapy Waiting Times	✓	Carried forward to 2022/23 Audit Plan					
Financial Assessment Process	✓	Carried forward to 2022/23 Audit Plan					
Corporate Procurement – Supplier Management	✓	Carried forward to 2022/23 Audit Plan					
Overtime		✓	✓	✓			November 2022
Vehicle Tracking System		✓	✓	✓	✓		November 2022
Project Management Arrangements		✓	✓	✓	✓		November 2022
Employee Expenses		✓	✓	✓	✓	✓	June 2022
Limited Scope Financial System Reviews							
Debtors		✓	✓	✓	✓	✓	August 2022
Other Work							
Integration Joint Board – Internal Audit Service	The internal audit annual plan for 2021/22 is complete.						
Valuation Joint Board – Internal Audit Service	The internal audit annual plan for 2021/22 is complete.						
Leisure Trust – Internal Audit Service	The internal audit annual plan for 2021/22 is complete.						
Covid-19 Recovery Assurance Work	Ad hoc advice was provided on an ongoing basis.						
National Fraud Initiative	Matches for the 2020/21 exercise continue to be investigated. Audit Scotland will produce a report on the 2020/21 Exercise which will be reported to the September 2022 meeting.						
2020/2021 Audit Plan Completion	Five audit reports from the 2020/21 audit plan were finalised during 2021/22 including: Rent Arrears, Pupil Equity Funding, Homelessness, Client Accounts Administration Process and Corporate Procurement – Under £50,000.						

**2021-2022/2022-2023 Internal Audit Annual Audit Plans – Progress to 30 June 2022**

<b>Audit/Status 2022-23 Plan</b>	<b>Not Started</b>	<b>Planning</b>	<b>Fieldwork</b>	<b>Fieldwork Complete</b>	<b>Draft Report</b>	<b>Final Report</b>	<b>Date Reported to Audit Committee</b>
<b>Risk –Based Reviews</b>							
Learning Disabilities Services – Financial Monitoring of Contracts		✓					November 2022
Fleet Management		✓					November 2022
Occupational Therapy Waiting Times	✓						February 2023
Financial Assessment Process		✓					November 2022
Housing Repairs and Maintenance	✓						May 2023
Corporate Procurement – Supplier Management		✓					November 2022
Vehicle Maintenance	✓						February 2022
Void Management	✓						May 2023
Housing Waiting Lists		✓					November 2022
Parent Pay	✓						February 2023
Off Payroll Working	✓						May 2023
Corporate Purchase Cards	✓						November 2022
<b>Limited Scope Financial System Reviews</b>							
Non-Domestic Rates	✓						February 2023
Creditors	✓						May 2023
<b>Compliance Reviews</b>							
Health and Wellbeing Policy	✓						May 2023
<b>Other Work</b>							
Integration Joint Board – Internal Audit Service	The internal audit annual plan for 2022/23 is underway. Progress updates will be provided to the HSCP Board Audit & Performance Committee.						
Valuation Joint Board – Internal Audit Service	The internal audit annual plan for 2022/23 will be carried out in Q4.						
Leisure Trust – Internal Audit Service	The internal audit annual plan for 2022/23 will be carried out in Q4.						
National Fraud Initiative	Planning for the 2022 Exercise is underway. Data sets are due to be uploaded by end of October. Matches will be received in January 2023.						
2021/2022 Audit Plan Completion	Three audits will be finalised during 2022/23 – Project Management Arrangements; Vehicle Tracking System and Overtime. These will be reported to the November 2022 meeting of the Audit Committee.						



**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLANS  
AT 31 MAY 2022**

**Summary: Section 1 Summary of Management Actions due for completion by 31/05/2022**

There were 3 actions due for completion by 31 May 2022, and all 3 actions have been reported as completed by management.

**Section 2 Summary of Current Management Actions Plans at 31/05/2022**

At 31 May 2022 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/05/2022**

At 31 May 2022 there were 7 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 May 2022 there were 2 audit action points where the agreed deadline had been missed.

**Section 5 Summary of Action Plan Points by Audit Year**

**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS  
SUMMARY OF ACTION PLANS DUE FOR COMPLETION BY 31.05.2022**

**SECTION 1**

<b>Strategic Area</b>	<b>No. of Actions Due</b>	<b>No. of Actions Completed</b>	<b>Deadline missed Revised date set*</b>	<b>Deadline missed Revised date to be set*</b>
Childrens' Health, Care and Criminal Justice	1	1		
Regulation and Regeneration	1	1		
Housing and Employability	1	1		
<b>Total</b>	<b>3</b>	<b>3</b>		

\* These actions are included in the Analysis of Missed Deadlines – Section 4



**REPORT TO PMRG ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS  
SUMMARY OF CURRENT ACTION PLANS AT 31.05.2022**

**SECTION 2**

**CURRENT ACTIONS BY STRATEGIC AREA**


<b>Housing and Employability</b>	
Due for completion September 2022	1
<b>Total Actions</b>	<b>1</b>
<b>Supply, Distribution and Property</b>	
Due for completion August 2022	1
Due for completion December 2022	1
Due for completion March 2023	1
<b>Total Actions</b>	<b>3</b>
<b>Resources</b>	
Due for completion June 2022	1
<b>Total Actions</b>	<b>1</b>
<b>Roads and Neighbourhood</b>	
Due for completion October 2022	2
<b>Total Actions</b>	<b>2</b>
<b>Total current actions:</b>	<b>7</b>

**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS  
CURRENT ACTION PLANS AT 31.05.2022**




**SECTION 3**

**Current Internal Audit Action Plans**



**P 173. Housing Voids ( Report Issued October 2020)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/079	<b>Void Management Policy Review &amp; Update (Amber)</b> The previous policy had fallen into abeyance, with the strategic direction for voids led by the Housing Improvement Board. Whereas this has led to significant improvements against the key tenets of the historic policy, given the extent of systemic and structural changes it would be beneficial to codify this within a revised policy. This will be developed with new tenant feedback and wider tenant consultation.		31-May-2021 28-Feb-2022	30-Sep-2022*	Housing Operations Manager	Chief Officer – Housing and Employability

**P IHMS Stores and Stock Management (Report issued January 2022)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/103	<b>Lack of Stock Control Process for Direct Purchases of UPVC Units (Red)</b> Longer term Building Services will ensure just in time delivery of uPVC windows and door units recommence in line with the Councils' renewal programme.		01-Aug-2022	01-Aug-2022	Building Services Manager	Chief Officer – Supply, Distribution and Property
IAAP/104	<b>Lack of Stock Control Process for Direct Purchases of UPVC Units (Red)</b> An inventory of sizes/ types/hands/styles of uPVC windows and doors will be developed for inactive orders. A plan will be put in place to install all units where feasible. Any unusable units will be dealt within in line with the Council's management of obsolete stock procedures.		31-Mar-2023	31-Mar-2023	Building Services Manager	Chief Officer – Supply, Distribution and Property
IAAP/106	<b>Full implementation of Minimum/Maximum Levels and automatic reordering of stock items (Amber)</b> These actions form part of stores catalogue review which is ongoing and scheduled to be completed early in the financial year 2022/2023.		30-Apr-2022	31-Dec-2022*	Building Services Manager	Chief Officer – Supply, Distribution and Property



Status Key

	On track
	Overdue – update required


**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS  
CURRENT ACTION PLANS AT 31.05.2022**

**SECTION 3**



**P Employee Expenses (Report issued May 2022)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/109	<b>Lack of Co-ordination and Management of Pool Vehicles (Amber)</b> A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood.  The CAS team will be responsible for maintaining pool vehicle records. A review is currently being carried out of procedures to make this process more efficient.  Cost Savings Analysis will be carried on an annual basis and reported as appropriate.		01-Oct-2022	01-Oct-2022	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood
IAAP/111	<b>Identification of High Levels of Claims by Teams &amp; Individuals for Recommendation of Pool Car Use (Amber)</b> A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood.  A list of high mileage claimants has been collated and the working group will assess the users in relation to allocation of pool cars and identify if additional vehicles are required.		01-Oct-2022	01-Oct-2022	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood

**P Procurement Under £50k (Report issued May 2022)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/122	<b>Fraud Awareness Training (Amber)</b> Management will develop and implement an on-line fraud awareness module to include procurement as a fraud risk area. This will be done in conjunction with the Organisational Development team and launched in line with their overall timescales.		30-June-2022	30-June-2022	Shared Service Manager – Audit & Fraud	Chief Officer - Resources

Status Key

	On track
	Overdue – update required

**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLANS  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
<b>Housing Voids (October 2020)</b>	<b>Void Management Policy Review &amp; Update (Medium Risk)</b> The previous policy had fallen into abeyance, with the strategic direction for voids led by the Housing Improvement Board. Whereas this has led to significant improvements against the key tenets of the historic policy, given the extent of systemic and structural changes it would be beneficial to codify this within a revised policy. This will be developed with new tenant feedback and wider tenant consultation.	31-May-2021 28-Feb-2022	30-Sep-2022	Progress on this action has been significantly impacted due to Covid and was not able to be completed by original deadline. However, the review of the void processes, including revision of the void re-let standard and development of a void policy has been discussed at the Housing Improvement Board and Building Services Board and it was agreed that a focused void working group would be established to take this work forward and representation consists of a range of colleagues from Housing Operations, Building Services and Housing Development. The working group is now up and running and will focus on a range of aspects for the void process and progress the work in relation to the audit action.
<b>IHMS Stores and Stock Management (January 2022)</b>	<b>Full implementation of Minimum/Maximum Levels and automatic reordering of stock items (Amber)</b> These actions form part of stores catalogue review which is ongoing and scheduled to be completed early in the financial year 2022/2023.	30-Apr-2022	31-Dec-2022	The review of stock catalogue is continuing and progress has been impacted due to staff shortages and other priorities. Minimum and maximum stock levels have been updated within each store and automatic reordering will be implemented when the work on the stock catalogue has been completed.

**REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLANS  
SUMMARY OF ACTIONS BY AUDIT YEAR**

**SECTION 5**

**Status at 31 May 2022**

Audit Year	No of Agreed Actions	No of actions complete	Current actions by Grade		
			H	M	L
2018/2019	79	79	0	0	0
2019/2020	67	67	0	0	0
<b>Total</b>	<b>146</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>

Audit Year	No of Agreed Actions	No of actions complete	Current actions by Grade		
			Red	Amber	Green*
2020/2021	25	17	0	1	7
2021/2022	31	13	2	4	12
<b>Total</b>	<b>56</b>	<b>30</b>	<b>2</b>	<b>5</b>	<b>19</b>

\* Green actions are within the Council's risk appetite and are therefore not included in Audit Committee reports.



## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer - Resources

**Audit Committee: 10 August 2022**

**Subject: Public Interest Disclosures and other Internal Audit Investigations  
1 February to 15 July 2022**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise Committee of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 1 February and 15 July 2022.

#### **2. Recommendations**

- 2.1** It is recommended that Members note the content of this report.

#### **3. Background**

- 3.1** A disclosure in the public interest is where a concern is raised by a Council employee about a danger or illegality that has a public interest aspect to it. A confidential reporting facility is managed by Internal Audit as part of the WDC Public Interest Disclosure Policy. Internal Audit maintains a central record of all concerns raised under the Public Interest Disclosure Policy. All such disclosures are investigated by Internal Audit, including liaising with Services and HR as appropriate.
- 3.2** Members of the public can also contact Internal Audit to raise issues of concern and such matters are investigated as appropriate, although they are not regarded as public interest disclosures in terms of legislation.

#### **4. Main Issues**

##### Public Interest Disclosure Cases

- 4.1** There were 5 outstanding cases reported in the previous report submitted to committee on 2 March 2022, now progressed as detailed below:

<b>Ref</b>	<b>Date Received</b>	<b>Detail</b>	<b>Status</b>
11/22	15/9/21	Allegation that a member of staff in an education establishment is involved in substance abuse whilst at work.	Investigation concluded. The allegation was included as part of a wider investigation and there was no evidence found to substantiate the claim. All employees were reminded

			of the code of conduct and nothing further has been raised.
12/22	17/9/21	Allegation that a member of staff in an education establishment is involved in substance abuse whilst at work.	Linked to 11/22.
15/22	1/12/21	Allegation that an employee attended work with Covid-19 symptoms and subsequently tested positive.	Investigation concluded. Recommendations made to management to improve control environment and to refer case to HR for separate investigation into breach of Covid-19 protocols.
18/22	8/12/21	Allegation that an employee attended work with Covid-19 symptoms and subsequently tested positive.	Linked to 15/22.
19/22	18/12/21	Allegation of theft of council materials.	Investigation concluded. No fraud identified however some recommendations were made to improve the control environment and reduce the risk of similar allegations in the future.

**4.2** There were 7 disclosures received during the period 1 February and 15 July 2022 as follows:

<b>Ref</b>	<b>Date Received</b>	<b>Detail</b>	<b>Status</b>
21/22	10/2/22	Allegation that work was given to external contractor when it could have been carried out in house.	Investigation concluded. No fraud or irregularity identified.
22/22	11/2/22	Allegation that Council workers are carrying out work at a private property using a Council Van.	Investigation concluded. No fraud or irregularity identified.
24/22	17/2/22	Allegation that an employee at an Education establishment is leaving work early with the agreement of the supervisor.	Investigation concluded. No irregularity identified however recommendations were made to improve the control environment and reduce the risk of similar allegations in the future.



26/22	8/3/22	Allegations that an employee is off sick but still working for another local authority.	Investigation concluded. Evidence from other local authority confirms employment with them whilst off sick with West Dunbartonshire Council. Recommendation for service to contact HR to instigate separate disciplinary investigation.
27/22	18/3/22	Allegations that an employee is using a Council vehicle for personal use.	Investigation concluded. It was identified that the employee identified was visiting the property excessively during working hours. The employee was an agency worker and the contract has been terminated.
01/23	23/5/22	Car park at education establishment blocked off and not available to public. Disabled parking bay was occupied by vehicle not displaying Blue Badge and relative of child attending establishment was unable to access disabled bay.	Investigation concluded by Education Services. Allegation partially substantiated. Staff/parents/carers have been reminded not to park in this bay unless they have a valid blue badge.
02/23	26/5/22	Allegations that a newly appointed employee had made false statements on employment application and CV.	Investigation concluded. Allegation unfounded.

**4.3** Activity relating to public interest disclosure for recent reporting periods is as follows:

<b>Period</b>	<b>No. of Cases</b>
1 <sup>st</sup> January 2017 to 30 <sup>th</sup> June 2017	1
1 <sup>st</sup> July 2017 to 31 <sup>st</sup> December 2017	7
1 <sup>st</sup> January 2018 to 30 <sup>th</sup> June 2018	2
1 <sup>st</sup> July 2018 to 31 <sup>st</sup> December 2018	3
1 <sup>st</sup> January 2019 to 30 <sup>th</sup> June 2019	5
1 <sup>st</sup> July 2019 to 30 <sup>th</sup> June 2020	8
1 <sup>st</sup> July 2020 to 31 <sup>st</sup> December 2020	4
1 <sup>st</sup> January 2021 to 18 <sup>th</sup> August 2021	15
19 <sup>th</sup> August 2021 to 31 <sup>st</sup> January 2022	7
1 <sup>st</sup> February 2022 to 15 <sup>th</sup> July 2022	7

#### Other investigations

- 4.4** A total of 2 cases were received by Internal Audit during the period 1 February to 15 July 2022 as follows:

<b>Ref</b>	<b>Date Received</b>	<b>Detail</b>	<b>Status</b>
20/22	6/2/22	Allegations of not adhering to current covid guidance and lack of child safety procedures.	Referred to Education Services. Fully investigated and allegation unfounded.
25/22	17/2/22	Allegation that an employee at an education establishment is off sick and still running own business.	Preliminary investigations have identified that the allegation appears to be malicious. No further action required.

- 4.5** Activity relating to other investigation cases for recent reporting periods is as follows:

<b>Period</b>	<b>No. of Cases</b>
1 <sup>st</sup> January 2017 to 30 <sup>th</sup> June 2017	3
1 <sup>st</sup> July 2017 to 31 <sup>st</sup> December 2017	5
1 <sup>st</sup> January 2018 to 30 <sup>th</sup> June 2018	5
1 <sup>st</sup> July 2018 to 31 <sup>st</sup> December 2018	4
1 <sup>st</sup> January 2019 to 30 <sup>th</sup> June 2019	14
1 <sup>st</sup> July 2019 to 30 <sup>th</sup> June 2020	8
1 <sup>st</sup> July 2020 to 31 <sup>st</sup> December 2020	2
1 <sup>st</sup> January 2021 to 18 <sup>th</sup> August 2021	1
19 <sup>th</sup> August 2021 to 31 <sup>st</sup> January 2022	2
1 <sup>st</sup> February 2022 to 15 <sup>th</sup> July 2022	2

## **5. People Implications**

- 5.1** There are no personnel implications with this report.

## **6. Financial and Procurement Implications**

- 6.1** There are neither financial nor procurement implications with this report.

## **7. Risk Analysis**

- 7.1** There are risks to the Council in financial, legal, operational and reputational terms of not providing a service to enable a disclosure in the public interest and to ensure that all public interest disclosure and other concerns raised with Internal Audit are properly investigated.

## **8. Equalities Impact Assessment (EIA)**

**8.1** There is no requirement to undertake an equality impact screening.

## **9. Consultation**

**9.1** This report has been subject to consultation with appropriate Chief Officers.

## **10. Strategic Assessment**

**10.1** The Public Interest Disclosure Policy and Business Irregularity Procedures contribute to the Council's strategic priorities by ensuring that early warnings of malpractice may mitigate the extent of financial losses to the Council, contribute to better asset management by utilising employees to manage risks to the organisation's reputation and support fit for purpose services through the continuation and promotion of robust employment practice.

.....  
**Laurence Slavin**  
**Chief Officer - Resources**  
**Date: 15 July 2022**

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**Person to Contact:** Andi Priestman, Shared Service Manager – Audit & Fraud  
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**Appendix:** None

**Background Papers:** Public Interest Disclosure Policy agreed by the Corporate Services Committee on 13 August 2014; Business Irregularity Procedures

**Wards Affected:** All