

MEETING: 13 AUGUST 2020

REPORT BY: DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

LOCAL GOVERNMENT OVERVIEW REPORTING 2021

Purpose

1. This paper invites the Accounts Commission to consider the scope of the Local Government Overview (LGO) and Financial Local Government Overview (FLGO) 2021. It also sets out proposals for a strategic medium-term approach to reflecting Covid-19 in future local government overview reporting.

Background

2. The purpose of the annual overview reports are to provide an opportunity for the Commission to share its conclusions from audit activity throughout the year, alongside commentary on key issues concerning local government. Supporting evidence is drawn from the range of local and national audit work carried out in the year, as well as some analysis of available data and intelligence. Over recent years the Commission has published separate financial and non-financial local government overview reports. Feedback from Commission stakeholders indicates support for these two distinct outputs, and our proposal sets out the continuation of this approach for 2021 and beyond. We are working closely as an integrated team to ensure that the timing, coverage and impact of the reports is maximised in Spring 2021.
3. This year's overview reporting is taking place during the midst of the global Covid-19 pandemic which has created an unprecedented set of issues and challenges for councils, their partners and communities. These include:
 - Unprecedented economic and social impacts
 - Additional financial pressures and increased service demand
 - The need for new service delivery models (e.g. digital delivery, socially distanced services and blended learning in schools)
 - Negative impacts across key communities and groups (e.g. young people, women, deprived communities, BAME groups).
4. We have seen a period of great innovation over recent months, but many long-term challenges lie ahead. Councils were focused on the delivery of key services during the early phases of the pandemic but are now actively planning for recovery and renewal. But the shape of the recovery and renewal curve is not yet clear, nor are many of the longer-term impacts on the economy, communities and public services.
5. Overview reporting must adapt to this evolving context to remain credible, helpful and relevant. It is therefore proposed that a strategic medium-term approach be adopted to reflecting Covid-19 in future local government overview reporting recognising the evolving and long-term nature of the impact of the virus on the economy, council services, and communities. The attached presentation describes the outline that we propose to form the basis of local government overview reporting

in the medium-term, covering both financial and non-financial overview reports. It also set out an outline scope for the LGO 2021 report.

6. This year's financial local government overview reporting will be affected by the two months extension afforded to councils for this year's annual audit as a consequence of the impact of Covid-19. Given the later publication of the financial overview report the two audit teams (FLGO and LGO) are working closely together to ensure the timing and positioning of their respective reports will achieve maximum impact on behalf of the Commission.

Conclusion

7. The Commission is asked to:
 - a) consider and comment on the proposed medium-term approach to reflecting Covid-19 in future LGO reporting,
 - b) agree the outline scope for the content of the LGO 2021 report,
 - c) agree that more detailed consideration of the FLGO and LGO report structures and content is undertaken through discussion with the Chair and Deputy Chair, as sponsors as the work progresses,
 - d) agree to delegate authority to the Chair and Deputy Chair as sponsors to approve the audit flyer for the FLGO and LGO, and
 - e) agree to take the emerging messages presentations at future Accounts Commission meetings

Fraser McKinlay
Director of Performance Audit and Best Value
3 August 2020