

MEETING: 10 DECEMBER 2020

REPORT BY: SECRETARY TO THE COMMISSION

UPDATE REPORT

Introduction

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, focussing particularly on the response to the Covid-19 pandemic.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. This report also complements the weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team. The information featured is made available to the Accounts Commission through its member's extranet site.

Commission business

Publications, promotion and engagement

3. Audit Scotland collects media coverage on all the reports published by the Accounts Commission. Audit Scotland also provides a weekly summary of the key media stories regarding local government. Appendix 1 provides download statistics for the Commission's published reports over the last 12 months. Appendix 2 provides additional information on the overall engagement that reports and other business have received on social media.
4. This month there has been a substantial increase in reach and engagement, largely driven by the Best Value Assurance Report (BVAR) on the City of Edinburgh Council. Pre-publication we engaged with stakeholders and social media followers, and used paid for advertising on Facebook targeted at the Edinburgh area. In the first day of the campaign (at the time of writing), the Facebook ad reached 1,600 people and it will run over a full week. Outside of the Edinburgh BVAR content, the most popular Twitter post was the Commission Interim Chair's video blog (viewed 76 times) which accompanied the publication of the Strategic Scrutiny Group report on Covid-19 response. The Interim Chair's video blog looking back at the November meeting of the Commission also proved popular, with 385 views in a week.
5. On 26 November the Commission published the [City of Edinburgh Council BVAR](#). The report noted that over the last four years many council services have improved, its finances have been well-managed and ambitious strategies to improve the lives of local people and the economy have been agreed. However, since 2016 there has been mixed progress with community engagement and the council's approach to continuous improvement. The council must put in place a long-term financial strategy and a more effective workforce plan. Both are essential for the council to deliver its vision for the future and address the impact of Covid-19 on the council. Strong leadership and clear, collaborative working with local partners are vital to realise these ambitions. The Commission is to meet representatives of the Council on 2 December to discuss the report.

Other Commission business

6. The Local Government Auditor for the Northern Ireland Audit Office has undertaken a [consultation in its revised Code of Audit Practice](#), and Audit Scotland has responded to the consultation in conjunction with the Commission and the Auditor General, a copy of which has been placed on the members' Sharepoint.
7. On 4 November Geraldine Wooley participated in an Audit Scotland roundtable event on the impact that Covid-19 has had on community empowerment. This was attended by a broad range of Commission's scrutiny partners and other expert bodies.
8. On 5 November, representatives from the Accounts Commission and Audit Scotland met with stakeholders from Aberdeenshire Council to discuss the recent BVAR. The Commission was represented by Tim McKay, Sheila Gunn and Sharon O'Connor. Paul Reilly, Secretary and Anne MacDonald, Senior Audit Manager, Audit Scotland (for the appointed auditor) were also present. The Council was represented by councillors Jim Gifford (Leader), Peter Argyle (Deputy leader), Gwyneth Petrie (Leader of the opposition), Councillor Andy Killie (Leader in waiting), Ross Cassie (Chair, Audit Committee – Opposition), Alistair McKelvie (Vice-chair, Audit Committee – Administration), Councillor Anne Stirling (Chair, Policy Committee – Administration), Gillian Owen (Chair, Policy Committee – Administration), Anouk Kloppert (Opposition) and Eileen Durno (Opposition). Also present were eight members of the Senior Leadership Team present, including the Chief Executive Jim Savege, and eight other senior officers.
9. At its 19 November meeting, the Council agreed an action plan to take forward the recommendations. It was also agreed that the council would receive six monthly reports on progress. The Council has already undertaken work, partly arising from the BVAR but also from Covid. It has agreed a new Council plan and priorities and is preparing service plans to set out its aims more clearly. Progress in these areas will be reviewed as part of the 2020/21 audit.
10. The Commission has requested that Audit Scotland keep it updated on councils' use of furlough. The following update is derived from a Freedom of Information request to councils that had been reported in the Scotsman on 16 October. The report notes that most Scottish councils chose not to use the furlough scheme, and found that:
 - Four councils furloughed staff - Edinburgh, Fife, North Lanarkshire and West Dunbartonshire, saving £2.7 million between them. Fife Council furloughed 251 staff; North Lanarkshire furloughed 278 staff; West Dunbartonshire Council furloughed 184 staff; and Edinburgh furloughed 369 staff. In total, 1,082 staff were furloughed. Staff furloughed included caterers, parking attendants, tutors and cultural venue staff.
 - Glasgow and Aberdeen councils reported that their staff weren't eligible for the scheme.
 - Falkirk and Dundee councils didn't respond to the FOI request.
11. On 17 November Dundee City Council considered the [Commission's recent BVAR](#) published on 29 September. The Council approved the council's action plan in response to the Controller of Audit's recommendation and the Commission's findings.
12. The Interim Chair's report on today's agenda sets out a range of engagement activities with stakeholders around the audit planning guidance (approved by the Commission at its last meeting) and Code of Audit Practice (a report on which was also considered by the Commission at its last meeting).
13. The report on Best Value today's agenda provides an update on a range of

engagement activities in which the Commission will be involved in coming weeks in relation to Best Value auditing and the new Code of Audit Practice.

Audit Scotland

14. On 27 November Audit Scotland published its [Environment, Sustainability and Biodiversity annual report 2019/20](#). This sets out measures taken by the organisation to reduce carbon emissions.

Issues affecting local government

Scottish Government

15. The Scottish Government is undertaking much activity as the Covid-19 emergency continues. The following section outlines significant events since the last meeting of the Commission. For ease of reference, it is divided into the following sub-sections:
 - Local government general
 - Economy
 - Health and social care
 - Education
 - Transport
 - Communities
 - Business
 - Other matters

Local government general

16. On 3 November the Scottish Government published an [overview](#) of the process to determine the local government finance settlement for 2020-21. The figures used were set out in Finance Circular 2/2020, which was agreed by parliament prior to the Covid-19 pandemic and so do not take account of additional Covid-19 funding.
17. On 6 November the Scottish Government published [guidance](#) following November's refresh of the Housing Need & Demand Assessment (HNDA) [tool](#). Guides have been published for HNDA practitioners about how to estimate [housing need](#) and on how to [operate](#) the HNDA tool, alongside a [methodology note](#) about how concealed and overcrowded households are estimated.
18. On 18 November the Scottish Government published council tax reduction scheme [data](#) for the period between April 2013 and September 2020. The statistics show an increase of 33,880 in the number of people receiving council tax reductions between January and September.
19. On 19 November the Scottish Government published [guidance](#) for local authorities, or contracted caterers, for procuring software to be used for analysing the nutritional content of food and drink served in schools.
20. On 19 November the Scottish Government published the Local Authority Housing Resilience Group minutes for [6 October](#) and [20 October](#).
21. On 21 November the Scottish Government published [information](#) for local authorities on administering support from the strategic framework business fund. The grants form a new package of support to help businesses forced to close or limit their trade due to Covid-19 restrictions.
22. On 24 November the Scottish Government published a [report](#) from interviews with representatives of 16 local authorities, exploring how they have been supporting people

at higher risk during Covid-19. It has a specific focus on the support provided via the National Assistance Helpline and local authority direct helplines.

23. On 25 November the Scottish Government published the [outcome](#) of the third review of the allocation of Covid-19 protection levels to local authorities, alongside evidence and analysis informing these decisions.

Economy

24. On 2 November the Scottish Government published the monthly economic [brief](#) for October 2020. The latest data shows that the Scottish economy grew for the fourth consecutive month in August, and over the period recovered around 60% of the output lost during the unprecedented declines in March and April. Like the rest of the UK, the pace of growth slowed notably in August with output rising by 2.6% over the month, down from over 6% growth in July. At the end of August, 242,600 workers in Scotland were on furlough, supporting the employment rate to remain low at 4.5% in June to August. The short-term outlook for the final quarter of the year remains uncertain as cases rise in Scotland and elsewhere.
25. On 5 November the Scottish Government published a [summary](#) of earnings statistics from the annual survey of hours and earnings published by the ONS.
26. On 10 November the Scottish Government published [statistics](#) on labour market trends for November 2020. The statistics summarise employment, unemployment and economic inactivity sourced from the labour force survey for Scotland and the UK. Early estimates for October indicate that there were 2.3million payrolled employees in Scotland, a decrease of 74,000 (3.1%) compared to October last year. The latest labour force survey estimates that for July-September 2020, unemployment stayed the same over the quarter and increased over the year by 0.5% to 4.5%. That is below the UK rate of 4.8%. The proportion of people aged 16-64 in work increased by 0.4% over the quarter but decreased by 0.5% over the year to 74.0%, below the UK rate of 75.3%. The economic inactivity rate decreased over the quarter by 0.3% but remained the same over the year at 22.4%, above the UK rate of 20.9%.
27. On 23 November the Scottish National Investment Bank officially [opened](#) for business with a £12.5 million investment in Glasgow-based laser and quantum technology company M Squared. The bank's proposed missions are supporting the transition to net zero, extending equality of opportunity through placemaking, and harnessing innovation.
28. On 25 November the Scottish Government published the latest [GDP estimates](#) for September. They found that in September, Scotland's GDP is provisionally estimated to have increased by 1.6% compared to August, the fifth consecutive month of increasing GDP, but output remains 7.6% below the level in February prior to the direct impacts of the Covid-19 pandemic. In September there has been a growth in all the main sectors of the economy, but at a slower rate than over the summer months. GDP is provisionally estimated to have increased by 14.7% in quarter 3 as a whole (July-September).

Health and social care

29. On 2 November the Scottish Government announced [additional funding](#) for the Scottish Ambulance Service to help improve capacity and resilience over winter. Up to £10.5 million will be used to put 148 new staff in place across the country before the end of the year and provide extra vehicles to the service. A further £500,000 will be used to ensure priority stations including Aviemore, Golspie and Oban always have crews available.

30. On 3 November the Scottish Government announced [£15 million of funding](#) to support children and young people suffering from poor mental health from Covid-19. The funding will be distributed to local authorities to support a local response for five to 24-year-olds, their families and carers.
31. On 3 November Public Health Scotland [provided](#) monthly update figures for the number of cancelled planned operations. Figures show the number of planned operations across NHS Scotland has fallen by 38.4% from 27,704 in September 2019 to 17,056 in September 2020. In September 2020, 1,120 operations (6.6%) were cancelled the day before or the day the patient was due to be treated, this compares to 987 in August and 2,412 in September 2019. 540 operations were cancelled due to clinical reasons and 199 operations were cancelled due to capacity or non-clinical reasons.
32. On 3 November Public Health Scotland [provided](#) a monthly update on the number of bed days associated with delayed discharges and the number of discharges which followed a period of delay. In September of this year, 32,929 days were spent in hospital by people whose discharge was delayed. The average number of beds occupied per day due to delayed discharges was 1,098, which was an increase of 5% compared to August 2020.
33. On 4 November the Scottish Government [published](#) the Adult Social Care Winter Preparedness Plan 2020-21. The [plan](#) sets out the measures already in place that must be retained and those that need to be introduced across the adult social care sector over winter 2020-21. The government also [announced](#) that £112 million will be provided to support the plans, bringing this year's total extra allocation for social care to £262 million.
34. On 4 November the Scottish Government published its root cause analysis [findings](#) on the outbreaks of Covid-19 in care homes. This [review](#) focused on four care homes, currently identified with outbreaks involving a high number of positive cases of Covid-19, and includes a list of recommendations based on risk factors that were found to be common in at least two of the homes. Meanwhile, the Conservatives are calling for the Scottish Government to launch a public inquiry into the discharging of Covid-positive patients into care homes.
35. On 17 November the Scottish Government [announced](#) £1 million of funding to enable all care homes in Scotland to access iPads to help residents stay connected with friends and relatives, and support the clinical management of health conditions remotely. All care homes will be able to apply for up to two iPads to support their residents through joint funding by the Connecting Scotland programme and the Adult Social Care Winter Preparedness Plan.
36. On 12 November the Scottish Government [announced](#) that health and social care staff, older care home residents and those over 80 years old will be the first to receive a coronavirus vaccination, potentially from as early as December. Once these initial priority groups have been vaccinated, those over 65 will be offered the vaccination along with those under 65 who are at additional clinical risk, before moving on to the wider population over the age of 18.

Education

37. On 30 October the Scottish Government released new [Covid guidance for schools](#). This includes:
 - Face coverings should be worn by adults in all settings where a two-metre distance cannot be kept. It was noted some exemptions were made for primary one and two and careful consideration should be made for children with hearing impairment and additional support needs.
 - School staff should wear masks in communal areas.

- Parents and visitors to schools should wear face coverings at any school site, including when dropping off and picking up.
 - In local authorities in levels three and four, S4-6 pupils and their teachers should wear face coverings in class, with evidence indicating slightly higher transmission rates starting at the 16-17-year category.
38. On 2 November the Scottish Government published a research [report](#) on case studies of student hardships during Covid-19. Most students interviewed had experienced financial hardship during the pandemic.
 39. On 6 November the Scottish Government launched the [Young Persons Guarantee](#), which aims to help young people into work, further education or training. The [activity plan](#) for phase 1 has been published, alongside reports from Intercultural Youth Scotland and Young Scot, and the first organisations to back the guarantee have been confirmed, including SSE, NHS Lothian and Standard Life Aberdeen. The Scottish Government has reiterated the guarantee is backed by £60 million, which is part of the £100 million package to support employment and training.
 40. On 17 November the Scottish Government confirmed £722,000 will be provided this school year to allow the [EU school milk scheme](#) to continue after EU exit, should the UK Government not commit to providing the funds.
 41. On 24 November the Scottish Government published [information](#) on the number of additional teachers recruited by local authorities.

Transport

42. On 4 November Transport Scotland [announced](#) that a 'record number' of gritters will be available to patrol the trunk road network this winter. The winter service fleet will feature 230 gritters operating from over 40 depots around the trunk road network as well as incident response vehicles and includes an enhanced patrol provision around parts of the network. It will continue to make improvements to the wider winter service, including installation of sensors on the Queensferry Crossing and the installation of motorway access control units on the M80 to advise road users on restrictions and closures.
43. On 4 November Transport Scotland published a [report](#) on a virtual exhibition it held on how it engages with the public on major road projects.
44. On 10 November the Scottish Government announced the launch of the [Bus Partnership Fund](#) to help local authorities and operators reduce congestion and make services more reliable.
45. On 12 November Transport Scotland published a quarterly [report](#) on its performance responding to planning applications. The report covers the period between July and September.

Communities

46. On 2 November the Scottish Government [confirmed](#) licensed sports and social clubs required by law to close or operate with restrictions are eligible for hardship and closure grants.
47. On 12 November the Scottish Government published [equality evidence and engagement](#) for the ending homelessness together action plan 2020, focusing on evidence and reflecting the impact of Covid-19 to inform discussions of the homelessness prevention and strategy group.

48. On 17 November the Scottish Government announced that it will make a further £278,784 available to six [organisations](#) supporting people subject to no recourse to public funds. The grants will support projects in Edinburgh and Glasgow that help those affected by the policy which imposes restrictions on individuals due to their immigration status and restricts access to welfare, housing and financial support. The projects which will receive support focus on improving access to food, clothing, essential travel, digital access, outreach and advocacy support.

Business

49. On 13 November the Scottish Government [confirmed](#) the launch of phase 2 of the Flexible Workforce Development Fund which will expand to include SMEs and provide access to specialist training via private providers.

Covid-19 measures

50. On 11 November the First Minister provided an [update](#) on the [allocation](#) of protection levels which will apply to local authorities from Friday 13 November. The further information for each local authority on its protection level has been [updated](#) in line with the review. Information on Fife, Perth & Kinross and Angus moving into Level 3 has also been [published](#).
51. On 13 November the Scottish and UK governments [announced](#) additional countries to be placed on the list of destinations that require a 14-day period of self-isolation upon arrival to Scotland. The travel ban in place for Denmark has been [extended](#) a further 14 days following outbreaks of Covid-19 in mink farms. The Scottish Government has also [updated](#) its international travel and quarantine guidance to reflect these changes.
52. On 17 November the First Minister [gave](#) an update to the Scottish Parliament on the various Covid-19 restrictions across Scotland. From Friday 20 November, much of the west of Scotland will be placed in level 4 four and these restrictions are expected to last until Friday 11 December. East Lothian and Midlothian will remain in level 3 until Tuesday 24 November before moving to level 2. Restrictions around outdoor socialising for those in level 1 are to be extended to allow eight people from three households to meet outdoors.
53. On 24 November the First Minister [announced](#) that East Lothian would move down a protection level to level two.
54. On 25 November the Scottish Government released a [joint statement](#) on the Covid-19 rules during the festive period. The statement says even within the rules, meeting with friends and family over Christmas will be a personal judgment for individuals to take. It has been agreed that travel restrictions across the four administrations will be lifted between Wednesday 23 and Sunday 27 December. Up to three households can form an exclusive “bubble” to meet at home during this time. These bubbles can meet at home, outdoors and in places of worship but existing restrictive rules on hospitality will remain in place. Initial [guidance](#) on forming a bubble has been published.
55. On 26 November the Scottish Government [set out](#) a new approach to testing for health and social care and plans for wider community testing. From next week all emergency admissions will be tested for Covid-19 and twice weekly lateral flow testing will be introduced for all patient-facing healthcare staff working in hospitals, Covid-19 assessment centres and the Scottish Ambulance Service. From mid-December testing will be introduced for all elective admissions to hospital. In social care the roll out will take longer, but testing will be expanded to include designated visitors, visiting professional staff, and care at home workers. Visitor lateral flow testing will be initially introduced in 12 care homes across four local authorities from Monday 7 December, to be continued throughout January. To facilitate Christmas visiting PCR tests are to be provided where lateral flow tests are not yet available. In addition to the testing plan for students throughout December, targeted geographic testing is to be trialled in some

communities currently under Level 4 restrictions starting in Johnstone, Renfrewshire. It is hoped this will inform plans for wider targeted community testing in early 2021. Several school pilots are also to begin in January with the aim of establishing a sustainable asymptomatic testing programme among school staff.

56. On 26 November the Scottish Government [updated](#) its guidance on forming “bubbles” over the festive period to provide further detail on the arrangements.

Other matters

57. On 4 November the Scottish Government [highlighted](#) applications for the Scottish Child Payment will open early, on Monday 9 November. The new benefit will give eligible families on low incomes with children an extra £10 per week for each child. The introduction of payments for families with children under six will start from early 2021. It is planned to be fully rolled out to children under the age of 16 by the end of 2022 subject to data being received from the DWP.
58. On 6 November the Scottish Government published [guidance](#) for public sector organisations on how to access and use the non-domestic energy efficiency framework agreement.
59. At its previous meeting, the Commission noted that I would report back on the Scottish Government [consultation](#) on delivering a refreshed digital strategy for Scotland. The consultation is in partnership with COSLA and is seeking views from stakeholders, the public and businesses about the final content of the updated digital strategy. The forthcoming Commission performance audit report on digital and local government – elsewhere on today’s agenda - covers the digital strategy refresh. The consultation and strategy refresh is also in part response to the recommendations of the Auditor General’s [Enabling Digital Government](#) June 2019 performance audit report. It is therefore not intended that the Commission or the Auditor General respond to the consultation.
60. On 12 November the Cabinet Secretary for Finance [confirmed](#) the Scottish Budget will be set out on Thursday 28 January. In a [letter](#) to the Finance & Constitution Committee she said a range of factors had been “collectively assessed” and she was content the Scottish Budget 2021-22 should be in the new year to be able to take account of the emerging public health, fiscal and economic information relating to Covid-19 and EU Exit. She notes the UK spending review later this month will provide provisional and partial information in terms of Scotland’s funding position and tax context, and commits to working closely with HM Treasury to test and inform the various assumptions that will need to be made ahead of the UK Budget. The Commission will consider a briefing on the Budget at a forthcoming meeting.
61. On 17 November the Scottish Government published a [full list](#) of capital projects supported under the Low Carbon Infrastructure Transition Programme.
62. On 26 November the Scottish Government published quarterly [statistics](#) on appeals against the revaluation of non-domestic properties in Scotland. The statistics cover the second quarter of 2020-21.

Scottish Parliament

63. On 6 November The Children (Equal Protection from Assault) (Scotland) Act 2019 came into force. This Act was brought forward by John Finnie MSP.
64. On 11 November the Scottish Parliament Information Centre (SPICe) published a [briefing](#) for Andy Wightman MSP’s European Charter of Local Self-Government (Incorporation) (Scotland) Bill. The bill aims to incorporate the European Charter of

Local Self-Government into Scots law. The charter commits to a set of basic rules which seek to uphold the political, administrative and financial independence of local authorities through legislation. The briefing notes that the bill has the support of 26 MSPs from all opposition parties.

65. On 17 November the [Scottish General Election \(Coronavirus\) Bill](#) was introduced to the Scottish Parliament. The bill allows arrangements to be put in place relating to protection against Covid-19 in the lead up to the Holyrood election in May. The bill changes the deadline for postal vote applications to provide more time to process the expected high level of requests, makes dissolution last one day to allow parliament to decide if the election needs to be postponed, gives ministers the power to hold an all-postal election over multiple days, and allows flexible timing for the first meeting of the new parliament and the election of a new presiding officer. The bill would also give the presiding officer a reserve power to postpone the election by up to six months. The [policy memorandum](#), [financial memorandum](#), [delegated powers memorandum](#), [statements of legislative competence](#) and [explanatory notes](#) have been published.
66. On 18 November SPICe published a [briefing](#) about the Scottish General Election (Coronavirus) Bill.
67. On 25 November SPICe published a [report](#) on online shopping, which estimates parcel delivery surcharges will cost £43.1 million in 2020, up from £36.3 million in 2017.
68. On 25 November SPICe published its latest [briefing](#) about Brexit negotiations.

Parliamentary Committee News

Public Audit and Post Legislative Scrutiny Committee

69. On 29 October the committee took evidence Stephen Boyle, Auditor General for Scotland, and Antony Clark, Audit Director, Audit Scotland on the [Auditor General for Scotland's Draft Work Programme](#).
70. On 2 November the Committee [wrote](#) to Stephen Boyle, the Auditor General for Scotland, regarding the 2018-19 audit of the Scottish Police Authority.
71. On 5 November the Committee continued its post-legislative committee of the [Lobbying \(Scotland\) Act 2016](#) by taking evidence from a range of stakeholders.
72. On 11 November the Committee [wrote](#) to participants in a roundtable session in March calling for written evidence on the impact of the pandemic on NHS leadership, the workforce, lessons that can be learned and future steps.
73. On 16 November the Convener of the Committee [wrote](#) to the conveners of all other parliamentary committees to request their views on the Auditor General's work programme.
74. On 19 November the Committee held a [roundtable event on data collection and planning for outcomes](#). Several stakeholders took part in this event, including Stephen Boyle, Auditor General for Scotland.

Local Government and Communities Committee

75. On 4 November the Committee took evidence from Ministers in the UK and Scottish Governments on the [City Region Deal programme](#).
76. On 11 November the Committee took evidence on [building regulations and fire safety in relation to zero-valued homes](#).

77. On 18 November the Committee [wrote](#) to the Scottish Government to stress tackling the financial challenges exacerbated by Covid-19 facing local government should be a priority in the next parliamentary session. In the letter, the committee seeks clarity on the accuracy of COSLA figures that councils faced an estimated £500m budget shortfall, with housing debt at £3.8bn. The Accounts Commission was mentioned in this letter.
78. On 18 November the Committee took evidence on the [European Charter of Local Self-Government \(Scotland\) Bill](#) from a range of stakeholders.
79. On 25 November the Committee took evidence on the [Scottish Housing Regulator Annual Report and Accounts 2019/20](#).

Finance and Constitution Committee

80. On 4 November the Committee continued its pre-budget scrutiny by [taking evidence from a range of stakeholders](#), including from Mark Taylor, Audit Director, Audit Scotland.
81. On 5 November the committee published a [summary of written evidence](#) it received to its call for evidence on the impact of Covid-19 on the Scottish Government's Budget 2021-22.
82. On 11 November the Scottish Government [wrote](#) to the committee regarding the delivery of common frameworks and the parliamentary scrutiny process in relation to EU withdrawal. He confirmed a revised delivery plan has been agreed and six frameworks that pertain to Scotland are expected to be implemented by the end of the year. The frameworks cover nutritional health, hazardous substances, food safety, emissions trading, radioactive substances and insolvency proceedings. For the remaining 25 policy areas, provisional frameworks are being developed. Michael Russell added the government was not sure about the exact number of frameworks that would be required until there was greater certainty on the UK's future relationship with the EU, the implementation of the Northern Ireland Protocol and the impact of the Internal Market Bill. Regarding the parliamentary scrutiny process, the Cabinet Secretary has announced a provisional framework would be sent to officials of the respective committees to prepare for scrutiny. Scottish Government officials and committee clerks will discuss the timetable for formal scrutiny in 2021.
83. On 11 and 18 November the Committee continued its [pre-budget scrutiny](#) by taking evidence from a range of stakeholders.
84. On 25 November the Committee took evidence from the Scottish Government on the [UK Withdrawal from the European Union \(Continuity\) \(Scotland\) Bill](#).

Covid-19 Committee

85. On 4 November the Committee took evidence from the First Minister and Chief Medical Officer, Dr Gregor Smith, on [the strategic framework for responding to Covid-19](#), and considered the secondary legislation that underpins the framework.
86. On 18 November the Committee took evidence on [the social and economic impact of restrictions over winter](#) from a range of stakeholders.

Other committees

87. On 3 November the Equalities & Human Rights Committee [called](#) for the Scottish Government to set out how it intends to address the disproportionately negative impact of the pandemic on protected groups in its post-Covid economic recovery plan.

88. On 11 November the Health & Sport Committee published the 2021-22 [pre-budget report](#) for health & social care spending which, as a result of the additional Covid-related spending in 2020-21, now accounts for more than 50% of the Scottish resource budget. The report looked into the wider [impact](#) of Covid-19 on individuals' health and their use of the health service, with the pandemic causing a significant reduction in those seeking use of services.
89. On 12 November the Health & Sport Committee published a summary [report](#) of the results from its survey of those who receive, or provide, care and support at home, as part of the social care inquiry. The survey ran from Monday 10 August to Monday 7 September and the committee received 723 responses. [A recurring theme](#) from the report focuses on the reduction of care as a result of the pandemic, with 54% of recipients of home care seeing their care either reduced or stopped completely. The report also notes the need for further recognition and support for unpaid carers.
90. On 13 November the Health & Sport Committee [announced](#) it will launch two online surveys to capture information about the impact of Covid-19 restrictions on community sports clubs and sporting venues. The surveys will focus on any reductions or cessation of community-based activities undertaken by sporting organisations and cover the mental and physical health impacts on individuals. Once the survey responses have been collated, the committee will take evidence in early 2021.
91. On 19 November the Covid-19 Advisory Sub-Group on Education & Children's Issues released a [summary report](#) of the evidence on children, schools, early learning and childcare settings and the transmission of Covid-19. The report found no direct evidence transmission within schools played a significant role in driving increased rates of infection among children. It also claimed closing schools would present a serious risk of harm to the wellbeing of children and young people, particularly those that are vulnerable.

Local government news

92. On 4 November the Scottish Housing Regulator (SHR) published a [report](#) that called on Glasgow City Council to increase efforts to ensure that suitable temporary accommodation is in place for homeless people. The report found that before the coronavirus pandemic, the council did not have enough temporary accommodation to meet demand and failed to meet its statutory duty to offer it in nearly a third of cases.
93. On 6 November it was reported in local press that [Edinburgh City Council has spent £14,371,427 on external consultants in 2019/20](#). During the 2018/19 financial year, the council spent £10,414,499 on external consultants across its capital and revenue budgets.
94. On 19 November the Ayrshire Growth Deal was [signed](#) by the Scottish Government, the UK Government and the three councils for the region. The signing of the £251 million deal will look to develop key strategic sites in Ayrshire and will help leverage private sector investment of more than £300 million, with the potential to create up to 7,000 new jobs. Projects which will receive support from the deal include the construction at HALO Kilmarnock to transform the former Johnnie Walker site into a commercial, educational and training hub, the National Energy Research Demonstrator Project in Cumnock, the regeneration of the Great Harbour at Irvine, and the development of Prestwick into a UK centre of excellence in space and aerospace.
95. On 19 November [Councillor Andy Kille was selected as the new leader of Aberdeenshire Council](#). Councillor Kille replaces Councillor Jim Gifford.

COSLA

96. On 30 October COSLA published a briefing on [trauma informed recovery](#) for elected members.

Improvement Service

97. On 2 November the Improvement Service published their '[Child Poverty and Covid-19](#)' [report](#). This paper sets out the impact of Covid-19 on child poverty, highlighting the impacts across different policy areas. The report encourages elected members to ensure that addressing child poverty remains a priority in their local area and that any recovery and renewal plans address the issue of child poverty.
98. On 6 November the Improvement Service published their '[Community Wealth Building](#)' [briefing note](#). Community wealth building is part of a place-based approach which is gaining traction across the UK with several local authorities.
99. On 6 November the Improvement Service published their '[Taking a trauma-informed lens to Scotland's Covid-19 recovery, renewal and transformation](#)' [briefing note](#). The briefing aims to raise awareness of the impact of psychological trauma on individuals and communities. It highlights how adopting a trauma-informed approach to Scotland's Covid-19 recovery, renewal and transformation agenda can support key priorities in building back better, including improved outcomes for vulnerable people and communities affected by trauma and supporting workforce wellbeing and resilience.

Scrutiny, inspection, regulatory and related bodies

Scottish Public Ombudsman (SPSO)

100. The [SPSO's Newsletter – November](#) outlines investigation reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings](#) webpage. The Commission's Financial Audit and Assurance Committee will consider more detailed intelligence from the SPSO on a six-monthly basis at its next meeting.
101. On 30 October the SPSO published their [Annual Report and Accounts for 2019-20](#).

Scottish Housing Regulator

102. On 10 November the Scottish Housing Regulator (SHR) launched a [consultation on the Draft Indicators for Monitoring the Energy Efficiency Standards for Social Housing 2 \(EESH2\)](#). The SHR has been monitoring and reporting on landlords' progress with the first EESH milestone since its introduction in 2014. Landlords are expected to reach that first milestone by 31 December 2020. The second EESH milestone for social rented houses to meet by December 2032 was confirmed by Scottish Government in June 2019. It is proposed not to respond to this consultation.
103. On 20 November the SHR published [guidance](#) to support registered social landlord governing board members during the Coronavirus pandemic.

Other public policy news

104. On 3 November Public Sector Audit Appointments (PSAA) [responded](#) to the Financial Reporting Council (FRC)'s [report](#) on its inspection of major local audits (MLA) in 2018-19. PSAA agrees with the FRC's statement that high quality audit is essential to maintain stakeholder confidence by providing an independent view of an MLA body's financial statements and arrangements in place to secure value for money.

105. The PSAA are consulting on proposals for a new approach to Fee variations in its [November 2020 consultation](#). The Commission will consider how it intends to respond this consultation. I will report further on the progress of this consultation.

Other UK audit bodies

106. On 6 November the National Audit Office (NAO) published a [report](#) regarding the UK border and preparedness for the end of the transition period. The report finds that despite funding being committed by the UK Government, there remains significant uncertainty about whether preparations will be completed in time. Regarding the preparations, the report suggests limited time remains for the UK Government to test new IT systems at UK ports and to resolve several operational issues for goods crossing the English Channel. The report also suggests it is unlikely that all traders, industry and third partners would be prepared for the end of the transition period.
107. On 6 November the NAO reported on the 2019-20 [accounts](#) of HM Revenue & Customs. The report focuses on HMRC's performance against its objective of collecting revenues; the causes and rate of error and fraud in Personal Tax Credits; and the future challenges presented by the replacement of tax credits by Universal Credit and the impact of Covid-19.
108. On 6 November the NAO reported on the 2019-20 [accounts](#) of the Ministry of Housing, Communities & Local Government. The audit opinion has been qualified because the ministry incurred financial overrun due to its response to the Covid-19 pandemic.
109. On 11 November the NAO published a [report](#) on achieving the government's long-term environmental goals, concluding it is not yet clear the government has in place what it needs to meet its long-term environmental goals, and it will need to shift momentum to achieve its ambition of improving the natural environment in England within a generation. It states government has not yet set a course for developing a comprehensive set of objectives and delivery plans to achieve its environmental goals. It also warns skills and resource gaps could set back government's progress towards its environmental goals, especially as a result of the coronavirus pandemic.
110. On 13 November the Auditor General for Wales published a [report](#) on support available for supply teachers during the coronavirus pandemic. The report finds that while the Welsh Government has provided better access to training resources for supply teachers; the overall impact of these actions is unclear at a time when the education system is under extra pressure.
111. On 18 November the NAO published its [report](#) about UK Government procurement during the Covid-19 pandemic. The report covers the period from 18 March until 31 July and found that the government awarded around £18 billion of contracts using emergency procurement regulations to buy goods, services and works to support its response to the pandemic.
112. On 20 November the Jersey Audit Office [published](#) its updated Code of Audit Practice document, following its first ever public consultation exercise.
113. On 25 November the NIAO comptroller & Auditor General Kieran Donnelly and local government auditor Pamela McCreedy published their joint [report](#) on managing attendance in central and local government. The report shows that in the Northern Ireland Civil Service, almost 13 days per employee were lost due to sickness in 2019-20, an increase of over 10% in the last five years. Sickness absence levels in councils were even higher, an average of almost 14 days per employee in 2018-19.
114. On 26 November the NAO published its [report](#) on the supply of PPE during the Covid-19 pandemic. The report examines responsibilities for PPE supply in England; the

emergency response to PPE shortages; the experience of health and social care providers and their workforce; and the Department of Health & Social Care's new PPE strategy. It recognises the efforts of the Department of Health & Social Care and its partners for quickly establishing a new international supply chain and distribution network, but it also finds that large volumes of PPE took too long to arrive from new suppliers which created significant risks for front-line workers experiencing shortages as a result.

UK Government

115. On 2 November the Prime Minister announced that England will enter a month-long lockdown. People are to remain at home from this time, with exemptions for education, work for those who cannot do so from home, exercise, medical reasons, essential shopping, and the provision of care. Schools, colleges and universities are to remain open, but non-essential shops, leisure and entertainment venues will close. Pubs and restaurants are only to provide delivery services. The furlough scheme has been [extended](#) to December in light of the new restrictions.
116. On 3 November the Treasury said it [will increase](#) the support being given to the self-employed over the coming months following the announcement that England will enter a national lockdown from Thursday until Wednesday 2 December. Self-employed individuals will now receive 80% of their average trading profits for November. Applications for claims will open on Monday 30 November. The Treasury has also announced application deadlines for the Future Fund, Coronavirus Large Business Interruption Loan Scheme, Coronavirus Interruption Loan Scheme and Bounce Back Loan have been extended to Sunday 31 January.
117. On 6 November the Chancellor of the Exchequer announced that the [furlough scheme](#) will be extended until the end of March, with employees receiving 80% of their salary for hours not worked. It had previously been extended until Wednesday 2 December. The next self-employed income support grant will also increase from 55% to 80% of average profits, up to £7,500. The devolved administrations will receive an additional £2 billion in support, with half of that intended for the Scottish Government.
118. On 11 November the Department for Education [published](#) updated statistics on attendance levels in education and early years settings during the Covid-19 pandemic. Pupil attendance in state-funded schools remained at 89% on Thursday 5 November, which was no change from Thursday 15 October, with 4% of pupils not attending for Covid-related reasons.
119. On 24 November the Prime Minister outlined the UK Government's [Covid-19 Winter Plan](#). The Prime Minister confirmed that the national lockdown in England would end on Wednesday 2 December and people would be allowed to meet outdoors, weddings could recommence, while shops, gyms and leisure centres could reopen. Local authorities would then move into tougher [local Covid-19 tiers](#), with the majority of councils being placed in the highest and most stringent Covid-19 restrictions to avoid a New Year surge of the virus.
120. On 25 November the Treasury published the [2020 Spending Review](#) and related documents. As part of plans to deliver stronger public services, core day-to-day departmental spending will increase by £14.8 billion in cash terms next year compared to 2020-21. In addition, £3 billion to support NHS recovery and £18 billion for the procurement and rollout of PPE and vaccines was confirmed. The chancellor also announced £100 billion of capital spending next year and a £4 billion Levelling Up Fund for infrastructure investment and job creation.
121. Scotland will receive £2.4 billion of new funding in 2021-22 through the Barnett formula, double the £1.2 billion provided for 2020-21 at the 2019 spending round and in addition

to the £8.2 billion guaranteed to the Scottish Government earlier in this year to deal with the impacts of the coronavirus. Investment in the Tay Cities, Borderlands, Moray and Scottish Islands city and growth deals will be brought forward with £11 million of funding over ten, rather than 15 years. Projects announced as part of the deals include the Gigabit and Shared Rural Network programmes, as well as further investment in offshore wind capacity, port infrastructure, Carbon Capture & Storage and low carbon hydrogen. The Kickstart scheme will receive £1.6 billion in 2021-22 and will see the creation of up to 250,000 government-subsidised jobs for young people. Further details on the UK Shared Prosperity Fund will be published in the new year. It was announced the National Living Wage will [increase](#) by 2.2% next year to £8.91 per hour. NHS staff will receive a pay rise next year, but other public service workers will not.

Local government in England

122. The UK Government has to date provided more than £3.2 billion funding to councils to help them tackle the pressures of Covid. Indications are that councils are facing an estimated budget shortfall in excess of £6 billion for 2020-2021. A UK-wide [BBC investigation](#) in June reported that 150 authorities have forecast a combined budget shortfall of at least £3.2bn with several UK councils facing bankruptcy. Of 173 local authorities who responded to the BBC's consultation, 148 predicted a budget shortfall.
123. There has been other coverage on financial pressures on councils resulting from Covid-19. This has highlighted that many councils in England that deliver social care services were potentially at risk of bankruptcy. On 12 November Public Finance [reported](#) on a County Councils Network survey, a network representing the largest grouping of councils in England. This finds that around 80% of county and unitary authorities are expected to make cuts next year in order to set a balanced budget. The report predicts a total £1.7bn funding shortfall next year across their 36 councils, which is likely to be exacerbated by the second lockdown. It added that, without financial assistance, budgetary pressures will continue into 2022-2023, with 60% of respondents saying they will have to make additional [service cuts](#) to set their budgets for that year.
124. Research by the Centre for Progressive Policy has also indicated that councils in the north of England faced higher-pandemic related costs. On 24 November there was [press coverage on the financial pressures facing Croydon Council](#). At the start of November, Croydon Council issued a section 114 notice¹ and requested a £134 million loan from the UK Government to help it retain some services.

Other UK news

125. On 9 November the Treasury Committee issued a further [call for evidence](#) as part of its [inquiry into the economic impact of coronavirus](#). The committee has said it will evaluate whether the UK Government's measures to protect viable jobs were working, as well as the effectiveness of the support for businesses and individuals. The committee will also look at the impact of a second national lockdown on the economy, the robustness of a one-year spending review and what lessons can be learned by the different approaches of the UK nations.
126. On 9 November it was [reported](#) that capital receipts for councils in England dropped by more than 30% last year to £2.8 billion, the lowest level in the last five years. Capital expenditure by local authorities also dropped to £26.3 billion in 2019-20, down £251

¹ The Local Government Finance Act 1988, Section 114 (3) states that: "The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure". It means that no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, though existing commitments and contracts would continue to be honoured.

million in real terms from 2018-19 – this is the lowest level since 2016-2017, when £24.8 billion was spent. [Borrowing](#) continued to be the largest source of financing expenditure in 2019-2020 at £11.5 billion, an increase of 13% on the previous year. Local authority borrowing has doubled since 2015-2016, when £5.2 billion was financed through loans.

127. On 10 November Pfizer and BioNTech [confirmed](#) their potential Covid-19 vaccine can prevent more than 90% of people from getting the virus. The potential vaccine has been tested on 43,500 people in six countries and no safety concerns have been raised. Pfizer believes it will be able to supply 50 million doses by the end of this year, and around 1.3 billion by the end of 2021. The UK Government has published its [response](#) to the efficacy results confirming it has procured 40 million doses of the vaccine.

Conclusion

128. The Commission is invited to consider and note this report, and to agree:
- a) To note that Audit Scotland has responded to the Northern Ireland Audit Office consultation in its revised Code of Audit Practice, in conjunction with the Commission and the Auditor General, a copy of which has been placed on the members' Sharepoint (paragraph 6).
 - b) To note that the Commission will not respond to the Scottish Government consultation on its Digital Strategy for Scotland (paragraph 59)
 - c) That the Commission does not respond to the Scottish Housing Regulator consultation on the Draft Indicators for Monitoring the Energy Efficiency Standards for Social Housing. (paragraph 102)
 - d) To note that I will report further on the progress of the Public Sector Audit Appointments Limited (PSAA) consultation on fee variations (paragraph 105).

Paul Reilly
Secretary to the Commission
2 December 2020

APPENDIX 1: Accounts Commission reports in past 12 months – downloads

Report	Date	Report downlds	Podcast downlds
Covid-19 Strategic Scrutiny Group	5 Nov	419 (n/a)	n/a
Best Value Assurance Report: Aberdeenshire Council	22 Oct 20	358 (+50)	n/a
Best Value Assurance Report: Dundee City Council	29 Sept 20	257 (*)	n/a
Best Value Assurance Report: Moray Council	27 Aug 20	1,070 (+116)	n/a
Accounts Commission annual report 2019/20	2 July 20	332 (*)	n/a
Best Value Assurance Report: North Ayrshire Council	30 June 20	773 (+87)	n/a
Local government in Scotland Overview 2020	23 June 20	1,056 (+153)	n/a
Equal pay in councils - Impact report	9 June 20	497 (*)	n/a
Best Value Assurance Report: Argyll and Bute Council	21 May 20	772 (+63)	n/a
Affordable Housing	9 April 20	1,726 (+244)	n/a
The 2018/19 audit of Renfrewshire Council: Report on accounts closure	24 Mar 20	253 (*)	n/a
Early learning and childcare: follow-up	3 Mar 20	2,002 (+193)	149 (*)
2018/19 audit of Fife IJB	27 Feb 20	432 (*)	n/a
2018/19 audit of Glasgow City Council: Update on equal pay settlement	6 Feb 20	387 (*)	n/a
Privately financed infrastructure investment	28 Jan 20	1,627 (*)	216 (*)
Highland Council: Best Value Assurance Report	23 Jan 20	1,646 (+121)	365 (*)
Scotland's City Region and Growth Deals	16 Jan 20	2,443 (+108)	178 (*)
Scotland's City Region and Growth Deals - Supplement	16 Jan 20	288 (*)	n/a
Self-directed support: 2017 progress report - impact	17 Dec 19	637 (*)	n/a
Local government in Scotland: Financial overview 2018/19	17 Dec 19	3,741 (+316)	308 (*)

Key:

(x) Increase in numbers since last month
 * This figure is below 30
 n/a Not applicable.

Appendix 2 – Accounts Commission social media engagement data

	Followers*	Posting views	Video views	Links accessed	Retweets	Likes	Replies
Jan	491 (+18)	22,500	272	69	63	51	1
Feb	503 (+12)	12,500	11	56	52	25	1
Mar	520 (+17)	13,100	11	29	129	23	1
Apr	526 (+6)	3,400	1	7	4	2	1
May	539 (+13)	7,700	177	135	14	43	0
Jun	561 (+22)	5,000	1,900	53	24	45	2
Jul	583 (+22)	12,600	408	19	30	86	4
Aug	590 (+7)	7,100	129	27	18	18	0
Sep	605 (+15)	9,700	607	82	35	46	2
Oct	617 (+12)	10,700	526	34	26	34	0
Nov	639	23,400	730	106	49	53	3

*increase on previous month shown in brackets