

MEETING: 21 MAY 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. The current Covid-19 pandemic response means that there is a particular focus on the response in this regard.
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 briefing provided by Audit Scotland's Communication Team made available on the extranet site, which provides more detailed news coverage in certain areas.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

Commission business

Publications

4. 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](#). Both are available through on the members' sharepoint site. The usual Appendix on download statistics for published reports will be reintroduced in a future report.
5. The Commission has a number of publications that are to be rescheduled as a result of the Covid-19 pandemic response. I will report further in this regard at the Commission's June meeting.

Other business

6. On 7 May Graham Sharp announced his intention to stand down as Chair of the Commission. Elma Murray has been [appointed](#) as Interim Chair from 1 August.
7. Much of this report covers the impact on local government of the Covid-19 pandemic response. The Controller of Audit will keep the Commission updated on the financial impact on Scottish local government as the situation becomes clearer.
8. The video of the Commission's previous meeting has been made available publicly through the Commission's website and has been placed on the members' sharepoint site.

Auditor General

9. On 24 April the Auditor General [published](#) 'the 2018/19 audit of City of Glasgow College.' This report outlines the nature of an alleged fraud that was perpetrated against City of Glasgow College and the action which has taken place following its

discovery.

Audit Scotland

10. On 5 May Audit Scotland [published](#) the report, 'Covid-19: Impact on public audit in Scotland.' This paper underlines Audit Scotland's approach of being 'pragmatic, flexible and consistent' during the pandemic. This paper also outlines Audit Scotland's plans for assessing the impact of Covid-19 on public bodies and reviewing the Scottish public sector's response to the pandemic.
11. On 5 May Caroline Gardner, Auditor General for Scotland, and Fraser McKinlay, Director of Performance Audit and Best Value gave evidence to the Parliament's Public Audit and Post-legislative Scrutiny Committee on the approach to the Auditor General's work in the coming weeks and months and what that means for the Committee's work.

Issues affecting Scottish local government

Scottish Government

12. Given that the Covid-19 emergency has meant a significant number of matters originating from the Scottish Government since the last meeting of the Commission, this section is divided, for ease of reference, into the following sub-sections:
 - Local government general
 - Health and social care
 - Education
 - Transport
 - Communities
 - Business
 - Other matters

Local government general

13. On 8 May the Scottish Government [published](#) weekly statistics on the Covid-19 business support fund grants. As of 5 May, local authorities reported that over 71,000 applications had been received for the Small Business Grant Scheme and the Retail, Hospitality and Leisure Business Grant Scheme across Scotland. Of these applications, 53,765 grants valuing £621m had been awarded.

Health and social care

14. On 23 April the Scottish Government [published](#) data on the number of care homes that have notified the Care Inspectorate about a suspected coronavirus case. 46% of adult care homes had lodged at least one notification. However, the Government has said not all these care homes will still have outbreaks and additional data will be "*published shortly*" on the number that were currently experiencing outbreaks. The Government's data definitions and sources have been [updated](#) to reflect the new statistics being provided by the Care Inspectorate.
15. On 27 April the Scottish Government [published](#) guidance on who can access the expanded UK Government Testing Programme in Scotland. It makes clear that testing NHS and care staff will remain top priority for the Government. However, those listed as essential workers will be able to access tests through their employer or book a test directly for themselves through the employee portal. More [detailed](#) guidance for key workers on the expanded testing scheme was also published.
16. On 28 April the Cabinet Secretary for Health, Jeane Freeman MSP, [announced](#) local

personal protective equipment (PPE) distribution hubs are to extend their provision to include all social care providers, unpaid or family carers, and personal assistants. This improved local hub model will try to improve the flow of PPE by building on local intelligence. Requests had previously been directed through the NHS National Services Scotland PPE helpline, but this will now be for emergency use when hubs are unable to meet specific demand.

17. On 29 April the Cabinet Secretary for Health, Jeane Freeman MSP and Councillor Stuart Currie, COSLA Spokesperson for Health and Social Care, published a [letter](#) on fair work and the Living Wage in adult social care. The letter addresses uncertainty regarding the provision of sick pay for workers in the third and independent sector and sets out the Government and COSLA's joint commitment to ensure all of those providing direct adult social care support are paid the Living Wage.
18. On 8 May the Scottish Government and COSLA [confirmed](#) arrangements for furloughing health and social care staff and personal assistants who are shielding. It advises employers to apply to the Coronavirus Job Retention Scheme, while personal assistant employers who are not eligible for the scheme are directed to forthcoming self-directed support guidance.
19. On 11 May the Scottish Government [announced](#) the launch of a new platform to help health and social care workers and carers look after their physical and mental health. Organisations from across Scotland have worked together to create a new platform. The new national digital wellbeing hub will enable staff, carers, volunteers and their families to access relevant support when they need it, and provides a range of self-care and wellbeing resources designed to aid resilience as the whole workforce responds to the impact of Covid-19.
20. On 12 May it was [announced](#) that Malcolm Wright was standing down as Chief Executive of NHS Scotland and Director General Health and Social Care for health reasons. Elinor Mitchell, Director for Community Health and Social Care, has been appointed Director General Health and Social Care on an interim basis and NHS Scotland's Chief Performance Officer, John Connaghan, will act as interim Chief Executive. These arrangements will continue until August, when a decision on commencing a recruitment campaign will be taken.

Education

21. On 4 May the Scottish Government published school allocations of Pupil Equity Funding for [2020-21](#) and [2021-22](#). It is the first time the funding, allocated directly to schools to close the poverty-related attainment gap, has been confirmed for two years.
22. On 6 May the Scottish Government [announced](#) a one-off £75m increase in funding for universities administered by the Scottish Funding Council to ensure research programmes are protected. Universities will be expected to adapt and use their own resources and packages of support from the UK Government.
23. On 7 May the Scottish Government [published](#) details of decisions in 2020 on proposed school closures. These closures affected schools in Highland and Stirling council areas.

Transport

24. On 7 May Transport Scotland [published](#) its weekly snapshot of transport trends during the Covid-19 outbreak. For the week from Monday 27 April to Sunday 3 May, concessionary bus journeys rose by 5%, with rail, ferry, and plane journeys falling by 55%, 15%, and 20%, respectively. Cycling journeys increased by 35% with walking and car journeys both seeing a rise of 20%.

25. On 8 May the Scottish Government [paused](#) its plans to implement Low Emissions Zones across Glasgow, Edinburgh, Aberdeen and Dundee in response to the Covid-19 pandemic. The decision was taken by the Low Emission Zone Leadership Group, which includes representatives from the Scottish Government, the four local authorities, Public Health Scotland and SEPA.

Communities

26. On 5 May the Scottish Government [announced](#) a new interest-free loan that landlords can access if they're struggling to collect rent from tenants. The Private Rent Sector Landlord Covid-19 Loan Scheme, covering the entire lost rental income for a single property, will be available to private-sector landlords who are not classified as businesses, have up to five properties to rent and have lost rental income.
27. On 6 May the Scottish Government [announced](#) an one-off £230.10 payment for carers. If approved by the Scottish Parliament, the proposal would see an investment of £19.2m to support 83,000 carers, in the form of a Carer's Allowance Supplement to recognise the additional pressure carers are under due to the pandemic. The extra payment will be paid automatically to people who already receive the Carer's Allowance and would mean that carers receive an additional £690.30 this year on top of the allowance and any other income.
28. On 8 May the Scottish Government [announced](#) a new £5m programme to offer an internet connection and a laptop or tablet to vulnerable people who are not already online. The Connecting Scotland programme will enable 9,000 people who are considered clinically high risk to contact family and friends and access services during Covid-19. Those taking part will be matched with a digital champion to support them for six months while they get connected. The project is being delivered in partnership with local authorities, Healthcare Improvement Scotland, the SCVO and ScotlandIS.
29. On 12 May the First Minister [announced](#) the Pivotal Enterprise Resilience Fund is to be doubled from £45m to £90m to help meet existing demand. The aim of the Fund, which is managed by Scottish Enterprise, Highlands and Islands Enterprise, and South of Scotland Enterprise, is to provide grants to SMEs which are vital to Scotland's local or national economy but have been made vulnerable by the crisis.

Business

30. On 16 March the Cabinet Secretary for Finance, Kate Forbes MSP [announced](#) new measures to limit the impact of Covid-19 on the business community. The package of support includes: 75% rates relief for the retail, hospitality and leisure sectors with a rateable value of under £69,000; an £80m fund providing grants of at least £3,000 to small businesses in sectors most affected by the outbreak; 1.6% rates relief for all properties across Scotland; and a fixed rates relief of up to £5,000 for all pubs with a rateable value under £100,000. The measures came into effect Wednesday 1 April.
31. On 27 April the Scottish Government [published](#) the weekly statistics on the Covid-19 business support fund grants. As of Tuesday 21 April, local authorities reported over 72,000 applications had been received for two business grant schemes across Scotland. Of these applications, 33,176 grants valuing £388m had been awarded so far. The retail grant scheme is being extended from 5 May, allowing retailers with second and subsequent premises to access further funding.
32. On 30 April the Scottish Government's £100m [package](#) of additional grant support for SMEs and newly self-employed people started to applications. Three separate funds – a £34m hardship fund for the self-employed, a £20m fund for SMEs in the creative, tourism and hospitality sectors, and a £45m fund for vulnerable SMEs crucial to the economy – will be administered by local authorities and Scotland's enterprise agencies,

with grants being paid out from early this month.

33. On 5 May the Scottish Government [announced](#) that former Skyscanner Chief Operating Officer, Mark Logan will lead a new short-life review on how Scotland's tech industry can help with economic recovery from Covid-19.
34. On 7 May the Scottish Government [announced](#) that housebuilders will be able to apply for short-term loans of up to £1 million to help support them during the pandemic.

Other matters

35. On 23 April the First Minister [published](#) the discussion paper, 'Covid-19 – A Framework for Decision Making'. The framework states that Scotland plans a "*managed transition*" from current restrictions in a manner which enables the suppression of the reproduction number of Covid-19 to continue. The document is expected to be updated as evidence and modelling develops further.
36. On 28 April the Scottish Government [published](#) an annual report on the 2015 Infrastructure Investment Plan. The report notes Covid-19 may influence the scale and nature of medium-term projects taken forward but stresses the importance of "*all aspects*" of the Plan in contributing to economic recovery following the pandemic. Among infrastructure improvements implemented to March 2020, the report highlighted the redevelopment of Glasgow's Queen Street station and completion of the Edinburgh Glasgow Improvement Programme, the New Hospital and Healthcare Facility in Orkney and Stirling Health and Care Village, Inverness Justice Centre, and the delivery of eight school projects worth £165m completed under the School's for the Future programme.
37. On 29 April the Scottish Government [released](#) GDP figures for the final quarter of 2019, which [showed](#) a 0.2% growth in the quarter and 0.6% growth for the whole year.
38. On 7 May the First Minister [announced](#) that lockdown in Scotland would be extended by a further three weeks. A review will take place on 28 May.
39. On 11 May the Scottish Government [published](#) details of the Coronavirus (Scotland) (No.2) Bill. The Bill includes emergency measures to protect people facing financial hardship and allow public services to operate effectively in response to the Covid-19 pandemic. Key elements of the Bill include a proposed additional £19.2 million investment in Carer's Allowance Supplement, the introduction of notice to leave periods for students in purpose-built student accommodation and halls of residence, and additional protections for those facing bankruptcy.

Scottish Parliament

40. On 30 April Mark Ruskell MSP received a response to his parliamentary question that asked the Scottish Government how it is responding to the reported increase in fly tipping during the Covid-19 outbreak. The Scottish Government's Cabinet Secretary for Environment, Climate Change and Land Reform Roseanna Cunningham issued a response reminding people that fly tipping is illegal, dangerous and unnecessary, thus: "Responsibility for responding to such behaviour rests with local councils as part of their wider role in the management of local waste services. We are committed to working with councils to support the resilience of those services and to monitor the impact that any temporary, necessary, disruption is having on illegal activity. We recognise the importance of communicating with the public about how best to manage and dispose of waste at this time and, on Monday 27 April, we launched a waste management marketing campaign and web resource that sets out how the public can manage waste at this difficult time, including messages on fly tipping prevention. Local authorities continue to play an important role in providing advice on changes to services at a local level."

41. On 7 May the Scottish Parliament's Information Centre (SPICe) [published](#) a range of Covid-19 briefings.
42. On 11 May Maurice Golden MSP received a response to his parliamentary question that queried how many businesses have received a Covid-19 Business Support Fund award, broken down by local authority area. The Scottish Government [published](#) a table which breaks down the number of Covid-19 Business Support Fund grants which have been paid, and their value, by local authority area.
43. On 12 May the Second Coronavirus (Scotland) Bill was [introduced](#) to Parliament. Key elements of the legislation include a proposed £19.2m additional investment in the Carer's Allowance Supplement, the introduction of notice to leave periods for students in purpose-built student accommodation and halls of residence, and an increase of the minimum debt level to £10,000 to protect those at risk of bankruptcy. Most measures in the Bill will expire at the end of September but can be extended for up to a year or brought to an end early if necessary.

Parliamentary Committee News

Public Audit and Post Legislative Scrutiny Committee

44. On 4 May the Public Audit and Post-legislative Scrutiny Committee [published](#) a report about progress on major capital projects during the six months to March 2020.
45. On 5 May the Committee took evidence from Caroline Gardner, Auditor General for Scotland, and Fraser McKinlay, Director of Performance Audit and Best Value, on the approach to the Auditor General's work in the following weeks and months and what that means for the Committee's work.
46. On 7 May the Public Audit and Post-legislative Scrutiny Committee [wrote](#) to the Comptroller and Auditor General with a series of questions in order to consider its scrutiny of the Auditor General for Scotland's report about the administration of Scottish income tax in 2018-19.

Local Government and Communities Committee

47. The Committee continues to scrutinise the actions of the Scottish Government in its response to the Covid-19 emergency in areas within its remit, and in its support for the local government and voluntary sectors. As part of this work it will look at actions taken by local government, housing, planning and communities sectors.
48. On 23 April the Cabinet Secretary for Communities and Local Government, Aileen Campbell MSP, [wrote](#) to the Committee regarding the identification of key groups in need of additional support during the Covid-19 outbreak.
49. On 29 April the Committee [wrote](#) to all 32 local authorities seeking clarification on how they are managing business continuity in general and specifically in relation to planning and licensing in light of recent developments.
50. Paragraph 69 sets out a submission from COSLA to the Committee on local government's response to Covid-19.
51. At its meeting on 15 May, the Committee will take evidence in this regard from Aileen Campbell, Cabinet Secretary for Communities and Local Government, Shirley Laing, Director for Housing and Social Justice, and Stephen Gallagher, Director for Local Government and Communities, Scottish Government.
52. On 8 May Kevin Stewart [wrote](#) to the Committee concerning the Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020. He explained action

taken by local authorities in housing rough sleepers and other homeless households using hotels and BandBs to ensure their safety from coronavirus would normally constitute a breach in the Order. This meant legislation must be laid immediately to include temporary changes as a response to Covid-19 and permanent changes to facilitate the delivery of services following the pandemic.

Other committees

53. On 28 April the Equalities and Human Rights Committee [launched](#) an inquiry about the equality and human rights impact of Covid-19. The inquiry will consider which groups and individuals are disproportionately impacted by the virus and the response to its outbreak. The Committee is seeking views on what the Scottish Government and other oversight bodies can do to ensure any actions they take in response to the outbreak minimise the negative impact on equalities and human rights. The call for evidence is open-ended to allow the Committee to monitor any ongoing or emerging issues. The Committee is encouraging any organisations that are able to capture people's experiences to reflect this in their submissions.
54. On 27 April the Education and Skills Committee [published](#) details of its workplan over the coming weeks. In addition to its inquiry on the impact of Covid-19 on vulnerable children and young people, the Committee will hear from students and teachers on the impact the cancellation of the 2020 exam diet has had on them and their views on the planned assessment process.
55. On 29 April the Covid-19 Committee [published](#) its work programme. The Committee notes that it is likely to have a "*significant legislative workload*" in the coming weeks from both the Scottish and UK governments in the form of primary and secondary legislation. Aside from legislation, the Committee will also focus on "*critical cross-cutting issues*". This will include taking written and oral evidence on the Scottish Government's lockdown exit strategy; scrutinising the speed, flexibility and quality of the decision-making process set up to deal with the pandemic in Scotland; and examining different policy approaches to the pandemic across the four UK governments.
56. On 29 April the Covid-19 Committee took evidence from John Swinney, the Deputy First Minister and Cabinet Secretary for Education and Skills on the Scottish Government's Framework for Decision Making report.
57. On 4 May the Finance and Constitution Committee [launched](#) an inquiry on the impact of Covid-19 on the public finances and the Fiscal Framework, ahead of the publication of the Summer Budget Revision toward the end of May. This will detail all funding allocations made to date in response to the outbreak. The deadline to submit written views is Friday 29 May.
58. On 8 May the Covid-19 Committee [launched](#) a consultation on moving out of the current lockdown phase. The consultation will form part of the Committee's inquiry on the Scottish Government's Framework For Decision-Making and any proposals to change the current rules. The Committee is particularly interested in hearing views on the overall strategy set out in the Framework; the scope of differing approaches taken by the Scottish and UK governments; the robustness of the data used to inform the response; and the Scottish Government's messaging strategy.

Other Local Government News

59. On 7 May North Ayrshire Council [announced](#) that they would look to adopt a 'radical' approach to aid economic recovery following Covid-19. The approach is based on community wealth building, which involves spending public money locally, keeping wealth generated within the local area, encouraging community ownership and using

land and property in a socially just way to boost the local economy and tackle poverty and inequality

60. On 12 May Aberdeenshire Council [announced](#) that it would look to provide a £2 million package to heal the region's economy deal with the economic impact of Covid-19. Under the initiative, funding will go towards bolstering town centres and helping companies get moving after lockdown restrictions are lifted.

Public Policy News

61. On 23 April Alcohol Focus Scotland and Alcohol Change UK [published](#) a poll which suggested more than one million adults in Scotland are consuming more alcohol than before the Covid-19 lockdown began.
62. On 23 April the Scottish Retail Consortium [released](#) the latest retail sales monitor which suggested Scotland has recorded its worst retail sales figures since records began.
63. On 24 April IPPR Scotland has published a [report](#) about the welfare of NHS and social care workers during and after the Covid-19 outbreak. The report outlines findings of recent poll of 996 healthcare professionals across the UK. The poll found one in five workers in Scotland said they were more likely to leave their job after the pandemic, with 70% feeling the Government has not done enough on testing for healthcare workers. 44% felt the Government had not done enough to protect their mental health and 51% reported their mental health had deteriorated since the outbreak. Additionally, 31% of workers believe not enough has been done to provide adequate childcare. In response to the findings, IPPR Scotland [called](#) for improved supplies of PPE; an uplift in free childcare for key workers; for social care workers to be brought onto NHS pay scales; for all workers in health and care to receive a Covid-19 pay bonus of 10% in 2020-21; and for a new bank holiday to celebrate health and care workers.
64. On 30 April Citizens Advice Scotland [published](#) a poll which suggested 41 per cent of respondents said they were concerned about their incomes during the pandemic.
65. On 30 April the Scottish Human Rights Commission and Health and Social Care Alliance Scotland [called](#) on the Scottish Government to prioritise human rights when making post-Covid-19 budget decisions. In a [report](#) on Scotland's budgetary process, the Commission compares Scotland's performance on three key measures required to ensure that budgets respect, protect and fulfil people's rights. The report suggests Scotland performs well on budget scrutiny, but could improve its fiscal transparency and public participation in the budget process as it falls short of recommended international standards. To improve, the report makes a series of recommendations including publishing citizens' versions of budget documents, improving the legislative oversight of budget implementation and producing well-advertised guidance for public engagement with the budget process.
66. On 1 May the Institute for Government [published](#) a report on how the UK Government should approach lifting lockdown measures. The report calls for the Government to publish a set of new tests which explain how the economy and the health of the public will be balanced. Other recommendations include allowing the lifting of restrictions for businesses that can implement social distancing and for sectors that face lasting economic damage if lockdown continues, introducing tax incentives or reducing support for furloughed workers to encourage businesses to exit the lockdown and providing sufficient capacity for a test and trace strategy. On devolution, the Institute highlights the possible variations between the four nations regarding the lifting of lockdown measures. The report notes that while some variation is possible, many aspects of the economic support package are reserved to Westminster, which eases the impact of the economic and social restrictions of lockdown. If approaches differ, the report claims the

UK Government may need to begin differentiating support for each region.

67. On 7 May the Institute for Government [published](#) a report on the UK Government's and the devolved administrations' approach to coronavirus. The Institute suggests that there may be "*legitimate reasons*" for certain parts of the UK to move at different paces regarding the lifting of lockdown. The report recommends clear communication on announcements that only impact certain regions, rather than the whole of the UK. As health is an area that is devolved to Scotland, the Institute suggests that an imposed UK-wide approach wouldn't be possible. Differences between Scotland's approach and UK Government's are highlighted, including the recommendations for face coverings and the advice on the construction sector. However, the report concludes that differences across the four nations will be limited due to UK-wide support schemes, such as the contract tracing app and economic support.

COSLA

68. On 4 May COSLA passed a [motion](#) calling on the Scottish Government to pass on the £155m in Barnett consequential to local government. Opposition parties have criticised a letter sent by Kate Forbes to COSLA suggesting councils use their own reserves to fund measures to tackle coronavirus. The Cabinet Secretary for Finance delivering a statement to the Scottish Parliament on the 5 May where she outlined the Scottish Government's commitment to pass on the latest £155m of consequential to local government.
69. On 5 May COSLA [provided](#) a written update to the Local Government and Communities Committee regarding essential work being undertaken by local government in response to Covid-19. In particular, COSLA advises that:

Responding to COVID-19 will have substantial financial and resource implications for Local Government across Scotland. COSLA welcomes the funding measures that have been announced to date to help support local businesses and communities, but there will be a considerable additional cost to Councils (including loss of income), as the situation continues, which must also be met by Scottish Government. These net additional costs will be captured through COSLA's COVID-19 Cost Template, which was developed in partnership with Local Authority Directors of Finance and SOLACE. Meanwhile, Councils must be adequately resourced to meet the urgent pressures of responding to COVID-19, and as such the £155m of Barnett consequential should be passed from Scottish to Local Government immediately.

However, COSLA is only able to capture the costs that are not delegated to Integration Authorities, as costs that sit with Integrated Joint Boards (IJB) are being captured in 'Local Mobilisation Plans'. This lends a complexity to the sustainability of Local Government funding throughout COVID-19 (and overall) as a significant amount of money trickles through health boards, Health and Social Care Partnerships, and finally, to Local Government. COSLA has been assertive in identifying the risk this places on local communities and the people who are meant to benefit from this funding.

70. On 12 May COSLA [wrote](#) to the Local Government and Communities Committee in relation to its inquiry on community wellbeing. At its January meeting, the Commission noted its interest in the Committee's inquiry, with a view to participating at a later stage of the Committee's work.

UK Government

71. On 22 April a group of 100 MPs and peers [sent](#) a letter to the Chancellor of the Exchequer, Rishi Sunak MP, calling on him to introduce a Universal Basic Income.

72. On 23 April the Chancellor of the Exchequer, Rishi Sunak MP, [wrote](#) to the Treasury Committee explaining the UK Government plans to delay the Comprehensive Spending Review until later in the year to focus on the coronavirus crisis.
73. On 23 April the leaders of all six Oxfordshire councils [sent](#) a letter to the UK Government warning that the fallout from the coronavirus pandemic could leave some “financially unsustainable” – and urged the government to provide more funding.
74. On 24 April the UK Government wrote to all English local authorities to confirm the publication date for final audited accounts will move from 31 July for category 1 authorities and 30 September for category 2 authorities – to 30 November 2020 for all local authority bodies. (Category 2 authorities are smaller authorities, defined in the Local Audit and Accountability Act 2014 as authorities where the higher of gross income or gross expenditure is less than £6.5m, and category 1 authorities are all remaining authorities.)
75. On 27 April CIPFA Chief Executive, Rob Whiteman, gave evidence to the UK Parliament’s Housing, Communities and Local Government Committee. Mr Whiteman called on local authorities to be able to control more local tax raising powers.
76. On 28 April the UK Government [published](#) details of its Bounce Back Loan scheme, which will offer loans of between £2,000 and £50,000 through accredited lenders to SMEs affected by coronavirus pandemic. The UK Government will guarantee 100% of the loan, which will be fee and interest free and require no repayments for the first 12 months. The total term of the loans will be six years. Businesses already receiving support through the Coronavirus Business Interruption Loan Scheme (CBILS) can transfer their funding to the Bounce Back scheme.
77. On 28 April several SNP MPs [wrote](#) to the Chancellor of the Exchequer calling on the UK Government to help universities deal with the financial pressures as a result of Covid-19.
78. On 30 April, the UK government [announced](#) a further delay to the Fair Funding Review for councils, due to the disruption caused by coronavirus. The review will set a new baseline funding allocation for local authorities based on up-to-date needs and resources – but was initially delayed in September 2019 with a consultation then set to take place this summer.
79. On 5 May HMRC [released](#) statistics on the number of claimants that have accessed the UK Government’s job retention scheme. For the two-week period from 20 April to 3 May inclusive, 6.3 million employees were furloughed by 800,000 businesses – equivalent to almost a quarter of the employed workforce in the UK. The scheme has cost £8bn in the first two weeks of being in operation. The Office for Budget Responsibility previously estimated the first three months of the government’s furlough scheme would cost £39bn, with a further £10bn forecast for the self-employed alternative.
80. On 27 April Richard Thomson MP [wrote](#) to the Chief Executive of Aberdeenshire Council to formally step down as Councillor for the Ellon and District ward.
81. On 5 May Colchester Borough Council became the latest of around 20 English local authorities to [announce](#) that it will furlough some staff in a bid to offset the financial impacts of the Covid-19 pandemic. Up to 300 members of staff will be affected. Furloughed staff will continue to receive full pay, with the council topping up the 80% contributed by central government. Those employees will be asked to return to a role within the
82. On 7 May, government contract analysts Tussell [reported](#) that public sector

procurement in April fell to a record low, with fewer than 900 new opportunities published. The central government, local government and NHS markets all saw falls of more than 50% compared with March, when a total of 1,832 opportunities – already the fewest since such analysis began in 2016 – were put out to tender.

- 83. On 8 May the UK Government [announced](#) that a £16m fund will be made available to help frontline food charities to increase their distribution network in order to help refuge, homeless and rehabilitation centres.
- 84. On 10 May the Prime Minister [delivered](#) an address to the nation and announced some lockdown changes for people living in England.
- 85. On 11 May Aberdeen South MP Stephen Flynn wrote to the Chancellor the Exchequer, Rishi Sunak MP, urging him to scrap council debt payments for this financial year in light of the impact of Covid-19 on communities.
- 86. On 12 May the UK Government [published](#) its Covid-19 recovery plan.

Other general – UK

- 87. On 5 May the Local Government Association [wrote](#) to the culture secretary, Oliver Dowden, to warn that English and Welsh leisure providers are at a 'crisis point' as a result of the coronavirus pandemic. They called for the Government to ensure leisure trusts have access to the new £750m grant-based package for the charity and social enterprise sector. On 7 May it was announced that Colchester Borough Council became the latest council to furlough some of their staff in a bid to offset the financial impacts of the coronavirus pandemic. As many as 300 members of staff will be affected.

Conclusion

- 88. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Commission
14 May 2020