

**MEETING: 8 OCTOBER 2020****REPORT BY: SECRETARY TO THE COMMISSION****UPDATE REPORT**

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**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 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 sharepoint site. 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 Audit Scotland SharePoint, on the Accounts Commission Members' Extranet. The usual Appendix on download statistics for published reports will be reintroduced in a future report.
5. On 29 September the Accounts Commission published the [Dundee City Council Best Value Assurance Report](#) (BVAR). Dundee City Council is well led, with a clear vision for the future, and has a good understanding of the problems affecting many residents. However, the council must work with partners to move faster in addressing complex and deep-rooted problems such as poverty, inequality and drug-related deaths. The council needs to work with its partners to increase the pace of service improvement.

***Other business***

6. On 11 September the Commission met with representatives of North Ayrshire Council to discuss the [Best Value Assurance Report](#) published on 30 June 2020. The Commission was represented by Tim McKay, Andrew Burns and Sophie Flemig (also present were Peter Worsdale of the Commission Support Team; Pat Kenny, Director, Deloitte and appointed auditor; and Mark MacPherson, Senior Manager, PABV, Audit Scotland). The Council was represented by councillors Joe Cullinane, Leader; John Bell, Deputy Leader; Marie Burns, Opposition Leader; Shaun Macaulay, Deputy Leader; and Tom Marshall, Opposition member; and Craig Hatton, Chief Executive. The Council considered the report at its meeting on 23 September. The Council unanimously agreed to note the report and a proposed action plan in response.
7. On 21 September the Commission met with representatives of Moray Council to discuss the [Best Value Assurance Report](#) published on 27 August 2020. The

Commission was represented by Elma Murray, Stephen Moore and Pauline Weetman (also present were Paul Reilly, Secretary to the Commission, and Brian Howarth, Audit Director, Audit Scotland and appointed auditor).). The Council was represented by councillors Graham Leadbitter, Council and SNP Joint Group Leader; Shona Morrison, Council Convener and SNP Joint Group Leader; George Alexander, Councillors Open Group Leader; Tim Eagle, Conservative and Unionist Party Group Leader; Ryan Edwards, Moray Alliance Group Joint Group Leader and John Divers, Labour Group Leader; and Roddy Burns. Chief Executive; Rhona Gunn, Depute Chief Executive; and Denise Whitworth, Depute Chief Executive. The Council is due to consider the report at a special meeting on 7 October.

## **Audit Scotland**

8. On 10 September Audit Scotland published their '[Equal pay review 2020](#)'. The report found that across each of the diversity strands few instances of significant equal pay differentiation were identified. In the few instances where there was found to be any significant equal pay differentiation, after further examination there was no cause for concern since each instance was objectively justified – no unfairness or discrimination was identified.
9. On 23 September Audit Scotland published the '[Annual diversity report 2019/20](#)' report. Audit Scotland has a greater level of diversity across the workforce when compared to the Scottish population more generally. 96.7 per cent of colleagues have chosen to declare their ethnicity with 89.9 per cent being white and 6.8 per cent Black, Asian or Minority Ethnic (BAME). Statistics reveal that around 96 per cent of the Scottish population report their ethnicity as white and approximately 4.6 per cent as BAME. In addition, 57.8 per cent of employees are women and 42.2 per cent are men. Recent Scottish population data shows 51 per cent of the population are women and 49 per cent are men.

## **Issues affecting local government**

### ***Scottish Government***

10. 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
  - Economy
  - Health and social care
  - Education
  - Transport
  - Communities
  - Business
  - Covid-19 measures
  - Other matters

### ***Local government general***

11. On 31 August a [statement of intent](#) between subnational, regional and local governments across the world to protect biodiversity was agreed. It calls on the Convention on Biodiversity to take bold action to halt biodiversity loss. It also calls for greater prominence to be given to the role of subnational governments, cities and local

authorities in delivering a new global framework of targets, set to be agreed next year.

12. On 1 September the Scottish Government published a collection of [resources](#) to help public sector organisations embed cyber resilience into their supply chain processes.
13. On 2 September the Scottish Government published a [collection of links](#) to individual annual procurement reports published by public bodies.
14. On 8 September the Scottish Government published [statistics](#) on the Council Tax Reduction scheme for the quarter between April and June. There were 497,960 recipients in June, an increase of 1.6 per cent on April's figure. The total weekly income forgone by local authorities in June was £7.334 million.
15. On 11 September the Scottish Government announced local authorities and over 25 community regeneration projects will receive a share of £30 million [funding](#) for regeneration and town centres. Funding will be provided through the Regeneration Capital Grant Fund and the Town Centre Fund and will support projects including the Govanhill Baths refurbishment in Glasgow and Midmills, which will support cultural social enterprises in the Highlands. Allocations of the [Town Centre Fund](#) and the [Regeneration Capital Grant Fund](#) have been published.
16. On 16 September Kevin Stewart MSP, Minister for Housing, [wrote](#) to local authorities and registered social landlords on meeting statutory and regulatory targets for social housing during the pandemic.
17. On 16 September the Scottish Government published [local financial returns](#), a series of detailed returns that collect final, audited expenditure figures for all local authorities, valuation joint boards and regional transport partnerships on an annual basis. [Guidance](#) and a [summary](#) of changes have also been published.
18. On 17 September the Scottish Government published [guidance](#) to help public sector bodies understand and comply with state aid rules.

### *Economy*

19. On 3 September the Scottish Government published the [initial report](#) by Sandy Begbie on how a youth guarantee can be taken forward. It outlines the challenges in the employment landscape for young people and actions that could be taken to address the potential impacts. It also highlights specific recommendations that can be actioned now, and others that can be introduced in three to six months' time. Recommendations include the stimulation of the demand side of the labour market by having government pay 50% of a young person's wages for 18 months; the acceleration of infrastructure projects; the adoption of the recommendations from the VIP Volunteering report; and an overhaul of governance structures to simplify the employability landscape.
20. On 15 September the Scottish Government published [information](#) on its workforce for each quarter from 2012. The [statistics](#) cover the numbers of workers, staff sickness rates, and diversity of staff up to the most recent quarter ending June.
21. On 15 September the Scottish Government released [statistics](#) on public sector employment for the second quarter of 2020. In [June](#), there were 565,600 people employed in the public sector, accounting for 21.2% of total employment.
22. On 15 September the Scottish Government published the latest [labour market trends](#) for September. Scotland's unemployment rate increased to 4.6% during the quarter and is higher than the UK rate of 4.1%.
23. On 15 September the Scottish Government [wrote to all public bodies](#), including the

Accounts Commission, reiterating the value that procurement can play in dealing with the economic impact of Covid-19.

24. On 16 September the Scottish Government published the [first estimate](#) of Scotland's GDP for quarter two of 2020. It covers the effects of lockdown on the Scottish economy. GDP contracted by 19.4% compared with the overall UK total of 20.4%. Compared with the same period last year, Scottish GDP contracted by 21.1%. The data is subject to more uncertainty than usual because of the difficulties caused by the pandemic and measures taken in response. The government has highlighted the [key findings](#). The Scottish Government has also published [statistics](#) on employment, unemployment and inactivity for young people aged 16-24 years in Scotland and the UK from July 2019 to July 2020. Findings include that in this period 299,000 young people were in employment in Scotland, 5.9% lower than the year prior, while unemployment was 5,000 less at 37,000. 231,000 young people were found to be economically inactive in Scotland, an increase of 34,000 on the year before.
25. On 17 September the Scottish Government published [analysis](#) exploring the costs and benefits of extending the furlough scheme. The paper found extending the scheme until the end of June 2021 could save 61,000 jobs in Scotland at a cost of around £850m. It argues that the wider economic benefits of the move, such as increasing GDP, would justify the cost of an extension. Statistics published yesterday also revealed 15% of the Scottish workforce is still on furlough.
26. On 23 September the Scottish Government published experimental [GDP estimates](#) for July 2020, which indicate a 6.8% increase from June. GDP remained 10.7% below the level in February, with over half of the lockdown fall recovered. There was further growth in the services, production and construction sectors but all remain below pre-lockdown levels.
27. On 24 September the Scottish Government published a [report](#) on the estimation of the wider economic impacts of the aquaculture sector in Scotland. The report estimates the sector contributed approximately £885 million to the wider Scottish economy and supported 11,700 jobs in 2018.
28. On 25 September the Scottish Government published its draft [Infrastructure Investment Plan for Scotland 2021-22 to 2025-26](#). The plan sets out a vision for future infrastructure to support Scotland's resilience and enable an inclusive, net-zero emissions society. The plan focuses on adopting and building on the recommendations of the Infrastructure Commission for Scotland's phase 1 report and includes more than £8 billion for environmental sustainability and the transition to net-zero emissions, including £250 million for forestry and peatlands; almost £5 billion to boost inclusive economic growth, including £500 million to extend full fibre broadband to rural areas and £30 million for the National Islands Plan; and more than £11 billion for cities, towns, villages and rural areas, including £275 million for town centres and nearly £2 billion on health infrastructure and equipment.
29. On 25 September the Scottish Government published the [capital spending review framework 2021-22 to 2025-26](#), which supports transparency within parliament, local government and other partners about the fiscal context, and financial assumptions, in advance of publishing formal multi-year capital budget allocations.

#### *Health and social care*

30. On 31 August the Scottish Government published its [response](#) to the UK Migration Advisory Committee call for evidence on the shortage occupation list. The response claims the social work and resident care sectors are heavily reliant on migration and the system proposed by the UK Government would leave the social care sector

critically short of staff.

31. On 1 September the Scottish Government published [advice](#) for parents and carers on how Covid-19 symptoms differ from those of other infections circulating at this time of year. In an open letter to parents from Jason Leitch, National Clinical Director of Healthcare Quality and Strategy, advice is provided on when children should be tested for coronavirus. Testing is recommended for a continuous cough, fever, or loss of or change in the sense of taste or smell.
32. On 1 September the Scottish Government [announced](#) more contact tracers are to be recruited by the National Contact Tracing Centre to contact people travelling to Scotland where quarantine is required. An additional £1m has been confirmed to recruit and train up to 25 new contact tracers. Currently the centre has been contacting around 600 passengers per week.
33. On 1 September Public Health Scotland released statistics on [cancelled planned operations](#) in July. There were 11,224 planned operations across the month, an increase of 60.7% from June but a decrease of 58.3% from July 2019. A total of 699 operations were cancelled, representing 6.2% of the total. Of those, 185 were cancelled by the patient, 345 by the hospital based on clinical reasons, 143 by the hospital due to capacity or non-clinical reasons and 26 for other reasons.
34. On 1 September Public Health Scotland published [information](#) on children and adolescent mental health services waiting times for the quarter ending Tuesday 30 June. During the quarter, 3,561 children and young people started treatment, a 13.6 per cent decrease from the previous quarter. There was also a decrease in the number of children and young people seen within 18 weeks (59.3 per cent).
35. On 2 September the Scottish Government [commissioned](#) an independent review of adult social care, which is due to report by January 2021. As noted in the press release and the review's [terms of reference](#), former Auditor General, Caroline Gardner will be a member of the expert panel. The review will also build upon work by Audit Scotland on the progress of health and social care integration.

### *Education*

36. On 26 August the Scottish Government, in response to a Parliamentary question, [published a table](#) on the allocation of laptop devices to schools by local authority.

Local authority	Number of devices
Aberdeen City	1447
Aberdeenshire	2725
Angus	1111
Argyll and Bute	800
Clackmannanshire	674
East Ayrshire	1366
East Dunbartonshire	815
East Lothian	407
East Renfrewshire	590
Fife	4139
Glasgow City	300
Highland	3248
Midlothian	1235
North Ayrshire	750
South Ayrshire	1200
South Lanarkshire	1792

Stirling	1528
West Dunbartonshire	358

37. On 2 September the Scottish Government published [guidance](#) on Covid-19 for higher and further education institutions and student accommodation providers.
38. On 7 September the Scottish Government opened a [further consultation](#) on data sharing by public authorities. It focuses on devolved secondary legislation relating to powers in the Digital Economy Act 2017 to share data in connection with public sector debt and fraud. The consultation follows an earlier consultation on the topic this year and covers additional bodies. The [deadline to respond](#) is Friday 6 November. It is not proposed to respond to this consultation.
39. On 8 September the Scottish Government published [details](#) of the allocation of £30m for the recruitment of additional teachers in local authorities.
40. On 8 September the Scottish Government published the [School Estates Statistics 2020](#) and the [School Healthy Living Survey Statistics 2020](#). The proportion of schools reported as being in good or satisfactory condition in 2020 has increased to 89.9%, up from 88.3% in 2019. However, the proportion of pupils who took a school meal in 2020, free or paid for, decreased to 53.3.% from 54.5% in 2019.
41. On 14 September the Scottish Government announced a new support package for school staff during the Covid-19 outbreak. New support will be offered to school staff as part of a £1.5 million [package](#) to help manage additional pressures as a result of the Covid-19 pandemic. The package, developed in partnership with organisations represented on the Education Recovery Group, will include mental health support, professional learning opportunities for post-probation teachers, and mentoring for those who need it most.

### *Transport*

42. On 11 September the Scottish Government [awarded](#) £9.46 million in funding to ten active travel and low carbon projects through the Low Carbon Travel and Transport Challenge Fund. Recipients include the Isle of Gigha Heritage Trust, which will receive £593,000 to hire a fulltime ranger, construct and upgrade an 8km network of paths across the island and buy bikes and e-bikes for rental at the ferry slip. The funding also includes £7.21 million through the European Regional Development Fund to help establish ten active travel and low carbon transport hubs or projects.
43. On 18 September the Scottish Government launched the £2 million Low Emission Zone Mobility [Fund](#), which will offer cash incentives and vouchers to incentivise the removal of non-compliant vehicles. Administered by Energy Saving Trust, the means-tested programme will provide households with a grant of £2,000 to incentivise removal of a non-compliant vehicle, and will also offer up to two £500 mobility grants or Travel Better vouchers to purchase a bike, e-bike or public transport voucher. The fund also provides a flat incentive of £2,500 to microbusinesses to replace non-compliant cars or vans with a compliant vehicle or to invest in an alternative mode of transport such as an e-cargo bike. £1 million will also be made available in 2020-21 to support the retrofitting of light goods vehicles, heavy goods vehicles and taxis through the LEZ Retrofitting Fund for micro-businesses.

### *Communities*

44. On 31 August the Scottish Government announced that it will [allocate](#) £2.4 million to advice organisations to help people with problem debt. The investment will help projects offer face-to-face advice using video calls and those aimed at moving debt



solution processes online.

45. On 31 August the Scottish Government laid legislation to [enable the delivery](#) of the new child winter heating assistance payments. Families who receive the highest rate care component of disability living allowance for children will be given an extra £200 to help with their heating bills. Social Security Scotland will deliver the payments automatically to eligible families
46. On 1 September the Scottish Government published [management information](#) on the Scottish Welfare Fund and statistics on Discretionary Housing Payments to July.
47. On 14 September the Scottish Government launched a [consultation](#) on proposals for the regulation of short-term lets, which will form the basis of secondary legislation to be laid in Parliament in December. The [proposals](#) in the consultation include a mandatory licensing scheme to ensure that all short-term lets are safe and to address issues faced by neighbours. If passed, these regulations would come into force by April 2021. The consultation will close on Friday 16 October. It is proposed not to respond to this consultation.
48. On 15 September the Scottish Government published the [annual report](#) and [key findings](#) for the 2019 Scottish Household Survey. The [survey](#) found concern regarding the environment continued to grow – particularly among young people – and that internet access reached a record high of 88%. 94% of adults felt their neighbourhood was a good or fairly good place to live and satisfaction in housing was high. However, satisfaction with local schools and public transport increased slightly but remained mixed, at 73% and 68%, respectively.
49. On 18 September the Scottish Government published [research](#) on the impact of Covid-19 on communities and priorities for recovery. It summarises feedback received from organisations working in communities. It includes feedback on the impact of the pandemic on economic security, social interactions and loneliness, community cohesion, safety, trust in government and skills, learning and development. Suggested priorities for the short and longer term focused on mental health and financial issues for different groups. Longer term priorities focused on creating a sustainable and inclusive economy, tackling inequalities, and for more integrated and sustainable models of services across sectors.

### *Business*

50. On 31 August the Scottish Government announced [emergency funding](#) of £59 million for the culture and heritage sectors to protect jobs and mitigate the impacts of the coronavirus pandemic. A new £15 million Culture Organisations and Venues Recovery Fund will provide support to a range of businesses including art galleries, comedy venues, dance companies and nightclubs. The funding will also include £21.3 million for Historic Environment Scotland to protect jobs and support the reopening of properties in its care. In addition, £5 million will be provided to help creative freelancers and £3.5 million will be given to independent cinemas.
51. On 3 September the Scottish Government [announced](#) £4m of initial funding for the establishment of five technology hubs. The hubs will be tasked with supporting at least 300 start-ups by 2025.
52. On 4 September the Scottish Government published its monthly business [turnover](#) index for July. The index provides an early indicator of business activity in Scotland based on survey data used for GDP statistics. There was an increase in business activity between June and July, but total output remains lower than last year.

53. On 14 September the Islands Green Recovery Programme, a £2m fund to support the economic recovery of islands communities from the coronavirus pandemic, [opened](#) for applications. Part of the funding will be used to help independent food retailers remove the need for disposable packaging, with sustainable travel initiatives, climate change projects and projects to improve local supply chains also eligible to apply.

#### *Covid-19 measures*

54. On 24 August the Scottish Government [announced](#) that it has taken the decision that, subject to the agreement of Parliament, Part 1 of both Coronavirus Acts should be extended, to 31 March 2021. This means that the provisions which extend the duration of Planning Permission, Listed Building Consent and Conservation Area Consent are to be extended beyond the current expiry dates. The "emergency period" is, as defined in both Acts due to expire on 6 October 2020 with the "extended period" due to expire on 6 April 2021. The regulations amend the expiry of the "emergency period" to 31 March 2021 and the "extended period" to 30 September 2021.
55. On 1 September the First Minister announced [new restrictions](#) on households in East Renfrewshire, the City of Glasgow and West Dunbartonshire. Households in these local authority areas are not allowed to host other households and should not visit someone else's home. Visiting care homes in these areas will also be restricted to outdoor visits only and hospital visiting will return to essential visitors only.
56. On 10 September the [Protect Scotland app](#) became available to download. The app uses Bluetooth technology to anonymously alert users if they have been in close contact with someone who has tested positive for Covid-19 and advises them to self-isolate. Users of the app who test positive will still get a call from a contact tracer to confirm their details and who they have been in close contact with.
57. On 11 September the First Minister [confirmed](#) that the number of people who can gather indoors or outdoors, will be restricted to a maximum of six from two households from Monday 14 September. Children under 12 will be exempt from the limit, which also does not apply to other settings with sector specific guidance, such as gyms, childcare or organised sports. Other limited exceptions include places of worship and education, though it does apply to hospitality.
58. On 15 September the Scottish Government [wrote to all public bodies](#), including the Accounts Commission informing them that Scottish Government staff are likely to continue to work from home until 2021 at the earliest.
59. On 22 September the First Minister [announced new restrictions](#) in Scotland, including:
- Those that could work from home should do so. Employers who had encouraged staff to return were asked to rethink this approach and if necessary, a legal duty would be created to ensure continued home working.
  - A 10pm curfew for pubs, bars and restaurants.
  - Additional resources for environmental health officers and local authorities to step up inspection and enforcement.
  - Visiting other households will not be permitted, with exceptions including those living alone, living alone with children, non-cohabiting relationships and informal childcare. Meeting one other household in indoor public places or outdoors, subject to the rule of six, could continue.
  - Sharing car journeys for more than one household should not take place.
60. On 24 September the First Minister [wrote](#) to the Prime Minister calling for urgent four nation talks to ensure coronavirus transmission decreases. The First Minister



welcomed the agreement reached earlier in the week across the four nations to take action to introduce new restrictions. Nicola Sturgeon calls for the talks to address the further actions that may be necessary, the need to address the economic impact of the new restrictions and the arrangements that would need to be put in place if it was not possible to reach agreement between the four nations. She also mentions the devolved administrations limited ability to act as a result of lacking the necessary financial levers. She concludes by reiterating the Scottish Government's previous calls for the job retention scheme to be extended and further fiscal flexibility for the devolved administrations.

61. On 24 September the Scottish Government announced new restrictions for students living in halls of residences. University students have been [told](#) not to go to hospitality venues or parties this weekend in order to slow coronavirus outbreaks. They will not be allowed to socialise with anyone outside their household in student accommodation. Staff presence in accommodation will be [increased](#) and breaches of restrictions will be subject to disciplinary action. Students will also be required to download the Protect Scotland app. The number of cases in the University of Glasgow outbreak has [risen](#) to 172. There have also been cases at student accommodations in Dundee, Aberdeen and Edinburgh.
62. On 25 September the UK Government, Northern Ireland Executive, Scottish Government and Welsh Government [issued](#) a joint-statement on Covid-19 following a meeting of COBR this week. They warn the country is observing the start of a second wave and note the chief medical officers have jointly agreed to raise the alert level to four in response. They added they are jointly committed to responding quickly to localised outbreaks and providing effective test and trace services with the view to reaching a long-term treatment solution in the form of a vaccine.
63. On 28 September the Scottish Government published [guidance](#) for those living in student households. Students are encouraged to remain on campus if they are able to do so.

#### *Other matters*

64. On 3 September the Scottish Government launched a [consultation](#) on the role of devolved taxes and the fiscal framework in supporting the economic recovery from the coronavirus pandemic. The consultation will inform preparation of the 2021-22 budget. Ministers are also seeking views on longer term policy considerations. The deadline for submissions is Thursday 8 October. The Auditor General will not be responding to this consultation.
65. On 3 September the Scottish Fiscal Commission published its second [fiscal update](#) since the passage of the Budget Bill. It covers potential budgetary changes the Scottish Government will have to manage and the effects of coronavirus on the economy.
66. On 4 September the Scottish Government announced that it had [awarded](#) over £9.75 million to 19 bus and coach operators to retrofit 594 vehicle exhausts in 2020-21. The move will help to reduce emissions and improve air quality but will also benefit Scottish businesses which specialise in exhaust retrofitting. The retrofits will also achieve the latest Euro VI standard, which is the equivalent to emissions from a modern diesel bus.
67. On 10 September the Scottish Government launched its [Green Investment Portfolio](#), which aims to promote market-ready projects that will help Scotland transition to a net-zero economy by 2045. Ten projects are seeking £1.16 billion in capital investment, with projects including a hydrogen development programme in Aberdeen and a plastic recycling project in Perthshire.
68. On 25 September the Scottish Government published the autumn budget [revision](#) for

2020-21. The revision is the second of three opportunities to revise Scottish Government portfolio budgets to take account of in-year movements to the budget. This year, this relates mostly to additional spending as a result of Covid-19 and related Barnett consequentials. It will increase the budget by £2.45 billion from £52.03 billion to £54.49 billion. An additional £1.8 billion will be allocated for health and social care, with a further £222 million to support public transport, an additional £190 million for business and the arts, and a £119 million increase for education. The changes are funded by £2.38 billion of Covid-19 consequentials generated by UK Government spending, £142 million of government savings and the reprioritisation of existing budget, plus £30 million from reserves.

### ***Scottish Parliament***

69. On 1 September the Scottish Parliament Information Centre (SPICe) produced a [summary](#) of the responses to the Equalities and Human Rights Committee's [call for views](#) on race equality, employment and skills and its requests for information from public authorities.
70. On 1 September Ruth Davidson MSP mentioned the Commission and Auditor General's performance audit on [Early Learning and Childcare](#) (ELC) in response to the Scottish Government's Programme for Government. Ms Davidson warned of a delay in recruitment in March ahead of the commitment of 1,140 hours of funded ELC. Ms Davidson urged the First Minister to use the pause in ELC rollout to recruit and support nursery nurses through training. Nicola Sturgeon argued some local authorities were already delivering the commitment.
71. On 7 September The Scottish Government introduced the [United Nations Convention on the Rights of the Child \(Incorporation\) \(Scotland\) Bill](#). The Bill makes the United Nations Convention on the Rights of the Child (UNCRC) part of the law in Scotland. The UNCRC is a treaty which protects the political, economic and cultural rights of children. The legislation will ensure public bodies act in accordance with the UNCRC and will give courts the power to decide if Scottish laws are compatible with the treaty.
72. On 16 September Mike Rumbles MSP received a response to this parliamentary question that asked the Scottish Government what its response is to the request by Aberdeenshire Council for emergency funding to replace the bridges that have been damaged by flash flooding near King Edward, Banff. The Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson issued the following response:

“Maintenance of the local road network is the responsibility of local authorities to allocate resources based on local priorities. The vast majority of funding to local authorities from the Scottish Government is provided via a block grant and we do not stipulate how local authorities should utilise their individual allocations. The Scottish Government has taken exceptional measures in every area of government as we deal with the challenges of Covid-19, and that is particularly clear in our support for local services. To date, almost £330 million of additional funding has been committed to local authorities by the Scottish Government and to avoid any potential cash flow problems we agreed with COSLA to front-load our weekly grant payments to local authorities by £455 million during May, June and July.”
73. On 16 September SPICe released a labour market [update](#) for September.
74. On 22 September SPICe released a [briefing](#) on the Internal Market Bill.
75. On 24 September a debate was held in the Scottish Parliament on the impact that Covid-19 was having on local authorities. Some key points from the debate included:

- Alexander Burnett MSP requested an update on the support it was providing local authorities in their response to Covid-19. The Cabinet Secretary for Communities and Local Government outlined the provision of £379 million in direct grant support, £972 million to replace non-domestic rates loss, £135 million to support the return of schools and £100 million to support the social care sector.
- Keith Brown MSP requested the government's assessment on the impact of Covid-19 on local government services. The Cabinet Secretary for Communities and Local Government outlined work with COSLA and Solace to identify priority areas which required support. Keith Brown highlighted the funding shortfall forecast by every council in Scotland and their request for a break from Public Works Loan Board payments.
- Alex Rowley MSP requested intervention from the government to ensure housing allocations were resumed by councils. The Minister for Housing was engaging with councils so allocations could resume as quickly as possible.

### ***Parliamentary Committee News***

#### *Public Audit and Post Legislative Scrutiny Committee*

76. On 20 August the Committee [continued its post-legislative scrutiny](#) of the Control of Dogs (Scotland) Act 2010 by taking evidence from a range of stakeholders.
77. On 27 August the Committee [took evidence](#) from the Auditor General for Scotland, Stephen Boyle; Mark Taylor, Audit Director; and Fiona Diggle, Audit Manager on 'Covid-19: Implications for public finances in Scotland.'
78. On 3 September the Committee [took evidence](#) from Audit Scotland's Fiona Kordiak, Director of Audit Services; Angela Canning, Audit Director; and Anne Cairns, Audit Manager; on the National Fraud Initiative 2018-19.
79. On 10 September the Committee [took evidence](#) from stakeholders on the Auditor General and Accounts Commission's performance audit on early learning and childcare.
80. On 17 September the Committee [took evidence](#) from stakeholders on the Auditor General and Accounts Commission's performance audit 'Privately financed infrastructure investment: The Non-Profit Distributing and hub models'.

#### *Local Government and Communities Committee*

81. On 4 September the Committee [took evidence](#) on building regulations and fire safety in Scotland.
82. On 9 and 16 September the Committee carried out its post-legislative scrutiny and took evidence on the Community Empowerment (Scotland) Act 2015.
83. On 16 September the Committee wrote to [COSLA](#), [Glasgow and West of Scotland Forum for Housing Associations](#), the [Scottish Federation of Housing Associations](#), and the [Scottish Association of Scottish Landlords](#) requesting their views on the extension of the no evictions policy. The Committee has also written to Local Government Minister [Kevin Stewart](#) requesting detail on support for social and private landlords, sanctions for tenants able to pay but failing to do so and regarding concern the extension will make it harder to deal with anti-social behaviour.
84. On 17 September the Committee wrote to the [Scottish Government](#), [UK Government](#)

and a [variety](#) of organisations to seek information on the assistance provided to individuals with no recourse to public funds and the gaps those seeking to help them have found in the system. A response has been requested from the UK Government by Tuesday 13 October and from the other organisations we have written to by Friday 9 October.

85. On 24 September the Scottish Government [wrote](#) to the Local Government and Communities Committee to provide an update on the support provided by the £350 million communities funding package. The letter provides information on measures to support local authorities, mitigate food insecurity, support the third sector and community organisations, and tackle digital exclusion.

#### *Finance and Constitution Committee*

86. On 2 September the Committee [took evidence](#) on the European Union (Continuity) (Scotland) Bill at stage 1.
87. On 9 September the Committee:
- [Took evidence](#) on the European Union (Continuity) (Scotland) Bill.
  - Carried out its first pre-budget 2021-22 scrutiny session, which focuses on the impact of Covid-19 on the public finances.
88. On 16 September the Committee [took evidence](#) from a range of stakeholders on the UK Government's Internal Market Bill.

#### *Covid-19 Committee*

89. On 2 September the Committee appointed Donald Cameron MSP as its new convener.
90. On 4 September the Committee agreed to [take](#) evidence on renewing the emergency legislation passed to deal with the coronavirus pandemic. The committee has agreed to hear from the Law Society of Scotland, the STUC, Michael Russell MSP and Professor Linda Bauld.

#### *Other committees*

91. On 7 September the Equalities and Human Rights Committee opened a [call for views](#) on the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill. The Bill would place a duty on public authorities and Scottish ministers to not act incompatibly with the UNCRC. The deadline to respond is Friday 16 October.
92. On 24 September Robert Black, the former Auditor General, [replied](#) to a [letter](#) from the Justice Sub-Committee on Policing about his report on the role of the chair and members of the Scottish Police Authority.
93. On 24 September the Education and Skills Committee [wrote](#) to COSLA in relation to counsellors in school education.
94. On 24 September the Education and Skills Committee [wrote](#) to John Swinney to request more information on the reopening of schools.

#### ***Local government news***

95. On 3 September it was [reported](#) that local public bodies borrowed £115.6 million from the Public Works Loan Board in August. This is a decrease of more than 30 per cent on the £187.2 million that was borrowed in July.

96. On 7 September Angus Council [reported](#) that there was a £3.7 million gap in its 2020-2021 budget which it attributes to spending on Covid-19.
97. On 17 September it was [reported](#) that to the end of June 2020 Aberdeenshire Council had allocated £42.4 million in dealing with the impact of Covid-19. The local authority received £40 million in support from the Scottish Government towards its coronavirus costs.
98. On 24 September Argyll and Bute Council [appointed](#) Councillor Robin Currie as the new council leader. Councillor Currie has served Argyll and Bute as a councillor for more than 30 years, in roles as wide ranging as planning and housing, and leisure, islands and roads services. Councillor Currie replaces Councillor Aileen Morton who recently made the decision to move on from the role.
99. On 25 September the [BBC Shared Data Unit released](#) figures on the shortfall facing Scottish councils. Overall, Highland Council are the hardest hit with a potential financial shortfall of £96.9 million. Aberdeen City Council and Perth and Kinross Council follow closely, with the councils predicting shortfalls of £82 million and £50 million respectively. Of Scotland's 32 councils, 17 said they expected their budget to be hit by a shortfall due to the impact of coronavirus.
100. On 30 September the Edinburgh Poverty Commission released their final report, [A Just Capital: Actions to End Poverty in Edinburgh](#). The report found that more than 77,000 Edinburgh residents live in poverty – about 15% of the total population. The cost of housing is a factor for many residents living in poverty. The report called for 20,000 more affordable homes to be built in Edinburgh over the next decade.

## **COSLA**

101. On 7 September COSLA [launched](#) a new 'blueprint for Scottish local government'. The blueprint aims to build around a vision for Scotland's future based on the empowerment of people and communities. It is organised around six themes – strengthening local democracy, funding services and communities, promoting wellbeing, protecting education, children and young people, allowing the economy to recover and supporting vulnerable communities. The blueprint calls for a fiscal framework for local government, along with longer-term certainty on budgets and more powers for discretionary taxation.
102. On 15 September COSLA, in partnership with the trade unions, launched a [new video](#) to raise awareness of mental health during Covid-19. The video 'Don't Stay on Mute' aims to reassure people who are suffering from anxiety or uncertainty due to the Covid-19 pandemic that they are not alone and that a variety of support is available.
103. On 16 September COSLA published [Lone Working Guidance for Councillors](#) aimed at keeping Elected Members safe as they carry out their duties under Covid restrictions. The new guidance does not provide a policy for adoption, but promotes the ongoing development of local, supportive and appropriately funded lone working practices.
104. On 18 September COSLA produced a refresh of the [Coronavirus \(Covid-19\) Supplementary National Violence Against Women \(VAWG\) Guidance](#) for councils and their strategic partners.

## **Improvement Service**

105. On 29 August the Improvement Service, in collaboration with the National Records of Scotland (NRS), published a [standard set of population projections for sub-council areas](#). This work is intended to support councils who do not have the capacity to produce their own projections as well as users who are interested in a standard set of



local area projections for all areas across Scotland. Population projections can help councils understand the potential future size and make-up of local populations and inform forward planning by councils and other partners.

106. On 1 September the Improvement Service published [guidance on child poverty and Covid-19](#). This briefing encourages councils to focus on child poverty in the time of Covid-19. This is in light of research that shows 7 in 10 families surveyed in Scotland about the impact of Covid-19 have had to cut back on food and other essentials, while 51% have fallen behind on rent or other household bills.

### **Scrutiny, inspection, regulatory and related bodies**

#### ***Scottish Public Ombudsman (SPSO)***

107. [The SPSO's Newsletter – September](#) 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.

#### ***Scottish Housing Regulator***

108. On 15 September the Director of Regeneration for the Scottish Housing Regulator [delivered a speech](#) that expanded on some of the challenges that social landlords are facing during Covid-19. Mr Brennan said that the finances for social housing have remained strong, but social landlords continue to face new risks and challenges from Covid-19. Some of the other Covid-19 challenges include keeping rents affordable for tenants and service users, providing secure homes for people who need them, and continuing to work to keep tenants and residents safe.
109. On 23 September the Scottish Housing Regulator published [August's monthly dashboard report](#). This report is designed to help the Scottish Government and social landlords understand the continuing impact of the Coronavirus and to support the work of the Social Housing Resilience Group. The number of people who applied to local authorities as homeless has fallen for the first time since April, with a 2% reduction compared to July. However, there has been a further increase in the number of households in temporary accommodation, with 14,383 at the end of August. Almost 9,500 homes remained empty at the end of August, even though landlords let almost 600 more homes than in July. Rent arrears also increased from 6.33% in July to 6.37% in August.

#### ***Other public policy news***

110. On 1 September KPMG revised its [forecast](#) for Scottish economic growth from a predicted decline in Gross Value Added (GVA) of 6.9% to a fall of 9.1%. It has also downgraded its GDP forecast for the whole of the UK to a decline of 10.3%, down from 7.2% predicted in June. Both forecasts are expected to see GDP increases of 8.2% and 8.4% respectively in 2021 if a working vaccine is available by next April. Under that assumption, KPMG predicts the economy can return to pre-pandemic levels by early 2023. The forecasting model also suggests that Orkney and Shetland will be Scotland's worst-affected regions, with falls of 11.4% and 11.1% respectively, while East Renfrewshire will face the lowest impact, with a 7.4% reduction in GVA.
111. On 3 September the independent Expert Advisory Group on Migration and Population has published a [report](#) analysing internal migration within Scotland and between Scotland and the rest of the UK (rUK), assessing its geographic distribution, dynamics and impacts. The report concludes most residential moves in Scotland occur over short

distances and are influenced by the housing market and transport infrastructure. Scotland has also recently experienced positive net intra-UK migration, reversing a period of net outflows during the previous 50 years, though it is noted there is limited research explaining the factors which attract rUK migrants to Scotland. Migration was found to be heavily concentrated among the young, and to some extent the better educated, to Scotland's major cities.

112. On 11 September IPPR Scotland published [Better Than Before](#), the first in a series of reports on how to create a "more even and more equal Scotland" after the coronavirus pandemic. It advocates measures built on "social, economic and climate justice" including green stimulus investments, managed automation, reducing youth unemployment, progressive tax reform, increasing the Scottish Child Payment and a new social contract for carers and key workers. The report warned the pandemic had exacerbated existing inequalities and would create unprecedented unemployment levels in the coming months but argued "such extreme times, and such significant damage" offered opportunities for change.
113. On 23 September Cycling Scotland [published figures](#) that showed cycling has increased during lockdown. The new figures show the number of journeys made on bike between March and August 2020 was 43 per cent higher than the same period last year.
114. On 23 September the UK in a Changing Europe has released a [report](#) on the implications of a no-deal Brexit on a wide range of sectors and the devolved administrations. The report outlines what could happen if the UK reached 15 October without a deal, as this is the date the Prime Minister has set as a deadline to determine whether it will be a no-deal scenario. If a deal was not reached, there would be no agreement on trade, aviation, transport, fisheries or judicial cooperation. The report stresses that some of these impacts would be mitigated by the no-deal planning that commenced; however, it also cautions that Covid-19 has had an impact on this planning. Regarding the devolved administrations, the report notes the Scottish Government had called for a two-year extension to ensure the economy recovers from Covid-19. The importance of the rural economy for both Scotland and Wales is highlighted, as well as the potential disruption to the sector trading if a no-deal scenario occurs.

#### **Other UK audit bodies**

115. On 3 September the Northern Ireland Audit Office [highlighted](#) the risk of fraudulent activity during the Covid-19 outbreak. A link to Audit Scotland's [briefing](#) on emerging fraud risks is provided in the further information section.
116. On 7 September the National Audit Office (NAO) published a [report](#) on how the government can learn from its EU exit preparations. The report brings together the 28 reports produced by the NAO on preparations for leaving the EU.
117. On 10 September the NAO published a [report](#) considering the effectiveness of the UK Government's approach to reducing childhood obesity.
118. On 18 September the NAO published a [report](#) about the financial sustainability of colleges in England.
119. On 18 September Lindsay Foyster was [appointed](#) as the new chair of the Wales Audit Office.
120. On 25 September Audit Wales published a [briefing](#) considering the challenges of implementing legislation.

121. On 28 September the Northern Ireland Audit Office published a [report](#) on the audit of the Department for the Economy and Invest Northern Ireland for 2019-20.

### **UK Government**

122. On 1 September Simon Case was [named](#) as the UK's permanent secretary. Mr Case was a former private secretary to Prince William and had already been appointed to the cabinet position in May following the departure of Sir Mark Sedwill.
123. On 4 September the Scotland Office highlighted [statistics](#) that showed over 6.3 million meals were eaten in Scotland as part of the Eat Out to Help Out scheme, with more than 100 million eaten UK-wide. By midnight on Thursday 27 August, 6,333,000 meals were eaten at 8,543 establishments across Scotland, making claims worth more than £38m and with an average discount of £6.10 per meal.
124. On 9 September the UK Government [introduced](#) the Internal Market Bill to Parliament. It said the aim of the Bill is to protect jobs and improve trade across the UK after the transition period ends, while maintaining high standards for consumers, workers, food, animal welfare and the environment.
125. On 14 September the UK Government [announced](#) that social gatherings of more than six people will be illegal in England from next Monday. This follows evidence that the infection rate is now sitting at 20 per 100,000 people.
126. On 14 September the Ministry for Housing and Communities and Local Government released [figures](#) that suggest that borrowing between local authorities was £13.5 billion for the quarter to June. This is £2 billion more above the same period last year.
127. On 21 September the UK Government released [statistics](#) that suggested 950,000 workers returned to work part-time in July. The number of retail employees on furlough halved from the start of the pandemic from 1.85 million to 789,000, while the construction sector received more than £2 billion in support through grants for self-employed workers. In Scotland, 78,400 workers [returned](#) to their jobs on a part-time basis in July, the first month flexible furlough was introduced. The value of claims in Scotland for the Self Employment Income Support Scheme reached £318 million.
128. On 21 September the HMRC [announced](#) that it has recovered £7.9 billion less from fraud and error in the first three months of the financial than it did during the same period in 2019.
129. On 22 September the Prime Minister announced new restrictions in England. He said measures may continue for around six months. Office workers were advised to work from home where possible, but people who are unable to do so should continue to attend workplaces. All hospitality settings must close at 22:00, including for takeaways, and must operate table service only. There is also a requirement for taxi drivers, retail and hospitality staff to wear face coverings in settings except when at a table to eat and drink.
130. On 24 September the Chancellor of the Exchequer laid out the initial details of his [Winter Economy Plan](#), including a new Job Support Scheme which he said would help protect viable jobs over the period beyond the furlough scheme. The new Jobs Support Scheme will involve the government directly supporting the wages of people in work. Other details with the scheme include:
- It must support viable jobs – employees must work a third of their normal hours and be paid as normal by their employer.
  - Employers will continue to pay the wages of staff for the hours they work - but for

the hours not worked, the government and the employer will each pay one third of their equivalent salary.

- All SMEs will be eligible but larger businesses can only apply if they can demonstrate turnover has fallen through the crisis.
- Employers throughout the UK will be eligible even if they've not previously used the furlough scheme.
- The scheme will run for six months starting in November.
- Firms can apply to both the Job Support Scheme and claim the job retention bonus.

### **Other UK news**

131. On 1 September school pupils in England started to [return](#) to classes with strict public health mitigations in place. Start dates are varied across the country, with approximately 40% of schools starting on the 1<sup>st</sup> of September.
132. On 10 September the UK Citizens' Assembly on Climate Change published its [final report](#) on how the UK can reach its 2050 net zero target. Six select committees from Westminster commissioned the citizens' assembly to evaluate the public preferences on how the UK's efforts to reach emission goals will affect their lives. The report [called for](#) strong leadership from government and parliament and made recommendations in policy areas including travel, energy use and consumer goods.
133. On 11 September the UK Parliament's Treasury Committee published the second [report](#) of its inquiry into the economic impact of the coronavirus. The report covered challenges across debt sustainability, long-term unemployment and the future of jobs and called for the UK Government to consider targeted extensions to the Job Retention Scheme to protect the most vulnerable sectors of society.
134. On 15 September the UK's [unemployment rate](#) has risen to its highest level in two years, reaching 4.1% in the three months to July. Those aged between 16 and 24 experienced the biggest decrease in employment, with 156,000 fewer young people in employment. The [area](#) with the highest unemployment was the north-east, while Northern Ireland had the lowest. The [unemployment](#) rate was 4.6% in Scotland. Meanwhile, job [vacancies](#) have started to recover, with the largest increases in the hospitality, health and social work, transport and storage, and retail sectors. The estimated annual growth in labour costs per hour for employees across the economy increased by 21.3% in the second quarter, as a result of the Job Retention Scheme.

### **Conclusion**

135. The Commission is invited to:
  - In relation to paragraph 38, not to respond to the Scottish Government consultation on data sharing by public authorities
  - In relation to paragraph 47, not to respond to the Scottish Government consultation on the regulation of short-term lets
  - Otherwise consider and note this report.

**Paul Reilly**  
**Secretary to the Commission**  
**30 September 2020**

## **APPENDIX: Accounts Commission reports in past 12 months – downloads**

<b>Report</b>	<b>Date</b>	<b>Report downlds</b>	<b>Podcast downlds</b>
<a href="#">Best Value Assurance Report: Moray Council</a>	27 Aug 20	641 (+145)	n/a
<a href="#">Accounts Commission annual report 2019/20</a>	2 July 20	286 (+79)	n/a
<a href="#">Best Value Assurance Report: North Ayrshire Council</a>	30 June 20	581 (+37)	n/a
<a href="#">Local government in Scotland Overview 2020</a>	23 June 20	734 (+110)	n/a
<a href="#">Equal pay in councils - Impact report</a>	9 June 20	431 (*)	n/a
<a href="#">Best Value Assurance Report: Argyll and Bute Council</a>	21 May 20	649 (+91)	n/a
<a href="#">Affordable Housing</a>	9 April 20	1,241 (+296)	n/a
<a href="#">The 2018/19 audit of Renfrewshire Council: Report on accounts closure</a>	24 Mar 20	234 (*)	n/a
<a href="#">Early learning and childcare: follow-up</a>	3 Mar 20	1,613 (+115)	134 (*)
<a href="#">2018/19 audit of Fife IJB</a>	27 Feb 20	393 (*)	n/a
<a href="#">2018/19 audit of Glasgow City Council: Update on equal pay settlement</a>	6 Feb 20	359 (*)	n/a
<a href="#">Privately financed infrastructure investment</a>	28 Jan 20	1,124 (+93)	197 (*)
<a href="#">Highland Council: Best Value Assurance Report</a>	23 Jan 20	1,525 (+83)	344 (*)
<a href="#">Scotland's City Region and Growth Deals</a>	16 Jan 20	2,241 (+129)	167 (*)
<a href="#">Scotland's City Region and Growth Deals - Supplement</a>	16 Jan 20	261 (*)	n/a
<a href="#">Self-directed support: 2017 progress report - impact</a>	17 Dec 19	267 (*)	n/a
<a href="#">Local government in Scotland: Financial overview 2018/19</a>	17 Dec 19	3,113 (+207)	295 (*)
<a href="#">Scottish Borders Council: Best Value Assurance Report</a>	22 Oct 19	1,176 (*)	212 (*)
<a href="#">National Scrutiny Plan</a>	30 Sept 19	827 (*)	n/a

### **Key:**

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