

**MEETING: 10 NOVEMBER 2022**

**REPORT BY: SECRETARY TO THE COMMISSION**

**SECRETARY'S UPDATE REPORT**

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**Purpose**

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
  - The Interim Controller of Audit report to the Commission, updating the Commission on his activity.
  - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
  - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.
3. The Secretary's Update Report covering September 2022 was circulated to members electronically, due to no Commission meeting taking place in October. Copies are available upon request from the Commission Support Team.

**Commission business**

***Publications and activities***

4. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 30 September 2022. [Appendix 2](#) provides additional information on the overall engagement that reports, and other business received on social media, as of 28 October 2022.
5. October was a quiet month for social media engagement with no reports or other outputs being published. However, engagement numbers have been maintained and the number of followers increased steadily. The short [video](#) clip on Twitter of Commission member Andrew Burns giving evidence on the tackling child poverty briefing at the Public Audit Committee gained almost 200 views, 550 impressions and over 80 engagements, which effectively re-promoted the original briefing. During October the audit scopes of the 2023 Local Government Overview report, the dynamic work programme and back catalogue of Best Value Audit Reports were also promoted. Similarly, promotion of the Vice Chair Tim McKay's attendance at the Society of Chief Officers of Environmental Health in Scotland event on the 27 October was carried out.
6. On 4 October Commission member Andrew Burns attended the Public Audit Committee alongside the Auditor General to provide evidence on the joint briefing [Tackling Child poverty](#).
7. On 25 October Commission member Christine Lester attended an evidence session with

the Criminal Justice and Health, Social Care and Sport Committees currently carrying out joint work looking at reducing drug deaths and tackling problem drug use. This was following a joint report on Drug & Alcohol from the Accounts Commission and the Auditor General.

8. On 25 October Deputy Chair Tim McKay attended an informal discussion with the Local Government Housing and Planning Committee on the Local Governance Review.
9. On 27 October Deputy Chair Tim McKay attended the Society of Chief Officers of Environmental Health in Scotland conference with support from Audit Scotland's Performance Audit and Best Value Senior Manager Carol Calder and Audit Manager Blyth Deans.

### ***Forthcoming publications and activities***

10. During November the following activities and publications are planned:
  - A blog marking the new approaches to auditing Best Value and the Local Government Overview report (10 November).
  - Publication of stakeholder newsletters for Councillors and the third sector (24 November).

### ***Other Commission business***

11. Members are asked to review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with Audit Scotland's communications team.

### **Auditor General**

12. On 29 September, the acting Commissioner for Ethical Standards, Ian Bruce, emailed the Auditor General to advise that the consultation on their draft Investigations Manual had been launched. This was partly in response to recommendations from the appointed auditor's annual audit report and the Auditor General's subsequent [Section 22 report](#). The Auditor General has not directly responded but Audit Scotland provided a corporate response to the consultation.
13. On 3 October the Auditor General and Audit Scotland Audit Manager Kirsty Ridd attended the Social Justice and Social Security Committee to give evidence on the report: [Social Security – Progress on implementing the devolved benefits](#).
14. On 4 October the Auditor General, joined Accounts Commission member Andrew Burns, Audit Scotland Senior Manager Tricia Meldrum, and Senior Auditor Corrinne Forsyth to attend the Public Audit Committee and give evidence on the briefing [Tackling Child Poverty](#).

### **Audit Scotland**

15. On 14 September the first Perspective of Audit Scotland 2022 was shared on the internal news site, with a piece by Performance Audit and Best Value's Senior Manager Mark MacPherson giving a comprehensive update on the One Organisation Working project, including a detailed action plan. A copy can be found on the [members' SharePoint site](#).
16. On 29 September Audit Scotland [published](#) its Annual Diversity report for 2021/22 with

information about the diversity of staff as at 31 March 2022.

17. On 6 October Audit Scotland [published](#) details about the appointment of Helena Gray as the new Controller of Audit and will lead on the reporting of issues from the audits of local government to the Accounts Commission. Helena is currently the Interim Director of Fair Work, Employability and Skills in the Scottish Government and has held several senior leadership roles across the UK and Scottish Governments.
18. On 7 October Audit Scotland launched a recruitment campaign to recruit two Audit Directors to the Performance Audit and Best Value team. Applications close on 26 October with interviews expected to take place week commencing 7 November.
19. On 17 October Audit Scotland [published](#) details that Associate Director Elaine Boyd was named as one of Britain's most influential disabled people in the 2022 Shaw Trust Disability Power 100 list.
20. During October Vikki Bibby held a keynote session on leading in a time of transformation and shared a reflection piece with her observations and highlights from the session. A copy can be found on the [members' SharePoint site](#).
21. During November the following Insight events are due to take place:
  - A Keynote event from Executive Director of Innovation and Quality, Kenneth Oliver (01 November).
  - A look at the three-year research and innovation project: The supporting healthy ageing at work (SHAW), with researchers from the University of Edinburgh (10 November).
  - A Keynote event from Executive Director of Audit Services, John Cornett, (23 November).

## **Issues affecting Scottish local government**

### *Scottish Government*

22. On 1 October the Scottish Government [published](#) details of a joint letter to the UK Chancellor from Deputy First Minister John Swinney and other devolved Finance Ministers calling for an urgent meeting on the UK Government's tax proposals.
23. On 10 October the Scottish Government [published](#) a report with findings from research conducted to better understand the current barriers to effective collaboration between third sector organisations and the public sector. It focussed on relationships between the third sector, local government and national government. The research was guided by the Scottish Council for Voluntary Organisations (SCVO), Third Sector Interface Network (TSI Network), The Convention of Scottish Local Authorities (COSLA) and Scottish Government. The findings from a literature review and stakeholder interviews highlighted four primary areas: funding, meaningful collaboration, procurement and a cross-cutting theme of lack of trust.
24. On 25 October John Swinney confirmed in his [response](#) to a government initiated question that the Scottish Government's planned Emergency Budget Review would be deferred until after the UK Chancellor's budget statement which has been delayed until 17 November.
25. On 27 October the Scottish Government [published](#) details of a letter from the First Minister, Nicola Sturgeon to Prime Minister, Rishi Sunak calling for urgent action to tackle the cost crisis.

### *Local government general*

26. On 6 October the Scottish Government [published](#) details that North Ayrshire Council has been awarded £486,000 funding through the Scottish Government's Ukraine Longer-Term Resettlement Fund to refurbish five blocks of flats in Saltcoats, previously earmarked for demolition to be upgraded and brought back into use.
27. On 6 October the Scottish Government [published](#) details of £1 million investment to help tackle child poverty. The investment will expand services in parts of Dundee, Glasgow, Clackmannanshire and Inverclyde to help eligible low-income families with school age childcare. A roll-out of similar provision in other parts of Scotland is due to take place from April 2023.

### *Health, Social Care and Covid Response*

28. On 29 September the Scottish Government [published](#) their 10 year suicide prevention Strategy which was jointly developed with COSLA. Following formal public consultation and contributions from stakeholders including those with lived experience. The Strategy aims to tackle the underlying issues contributing to suicidal thoughts as well as provide support for vulnerable people and families focussed on early intervention. It has four priorities:
  - Build a whole of Government and society approach to address the social determinants which have the greatest link to suicide risk.
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  - Promote and provide effective, timely, compassionate support – that promotes wellbeing and recovery
  - Embed a coordinated, collaborative and integrated approach
29. On 4 October the Scottish Government [published](#) its Health and Social Care winter resilience overview for 2022 to 2023 and the annual progress update on the NHS Recovery Plan 2021-26. Further waves of Covid-19 and possibly other variants are anticipated and will add to the usual pressures over the winter period. The government has agreed eight priorities with COSLA underpinned by £600 million investment including expanding the workforce, prioritising care for the most vulnerable and protecting planned care and supporting the delivery of the winter vaccination programme.
30. On 20 October the Scottish Government [published](#) details of £65 million support for drugs services to help reduce the number of drug deaths. Frontline and their third sector organisations are invited to apply for the funding which is being channelled through the Local Support Fund, the Improvement Fund and the Children and Families fund.
31. On 23 October the Scottish Government [published](#) details that people over the age of 50 with no underlying health conditions can, from 24 October book a winter vaccine online.

### *Education*

32. On 6 October the Scottish Government [published](#) its strategic early learning and school age childcare plan for 2022 to 2026. The plan sets out the government plans to embed the benefits of the expansion of high quality funded early learning and childcare to 1,140 hours and explains the approach to expanding childcare further over the next four years.
33. On 21 October the Scottish Government [published](#) details of a consultation on how qualifications and assessment should be reformed to ensure learners' achievements are fairly recognised. This forms part of Professor Haywards independent review. The

consultation seeks the views of learners, parents, teachers and education staff on the proposals and closes on 16 December 2022. Due to the nature of this consultation, it is not proposed that the Accounts Commission responds.

### *Social Security and Communities*

34. On 10 October the Scottish Government [published](#) details of an increase to the December Bridging Payment which is estimated to help 145,000 children and their families with the cost of living. All children registered for free school meals on the basis of low family income are eligible and will receive the payment automatically.
35. On 20 October the Scottish Government jointly with COSLA published its [annual report](#) on progress made in the last 12 months by national and local government and third sector partners towards ending homelessness in Scotland and [updated action plan](#). Both documents cover the following 5 themes; embedding a person-centred approach, preventing homelessness happening in the first place, prioritising settled homes for all, responding quickly and effectively and joining up planning and resources.
36. On 20 October the Scottish Government [published](#) details of its Ukraine Sponsorship Scheme in Scotland. In relation local government, local authority teams have reported that out of those matched to long-term accommodation, around 930 have been placed directly into social or council housing.
37. On 24 October the Scottish Government published [guidance](#) on the regulation of short-term lets and the new licensing scheme requirements in addition to the two letters sent in September ahead of the commencement of the short-term let licensing scheme on 1 October providing clarification and guidance on a number of common queries. The letters were sent to all [local authorities](#) and a to [housing conveners](#) in local authorities.

### *Climate Change / Energy Efficiency*

38. On 10 October the Scottish Government [published](#) details of 22 projects across the North East and Moray which are to receive Just Transition Fund awards totalling over £50 million. The projects include investment in research and innovation; new green skills training facilities; pilots for emerging energy technologies and projects that will get businesses ready for the supply chain opportunities to come from the energy sector's transition to net zero. A list of the 22 projects is available [online](#) and includes projects lead by Moray, Aberdeen City and Aberdeenshire Councils.
39. On 20 October the Scottish Government [published](#) details of the First Minister convening a second summit with energy companies and advice organisations. The summit discussed the reversals to UK Government measures set out since the first summit and agreed longer-term certainty was urgently needed ahead of the anticipated energy price cap increase, currently due in April and that further actions to support consumers and businesses through the winter were needed.
40. On 26 October the Scottish Government [published](#) details about the launch of the new national public energy agency, Heat and Energy Efficiency Scotland. The initial focus of the virtual agency will be to will be to build public understanding of the changes needed in how people heat and use energy in their properties, act as a centre of expertise for green heat projects and co-ordinate the delivery of investment programmes.

### *Economy and business*

41. On 5 October the Scottish Government [published](#) a report on working from home during the Covid-19 pandemic, detailing the benefits, challenges and considerations for future ways of working. The report draws on a review of relevant literature from 2020-22 and responses from an open-ended survey with members of the Scottish public during 2022. The report recognises not everyone can work from home but that a number of



organisations across the UK have embraced hybrid working. It also advises the longer-term impact is unclear and warrants further analysis.

42. On 11 October the Scottish Government published its labour market trends for [October](#). This summarises employment and economic inactivity from the Labour Force Survey and other labour market statistics from a range of official sources. Some of the information is broken down into Scottish local authority areas. SPICe has published an overview of the labour market for Scotland in [October](#).
43. On 18 October the Scottish Government [published](#) a paper outlining plans for a fairer labour market. It includes a new single rate for the national minimum wage to reflect the increased cost of living and more effective employment law to protect workers' rights.

### ***Scottish Parliament***

44. During October, the Scottish Parliament Information Centre (SPICe) published:
  - A [blog](#) on Scotland's performance
  - A [briefing](#) on the National Care Service (Scotland) Bill
  - A [briefing](#) on Human Right Budgeting
  - A [blog](#) on the Social Security Scotland agency
  - A [blog](#) on the Homes for Ukraine Scheme six months on
  - A [blog](#) on the ban on single-use plastics
45. On 3 October the Scottish Government [published](#) details that Lady Poole is to resign as chair of the independent Scottish COVID-19 Public Inquiry. Deputy First Minister and Cabinet Secretary for Covid-19 Recovery, John Swinney, [wrote](#) to the presiding officer to confirm Lady Poole gave her notice on 30 September. Subsequently Holyrood magazine [published](#) an article highlighting that four lawyers involved in the inquiry had submitted their resignations to the chair the day before her own resignation. This led to questions about the departures and the impact and potential delays being asked of the Deputy First Minister in the Scottish Parliament on 6 October.
46. On 6 October the Scottish Parliament MSPs passed the [Cost of Living \(Tenant Protection\) \(Scotland\) Bill](#) as set out in the Programme for Government. The Bill gives Ministers temporary power to cap rents for private and social tenants, as well as for student accommodation and introduces a moratorium on evictions. Rents have been capped at 0% from 6 September 2022 until at least 31 March 2023 and can be extended.
47. On 27 October the Scottish Parliament [published](#) details that its newly established Citizens' panel is meeting for the first time. The panel is made up of 22 people reflecting the demographic make-up of Scotland and will deliberate how the Scottish Parliament can best work with communities to ensure their needs are reflected in its work.
48. On the 27 October in a [statement](#) to the Parliament the Deputy First Minister, John Swinney, confirmed that following the resignation of the previous Chair of the Scottish Covid-19 Inquiry, Lady Poole, he was able to announce that the Honourable Lord Brailsford, a Senator of the College of Justice of Scotland, will be the new Chair of the inquiry. The statement also included the addition to the inquiry reporting requirements to demonstrate how a human rights based approach by the inquiry has contributed to the findings and recommendations.

## ***Parliamentary committee news***

### *Public Audit Committee*

49. During October the Committee took evidence on and [considered](#): a progress review of Scottish Government relationships with public bodies, tackling child poverty and its work programme.
50. On 6 October the Auditor General, Stephen Boyle [wrote](#) to the committee setting out his response to the BBC Disclosure investigation into vessels 801 and 802 and the potential scope and timing of any audit work.

### *Local Government, Housing and Planning Committee*

51. During October the Committee took evidence on and [considered](#): proposed legislation on a rent freeze and evictions moratorium and the Cost of Living (Tenant Protection) (Scotland) Bill, the National Care Service (Scotland) Bill, the Levelling-up and Regeneration Bill (UK Parliament), an Annual progress report, understanding barriers to local elected office, mobile homes, public petitions and subordinate legislation.
52. On 5 October the Minister for Social Security and Local Government, Ben MacPherson MSP, [wrote](#) to the committee to provide update on work with COSLA around reviewing councillor remuneration including the reconstitution of the Scottish Local Authorities Remuneration Committee (SLARC), as the body recognised to recommend any changes to remuneration. He advised that the [advert](#) for the Convener and Members appointments had been published on 23 September and that the committee is expected to be up and running at the start of 2023, and to report on findings by 31 August 2023.
53. On 26 October the Committee [published](#) a report on its work in 2021-22. The committee held 38 meetings, considered 29 Scottish statutory instruments (SSIs), two bills and published 13 reports during the period.

### *Finance and Public Administration Committee*

54. During October the Committee took evidence on and [considered](#): Scotland's public finances in 2023-24 and the impact of the cost-of-living in public service reform; post-legislative scrutiny of the Financial Memorandum for the Children and Young People (Scotland) Bill; the National Care Service (Scotland) Bill - Financial Memorandum and its work programme.
55. On 3 October the Committee [published](#) its inquiry report on the National Performance Framework: Ambitions into Action, which reviews the NPF and sets out the challenges to be addressed.

### *Other Committee news during October*

- The Covid-19 Recovery Committee took evidence on and [considered](#): its Pre-Budget Scrutiny; the Covid-19 recovery strategic framework and Covid-19 recovery strategy.
- The Health, Social Care and Sport Committee took evidence on and [considered](#): the National Care Service (Scotland) Bill; Pre-Budget Scrutiny 2023-24; Patient Safety Commissioner Bill; European Union (Withdrawal) Act 2018, the Independent Review into Racism in Scottish Cricket, Experiences of health and social care integration and public petitions;
- The Net Zero, Energy and Transport Committee took evidence on and [considered](#): Environmental regulation; Environmental Standards Scotland's

Strategic Plan; the Levelling-up and Regeneration Bill (UK Parliament); UK subordinate legislation and its work programme.

- The Education, Children and Young People Committee took evidence on and [considered](#): Pre Budget Scrutiny - Early Learning and Childcare; the Colleges Regionalisation Inquiry; public petitions and its work programme.
- The Social Justice and Social Security Committee took evidence on and [considered](#): The Social Security Programme: Audit Scotland report on progress with implementing devolved benefits; Pre-Budget Scrutiny 2023-24; subordinate legislation and its work programme.

#### *Local government news*

56. On 11 October the EIS union [published](#) details that it had opened a statutory strike ballot over teachers' pay in all 32 Council areas. The Union is urging members to vote Yes to strike action given the level of inflation and members have until 8 November to return their postal ballot papers.
57. On 13 October South Ayrshire Council [published](#) details that following consideration of a report on updated costs for a new leisure centre project, councillors agreed to reject the stage 2 submission received from HubSW in June 2022 on the basis of affordability. HubSW have 30 days to resubmit a stage 2 report that aligns with the approved budget.
58. On 17 October South Ayrshire Council published details of three new senior appointments: Scott Mulholland as [Assistant Director of Education](#), Mike Newall as [Depute Chief Executive](#) and Director of Housing, Operations and Development, and Jane Bradley as [Director of Strategic Change and Communities](#).
59. On 19 October STV news [published](#) details that the Argyll and Bute secondary school, Dunoon Grammar, had been named the world's best school for community collaboration.
60. On 21 October Perth and Kinross Council [published](#) details of an online survey and public engagement sessions and conversations with community groups during November to gather feedback on what the people of Perth and Kinross believe are the most important issues facing the area. The feedback will inform the final corporate plan document and budget decisions in February 2023.
61. On 22 October the Courier [published](#) an article about allegations of corporate fraud at Dundee City Council within the Construction Services department that in 2019 and which led to the Head of Construction quitting during the investigation. The article states local MSP Michael Marra has written to the Auditor General to intervene.
62. On 25 October the East Lothian Courier [published](#) an article advising of a 60% rise in the number of people applying to a council welfare fund in September as the impact of the cost of living crisis on residents continues.
63. On 27 October the Highland Council [published](#) an article following a Council meeting, where elected members had considered and discussed the impacts of the ongoing financial crisis on the Council's capital programme. Key challenges include cost pressures from rising inflation, a shortage of products and materials and lack of available contractors and sub-contractors. Rises in interest rates have specifically impacted on the affordability of the programme which will be reviewed.

#### **COSLA**

64. On 12 October COSLA [published](#) their joint concerns for the proposed National Care Service alongside officials from Unite and Unison, calling on the Scottish Government to



reverse centralisation plans with proposals impacting around 75,000 local authority staff. COSLA and the trade unions are concerned that the bill will risk years of disruption rather than contributing to improvements and will have a serious impact on the future of local democracy and viability of local government.

65. On 18 October COSLA [published](#) details of a partnership agreement with The Promise Scotland. The agreement outlines how both organisations will work in partnership and collaboration to raise the profile of their work and to support policy and project development.
66. On 25 October COSLA [published](#) details that following a meeting of Council leaders, a pay deal for the local government workforce had been concluded.

### ***Improvement Service***

67. On 5 October the Improvement Service [published](#) an article by the National Coordinator for local child poverty action reports setting out four lessons from the pandemic on how local government might navigate and respond to the cost of living crisis. The lessons are:
  - Cash is best
  - Get to know communities better
  - Prevention is still better than cure
  - Innovation is possible.
68. On 21 October the Improvement Service [published](#) a paper exploring the links across key policy agendas working to tackle inequality, trauma and adversity. It examines The Promise, United Nations Convention of the Rights of the Child (UNCRC), the National Trauma Training Programme and Equally Safe. It aims to highlight how the strategic priorities strengthen and support one another, to illustrate common approaches/activities across these priorities and to strengthen understanding of what good looks like locally if these priorities are embedded in key community planning priority areas.
69. During October the Improvement Service [published](#) a paper proposing a new approach for the future operating model of Scottish local authorities. The paper was developed with input from 7 local authority chief executives. It outlines the context that local government is delivering within, the challenges and opportunities it faces and how councils might transition to a model of service delivery that builds on current success but more deliberately supports effective partnerships to improve outcomes for communities.

### ***SOLACE***

70. On 13 October SOLACE [published](#) details of its next President, Matt Prosser and advised that it has refreshed its Policy board which included seven new spokespeople, following a decision at the AGM. Matt Prosser is the Chief Executive at Dorset Council and has been SOLACE spokesperson for Leadership and Learning and Digital Leadership in previous years.

### ***Other scrutiny bodies***

#### ***Standards Commission***

71. On 29 September the Standards Commission [published](#) its September briefing. This included details about revised hearing rules and the publication of an advice note for members of devolved public bodies concerning expected conduct during online

meetings. Since the last briefing in June 2022, 13 cases had been referred to the Standards Commission about elected members of Glasgow City, Angus, Aberdeenshire, South Lanarkshire, North Lanarkshire, Moray and Stirling Councils with two hearing scheduled to be heard for Glasgow City and Angus Council.

### ***The Commissioner for Ethical Standards***

72. On 28 September the Commissioner for Ethical Standards, [published](#) a consultation on their draft Investigations Manual consolidating the policies and procedures for complaints including those relating to the conduct of councillors and members of devolved bodies/boards. The consultation seeks the views of those interested or involved in the complaints handling process and closes on 28 November. Given the operational nature and context of the consultation it is proposed that the Commission note the consultation process is underway but does not respond, with Audit Scotland having provided a corporate response (paragraph 12).

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

73. During October, the SPSO [published](#) their monthly newsletter, outlining statistics on complaints, findings and learning points from two decision reports relating to two NHS Boards. It also includes statistics on Scottish Welfare Fund (SWF) reviews, case studies and a summary of the first SWF local authority survey report 2021-22. It advised that the first Speak Up Week held by the Independent National Whistleblowing officer team (INWO) ran from 3 to 7 October 2022 and a summary of the week is available [online](#). The INWO team's October [e-bulletin](#) was also published.

### ***Care Inspectorate***

74. On 4 October the Care Inspectorate [published](#) a joint inspection report of services for adult support and protection in Glasgow City. The joint inspection report with Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland found clear strength in eight areas and identified two areas that could further improve. Areas of strength included a clear vision, that agencies collaborated effectively in most areas of work and that audit activity was driving change and improvement. The areas for improvement included the quality of chronologies and consistency of decision making and aspects of case conferences.
75. On 18 October the Care Inspectorate [published](#) a joint inspection report of services for adult support and protection in the Scottish Borders. The joint inspection report with Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland found significant strengths in ensuring adults at risk of harm are safe, protected and supported. Inspectors also identified a few areas which could further improve. Seven areas of strength were identified and included strong, effective collaborative leadership and a well-planned and effective multi-agency whole system approach to continuous review and improvement of processes. A collaborative culture of collaboration between agencies and between Three areas for improvement were identified: the recording of the three-point criteria at the initial inquiry stage, improving the involvement of adults at risk of harm in case conferences and the involvement of adults at risk of harm and their unpaid carers at a strategic level.
76. On 26 October the Care Inspectorate published a [blog](#) about their new animation to promote the service to children and young people and which was co-designed with their young inspection volunteers. The Care Inspectorate plan to take a similar approach to engaging with volunteers with lived experience of care in the development of their approach to inspection work.

## ***Scottish Housing Regulator***

77. On 7 October the Scottish Housing Regulator [published](#) a letter sent to all social landlords on rent setting, annual assurance statements and business planning providing advice relating to the developing policy position on rent increases. The letter sets out the regulator's expectations around landlords' approach to tenant consultation on rent increases post 31 March 2023 and its Annual Assurance Statement following the introduction of emergency legislation to cap rent increases at 0% until at least 31 March 2023.

## **Scottish public policy news**

78. On 29 September the Mental Welfare Commission for Scotland [published](#) a new report on Scotland's crisis in mental ill health, alcohol and drug use. Using the mental welfare commission's own data and that of government and health authorities, the report highlights that the rates of mental ill health in Scotland are rising. The report looked at whether care, treatment and support are in place for people struggling with mental illness and substance misuse and found that services are not meeting people's needs. There are strategies, standards and guidelines but these are not being translated into practice. The report sets out 6 recommendations, 4 of which are for health and social care partnerships, health boards and local authorities. These include:
- There should be a clear written policy/service delivery model outlining the expectations for the holistic, joined up care of people with a co-occurring mental health condition and problem substance use.
  - Audits should be undertaken to ensure documented care plans with a care-coordinator identified are in place.
  - Protocols should be in place for people who disengage with services, including those with co-occurring mental ill health and problem substance use.
  - Psychiatric Emergency Plans should be reviewed to ensure protocols for the care and treatment of those presenting intoxicated provide a mechanism for contemporaneous and subsequent engagement.
79. On 3 October the Joseph Rowntree Foundation (JRF) [published](#) its Poverty in Scotland report for 2022 which found 65% of respondents have cut back on one essential, with 26% having cut back on three or more essentials. The report, built on data from 4,196 Scottish households surveyed in July and August 2022, also found the cost-of-living crisis had negatively affected people's mental health, including 74% of families with a child where someone has a disability and four in five families with a baby. The JRF recommends the UK Government uprate all means-tested benefits by the current rate of inflation and calls on the Scottish Government to maintain current tax levels and provide a one-off £260 payment to all Scottish Child Payment and council tax reduction recipients.
80. On the 5 October the Fraser of Allander Institute (FAI) [published](#) an article advising that based on recent analysis Scotland is likely to enter a recession with the economy likely to contract in the second half of 2022 as costs continue to rise.
81. On 13 October Highlands and Islands Enterprise (HIE) [published](#) a report following research into the views and experiences of individuals living, working and studying in communities across the Highlands and Islands on a range of topics. Research included a large-scale survey of 5,201 residents and six focus groups. The survey by Ipsos showed that 76% of respondents believed there weren't enough houses to rent and around half of those aged 16-29 years planned to move within the next five years.

82. On 17 October the Scotsman [published](#) an article about a study, conducted by YouGov and commissioned by Meta, which found that a quarter of small Scottish companies fear closure in the next six months. A third of those polled worried their business wouldn't be able to keep up with outgoings during the year ahead, 18% were trying to use less energy to save on bills and 37% said reducing costs would be crucial to their business' future success.
83. On 18 October the Herald [published](#) an article about a study, conducted by YouGov and commissioned by Meta, which found that a quarter of small Scottish companies fear closure in the next six months. A third of those polled worried their business wouldn't be able to keep up with outgoings during the year ahead.
84. On 20 October 18 charities, including Scottish Autism, Marie Curie, the Health and Social Care Alliance Scotland (the ALLIANCE), MS Society and MND Scotland, published details of their co-signed letters to the [UK Government](#) and [Scottish government](#) seeking a commitment on a rise in social security benefits in line with inflation.
85. On 20 October Public Finance published an article following new chancellor Jeremy Hunt's budget statement. The article advises that the statement has created a hole in the Scottish Government's budget for 2024-25 and as a result Scottish Councils are currently reviewing capital spending plans and are expected to resort to spending reserves in the coming year with serious problems in subsequent years. It also refers to Highland Council looking at 40% cost increases in capital projects and Glasgow City Council's executive director advising of 8% cuts. A copy of the article is available on the members' [SharePoint site](#).
86. On 21 October the National [published](#) an article about the Scottish Chambers of commerce calling for clarity on government support for businesses as the risk of a recession becomes more likely. The latest findings from the SCC's leading business survey highlights the plight of organisations as they battle increased costs, inflationary pressure and "misjudged" policies by the UK Government. The quarterly economic indicator survey reported a fall in confidence for all firms compared with the previous quarter and that 92% of those surveyed were concerned about inflation with energy bills cited as the main concern.
87. During October the Health and Social Care Alliance Scotland the ALLIANCE [published](#) a report on the impact of the rising cost of living on disabled people, people with long term conditions and unpaid carers. It calls upon the Scottish Government to offer emergency social security payments to address the cost of living crisis as part of a suite of recommendations.

### **Other UK audit bodies**

88. On 27 September Audit Wales [published](#) a report reviewing Equality Impact Assessments relating to 44 public bodies (excluding Education bodies) covering three aspects of EIAs; the supporting arrangements for conducting EIAs, assessing impacts and reporting and monitoring of impacts. The report identifies seven areas for improvement:
- Greater clarity over which type of policies and practices must be impact assessed
  - Greater clarity about the arrangements for assessing the impact of collaborative policies and practices
  - Greater clarity about expectations to consider the Public Sector Equality Duty as part of an integrated impact assessment

- Better and more timely identification of the practical impacts of decisions on people and how different protected characteristics intersect
- More engagement and involvement of people with protected characteristics
- Better monitoring of the actual impacts of policies and practices on people
- A shift in the mindsets and cultures to move EIAs away from being seen as an add-on 'tick box' exercise.

89. On 16 October Audit Wales published a [blog](#) about the importance that lived experience brought to their work examining the response to poverty by local authorities and the Welsh Government. The blog sets out how the team went about attempting to gain an insight into people's experience of poverty that helped inform the conclusions and recommendations in the forthcoming report.

## UK Government

90. On 3 October the BBC news [published](#) an article advising Chancellor, Kwasi Kwarteng confirmed the UK Government is reversing plans to abolish the 45p tax rate for higher earners. It follows widespread opposition from Conservative MPs and the Chancellor said the change in plans reflected that he had heard the concerns and the change would allow the government to focus on their growth package. He went on to confirm public services face spending reductions of up to £18bn a year.

91. On 14 October the UK Government published details of the [resignation letter](#) of the Chancellor of the Exchequer, Rt Hon Kwasi Kwarteng, to the Prime Minister and the successful [appointment](#) of Rt Hon Jeremy Hunt MP as the new Chancellor of the Exchequer.

92. On 11 October the UK Government [published](#) details of £50 million investment into research in health inequalities across 13 local authorities in the UK including Aberdeen City Council area. The investment will be overseen by the National Institute for Health and Care Research (NIHR), will enable local authorities to set up pioneering Health Determinants Research Collaborations (HDFCs) between experts and academics to address knowledge gaps in local areas.

93. On 17 October the UK Government [published](#) the Chancellor, Jeremy Hunt's statement to the House of Commons setting out measures that have been brought forward from the Medium-Term Fiscal Plan to support market sustainability. He also confirmed the cut in the basic rate of tax from 20p to 19p has been delayed indefinitely and that support from the Energy Price Guarantee would not change until April 2023.

94. On 20 October the UK Government [published](#) details of Prime Minister Liz Truss's resignation statement.

95. On 25 October, the UK Government [published](#) details of several new ministerial appointments including that of Rishi Sunak as Prime Minister. These include:

- The Rt Hon Steve Barclay MP as Secretary of State for Health and Social Care
- The Rt Hon Dominic Raab MP as Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice.
- The re-appointment of Rt Hon Jeremy Hunt MP as Chancellor of the Exchequer



- The re-appointment of Rt Hon Alister Jack MP as Secretary of State for Scotland

## UK public policy news

96. On 6 October Public Finance [published](#) an article about the impact of the increasing cost of living and demand pressures alongside a decade of austerity, highlighting that the local government sector is facing significant financial sustainability challenges. Grant Thornton advised that additional government funding alone would not lead to improvements and councils should focus on improving governance and developing financial stability plans.
97. On 6 October the Institute for Fiscal Studies (IFS) [published](#) a report on the impact of freezes and gradual roll out of personal taxes and benefits. Key findings include that whilst many tax and benefit thresholds, allowances and amounts are uprated every year in line with prices or earnings, others are frozen in cash terms by explicit policy choices. Compared with uprating, these freezes reduce household incomes, particularly in the current high-inflation environment. In addition, several benefit reforms due to be rolled out in future years will also reduce household incomes.
98. On 12 October the BBC [published](#) an article advising that the UK economy shrank by 0.3% in August for the first time in two months, strengthening the Bank of England's prediction that the UK will fall into recession this year.
99. On 19 October the Institute for Government and the Chartered Institute of Public Finance and Accountancy (CIPFA) [published](#) their joint annual performance tracker 2022 that considered how public serviced coped with the aftermath of the pandemic and the outlook for the remainder of the current UK parliament. The report analyses the disruptions caused by coronavirus and the response in 9 service areas including adult social care, schools, children's social care and neighbourhood services. It describes public services as being in a fragile state with some services in crisis. Further details on individual service areas are provided within the report.
100. On 18 October Reuters [published](#) an article on the results of a survey by Barclaycard that found 53% of people in Britain were planning to cut down on discretionary spending to be able to afford energy bills in the autumn and winter months.
101. On 19 October the Office for National Statistics [published](#) details of the consumer price inflation for September 2022 which shows inflation has risen by 0.2% since August to 10.1% for September amid the ongoing cost-of-living crisis. The figure matches that of July and is the highest rate in over 40 years.
102. On 25 October the ONS [published](#) details of the proportion of the population that are affected by an increase in their cost of living from data gathered from the opinions and lifestyle survey over the period 22 June to 11 September 2022. It found that the proportion of all adults finding it difficult to afford their energy bills, rent or mortgage payments has increased through the year. The experiences and differences between groups of the population are explored further in the report.
103. On 25 October the ONS [published](#) details of how the prices of the lowest-cost products for 30 everyday items have changed since April 2021. Using experimental research based on web-scraped supermarket data, the research showed that the lowest-priced items have increased in cost by around 17% over the 12 months to September 2022. It also showed that there was considerable variation across the 30 items from an increase of 46% for vegetable oil to an 8% decrease for orange juice.
104. On 28 October the ONS [published](#) an article on people's worries about climate change in Great Britain from September to October 2022. It reported that 74% of adults

reported feeling very or somewhat worried about climate change.

## **Conclusion**

105. The Commission is invited to:

- a) Agree to note but not to respond to the consultation highlighted in paragraphs 12 and 72.
- b) Note this report and consider any implications for its work programme.

**Martin McLauchlan**  
**Policy Manager to the Commission**  
**1 November 2022**

## Appendix 1 Commission reports/blogs in past 12 months: Downloads and views

Report / blog	Date	Downloads/ blog views
<a href="#">Best Value Assurance Report: Comhairle nan Eilean Siar</a>	29 Sept 22	176
<a href="#">Tackling child poverty briefing</a>	22 Sept 22	825
<a href="#">Scotland's councils' approach to addressing climate change briefing</a>	8 Sept 22	588
<a href="#">Best Value Assurance Report: Shetland Islands Council</a>	25 Aug 22	325 (+107)
<a href="#">Best Value Assurance Report: Angus Council</a>	5 July 22	547 (+71)
<a href="#">Integration Joint Boards: Financial analysis 2020/21</a>	30 June 22	680 (+72)
<a href="#">Accounts Commission annual report 2021/22</a>	29 June 22	255 (+31)
<a href="#">Blog: Inequalities in Scotland</a>	23 June 22	577 (+64)
<a href="#">Scotland's financial response to Covid-19</a>	16 June 22	1,559 (+187)
<a href="#">Blog: Local Government in Scotland 2022</a>	1 June 22	681 (+36)
<a href="#">Local government in Scotland Overview 2022</a>	25 May 22	2,193 (+225)
<a href="#">Blog: Children and young people who need additional support for learning</a>	17 May 22	869 (+110)
<a href="#">Blog: Working together to increase collaboration and accelerate improvement</a>	16 May 22	242 (*)
<a href="#">The 2020/21 audit of Orkney and Shetland Valuation Joint Board</a>	22 Mar 22	427 (*)
<a href="#">Blog: Councils face complex and urgent challenges</a>	21 Mar 22	716 (+79)
<a href="#">Scotland's economy: Supporting businesses through the Covid-19 pandemic</a>	17 Mar 22	1,156 (+84)
<a href="#">Local government in Scotland: financial overview 2020/21</a>	10 Mar 22	1,680 (+94)
<a href="#">Drug and alcohol services update</a>	8 Mar 22	1,790 (+131)
<a href="#">Best Value Assurance Report progress report: Moray Council</a>	3 Mar 22	608 (+35)
<a href="#">Blog: The value of independence &amp; scrutiny across local gov't</a>	24 Feb 22	456 (*)
<a href="#">Social care briefing</a>	27 Jan 22	4,093 (+226)
<a href="#">Best Value Assurance Report: Falkirk Council</a>	13 Jan 22	1,290 (+50)
<a href="#">Blog: Public performance reporting – why it matters</a>	21 Dec 21	394 (*)
<a href="#">Blog: Assurance &amp; scrutiny on Scotland's housing benefit services</a>	25 Nov 21	300 (*)

**Note:** Figures are reported as at 30 September 2022.

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

**Appendix 2: Accounts Commission social media engagement data**

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publications
<b>Oct 22</b>	930 (+12)	8,687	314	90	26	34	3	0
<b>Sep 22</b>	918 (+27)	13,138	1,020	36	64	40	18	3
<b>Aug 22</b>	891 (+1)	6,800	794	71	25	15	4	1
<b>July 22</b>	890 (+7)	18,200	740	124	42	53	2	2
<b>June 22</b>	883 (+30)	20,600	679	245	90	47	10	4
<b>May 22</b>	853 (+12)	17,200	843	140	78	65	8	3
<b>Apr 22</b>	841 (+10)	2,009	0	16	3	2	0	0
<b>Mar 22</b>	831 (+23)	33,100	2,800	118	77	61	12	5
<b>Feb 22</b>	807 (+2)	8,000	1,100	60	34	32	1	1
<b>Jan 22</b>	805 (+13)	12,600	839	103	27	38	6	2
<b>Dec 21</b>	792 (+4)	6,500	108	48	20	25	2	0
<b>Nov 21</b>	788 (+10)	6,600	499	32	29	35	0	1
<b>Oct 21</b>	778 (+13)	22,500	316	93	47	97	6	6

Figures as of 28 Oct 2022.

Change on previous month shown in brackets.