

## 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 Controller of Audit report to the Commission, updating the Commission on her activity. This is intended to complement this Secretary's update report.
  - 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, now supplemented with a summary of parliamentary activity from the Commission Support Team.

## Recommendations

3. The Commission is invited to:
  - Note this report and consider any implications for its work programme.
  - Agree to the proposed actions with regard to the Commission responding to the consultations highlighted at the end of this report.

## Recent publications and engagement

4. Monthly updates on the activities of both the Chair and Controller of Audit are standing items on the Commission's agenda. Details of recent [publications](#) and [blogs](#) are available online. In the coming months, a new communications schedule will be developed providing information on future publications and activities, including indicative roles for members in promotion and engagement.
5. The Commission has issued the following publications since the previous edition of this report was produced:
  - [Best Value in South Ayrshire Council](#) (2 November 2023):
    - *News release*: “**South Ayrshire Council slow to improve and transform** – South Ayrshire Council manages its money well and some services are improving, but the pace of change has been too slow.”

- *Engagement statistics (2-30 November inclusive):*

- 360 report downloads
- 938 video views across Instagram, LinkedIn and X (Twitter) – mostly on LinkedIn; 1,983 views on Facebook although this was boosted by paid advertising which has since been discontinued
- 399 engagements across all 4 platforms, mostly on X

For comparison, the section 102 report on Glasgow City Council in August 2023 had 174 downloads in the first 5 weeks, and a Best Value Assurance Report in autumn 2022 had 325 downloads within its first 5 weeks.

- *Media coverage:* The report was covered by [The Herald](#) (print and online), The Scotsman (print only), the [Ayr Advertiser](#) (which also [reported on the Annual Audit Report](#)), [West FM](#), [Scottish Housing News](#) and [The MJ](#).
- [Best Value in Dundee City Council](#) (30 November 2023)

- *News release:* “**Dundee City Council is well-run, with a clear vision to address challenges** – Dundee City Council has shown effective leadership, good financial management and engagement with communities as it seeks to tackle long-standing issues. Reporting on its performance and progress is clear, with a focus on continuous improvement.”

- *Engagement statistics (30 November only):*

- 142 report downloads
- 828 video views across Facebook, Instagram, LinkedIn and X – mostly on LinkedIn
- 101 engagements across all 4 platforms, mostly on X

For comparison, a Best Value Assurance Report in autumn 2022 had 176 downloads in its first 2 days, while the Best Value legacy report published on 26 September had 242 downloads in the first 5 days.

- *Media coverage:* The report was covered by [STV News](#) (online, and regional broadcast), [The Courier](#) and Dundee Evening Telegraph (online and print), [Scottish Housing News](#) and [LocalGov.co.uk](#).

6. In addition, quarterly and annual download statistics for Commission publications are provided to supplement the regular monthly statistics. Due to the timing of forthcoming meetings, the next quarterly figures will be provided in the February report.

### **Best Value reporting engagement**

7. On 30 November 2023, the Improvement Service and the Commission co-hosted an online event for elected members based on the ‘Best Value in Scotland’ report. Andrew Burns and Derek Yule participated in the event, which included a presentation about the report, followed by a Q&A session and breakout groups discussing members’

perspectives on the capacity of their councils to meet their BV obligations. The event was attended by around 25 elected members from about 14 councils across Scotland.

8. In addition, Fiona Mitchell-Knight of Audit Scotland provided an update on our BV work and plans for the year ahead to a learning event by the Improvement Service's Public Service Improvement Framework (PSIF) on 22 November 2023. There were around 60 delegates at the event, mainly from councils as well as from IJBs.
9. There was some very positive feedback received, including:
  - the integration of BV into annual audit work is an effective, proportionate approach
  - audit teams are helpful, knowledgeable and focused
  - improvement actions are appreciated for highlighting where councils can improve
  - overall the process is supportive and builds on the previous BV Assurance Reports

## Media and Parliamentary monitoring

10. The Accounts Commission was referenced in [a letter from Joe FitzPatrick](#), Minister for Local Government Empowerment and Planning to the Convener of the Local Government, Housing and Planning Committee, which was in response to the findings of the Committee's Pre-Budget Scrutiny. In his letter, the Minister stated:

*"The Scottish Government acknowledges the fiscal challenges councils, and indeed the entire public sector are currently facing. However, it should be noted that despite a decade of UK Government austerity measures, local government revenue funding is 2.6 per cent higher in real terms than it was in 2013-14 – as confirmed in the recent Accounts Commission report."*

11. The [original letter from the Committee](#) had referenced the Commission, not in relation to funding, but around workforce challenges highlighted in the [Local Government Overview 2023](#) report, including staff absences and workforce planning.
12. The Commission was also referenced in a disagreement between the SNP and Cllr Joe Fagan, Labour Leader of South Lanarkshire Council. In a letter to MSPs about funding for local government, Cllr Fagan stated that it had been "set out clearly by the Accounts Commission" that "Scotland's councils have endured cuts of almost 10% in real terms since 2013/14, when the rest of the Scottish budget has been rising". In response, [SNP MSPs accused Cllr Fagan of disinformation](#) and of misrepresenting the Accounts Commission, citing the 2.6 per cent figure referenced above.
13. Media coverage included a quote stated as being on behalf of the Commission, saying it "did not recognise" the 10% figure. This was clarified in a quote for the story reported in The Herald on 3 December, explaining the figures as follows:
  - The 'almost 10%' figure was from specific local analysis for [South Lanarkshire Council's 2021/22 annual audit report](#) (para 119), considering only core revenue funding up to 2020/21,

- The 2.6% figure is from the [Local Government Overview 2023](#) and is based on analysis of all revenue funding from the Scottish Government up to 2021/22.

Thus both figures are accurate but based on different data, concerning different years, and therefore not directly comparable.

## Issues affecting Scottish local government

### Local government finance

14. On 4 December, COSLA was [widely reported](#) as stating that local authorities are at risk of bankruptcy if funding from the Scottish Government is not improved. The warning came in COSLA's budget lobbying document, '[Councils Are Key](#)', which said councils need almost £14.4 billion in the budget just to "stand still". COSLA made reference to the Section 114 notices issued by Birmingham and Nottingham city councils, claiming that this could become a reality for Scottish councils if funding does not match growing cost pressures, with essential services potentially having to cease.
15. Meanwhile, [draft regulations](#) allowing local authorities to charge up to double the full rate of Council Tax on second homes were laid before the Scottish Parliament. This change attracted majority support in a recent consultation, and will bring second homes into line with long-term empty homes from 1 April 2024. There were more than 24,000 second homes in Scotland as of September 2022 (the latest figures available).

### UK Autumn Statement

16. Headline measures in the [Chancellor's Autumn Statement](#) on 22 November included:
  - cutting National Insurance from 12% to 10% effective from January 2024, but freezing income tax and National Insurance thresholds until 2028
  - increasing the National Living Wage from £10.42 to £11.44, the state pension by 8.5% and Universal Credit by 6.7%, from April 2024
  - making permanent the "full expensing" tax break, and extending the 75% business rates discount for retail, hospitality and leisure firms in England for another year

These and other measures – presented as “an autumn statement for growth” – are to be funded through higher-than-expected tax revenues as a result of inflation.

17. However, there was no additional funding for UK Government departments, despite growing cost pressures, with a continuation of previously announced spending plans that have since been impacted by inflation. According to the [Institute for Government](#), day-to-day spending is due to rise by only 1.9% per year in real terms between 2021/22 and 2024/25, and less than 1% in real terms after that – with large increases for the NHS, defence, foreign aid and childcare likely to result in cuts to other areas.
18. The Deputy First Minister [responded to the Chancellor's Autumn Statement](#) describing it as the “worst case scenario” for Scotland's finances, stating that it fails to deliver the investment needed in services and infrastructure. Speaking on the BBC Sunday Show a few days later, Ms Robison said this year's budget will be one of the most difficult

since devolution, and commented that “the size of the public sector workforce will have to change” and it “will have to operate in a different way”.

19. COSLA President Cllr Shona Morrison issued a [strongly worded response](#) to the Deputy First Minister's comments about the Scottish Budget following the UK Autumn Statement. COSLA's statement emphasised the need for a clear focus on prevention to tackle current challenges, and criticised the Scottish Government for choosing “to continue to direct funding for specific purposes and cut Local Government funding in real terms”, stating that “this is a major reason that we are where we are today”.

## UK local government

20. [Nottingham City Council issued a section 114 notice](#), effectively declaring itself bankrupt and stopping all non-essential spending. The council – which was already being monitored by the UK Government – cited a number of factors putting pressure on its finances and impacting on its financial resilience, including:

- increased demand for social care, and rising homelessness
- the impact of inflation
- “past issues relating to financial governance”
- an overspend in 2022/23 and expected £23 million overspend in 2023/24

Nottingham's announcement follows Birmingham City Council's s114 notice in September, and [more are expected to follow](#).

21. The [Office for Local Government \(Oflog\)](#) has revealed the performance data it will be requesting from local authorities in England. Having initially focused only on financial indicators, the [new draft metrics](#) cover a range of service areas and are intended to give “a sense of how a local authority operates”, using existing datasets in order to avoid “unnecessary new burdens” on councils. Oflog intends to act as an ‘early warning system’ for council failures but is still developing its approach, and [there are concerns](#) that its remit is too narrow and that it is rapidly being overtaken by events.
22. The Levelling Up, Housing and Communities (LUHC) Committee at Westminster has [launched an inquiry regarding Oflog](#), looking at its remit and how it will help to raise performance and improve outcomes – including how it will engage with local authorities, and how it will use data. In opening its inquiry, [the Committee wrote to Michael Gove](#), Secretary of State for LUHC, with a series of questions about Oflog including regarding its strategic fit, purpose and priorities, as well as its independence from the UK Government and distinction from the Local Government Association.
23. It was reported that [just 1% of English councils](#) produced audited accounts for 2022/23 by the deadline. More than 900 accounts for councils and other public bodies going back to 2017 remain unaudited, with UK ministers considering an ‘amnesty’ to clear the backlog. Ten public bodies – including Slough council, which effectively declared bankruptcy in 2021, and three councils that have borrowed large sums to invest in commercial property deals – have not had accounts audited for the last five years.

## Policy area updates

### Housing and homelessness

24. City of Edinburgh Council and Glasgow City Council each formally declared a housing emergency, following the lead of Argyll and Bute Council which took the step in June.
25. [Councillors in Edinburgh voted on 2 November](#) in support of a motion by the housing convener that cited the city's record homelessness figures along with a severe shortage of social rented homes and spiralling private rental costs. The council says around 5,000 households in the capital are living in temporary accommodation, while about 200 bids are made for each available social rented home. Councillors agreed to write to the First Minister and the Housing Minister, asking for additional funding.
26. The Scottish Government responded to the announcement by stating that it was making available £3.5bn over this parliamentary term to support delivery of 110,000 affordable homes by 2032, with 70% of those for social rent; this includes investing at least £60m to help local authorities and registered social landlords acquire properties for use as high quality, affordable, permanent homes.
27. [Glasgow councillors agreed the move on 30 November](#) due to "unprecedented pressures", with more than 5,200 current open homelessness cases – a 44% rise since 2019 – and a doubling of the number of homeless refugees since a streamlined asylum process was introduced by the Home Office in June. The council expects its homelessness services to have a budget overspend of £23.6m this year. Councillors called on the UK Government to pause the new asylum scheme and/or provide funding to manage the resulting additional costs; however, this request was refused.

### Health and social care

28. [Adult social care recruitment campaign](#): The Scottish Government launched a new recruitment drive, 'You can make the difference', to support the recruitment of more adult social care workers and help address vacancies. The campaign includes TV, radio, outdoor and digital advertising, and focuses on the difference someone working in adult social care can make to people's lives. It highlights the rewarding relationship between carer and care receiver, as well as the variety of roles available in the sector.
29. [Glasgow Community Link Workers](#): Additional funding is being provided to preserve the Community Link Worker programme within Glasgow City Health and Social Care Partnership. Community Link Workers offer one-to-one support for issues such as debt, housing and loneliness, reducing pressure on GPs. The service is particularly valuable in areas of deprivation where poverty and inequality contribute to poor health.
30. [Carer Support Payment pilot](#): Unpaid carers in Perth and Kinross, Dundee City and Na h-Eileanan Siar are the first to be able to apply for the Carer Support Payment, which is replacing Carer's Allowance in Scotland. Carers in more local authority areas will be able to apply from spring 2024; the benefit will be available nationally by autumn 2024.

### Social security and communities

31. [Storm Babet grants](#): councils impacted by Storm Babet will be allocated additional funding to enable them to provide grants of up to £1,500 to people whose homes were

affected by flooding and £3,000 to businesses who can show their ability to trade has been severely impacted. [Funding to support farmers](#) affected by flooding was also announced, with grants of up to £30,000 to help repair man-made flood banks. The UK Government also announced an additional [£60 million in funding for the Scottish Government](#) which, while intended for flooding relief, can be allocated freely.

- 32. [Levelling Up Fund](#):** Six regeneration and transport projects across Scotland are set to receive almost £122 million in the third round of the UK Government fund. Proposals for Moray, North & South Ayrshire, South Lanarkshire, Glasgow, Dumfries & Galloway and the Scottish Borders have each been awarded a share of the fund, which will see upgrades to their town centres, high streets and local transport. The [National Audit Office recently published a report](#) on the value for money of the UK Government's 'levelling up' programmes, which found delays in the progress of projects and areas for improvement in the management of the funding schemes.

## Education

- 33. [School building programme](#):** Ten local authorities are to be awarded funding worth £450-500 million in the third phase of the Learning Estate Investment Programme (LEIP). This phase includes a particular focus on Additional Support Needs (ASN) facilities, with six projects that include ASN capacity including three ASN schools. The latest round of investment means that every local authority that submitted a bid has now received funding for a project through the LEIP, which is a joint programme between the Scottish Government and COSLA.

## Other announcements

### Scottish Government

- 34.** A Learning and Evaluation Oversight Group, convened by the former Deputy First Minister and chaired by Professor Linda Bauld, published a report on [learning from Covid-19](#), with evidence and conclusions intended to inform Scotland's recovery from the pandemic. Areas covered include the experience of disadvantaged or marginalised groups, the impact of government interventions on existing inequalities, the importance of maintaining trust, and the capacity of services to respond quickly and flexibly.

### COSLA

- 35.** COSLA recently issued the following publications and announcements:

- [Welcoming UNISON's acceptance of the pay offer](#), meaning that all 3 main unions have now accepted the deal, which equates to half a billion pounds overall.
- [Recognising the contribution of unpaid carers](#) and promoting awareness of the rights carers have and sources of support available to them.
- Launch of "[16 Days of activism against gender-based violence](#)" campaign.
- [Joint statement with Scottish Government](#) on the strategic review of funding and commissioning of Violence Against Women and Girls (VAWG) services.

- [New Self-Harm Strategy Action Plan](#), made jointly with the Scottish Government.

## Improvement Service

36. The Improvement Service (IS) recently issued the following publications and updates:

- [Improvement Service 2023 Annual Report](#), detailing its programmes of support for councils in delivering better public services, and looking to the future
- [First meetings of the Leadership Practitioner Forum](#), part of IS's transformation work with Solace Scotland, looking at options for future delivery of services
- [A new fuel poverty dataset, the Scottish Fuel Poverty Index](#), which combines indicators of demand and ability to pay to assess council areas' fuel poverty risk
- [Launch of the Climate Intelligence Service](#), a new programme designed to support local authorities to deliver local climate action and benefits for their communities.

## Scottish Parliamentary committees

37. During November, Parliamentary committee business was as follows.

### Local Government, Housing and Planning (LGHP) Committee

38. The [LGHP Committee](#) took evidence on:

- Visitor Levy (Scotland) Bill (including from COSLA and from Tom Arthur, Minister for Community Wealth and Public Finance)
- Council Tax Freeze (from Tom Arthur)
- The [Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Amendment Regulations 2023](#) (which would enable councils to increase council tax on second homes by up to 100%)

39. The Committee also considered its approach to scrutiny of the [Housing \(Cladding Remediation\) \(Scotland\) Bill](#), and considered the [Non-Domestic Rating Contributions \(Scotland\) Amendment Regulations 2023](#).

40. Meanwhile, the Committee wrote to Joe FitzPatrick, Minister for Local Government Empowerment and Planning, with the [outcomes of its Pre-Budget Scrutiny](#) in relation to local government.

### Public Audit Committee

41. The [Public Audit Committee](#) took evidence on:

- Investing in Scotland's infrastructure – from the Auditor General
- Adult Mental Health – roundtable evidence sessions with stakeholders

### Finance and Public Administration (FPA) Committee

42. The [FPA Committee](#) took evidence on:

- Circular Economy (Scotland) Bill: Financial Memorandum; the Committee subsequently published its report on this (see below).
- Scottish Fiscal Framework (between the Scottish and UK Governments) – independent report and review, and VAT assignment in Scotland.

43. The Committee also scrutinised and approved the Autumn Budget Revision 2023-24.

44. Meanwhile, the Committee published its [Pre-Budget Scrutiny 2024-25 report](#), covering areas such as economic and fiscal context, National Outcomes, financial transparency and accountability, spending priorities, and Public Service Reform. Media coverage of the report focused on three main concerns expressed about the Scottish Government:

- affordability does not appear to be a key factor in its decision-making
- little evidence of a shift away from a short-term approach to financial planning
- no overall strategic purpose to the Public Service Reform programme, with limited oversight and direction from Government.

45. The Committee also published its report on the Financial Memorandum (FM) to the Circular Economy (Scotland) Bill. The 'framework' Bill requires Ministers to help develop a circular economy that reuses materials rather than send them to waste; the practical details are to be implemented through Regulations. The report strongly criticised the limited detail and "entirely unrealistic" assumptions in the FM, particularly in relation to costs and revenue associated with local government activities, stating:

"The FM underestimates costs in relation to enforcement, education and communication campaigns and the infrastructure required to ensure that local authorities are able to adhere to the mandatory code of practice. ...

"Ensuring all local authorities are financially able to utilise the enforcement powers will be important if the Bill's ambitions are to be delivered."

## Other Committees

46. Three Committees – Health, Social Care and Sport; Social Justice and Social Security; and Criminal Justice – held a [joint meeting on tackling drug deaths and drug harm](#), in which they took evidence from Elena Whitham, Minister for Drugs and Alcohol Policy.

47. A number of Committees concluded their Pre-Budget Scrutiny 2024-25, including:

- [Constitution, Europe, External Affairs and Culture](#)
- [Net Zero, Energy and Transport](#)
- [Rural Affairs and Islands](#)
- [Social Justice and Social Security](#)

48. The Social Justice & Social Security published a report on [addressing child poverty through parental employment](#).

49. The Health, Social Care and Sport Committee wrote the following letters of note:

- A [letter to Maree Todd](#), Minister for Social Care, Mental Wellbeing and Sport, regarding the National Care Service (Scotland) Bill. The letter asked a series of questions about the process for and content of amendments to the Bill that will need to be brought forward to incorporate the shared accountability approach agreed with COSLA. A response was due by Wednesday 6 December 2023.
- A [letter to Michael Matheson](#), Cabinet Secretary for NHS Recovery, Health and Social Care, regarding the Health and Care (Staffing) (Scotland) Act 2019. The letter seeks a number of updates on implementation of the Act – due to commence in full in April – and related ongoing work. A response is due by 12 January 2024.

**50.** Meanwhile, the following have been the subject of evidence-taking by Committees (links to any specific evidence sessions are available on request):

- Agriculture and Rural Communities (Scotland) Bill – Stage 1
- Alcohol (Minimum Pricing) (Scotland) Act 2012 – post-legislative scrutiny
- Children (Care and Justice) (Scotland) Bill – Stage 2
- Circular Economy (Scotland) Bill – Stage 1
- Education Reform
- Healthcare in Remote and Rural Areas
- Just Transition for the Grangemouth area
- Just Transition for the North East and Moray
- Kinship Care
- National Outcomes
- Policing mental health in Scotland – HMICS thematic review
- Skills Delivery Landscape – independent review by James Withers
- The Promise
- UN Convention on the Rights of the Child (Incorporation) (Scotland) Bill
- Victims, Witnesses, and Justice Reform (Scotland) Bill – Stage 1
- Women's Health Champion

## Other publications and updates

### SPICe

**51.** The [Scottish Parliament Information Centre \(SPICe\)](#) published a detailed briefing on [Key Issues for Session 6 – 2023 Update](#). A summary of this briefing will be provided in January's Secretary's report.

**52.** Meanwhile, SPICe published blog posts on:

- [Embedding Deliberative Democracy in a Participatory Parliament](#)
- [Institutionalising Post-Legislative Scrutiny](#)
- [Cost crisis: Constituency support for enquiries related to the cost of living and the cost of doing business](#)
- [How is Scotland Performing?](#) (National Performance Framework)

- [How is Scotland's labour market performing? We know with less certainty than we used to...](#)
- [Earnings in Scotland 2023 – recent growth but sluggish longer term](#)
- [Renewable energy map of Scotland](#)
- [UK Autumn Statement 2023](#)

## LGIU

- 53.** The Local Government Information Unit (LGIU), a membership organisation for local government, recently published the following blogs and reports relating to Scotland:
- The State of Local Government Finance in Scotland (13 December; available via [the LGIU website](#) – a summary will be provided in January's Secretary's report)
  - [Three key questions for local government finance in Scotland](#) (16 November)
  - [Five international lessons for Scottish local government finance](#) (9 November)
  - [Best Value: supporting sustainable local government](#) (12 October; members only)
  - [Council Tax: happy 30th anniversary or time for change?](#) (1 March, recently referenced)
- 54.** We are currently actively seeking to reinstate our membership of LGIU in order to access the full range of resources. We are also engaging with LGIU staff to ensure the Accounts Commission's work is accurately represented in LGIU publications.

## Updates on previous queries

- 55.** The Commission's response to the Scottish Government's 'Democracy Matters' consultation was submitted on 28 November 2023, following feedback received from members via email. The response – provided in Appendix 1 to this report – was brief and high-level, recognising that the consultation was primarily aimed at communities.
- 56.** In response to a request at the November meeting to make audit scopes and other outline documentation of audits available to members via the SharePoint site, this information is currently being sought and is being collated in the [Current audits](#) folder. Making this information available will allow members to keep informed of work that is ongoing, and assist the Commission Support Team in managing members' workloads.

## Consultations

- 57.** The following consultations or calls for views were opened this month.
- [Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#) (*Health, Social Care and Sport Committee call for views; closing date: 5 January 2024*)

This Act was intended to ensure that care and support is arranged, managed and delivered in a way that supports choice and control for individuals. The Committee wants to hear about whether the Act is producing expected outcomes, and if not, why not? They want to hear from anyone who has a view on, or experience of, self-directed support, including people with lived experience, experts, staff and organisations supporting individuals in receipt of care.

*A draft response to this call for views has been produced, and is provided in Appendix 2 to this report; members are invited to provide any comments.*

- [Amendment to the Local Authority \(Capital Finance and Accounting\) \(Scotland\) Regulations 2016](#) (Scottish Government consultation; closing date: 22 December)

This consultation seeks views on proposed amendments to the Regulations that set out the statutory requirements for the borrowing and lending of money and for loans fund accounting, and to Local Government Finance Circular 7/2016, which sets out proper accounting practices for loans fund accounting.

*As this consultation concerns a technical and operational matter, a response will be provided by Audit Scotland, produced by the Innovation and Quality team. Members are asked to note the response, provided in Appendix 3 to this report.*
- [Care Leaver Payment policy proposals](#) (Scottish Government consultation; closing date: 26 January 2024)

This consultation is to gather views on the proposed Care Leaver Payment – a one-off payment of £2,000 to young people moving on from care, part of a wider package of support intended to reduce some of the financial barriers faced when moving on from care and into adulthood and independent living. The consultation contains questions on a range of issues including the purpose of the payment, the eligibility criteria, and the support required to apply for and manage the payment.
- [Additional Support for Learning \(ASL\) in Scotland](#) (Education, Children and Young People Committee call for views; closing date: 31 December 2023)

The Committee is undertaking post-legislative scrutiny of ASL and wants to know people's experiences of how services are provided. The inquiry is focusing on the implementation of a presumption of mainstreaming, the impact of the pandemic, and use of remedies set out in the Act to resolve disputes as to whether provision is adequate to meet a child's needs. The Committee wants to hear from a range of people including parents, teachers, support staff, carers and pupils.
- [Education Reform: provisions of the Education Bill](#) (Scottish Government consultation; closing date: 18 December 2023)

In 2022 the Scottish Government announced that the Scottish Qualifications Authority (SQA) would be replaced with a new qualifications body, and that a new independent inspectorate will be established, ensuring alignment with the wider inspection system. This consultation seeks views on the proposals to replace the SQA, and on approaches to maximise the role inspection plays in providing assurance and supporting teachers and others to improve education in Scotland.
- [Mental Health Moratorium](#) (Scottish Government consultation; closing date: 22 January 2024)

Following a review of Scotland's statutory debt solutions, and recommendations by a stakeholder working group, the power to create a Mental Health Moratorium was included in the Bankruptcy and Diligence (Scotland) Bill, introduced in April 2023, as a specific tool to ensure access to breathing space and respite for those with mental health difficulties and financial challenges. This consultation aims to build on work and engagement undertaken so far, to help shape implementation.

**58. The Commission is invited to:**

- Provide any comments on the draft joint response to the call for views on Self-Directed Support, provided at Appendix 2
- Provide any views on whether and how the Commission should respond to any of the other above consultations, and
- Ask the Executive Director of Performance Audit and Best Value to consider and draft responses as appropriate, taking into account any views expressed by Commission members

## Appendix 1: Commission response to Democracy Matters consultation

The Accounts Commission welcomes the opportunity to comment on the Democracy Matters consultation. The specific questions you raise are ones for local communities and individuals to respond to, but we would wish to signal our overall support of this review in furtherance of the wider issue of community empowerment and involvement in local decision-making.

As we reported in our [Local Government Overview 2023 report](#), councils must work with local communities to make difficult choices about the future of their local services. In 2019, we also produced a report, [Principles for Community Empowerment](#), which you may find relevant to the issues posed in the consultation. Effective community empowerment takes time and sustained effort, with strong leadership, engagement and motivation between all parties, so it is essential to understand how best to focus limited resources to achieve the most benefit.

In addition, the Commission supports the incorporation of the EU charter of local self-government, holding the view that councils are best placed to understand the needs of their communities and deliver local services best suited to those needs. We believe this approach is necessary to realise the full benefits of the community empowerment and local democracy ambition.

The Local Governance Review was launched in 2017 and paused during the pandemic, so we welcome this consultation as a means of gaining an understanding of the current appetite for engagement among local communities in the current climate. We will follow with interest the progress of the second phase of the review through the Democracy Matters consultation.

## Appendix 2: Draft joint response to Self-Directed Support call for views

### Background

1. Audit Scotland, the Accounts Commission and the Auditor General for Scotland welcome the opportunity to respond to this call for views.
  - The Auditor General for Scotland (AGS) is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
  - The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
  - Audit Scotland is a statutory body established under the Public Finance and Accountability (Scotland) Act 2000. It is Scotland's national public sector audit agency which provides the Auditor General and the Accounts Commission with the services they need to carry out their duties.

2. Public audit provides independent assurance that public money is spent properly and is providing value for money. Social care, and its importance to health and wellbeing, has been an important issue for the Accounts Commission and the AGS for many years. We have published several reports and outputs in this area, including a Social Care briefing (2022), Integration Joint Boards: Financial analysis (2022 and 2023), Health and Social Care integration (2015 and 2018), Self-directed support (2014 and 2017) and Social work in Scotland (2016) – all our reports in this area since 2015 can be found [here](#).

## Implementation of self-directed support

3. In August 2017, we published a joint [report](#) which considered whether there was sufficient progress in implementing self-directed support (SDS) to achieve the aims of the ten year SDS strategy. Specifically looking at:
  - Progress councils and integration authorities had made in implementing SDS
  - The impact SDS was having on people with support needs, carers, families and communities
  - Factors that were supporting or impeding effective implementation of SDS
  - How effectively the Scottish Government was supporting implementation of SDS and evaluating its impact
4. The report found that while there were many examples of positive progress in implementing SDS, authorities are yet to make the transformation required to fully implement the SDS strategy. The report also found that while there were many examples of people being supported in new and effective ways through SDS, not everyone was getting the choice and control envisaged in the SDS strategy.
5. As part of this work we gathered information from supported people and carers. We found not everyone with support needs is getting the choice and control set out in the SDS strategy. This includes people with mental health problems, who often need more flexible support. There can be good reasons for lack of choice, including protection from harm or limited options in rural or remote locations, but some people feel they have been denied the opportunity to access more effective ways to improve their quality of life. The results of this work are set out in [Supplement 2 – Audit methodology and survey results](#)
6. The report set out a series of recommendations for the Scottish Government, COSLA, integrated joint authorities and partners to make improvements including in relation to:
  - authorities working in partnership with service users, carers and providers to increase flexibility and choice, and make processes simpler and more transparent;
  - providing staff with further training on identifying and planning for outcomes, and supporting them to apply professional judgement
  - the Scottish Government, COSLA and partners working together to agree on the allocation of future financial support and seek solutions to address recruitment and retention problems.

7. In December 2019, we followed up with an [impact report](#) which found that while authorities were yet to make the full transformation required to fully implement the SDS strategy, some steps were being taken to address our recommendations including:
  - the refinement and development of accurate data and methodologies to understand the impact of SDS on people who need support although this was still ongoing
  - a review of independent information, advice and advocacy people need for SDS had been carried out to inform funding for the next three years
  - the Scottish Government is publicly reporting on its plans, strategies and outcomes achieved through public funding
  - a new SDS implementation plan had been produced for 2019-2021 as part of a wider programme of activity to support local reform of adult social care. This was done in partnership with key stakeholders including service users and carers.
8. We have not done any direct work around the implementation of self-directed support since our impact report. However, through our ongoing engagement with the social care sector we understand that an implementation gap remains. There remains wide variability in how the SDS policy is implemented across Scotland with a mixed experience for people in having full choice and control of their support.

### **Appendix 3: Response to Capital Finance and Accounting consultation**

To follow