

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. The first revised report is being tabled this month and 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.

Commission business and recent publications

4. Monthly updates on the activities of both the Chair and Controller of Audit are standing items on the Commission's agenda.
5. Information relating to recent [publications](#) and [blogs](#) is available online, with future planned publications and activities outlined on the members' communications schedule available 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.
6. On 15 February the Accounts Commission [published](#) Resourcing the benefit service: A thematic study. The report outlines that people are waiting longer for housing benefit claims to be processed as services across Scotland's councils face rising workloads, fewer staff and high sickness absence levels. The report received extensive media coverage which has been shared with members, although follow up coverage was undoubtedly impacted by the subsequent announcement made by the First Minister on the morning of publication.

7. Between publication and the end of February, the report web page was viewed over 200 times, and the report was downloaded 234 times. On social media, over the same period, there were over 1,800 impressions, 97 engagements and 420 video views.

Issues affecting Scottish local government

Scottish Government

8. On 02 February Deputy First Minister John Swinney [urged](#) MSPs to back the Scottish Government's Budget for 2023-24. Mr Swinney said that the Budget focused resources on three key priorities, delivering sustainable public services, transforming the economy to deliver a just transition to net zero, and taking direct action to eradicate child poverty. It also includes more than £13 billion for health and social care and £1 billion for early learning and childcare provision along with supporting those hit hardest by the cost-of-living crisis.

9. On 07 February the Scottish Government [published](#) a local government finance circular 2/2023 on accounting for equal pay. A [letter](#) including the circular was sent to Directors of Finance of Scottish local authorities on 03 February.

10. On 22 February the Scottish Government [published](#) the latest local government finance circular 1/2023 containing information about accounting for capital receipts to fund qualifying expenditure on a transformation project.

Health, Social Care and Covid Response

11. On 17 February the Scottish Government [published](#) details of its pay offer for healthcare staff governed by the Agenda for Change (AfC) agreement. Staff covered by AfC include nurses, midwives, paramedics, allied health professionals, porters and others.

12. On 22 February the Scottish Government [published](#) details of the first Data Strategy for Health and Social Care in Scotland, a shared Scottish Government and COSLA commitment. The main ambition of the strategy is to empower the Scottish people with greater ability to access and have greater control over how they manage their own health and social care data where it is safe, legal and appropriate to do so, and for health and social care staff to have rapid access to the information they need to deliver the best possible care.

Education and Local Government pay dispute

13. On 14 February the Scottish Government [published](#) details of an improved pay offer for teachers which would see their salaries rise by 11.5% in April. This is made of a 6% raise for those earning up to £80,000 from 1 April 2022 and a further 5.5% for those earning up to £80,000 from 1 April 2023. The Scottish Government is supporting this new offer with additional funding of £156 million which is on top of the £50 million already provided to local authorities.

14. On 16 February the Scottish Government [published](#) details of an additional allocation of £60 million to local government in 2021/22 to further support education recovery.

15. Members will be aware of ongoing strike action across local government, in particular the rolling strikes by teachers. The Commission Support and Communication Teams will ensure that further developments are communicated to members in a timely manner.

Social Security and Communities

16. On 06 February the Scottish Government [published](#) details about 15 transformational schemes sharing £10 million in 2023-24 from the Vacant and Derelict Land Investment

Programme. The aim of the programme is to transform and redevelop derelict locations that have lain dormant for years and help attract private investment, support low carbon developments, and help Scotland reach net zero by 2045.

17. On 16 February the Scottish Government [published](#) details about £27 million funding over the next three years for community projects tackling poverty and disadvantage. Food pantries which help lower food bills and cost of living advice services are among the 100 initiatives developed by local people set to receive grants from the Investing in Communities Fund.

Economy and business

18. On 10 February the Scottish Government [published](#) details about new measures to boost hospitality and town centre recovery. Hospitality businesses will be able to place tables and chairs on the pavement outside their premises without submitting a planning application. However, councils will retain powers to prevent and deal with obstructions that make it difficult for people to access pavements safely and effectively.

19. On 21 February the Scottish Government [published](#) details about an additional £223 million to be provided to local authorities to support pay awards to staff as part of the 2023-24 Scottish Budget, £100 million for non-teaching staff and £123 million, announced last week, to support a new pay offer for teachers.

Scottish Parliament

20. During February, the Scottish Parliament Information Centre (SPICe) [published blogs](#) on: Scotland spending an additional £1 billion on social security, Scotland's performance against the National Performance Framework, Scotland's rent freeze and evictions pause, an update on Long Covid, and Transparency and the Scottish budget.

Parliamentary committee news

Public Audit Committee

21. During February the Committee took evidence on and [considered](#): The 2021/22 audit of the Crofting Commission, the new vessels for the Clyde and Hebrides and the arrangements to deliver vessels 801 and 802, The 2021/22 audit of the Scottish Government Consolidated Accounts and Scotland's public finances: Challenges and risks, Administration of Scottish income tax 2021/22, and its work programme.

22. On 31 January the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to welcome their ongoing interest in his work on the financial challenges and risks facing Scotland's public services. He also confirmed that himself and the Accounts Commission are undertaking a strategic review of their dynamic work programme.

23. On 09 February the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to provide further information on his 2021/22 audit of the Crofting Commission.

24. On 09 February the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to provide further information on his Section 22 report on the 2021/22 audit of the Scottish Government Consolidated Accounts.

Local Government, Housing and Planning Committee

25. During February the Committee took evidence on and [considered](#): Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) (Amendment) Order 2023, Community Planning Inquiry: Post-Legislative Scrutiny of the Community Empowerment Act 2015,

Understanding Barriers to Local Elected Office, Review of Local Governance, subordinate legislation, and their work programme.

26. On 23 February the Local Government, Housing and Planning Committee [published](#) a report on their consideration of subordinate legislation relating to short-term lets recommending that the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) (Amendment) Order 2023 be approved.

Finance and Public Administration Committee

27. During February the Committee took evidence on and [considered](#): Budget Scrutiny 2023-24, Budget (Scotland) (No. 2) Bill and their work programme.

Other Committee news

28. During February the Equalities, Human Rights and Civil Justice Committee took evidence on and [considered](#) an Inquiry into Race Inequality in Scotland and their work programme.

29. During February the Economy and Fair Work Committee took evidence on and [considered](#) Just Transition for the Grangemouth area, and Town centres and retail.

30. During February the Net Zero, Energy and Transport Committee took evidence on and [considered](#) a modern and sustainable ferry service for Scotland, subordinate legislation and their work programme.

Local government news

COSLA

31. On 03 February COSLA [called](#) for an urgent discussion with the Scottish Government seeking urgent further discussions around their expectations for education. There was agreement with council leaders that Scottish Government expectations cannot be met unless additional necessary resources are provided.

32. On 07 February COSLA [wrote](#) to the Education, Children and Young People Committee regarding investment in school staff and the implications of the Scottish Budget for 2023-24 for education services.

33. On 14 February COSLA [published](#) an article confirming that a new pay offer for Scotland's teachers had been shared with trade unions following a meeting of council leaders.

34. On 20 February COSLA [published](#) a set of good practice principles for the management of School Meal debt whilst retaining a level of flexibility to enable local authorities to design and implement approaches which align with the unique needs and circumstances of their communities.

Improvement Service

35. On 15 February the Improvement Service [published](#) an article about the Wellbeing Economy and how it can help support changing priorities within Local Government and the public sector. The article confirms that many local authorities are becoming more engaged in a wellbeing economy approach using tools such as Community Wealth Building. They also confirm that local authorities should look across their services and join these up to have a greater impact, particularly in targeting economic opportunities towards those who are living in socio-economic disadvantage.

SOLACE

36. On 02 February SOLACE [published](#) its response to the Children's Social Care Implementation Strategy with Ade Adetosoye, Solace spokesperson for Children & Families, saying: "It's positive to see progress on some of their respective recommendations. Prioritising more help and support for families is something Solace has called for, albeit on a wider scale than what is currently on offer, and the piloting approach announced should further strengthen the evidence base for such an approach more broadly." However, she also confirmed that local authorities are struggling to manage the needs of children in care and child protection and that the funding sitting behind the announcement represents less than 10% of what was required in order to implement the reviews recommendations in full.

Scottish Public Sector Ombudsman and Standards Commission

37. We continue to develop our approach to reporting relevant information from both the SPSO and Standards Commission to the Commission. This will form part of the revised bi-annual Intelligence Report that is reported to the Commission's Financial Audit and Assurance Committee, which will include specific information previously requested by the Committee which is not publicly available. Recent and upcoming hearings where decisions were reached, and the results of these, are available [here](#), with hearings resulting in no action or further work outlined [here](#).

Other scrutiny bodies

Audit Scotland

38. Audit Scotland has appointed an external consultant to help develop a strategy and principles for how we engage with people who use public services in our audit work. The project will set out suggestions for the approach to service user engagement in the short and medium term, as well as ideas for longer-term ambitions and development. The strategy will initially focus on performance audit work carried out on behalf of both the Auditor General for Scotland and the Commission.

39. The consultant will be reviewing documents and having meetings with Audit Scotland staff and with external bodies involved in service user engagement over the next few weeks. The project will complete in early June. Audit Scotland will then share the findings with Commission and seek views on the way forward.

Care Inspectorate

40. On 14 February the Care Inspectorate published a joint inspection [report](#) of adult support and protection measures in the City of Edinburgh, which has found some strengths in ensuring adults at risk of harm are safe, protected and supported. However, inspectors also identified substantial areas for improvement and have requested the partnership prepare an improvement plan that considers the findings of the joint inspection and that areas for improvement are progressed without delay.

Scottish Housing Regulator

41. On 03 February the Scottish Housing Regulator [published](#) advisory guidance which aims to support social landlords to review and develop their approach to integrated asset management so that assets – tenants' homes – are sustainable and remain fit for purpose in the short, medium and long term.

42. On 09 February the Scottish Housing Regulator [published](#) a report highlighting that some councils are finding it increasingly difficult to fully meet their statutory duties on homelessness, particularly providing temporary accommodation to people experiencing homelessness.

Other UK audit bodies

43. On 01 February the National Audit Office [published](#) a report examining whether the Department for Education is achieving its objective to help pupils recover lost learning by effectively supporting education recovery in schools following the COVID-19 pandemic. The report suggests that while the Department for Education's interventions were informed by available evidence as to what would be most likely to work and that pupils' learning loss is generally reducing, disadvantaged pupils remain further behind the expected level of achievement than other pupils.

UK Government

44. On 03 February the UK Government [announced](#) that 28 local authorities across England will receive a share of £53 million to help people in drug and alcohol treatment. The funding will allow for local authorities to create new housing support schemes tailored to meet local need.

45. On 08 February the UK Government [announced](#) a £5 million Local Industrial Decarbonisation Plans competition to launch this summer. The competition will support groups of industrial businesses such as glass, cement and ceramics manufacturers, to join together in clusters. Along with other key stakeholders including local authorities and Local Enterprise Partnerships (LEPs), these 'local industrial clusters' will develop coordinated and collaborative decarbonisation plans to kickstart their low-carbon journey.

46. On 14 February the UK Government [announced](#) £6.5 million in funding for 18 projects aimed at boosting the space sector across the UK. This includes support for high impact, locally led schemes and space cluster development managers to help the space sector grow across England, Wales, Scotland and Northern Ireland. The projects will harness space-enabled technology to address local priorities, such as using Earth Observation data to improve local public services and help innovative engineering companies access the UK's growing space markets.

47. On 27 February the UK Government [launched](#) an online portal for 900,000 households without a direct relationship to an electricity supplier, such as those living in park homes and care homes, to apply for a £400 one-off, non-repayable lump sum payment towards their energy bills.

Scottish public policy news

48. On 15 February Nicola Sturgeon [announced](#) her intention to resign as First Minister of Scotland.

49. On 02 February Culture Minister Neil Gray [announced](#) that the Scottish Library and Information Council (SLIC) has selected eight initiatives to receive grants from the Fund, supporting sustainable development and innovation within Scotland's public libraries.

50. On 09 February several unions, think tanks and charities – along with the SNP's own trade union group executive – [wrote](#) to Nicola Sturgeon to ask for the National Care Service Bill to be

paused. In their letter, the groups called for “significantly more time” to be devoted to the Bill, warning that a failure to do so could create a “schism” with wider civic society in Scotland.

51. On 10 February Ayr Financial Fairness Trust [published](#) new analysis that found one in five households (21%) in Scotland are currently living in serious financial difficulty, 4% higher than the UK-wide figure.

52. On 22 February the Scottish Government [announced](#) the new annual Winter Heating Payment begins with 400,000 due to receive a £50 payment. Unlike the DWP benefit it replaces, Winter Heating Payment is not paid only to people when there is a sustained period of cold weather in a specific location but is a reliable annual £50 payment.

UK public policy news

53. On 15 February the London Borough of Croydon has been forced to [request](#) additional government support, including the write-off of more than £500m of debt due to its “completely unsustainable” financial position. Croydon has already been given permission to increase council tax by up to 15% in 2023-24, raising up to £22m of additional funding.

54. On 21 February a cross-party group of the lowest funded councils in England have [called](#) for “fundamental change” to the way local government is financed – or they risk having to make cuts across all services. These councils argued that funding formulae, which mean authorities with lower council tax income receive more grant funding, entrenches existing inequalities.

Consultations

55. On 31 January, the Scottish Government opened a [consultation](#) on Community Wealth Building, part of their Programme for Government 2022-23. Community Wealth Building is a key tool to help achieve an economy focused on delivering wellbeing for everyone. It seeks to do this by growing local wealth and making sure it stays in communities. Options under the consultation have the potential to impact the legislative duties of both councils and Community Planning Partnerships. The consultation closes on 25 April.

56. On 17 February, the Scottish Government opened a [consultation](#) on ending the sale of peat in Scotland. Peatlands have a critical role to play in responding to the twin crises of the global climate emergency and loss of biodiversity because in good condition, peatlands are a significant natural carbon store. They hold around 1.8 billion tonnes of carbon, equivalent to around 145 years' worth of Scotland's total net carbon emissions. Peatlands also support important ecosystems and biodiversity, improve water quality and reduce flood risk. However, when degraded or in poor condition, these benefits are lost, and peatlands become a net source of carbon emissions.

57. The Commission Support Team recommend that the Commission:

- considers the merits of formally responding to the consultation on Community Wealth Building
- notes the consultation on the sale of peat in Scotland but does not formally respond.