

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.

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. In late March the blogs "Learning the lessons of Covid-19 has never been more important" (by the Accounts Commission) and "Encouraging progress on education data but still a long way to go" (by Antony Clark) were published. Due to technical issues affecting the Audit Scotland website analytics between March 31st and April 21st full statistics from publication cannot be provided, but available information is that the Covid blog has now been viewed 28 times (with 50 engagements and 29 link clicks on social media) and the education blog has been viewed 78 times (80 engagements and 34 link clicks).

- 7.** On 06 April the Accounts Commission [published](#) a report “Integration Joint Boards: Financial analysis 2021/22”. The report confirms that Scotland’s IJBs face considerable financial challenges and immense pressures on their workforce. IJBs have reached the point where significant transformation will be needed to ensure the long-term capacity, financial sustainability and quality of services individuals receive. The report has been downloaded 730 times.
- 8.** On 25 April the Accounts Commission and Audit Scotland [published](#) a report “Mainstreaming equality: Progress report 2021-23”. The report summarises our progress in delivering equality outcomes by confirming what we’ve done and what we’re planning to do to further promote, encourage and embed equality within our organisation as part of Audit Scotland's work programme and the Accounts Commission’s priorities for 2021-26. It has been viewed 367 times, with an accompanying video viewed 82 times.
- 9.** On 27 April the Auditor General for Scotland and the Accounts Commission [published](#) a blog “Homelessness affects us all - action is needed”. The blog outlined how homelessness makes accessing support and other core services such as healthcare, education, training, welfare and gaining employment exceptionally difficult. It deprives people and families of access to a safe place to sleep, wash, prepare food, work or study and it robs people of a place to anchor their life significantly diminishing health and life expectancy. The blog confirms that both the Accounts Commission and Auditor General, expect to undertake a joint audit focused on homelessness in 2023/2024. The blog has been viewed 470 times.
- 10.** We still intend to provide members with both the Quarter 4 (January to March) and Annual (April 2022 to March 2023) publication statistics for relevant Accounts Commission publications as part of the revised approach to the Secretary update report. Unfortunately, due to a combination of technical issues and staff leave, this has not been possible this month. We will work with colleagues in Communications to ensure these are reported in full next month.

Issues affecting Scottish local government

Scottish Government

- 11.** On 19 April the Scottish Government [announced](#) their Portfolio Prospectus pledging several firm actions to be achieved by 2026. One of these actions is implementing a New Deal for Local Government, including a fiscal framework, to tackle collective challenges and improve outcomes.
- 12.** On 23 April the Scottish Government [announced](#) that up to £25 million is being made available to help councils identify affordable homes for key workers in rural communities. The five year initiative, set out in the Scottish Government’s priorities for the next three years, will enable local authorities and registered social landlords to acquire or lease properties which can be used to provide homes to meet the needs of their communities.
- 13.** On 27 April the Scottish Government [published](#) the first Public Procurement Strategy for Scotland covering 2023 to 2028, which public sector bodies can align to and deliver against. Collaboratively developed by representatives from across a range of sectors, the strategy is designed to allow organisations to engage irrespective of their size or position and promotes economic wellbeing for businesses and communities, supply chain resilience, and whole life costing.
- 14.** On 30 April the Scottish Government [announced](#) a summit to be convened by the First Minister centred around tackling poverty and inequality in Scotland. The anti-poverty summit will

bring people together from a variety of backgrounds – those with lived experience of poverty, the third sector, academics, campaigners, local government, business, and cross-party representatives of the Scottish Parliament to share expertise, experiences and ideas that can be used in a collective effort to drive progress and reduce inequality across Scotland.

Health, Social Care and Covid Response

15. On 05 April the Scottish Government [announced](#) £1 million of funding to help tackle health inequalities. The funding will be allocated directly to general practices in the NHS Greater Glasgow and Clyde Health Board area which feature on the list of 100 most deprived practices in Scotland and will provide targeted support to patients whose social circumstances have a negative impact on their health.

16. On 18 April the Scottish Government [announced](#) the launch of the NHS Community Glaucoma Service. The flagship eyecare service is being rolled out in NHS Greater Glasgow and Clyde where it will expand across Scotland over the next two years and is expected to register an estimated 20,000 patients once complete. As part of the service, patients with lower risk glaucoma or treated ocular hypertension will be safely cared for in community optometry practices, closer to home, rather than having to travel to hospital helping to reduce waiting time pressures in hospitals.

17. On 21 April the Scottish Government [announced](#) £15 million funding to support projects addressing mental health, social isolation and loneliness in adults. The Communities Mental Health and Wellbeing Fund for adults, launched in 2021, has now provided around 3,300 grants to community organisations delivering mental health and wellbeing support, bringing total investment to £51 million. Activities will target older people, areas of economic deprivation, people with long term health conditions or disability and LGBTI communities.

Social Security and Communities

18. On 03 April the Scottish Government [announced](#) £15 million to support low-income families through the provision of free school age childcare as to help tackle child poverty. Existing services for eligible families in areas of Dundee, Clackmannanshire, Glasgow and Inverclyde will be expanded, with new services set up in other communities across Scotland.

Economy and business

19. On 04 April the Scottish Government [announced](#) that the energy transition across the North East will be further boosted by £25 million from the Scottish Government's Just Transition Fund to help the region transition to a net zero economy.

Scottish Parliament

20. During April, the Scottish Parliament Information Centre (SPICe) [published blogs](#) on: The First Minister's Statement on "Our Priorities for Scotland", Homeless temporary accommodation – policy and statistics, and What is a "wellbeing economy"?

Parliamentary committee news

Public Audit Committee

21. During April the Committee took evidence on and [considered](#): The 2021/22 audit of Ferguson Marine Port Glasgow (Holdings) Limited, and its work programme.

22. On 03 April the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to inform them that the annual report and accounts of South Lanarkshire College and New College Lanarkshire will not be laid before Parliament in advance of the statutory laying deadline of 30 April 2023. He has therefore decided to prepare a report under Section 22 of the Public Finance and Accountability (Scotland) Act 2000 on the 2021/22 audit of South Lanarkshire College. Although the Auditor General anticipates that the external auditor will be able to provide an opinion on the 2021/22 annual report and accounts of the college before the end of April, this will not be in sufficient time to allow him to fully consider the auditor's findings and prepare a Section 22 report by the deadline.

23. On 03 April the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee regarding future audit and accountability arrangements for replacement European Union funding. The Committee has taken a keen interest in establishing what role the Auditor General for Scotland may have within these new arrangements, and therefore what opportunity the Public Audit Committee would have to scrutinise this funding. However, the Deputy First Minister has confirmed that there is no direct role or responsibility for Audit Scotland, the Auditor General for Scotland, or the Accounts Commission in the audit of the UK Shared Prosperity Fund (or other EU replacement funding) provided by the UK Government. The correspondence then goes on to confirm that the UKSPF will be delivered through local authorities, and that the Accounts Commission is responsible for auditing local government spending, including the application of funding provided by the UK Government.

Local Government, Housing and Planning Committee

24. During April the Committee took evidence on and [considered](#): Building Safety, Post-Legislative Scrutiny of the Community Empowerment Act 2015, subordinate legislation, and its work programme.

Finance and Public Administration Committee

25. During April the Committee took evidence on and [considered](#): Public administration - effective Scottish Government decision-making, and its work programme.

Other Committee news

26. During April the Economy and Fair Work Committee took evidence on and [considered](#): Just Transition for the Grangemouth area.

27. During April the Equalities, Human Rights and Civil Justice Committee took evidence on and [considered](#): Asylum Seekers in Scotland

28. During April the Social Justice and Social Security Committee took evidence on and [considered](#): Cost of living: disabled people and unpaid carers

29. On 27 April the Social Justice and Social Security Committee [welcomed](#) Gordon MacDonald, Marie McNair, Collette Stevenson, Paul O'Kane and Katy Clark as members. Collette Stevenson has been appointed as convener and Gordon MacDonald has been appointed deputy convener.

Local government news

COSLA

30. On 03 April COSLA [confirmed](#) that a new offer had been made to Scottish Joint Council (SJC) Trade Unions, the offer letter can be read [here](#).

- 31.** On 06 April COSLA [responded](#) to a report by the Commission on Integration Joint Boards (paragraph 7) confirming that it highlights the enormous pressure Scotland's health and social care infrastructure is under.
- 32.** On 17 April COSLA [confirmed](#) that COSLA, Police Scotland and the Scottish Police Authority (SPA) have agreed four key priority areas to strengthen collaboration between Local Government and policing in the years ahead. The four priority areas which the organisations will focus on over the current term (2022-2027) are local scrutiny and accountability, prevention and early intervention, health and wellbeing, and resource and investment.
- 33.** On 17 April COSLA [published](#) a news article discussing the consultation on plans to enable councils to raise the amount of council tax paid on empty and second homes.
- 34.** On 27 April COSLA [published](#) a news article following the results of the SJC Trade Unions' Consultative Ballots and the rejection of the pay increase where they re-iterated that the offer made was strong and compared favourably with other sectors.

Improvement Service

- 35.** On 11 April the Improvement Service [launched](#) a new cost of living hub through the Scottish Community Councils project. The resource, which is available on the Scottish Community Councils website, compiles a list of national resources as well as local organisations which can provide help and support, listed by local authority region. The site also contains case studies from Community Councils who have been taking action to help tackle the cost of living crisis in their local area.
- 36.** On 12 April the Improvement Service [published](#) a report on potential funding models and delivery approaches to allocate the levy funding devolved to the Scottish Government for debt advice. Funding for debt and money advice services is often short-term, insecure and geographically inconsistent. This has made identifying an acceptable model to distribute the debt levy funding challenging. To address these issues, the report suggests that work on developing an Advice Services Partnership Framework between Scottish and local government should continue as this may offer a longer-term, more stable funding model.
- 37.** On 20 April the Improvement Service and COSLA [published](#) a report following a series of engagements with local authorities to understand the progress, successes and challenges as they seek to achieve the transformation required as part of the Care Reviews 2020 report The Promise on children's services in Scotland.
- 38.** On 21 April the Improvement Service [published](#) a report on 'Advice Services in Accessible Settings', which highlights the ways that local authority-funded services are delivering advice to improve engagement and to make them easier for individuals to use. Accessible settings are locations that people already visit and in which they feel safe and connected, for example, schools and GP surgeries. The report contains ten case studies of different approaches taken by local authorities.
- 39.** On 21 April the Improvement Service [confirmed](#) that councils' investment in money and welfare rights services is likely to fall in 2023/24. The findings, based on a 90% response rate across all 32 councils, highlighted a likely overall reduction in funding. On average, reductions will be circa 12% for internally provided advice services and around 5% in funding for externally provided services.

40. On 28 April the Improvement Service [published](#) an article discussing how the decisions that local government makes about the places we live and work in can bring benefits for health and wellbeing, for the climate and for reducing inequality.

The Scottish Housing Regulator

41. On 24 April the Scottish Housing Regulator published its new Strategy and work plans for 2023/24. They aim to listen more closely to tenants and service users, reviewing its regulatory framework, being an effective public body, and regulating to support social landlords to meet their obligations and duties for tenants focusing on, landlords discharging their duties effectively to support those who have experienced homelessness, the quality of homes and Gypsy/Traveller sites, and that landlords achieve the standards and outcomes set out in the Social Housing Charter while keeping rent affordable and providing value for money.

Scottish Public Sector Ombudsman and Standards Commission

42. 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.

43. This was scheduled to be reported to the April Committee but delays in receipt of the information required means that the report will now come to the Commission for its consideration at its June meeting. 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

Care Inspectorate

44. On 11 April the Care Inspectorate published an inspection [report](#) of adult support and protection in Orkney has found some strengths in ensuring adults at risk of harm are safe, protected and supported. However, inspectors also identified substantial areas for improvement. The report suggested several areas that could further improve, and the Orkney adult protection partnership have been asked to prepare an improvement plan.

45. On 18 April the Care Inspectorate published a joint inspection [report](#) of services in the East Dunbartonshire community planning partnership has found clear strengths in ensuring children and young people at risk of harm are safe, protected and supported. Some areas for improvement were also identified. Inspectors found that initial concerns were being responded to timeously and effective collaborative practice was helping to keep children and young people safe from harm.

46. On 25 April the Care Inspectorate [published](#) their Statistical Summary Report for Quarter 4 of 2022/23. This presents data on the number of registered care services, new registrations and cancellations, complaints about care services and quality theme grades all by care service type and or service sector.

47. On 27 April the Care Inspectorate [published](#) a report on progress they have made on the equality outcomes they have committed to deliver confirming that equality is a part of everything

they do with the report demonstrating how they are mainstreaming equality by integrating it into their day-to-day working and core functions.

Other UK audit bodies

48. On 03 April Audit Wales [published](#) its Annual Plan for 2023/24 which sets out their work programme for the next 12 months and highlights several priority areas to support their audit work focussing on four themes, tackling inequality, responding to the nature and climate emergency, services resilience and access, and well-managed public services.

UK Government

49. On 03 April Public Finance [published](#) an article confirming that English councils are set to receive 100% of income from homes sold through the right to buy scheme in a bid to replenish lost social housing stock. Income from property sales has until now been split between local authorities and the central government, restricting the ability for councils to replace sold homes. However, the Department for Levelling up, Housing and Communities will allow councils to retain all of their right to buy income for the next two years.

50. On 07 April the UK Government [announced](#) that communities across rural England are set to benefit from an extra £110 million in local authority funding to support rural business and community groups. This funding can be used to invest in initiatives such as farm diversification, projects to boost rural tourism, and community infrastructure projects including electric vehicle charging stations. The funding will also help people start up local businesses to boost growth and create employment opportunities for rural areas.

51. On 12 April the UK Government [announced](#) new proposals for England that will introduce a requirement for planning permissions for short term lets in tourist hot spots helping support local people in areas where high numbers of holiday lets are preventing them from finding affordable housing. The proposed planning changes would see a planning use class created for short term lets not used as a sole or main home, alongside new permitted development rights, which will mean planning permission is not needed in areas where local authorities choose not to use these planning controls.

Scottish public policy news

52. On 06 April the Scottish Government [announced](#) changes to income tax in Scotland which are estimated to raise more than half a billion pounds of additional revenue this financial year. The tax rates for earnings between £12,571 and £43,662 remain the same while earnings above £43,663 are now taxed at the Higher tax rate of 42%. The threshold at which people pay the Top Rate of tax has reduced from £150,000 to £125,140 with earnings over that threshold now taxed at 47%.

53. On 10 April the Scottish Government [announced](#) the launch of a campaign urging disabled people to find out if they are eligible for Scottish Government disability benefits. The nationwide campaign aims to raise awareness about financial support available to help with the extra costs that disabled children and adults may face. These benefits are administered by Social Security Scotland and replace the Department for Work and Pensions' Disability Living Allowance (DLA) for Children, DLA and Personal Independence Payment.

- 54.** On 11 April Housing Minister Paul McLennan [confirmed](#) his key priorities as Housing Minister, noting he is committed to increasing and accelerating the housing supply, tackling homelessness, ending rough sleeping and progressing the Housing to 2040 plan.
- 55.** On 18 April First Minister Humza Yousaf [published](#) a new policy prospectus, setting out how the government will deliver for Scotland over the next three years. In his first major statement to Parliament, the First Minister said three missions, centred on the themes of equality, opportunity and community, will be central to his government.
- 56.** On 18 April Lorna Slater [wrote](#) to the Net Zero, Energy and Transport Committee to confirm that the Deposit Return Scheme will be delayed until 01 March 2024 citing business concerns and issues surrounding the Internal Market Act. Further, changes to the Deposit Return Scheme were [announced](#) on 20 April which will benefit small businesses, including exemptions for products that sell less than 5000 units per year, drink containers under 100ml being excluded, and hospitality premises that sell most of their drinks products for consumption on the premises will be exempt from providing a return point.
- 57.** On 27 April the Accounts Commission's Financial Audit and Assurance Committee considered a summary of emerging issues and recurring themes across local authorities in Scotland, set out by the Controller of Audit in the 'Current audit issues in councils' paper. As part of this discussion, members noted that Orkney Islands Council's 2023/24 budget includes a 10 per cent council tax increase and inquired as to the range of increases agreed across the country. A [BBC news article](#) from March 2023 sets out this information. Increases range from 3.9 per cent in Perth and Kinross Council to 10 per cent in Orkney Islands Council.

UK public policy news

- 58.** On 01 April the UK Government [announced](#) an increase in the National Minimum Wage and National Living Wage, which is set to increase the wages of 2.9 million people across the country.
- 59.** On 12 April the UK Government [announced](#) that £30 million has been granted to three projects across the UK working on capture and storage technologies for renewable energy. Storing renewable energy will be crucial as the UK transitions towards cheaper, cleaner, domestically produced renewable energy and maximising the potential of renewables will help boost the UK's energy security and independence.
- 60.** On 14 April Public Finance [published](#) an article where local auditors, Grant Thornton, have warned that low capacity in council finance teams and the failure to deal with historic accounting issues mean the current September audit deadline is unlikely to be met. The firm said the changes in recent years to council investment strategies have seen annual accounts become increasingly complex and in certain instances, audits are open as far back as 2017-18.
- 61.** On 18 April John Pearce of the Association of Directors of Children's Care [confirmed](#) that conflicting regulations and insufficient funding mean local authorities are struggling to meet the needs of children in care, entrenching inequalities. He also stated that the £200 million of additional funding the Government has earmarked for reforms is unlikely to fully meet the needs of local authorities.
- 62.** On 20 April [research](#) from the Flash Flood Resilience Index, developed by public sector insurer Zurich Municipal, found that major flooding incidents driven by climate change will impact the most deprived areas hardest. The research confirms that more than 380,000

households in England at heightened risk of flash floods are living in severe deprivation – 75,000 more than in the least deprived areas.

63. On 21 April Deputy Prime Minister and Justice Secretary Dominic Raab [resigned](#) following a report on allegations of his bullying of staff, which was handed to the Prime Minister, Rishi Sunak the day before.

Consultations

64. On 17 April, the Scottish Government opened a [consultation](#) asking whether councils should have additional powers giving them discretion to charge up to 100% premium on council tax for second homes or charge more than 100% premium on council tax for second homes and long-term empty homes. The aim of this would be to encourage more residential accommodation to be used as homes for living in and for these to be occupied for more of the time. Local areas need to decide how to achieve the right balance in the use of housing to meet local needs and to support thriving communities. This is why they are also asking for views on whether the current non-domestic rates thresholds for self-catering accommodation should change, and/or if councils should have discretion to set them.

65. On 27 April, the Scottish Government opened a [consultation](#) seeking views and comments on the draft local living and 20-minute neighbourhood planning guidance. The guidance is intended to assist and support local authorities, communities, and others with an interest in local living and 20-minute neighbourhoods. It is expected to be of particular relevance in the preparation of Local Development Plans (LDPs), Local Place Plans (LPPs) and to support planning decision making.

66. In April, the Commission requested that consideration be given to how we monitor and respond to consultations and calls for views launched by the Scottish Parliament (not the Scottish Government). April included the Parliament's Easter recess, and our monitoring has not identified any relevant activity to be brought to the Commission's attention this month.

67. Related to this, members may wish to note that the Commission Support Team are currently liaising with members of Audit Scotland's Innovation and Quality business group to update guidance that formalises the role of both the Commission Support Team (in particular the Secretary) and the Commission in approving consultation responses issued on its behalf.

68. The Commission Support Team recommend that the Commission:

- Notes the consultations on council tax and 20 minute neighbourhoods but does not formally respond.
- Notes the development of formal guidance for Audit Scotland staff related to issuing consultation responses on behalf of the Commission.