

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. On 24 August the Accounts Commission [published](#) a report "The 2021/22 audit of Glasgow City Council". The report confirms that the council has settled or is in the process of settling about 19,000 claims from former and current employees who had been underpaid in comparison to counterparts, at a cost of £765 million. To fund this, the council entered 'sale and leaseback' arrangements with council-owned bodies on cultural, sporting and education properties. Since this report was released close to the end of the month, view and download statistics will be reported to the Commission at its October meeting.

7. As part of the revised approach to preparing this update report introduced in 2023, it was agreed that quarterly and annual publication statistics for relevant Accounts Commission publications would be provided to supplement the regular monthly publication statistics. Quarter 2 2023/24 statistics (July to September) will be reported to the Commission at its October meeting.

Issues affecting Scottish local government

Scottish Government

8. On 22 August, the Scottish Government [announced](#) that Hjaltland Housing Association will receive £20m from the Scottish Government's Housing Infrastructure Fund to supply affordable housing in Shetland.
9. On 25 August, the Scottish Government [announced](#) a new funding package of up to £960,000 over three year, provided jointly by the Scottish Government and Nationwide Foundation. The funding to the Communities Housing Trust and South of Scotland Community Housing, is for housing projects which will support more affordable homes and facilities in remote and rural areas.
10. On 28 August, the Scottish Government [announced](#) the transfer of the Clyde Mission regeneration programme to the Glasgow City Region. The Clyde Mission has been working since 2020 to transform the riverside corridor running from Lanarkshire, through the City of Glasgow, to the sea. An additional £1.5m will be dedicated to the project, taking overall investment to over £40m.
11. On 30 August, the Scottish Government [published](#) the final report and recommendations from the sub-group of the Homelessness Prevention and Strategy Group. The group was set up to consider the steps needed to prepare for the introduction of the homelessness prevention duties. The report identifies actions across five priority areas, covering cross-sector culture change, recognition of the importance of a home, clarity on legislation, continuous cross-sector reflective practice, and cross-sector long-term resourcing.
12. On 05 September, the Scottish Government published its [Programme for Government \(PfG\) 2023-24](#), setting out the key legislation and funding commitments for the coming year. The programme is based around First Minister Humza Yousaf's three 'national missions' of equality, opportunity and community. Key commitments include over £400m investment in the Scottish Child Payment scheme, £750m for affordable homes in Scotland and reforms to planning for renewable energy.

Health, Social Care and Covid Response

13. On 04 August, the Scottish Government [published](#) the Digital Health and Care Strategy delivery plan for 2023-24. The delivery plan describes activities supporting primary care, local authorities, health boards, health and social care partnerships, social care, social work, and care providers to offer new or improved services, whether through improved systems and infrastructure, or access to digital services.
14. On 04 August, the Scottish Government [confirmed](#) thirteen projects have been awarded funding as part of their Digital Inclusion Programme aimed at helping people to access online support services, initially in mental health and housing services. The first phase of this project is intended to benefit more than 1,500 people by building skills and confidence,

as well as offering devices to support access to digital services in mental health and housing.

Social Security and Communities

15. On 06 August, the Scottish Government [announced](#) that organisations at the frontline of helping people facing poverty and hardship can now apply for a share of £1.6 million in funding to help tackle food insecurity. The Cash-First Fund is aimed at public sector and third sector partnerships to deliver cash grants for food and other essentials, helping to reduce the need for food parcels. Up to £200,000 will be made available to partnerships including community food initiatives, local authority teams, and money advice services.
16. On 13 August, the Scottish Government [announced](#) that almost £1 million has been distributed between advice agencies and other local services such as schools, charities, hospitals and mental health services to help people struggling to manage their household finances. The fund builds on the success of the Welfare Advice and Health Partnerships initiative that put dedicated advisers in to 180 GP practices in some of Scotland's most deprived and rural areas – to reach those most in need.

Economy and business

17. On 10 August, the Scottish Government [published](#) an evaluation of how effectively No One Left Behind and the Young Person's Guarantee had been implemented, the experiences of service providers and service users, and lessons from early delivery. The evaluation, which took place between May and December 2022, found there was mixed feedback from local stakeholders on how well it had been implemented locally, although most perceived this positively.
18. On 30 August, the Scottish Government [confirmed](#) that The Ecosystem Fund is being relaunched this year to include initiatives encouraging young people to consider entrepreneurship. Applications providing access to support services for under-represented groups including women or those from disadvantaged areas will also be considered. Community groups, non-profit making organisations, industry bodies, colleges and universities are among organisations invited to apply for funding, with grants of up to £50,000 available.

Scottish Parliament

19. During August, the Scottish Parliament Information Centre (SPICe) [published blogs](#) on: An update blog on the Scottish carbon capture and storage cluster, Electric vehicle charging – background and FAQs – updated 2023, NHS Dental Services in Scotland – Braced for change, Student support and fees in Scotland.

Parliamentary committee news

Public Audit Committee

20. During August there were no meetings of the Public Audit Committee.
21. On 21 August, the Auditor General Stephen Boyle [wrote](#) to the Public Audit Committee to thank them for providing feedback on his work programme, confirming that this helps him focus on key topics of interest to the Parliament that will add greatest value in supporting effective parliamentary scrutiny.

Local Government, Housing and Planning Committee

- 22.** During August there were no meetings of the Local Government, Housing and Planning Committee.

Finance and Public Administration Committee

- 23.** During August there were no meetings of the Finance and Public Administration Committee.

Other Committee news

- 24.** During August there were no committee meetings.

Local government news

COSLA

- 25.** On 28 August, COSLA [confirmed](#) that the second phase of the Democracy Matters national conversation had started. This phase will give people the opportunity to come together in their communities to imagine how new and inclusive democratic processes can best help their town, village or neighbourhood. Community groups can guide local discussions by using the consultation document which covers a variety of themes including powers, representation, accountability and participation.
- 26.** On 29 August, COSLA [confirmed](#) that they have agreed to the introduction of a Scottish Recommended Allowance for Foster and Kinship carers. While all local authorities currently provide these, the introduction of a Scottish Recommended Allowance is new. The introduction of this policy is being supported with £16m of funding from the Scottish Government.

Improvement Service

- 27.** On 03 August, the Improvement Service [discussed](#) the new IS Strategic Framework and how it aims to respond to local government challenges and ambitions. The new Strategic Framework will help shape the direction of the Improvement Service and how they support local government improvement over the next four years, until 2027. In order to achieve these aims, the Improvement Service has identified four Strategic Priorities, assisting local authorities to transform and transition to new models of service delivery, supporting local government to deliver sector-led improvement in a range of policy and service areas, providing leadership and facilitating collaboration to enable a more preventative, integrated approach to tackling poverty and inequality, and supporting local government to deliver digital and data enabled transformation.
- 28.** On 24 August, the Improvement Service [reported](#) that the Shaping Places for Wellbeing Programme team had the chance to share some of the impacts of their work with the Public Health Scotland Board. The Shaping Places for Wellbeing Programme is a delivery partnership between the Improvement Service and Public Health Scotland, funded and supported by The Health Foundation and Scottish Government with support from COSLA which aims to improve Scotland's wellbeing and reduce inequalities.

Scottish Public Services Ombudsman and Standards Commission

- 29.** 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.

Other scrutiny bodies

Care Inspectorate

- 30.** On 08 August, the Care Inspectorate published a joint review of 25 adult protection partnerships in Scotland which found that many adults at risk of harm are safer and have enhanced wellbeing due to the joint efforts of social work, police and health staff. The report summarises the findings, themes and key messages from the joint inspection programme, and alongside the joint inspection report published in 2018 this provides a baseline of how effectively partnerships ensure adults at risk of harm are safe, supported, and protected.

Other UK audit bodies

- 31.** On 01 August, Audit Wales [published](#) a report “Cracks in the Foundations – Building Safety in Wales” which looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The report found that although the changes to Building Control and Building Safety are welcomed, individuals responsible for implementing these changes are not well placed to deliver them and are unable to effectively carry out their roles to make sure buildings in Wales are safe. They also found that there are a wide range of problems facing the building control and building safety profession, including significant staffing challenges.

UK Government

- 32.** On 09 August, Public Finance [published](#) an article reporting that Woking Council has published a draft of its improvement and recovery plan. The council needs to reduce its revenue budget by 25 per cent, sell some assets to reduce its debt and decide whether to continue with its biggest commercial ventures.
- 33.** On 16 August, Public Finance [published](#) an article reporting that the projected £11.6m overspend at Middlesbrough Council would nearly wipe out their useable reserves of £14.8m, and further use would put the authority close to a Section 114 notice.
- 34.** On 25 August, Public Finance [published](#) an article reporting that Unison have told councils in England and Wales that they will continue to battle for improved wages. Despite a warning from employers that it wouldn't improve its offer, Unison is seeking a 12.7 per cent increase for 2023-24. Council leaders said the tabled increase of £1,925 for those earning up to £49,950, and 3.88 per cent for higher earners, was their “full and final offer”.
- 35.** On 29 August, Public Finance [published](#) an article reporting that all staff at Birmingham Council are being invited to voluntarily resign for a fixed severance package as the authority struggles to cut costs to help it fund a £760m pay discrimination bill.
- 36.** On 05 September, Public Finance [published](#) an article reporting that Birmingham City Council has issued a section 114 notice, as it faces a £87m budget gap this year and the equal pay liability of three-quarters of a billion pounds. The authority has faced costs and setbacks including a faltering implementation of its Oracle IT system (£100m), a share of the 2022 Commonwealth Games (£184m) and an outstanding equal pay liability (£650m-760m, on top of the £1.1bn it has already paid).

Scottish public policy news

37. On 02 August, the Scottish and UK Governments [confirmed](#) they have reached agreement on the Fiscal Framework, providing greater long-term funding clarity for Scotland and some more flexibility on how the Scottish Government can manage public finances.
38. On 08 August, SQA exam results were [released](#). The data, published by the Scottish Qualifications Authority, showed the overall pass rate for National 5, Highers and Advanced Highers has increased from the 2019 pre-pandemic level, with a record number of passes in an exam year achieved at National 5. The poverty-related attainment gap remains narrower than it was in 2019 across National 5s, Highers and Advanced Highers.
39. On 09 August, the Scottish Government [announced](#) that routine COVID-19 testing in hospitals, care homes and prisons is to be substantially reduced following clinical and scientific advice. Public Health Scotland and Antimicrobial Resistance & Healthcare Associated Infection Scotland have recommended a return to pre-pandemic testing due to the success of the vaccination programme and improved treatments.
40. On 17 August, GMB Scotland [confirmed](#) school and early years staff across ten local authority areas working across catering, cleaning, pupil support, administration and janitorial services will go on strike on Wednesday 13 and Thursday 14 September after its members rejected a 5.5 per cent pay offer.
41. On 22 August, the Scottish Government [announced](#) that figures, published by National Records of Scotland, show the biggest year-on-year decrease in drug-related deaths since the statistics series began. The figures found that 1,051 people died due to drug misuse in 2022, a decrease of 279 deaths (21 per cent) compared with 2021 and the lowest annual total since 2017.
42. On 25 August, the Scottish Government [announced](#) that in the past year there has been an 8 per cent growth in renewables capacity in Scotland. The Scottish Government has also published its draft Energy Strategy and Just Transition Plan, with analysis estimating the number of low carbon production jobs could rise from 19,000 in 2019 to 77,000 by 2050.
43. On 29 August, the National Records of Scotland [confirmed](#) that there had been 1,276 alcohol-specific deaths in Scotland in 2022, a 2 per cent increase on 2021. Female deaths rose by 31 to 440, while male deaths remained unchanged and continued to account for around two thirds of alcohol-specific deaths.

UK public policy news

44. On 03 August, the Bank of England [announced](#) another rise in its base rate – from 5 per cent to 5.25 per cent. The bank said it now expects interest rates to peak at “just over 6 per cent” and stay at an average “just under 5.5 per cent” in the coming three years.

Consultations

45. On 01 August, the Scottish Government opened a [consultation](#) on refreshing the strategic commissioning plans and performance reporting statutory guidance, initially published by the Scottish Government in 2015 and 2016. The purpose of the statutory guidance is to support integration authorities, who plan and direct the delivery of health and social care services, to produce strategic plans and annual performance reports. The Scottish Government brought together a working group, including organisations that represent

supported people, carer organisations, those who plan and oversee the delivery of services, and many more partner organisations partners from across health and social care, to refresh the guidance. Re-drafts of the guidance have been produced through engagement with the working group and the consultation is now seeking to capture further feedback and views on these revised guidance documents.

- 46.** On 28 August, the Scottish Government opened a [consultation](#) to provide the opportunity for individuals, organisations, and communities to help shape future local democratic systems and processes through Democracy Matters conversations. These conversations and the feedback gained through them will inform whether some decisions about a wide range of Scotland's public services that are currently the responsibility of either national or local government should be taken closer to the people they most affect. This will guide the work which Scottish Government, local government, public sector partners, and the community sector will need to do together to design in detail how the new arrangements could be made to work in practice in diverse community settings. To provide reassurance, a further stage of deliberation will follow the Democracy Matters conversations. This will involve people being invited to come together in different places to consider future arrangements set out in detail.
- 47.** The Commission Support Team recommend that the Commission request the Executive Director of the Performance Audit and Best Value group consider how best to respond to the above two consultations and draft responses as appropriate.