

MEETING: 10 FEBRUARY 2022

MINUTES OF PREVIOUS MEETING

Minutes of the 485th meeting of the Accounts Commission held via online meeting on Thursday 9 December 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
 Andrew Burns
 Andrew Cowie
 Sophie Flemig
 Sheila Gunn
 Tim McKay
 Stephen Moore
 Sharon O'Connor
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Michelle Borland, Business Manager, PABV (Item 10)
 Stuart Dennis, Corporate Finance Manager (Item 9)
 Agata Maslowska, Auditor, PABV (Item 7 and 15)
 Mark McCabe, Audit Manager, PABV (Item 7 and 15)
 Diane McGiffen, Chief Operating Officer (Item 16)
 Zoe McGuire, Senior Auditor, PABV (Item 7 and 15)
 Jillian Matthew, Senior Audit Manager (Item 16)
 Stephen Reid, Partner, Ernest Young (Item 7 and 15)
 Mark Roberts, Audit Director, PABV (Item 10)
 Grace Scanlin, Senior Manager, Ernest Young (Item 7 and 15)
 Shelagh Stewart, Audit Manager, PABV (Item 17)
 Martin Walker, Associate Director, Corporate Services (Item 16)
 Gemma Wilson, Audit Officer, PABV (Item 7 and 15)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 11 November 2021
5. Minutes of meeting of Commission committees of 25 November 2021
6. Audit Scotland Board update
7. Best Value Assurance Report: Falkirk Council
8. Statutory performance information: draft 2021 direction
9. 2021/22 local government audits – fees
10. Secretary's update report
11. Interim Chair's update report
12. Interim Controller of Audit update report
13. Any other business
14. Best Value Assurance Report: Falkirk Council (in private)
15. Audit Scotland update (in private)
16. Draft briefing and strategy for future social care audit work (in private)
17. New audit appointments update (in private)
18. Best Value update (in private)
19. Any other private business (in private)

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

There were no declarations of interest.

3. Order of business

It was agreed that the following items be considered in private:

- Item 14, as it required the Commission to consider actions in relation to a report by the Interim Controller of Audit. The Commission is then obliged by statute to inform the appropriate council of its decisions, which the Commission does before making the decision public.
- Item 15, as it may have required the Commission to consider confidential policy matters.
- Item 16, as it proposed a draft publication which the Commission was to consider in private before publishing.
- Item 17, as it may have required the Commission to consider confidential commercial and contractual matters.
- Item 18, as it may have required the Commission to consider confidential commercial and contractual matters.

The Interim Chair advised that there was no business for item 19.

4. Minutes of meeting of 11 November 2021

The minutes of the meeting of 11 November 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 5 (second bullet point), noted advice from the Secretary that the Commission would consider the draft Communications and Engagement Strategy early in 2022.
- In relation to item 6 (final bullet point), noted advice from the Secretary that an annual update report blog by Andrew Cowie was published on 25 November.
- In relation to item 11 (second bullet point), to note advice from the Interim Director of PABV that a response had been made jointly with the Auditor General to the consultation by Professor Ken Muir on the replacement of the Scottish Qualifications Authority (SQA) and the reform of Education Scotland.

5. Minutes of meeting of Commission committees of 25 November 2021

The minutes of the meeting of the Commission's committees of 25 November 2021 were approved as a correct record.

Arising therefrom, the Commission:

- Agreed the following recommendations of the Financial Audit and Assurance Committee:

- To upgrade the risk rating in relation to Commission support arrangements to amber ('controls in place require close monitoring') (item 6 of the minute).
- That this matter be considered for inclusion in the forthcoming contingency planning exercise (item 6).
- To include self-evaluation activity as part of the next Commission Strategy Seminar (item 6).

Actions: Secretary

- In relation to item 5 of the minute of the Performance Audit Committee, noted advice from the Secretary that Stephen Moore had agreed to act as a sponsor alongside Christine Lester for the proposed publication on drug and alcohol services.

6. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the business of the Audit Scotland Board.

Following discussion, the Commission noted the report.

7. Best Value Assurance Report: Falkirk Council

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's Best Value Assurance Report on Falkirk Council.

The Commission raised several questions and points of clarification from the Interim Controller of Audit and his team on his report in the following areas:

- Elected member relations, scrutiny and training (points raised by Elma Murray).
- Organisational culture (Elma Murray).
- Strategic plans (Sheila Gunn).
- Financial planning (Tim McKay).
- Falkirk Community Trust (Andrew Burns).
- Partnership working, community planning and locality plans (Andrew Cowie).
- Poverty in Falkirk (Geraldine Wooley).
- Services for children (Sophie Flemig).
- Health and social care integration (Stephen Moore and Christine Lester).
- Climate change agenda (Sharon O'Connor).

Following discussion, the Commission agreed to consider in private how to proceed.

8. Statutory performance information: draft 2021 direction

The Commission considered a report by the Secretary proposing a draft 2021 Statutory Performance Information Direction and reporting upon the consultation with stakeholders in this regard.

During discussion, the Commission:

- Noted advice from the Interim Controller of Audit, in response to a point by Andrew Cowie, about the assurance reported to the Commission, through the Annual Assurance and Risks Report, on the reporting of progress by councils against the Direction in the annual audit.
- Noted advice from the Secretary, in response to a query from Sharon O'Connor, about the options available to the Commission in reporting, through the Commission's work programme, on progress by councils against their climate change obligations.
- Further in this regard, noted advice from the Secretary that reporting on climate change would be considered by the Commission at its next meeting.

Following discussion, the Commission:

- Approved the Statutory Performance Information Direction, for publication by the end of 2021, prescribing the performance information to be published by councils for the financial years ending 31 March 2023, 2024 and 2025.
- Noted that the Secretary would report back on how to assess progress by councils against Direction as part of the Commission's work programme.

Actions: Secretary

9. 2021/22 Local government audits – fees

The Commission considered a report by the Corporate Finance Manager seeking the Commission's endorsement of expected audit fees for the local government sector for the 2021/22 audit year.

During discussion, the Commission:

- Noted advice from the Corporate Finance Manager that the Scottish Commission for Public Audit would be further discussing Audit Scotland's budget at its meeting on 22 December.
- Noted advice from the Corporate Finance Manager, in response to a query from Andrew Cowie, on the role of the Commission in ensuring its strategy and work programme are reflected in audit fees agreed with councils.

Following discussion, the Commission endorsed the fee levels for the local government sector 2021/22 audits.

10. Strategy and work programme: work programme update

The Commission considered a report by the Interim Director of PABV proposing an update to the joint Accounts Commission and Auditor General for Scotland work programme.

During discussion, the Commission:

- Noted advice from the Interim Director on the pressures faced by auditors in fulfilling the commitments in the work programme.
- Further in this regard, agreed, in response to a point raised by Andrew Cowie, that it be mindful of such pressures as it oversees, updates and prioritises the content of the work programme while maintaining the quality of the programme.

- Agreed, in response to points made by Elma Murray and Andy Cowie, that proposed future discussion by the Commission on impact reporting include addressing the role of Commission sponsors in such work.

Action: Secretary and Interim Director of PABV

- Further in this regard, noted advice from the Interim Director, in response to a point from Christine Lester, that promotion of individual outputs from the work programme was a core part of the planning of the programme.
- Noted advice from the Interim Director, in response to a point from Stephen Moore, about the role of the Strategic Scrutiny Group in ensuring fit between the work programme and those of strategic scrutiny partners.
- Further in this regard, noted advice from the Interim Chair, in response to points from Sophie Flemig and Stephen Moore, about how inequalities and human rights feature in Best Value auditing work, including how proposed Best Value thematic reporting in the proposed new approach to auditing Best Value will provide further opportunities for the Commission to report in this regard.
- Noted advice from the Interim Director about ongoing work with the Commission Support Team to develop the longer-term planning of the work programme and how this is presented to the Commission, upon which he would report further.

Action: Secretary and Interim Director of PABV

Following discussion, the Commission:

- Noted the progress delivering the work programme from August to November 2021 and the planned products up to June 2022.
- Agreed the proposed changes to the programme, subject to the Interim Director considering points raised in discussion.

Action: Interim Director of PABV

- Agreed the audit work in the pipeline for July 2022 onwards, noting that this is flexible and can be revisited as part of the next update in March.

Action: Interim Director of PABV

- Further in this regard, in response to a point raised by Sophie Flemig, to note that the Interim Director would meet with Sophie Flemig and Geraldine Wooley, as sponsors of work relating to early learning and childcare, about proposals for future work in this area.

Action: Interim Director of PABV

- Agreed to delegate to the Interim Chair and Interim Deputy Chair final approval for this update at a joint meeting with the Auditor General on 16 December.

Action: Interim Director of PABV

- Agreed to consult with local government stakeholders on the work programme, the outcome of which would be reported to the Commission in early 2022.

Action: Secretary

11. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- In relation to paragraph 8, in response to a query from Tim McKay, noted advice from Sharon O'Connor and the Interim Director of PABV on the continuing interest by the Scottish Parliament's Education, Children and Young People Committee on the quality of the school estate in Scotland, on which Audit Scotland was maintaining liaison with the Committee's clerking team.
- In relation to paragraph 9, noted advice from the Interim Chair that the roundtable on 24 November with council chief executives, as part of work on the 2022 local government financial overview report, was jointly hosted with the Society of Local Authority Chief Executives (SOLACE) rather than the Improvement Service.
- In relation to paragraph 11, in response to a query from Sheila Gunn, noted advice from the Interim Director of PABV that his team were considering outputs from the recent jointly hosted online event with the Improvement Service for education conveners and directors of education on the Commission's performance audit *Improving outcomes for young people through school education*, upon which he would report further.

Action: Interim Director of PABV

- In relation to paragraph 31, in response to a query from Sophie Flemig, noted advice from the Interim Chair on a discussion between the Strategic Scrutiny Group and Bruce Adamson, Children and Young People's Commissioner Scotland, on children and young people's human rights and their involvement in audit, on which Audit Scotland will report further to the Commission.

Action: Interim Director of PABV

- In relation to paragraph 86, noted advice from Stephen Moore about the significance to the Commission's joint work with Auditor General on mental health of figures published by Public Health Scotland on inpatient mental health care in deprived areas.
- In relation to paragraph 95, noted advice from the Secretary that Falkirk, rather than Fife, Council was one of the successful applicants for the first round of levelling up funding from the UK Department for Levelling Up, Housing and Communities.

Following discussion, the Commission:

- Agreed not to respond to the consultations highlighted at paragraphs 27 and 37.
- Agree that it responds to the following consultations
 - Consultation by the Scottish Government on the draft Fourth National Planning Framework (paragraph 26)
 - Consultation by the Scottish Parliament's Net Zero, Energy and Transport Committee on the role of local government and its partners in delivering net zero (paragraph 57).

Action: Secretary

- Noted that responses to the following would be shared with members once

available:

- Inquiry by the Scottish Parliament's Health, Social Care and Sport Committee into the health and wellbeing of children and young people (paragraph 12)
- Consultation by the Scottish Government on the next Fire and Rescue Framework (paragraph 13).

Action: Secretary

- Noted the report.

12. Interim Chair's update report

The Commission considered a report by the Interim Chair providing an update on recent and upcoming activity.

Having heard further from the Interim Chair on some forthcoming engagements, the Commission noted the report.

13. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

14. Any other business

The Interim Chair, having advised that there was no further business for this item, closed the public part of the meeting.

The livestream of the meeting was stopped at this point.

15. Best Value Assurance Report: Falkirk Council (in private)

The Commission discussed how to proceed in relation to the Interim Controller of Audit's Best Value Assurance Report for Falkirk Council.

Following discussion, the Commission agreed to make findings to be published on 13 January.

16. Audit Scotland update (in private)

The Commission considered and noted a presentation by the Chief Operating Officer and Associate Director, Corporate Services providing an update on the ongoing strategic business of Audit Scotland, particularly in relation to the progress of its Strategic Improvement Programme.

The Interim Chair noted that this would be the last Commission meeting attended by the Chief Operating Officer, Diane McGiffen, before she left Audit Scotland. The Commission joined the Interim Chair in thanking Diane for her support of the Commission in her time with Audit Scotland, and conveyed best wishes to her for the future.

17. Draft briefing and strategy for future social care audit work (in private)

The Commission considered a report by the Interim Director of PABV proposing a draft joint Commission and Auditor General for Scotland (AGS) briefing paper on social care briefing, and the process for finalising, publishing and promoting the report.

Following discussion, the Commission:

- Approved the draft social care briefing, subject to the drafting team considering, in conjunction with the sponsors Christine Lester and Stephen Moore, points raised in discussion.
- Agreed proposals for publishing and promoting the paper.
- Agreed the approach to developing proposals for future social care audit work.

Actions: Interim Director of PABV

18. New audit appointments update (in private)

The Commission considered a verbal report by the Interim Chair on the progress of the 'new audit appointments project.

During discussion, the Commission noted advice from the Interim Chair on:

- The progress with the tendering exercise.
- Ongoing discussion involving Sheila Gunn and the Audit Quality and Appointments Team on matters relating to a complaint's procedure.

Following discussion, the Commission noted the report.

19. Best Value update (in private)

The Commission considered a verbal report by the Secretary.

During discussion, the Commission noted advice from the Secretary that the Best Value Working Group had met on 7 December, upon which he would report to a future meeting.

Following discussion, the Commission noted the report.

20. Close of meeting

The meeting closed at 3.45pm.

MEETING: 10 FEBRUARY 2022

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT SCOTLAND BOARD UPDATE

Purpose

1. This report provides an update on the business of the Audit Scotland Board.

Background

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.¹
3. Audit Scotland (i.e. its Board) consists of the Auditor General for Scotland, the Chair of the Commission, and three other members.² These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.³
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)⁴, the Commission, the Auditor General for Scotland and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

Current Board business

7. This report provides the Commission with the latest available minutes from the meeting of the Audit Scotland Board, in this case the meeting of 22 November 2021. They are attached in Appendix 1.
8. The most recent meeting of the Board was on 26 January 2022, but the minute of this meeting is not yet publicly available as it is yet to be ratified by the Board. This will be available after the next Board meeting on 5 April 2022 and considered by the Commission at its May meeting.

¹ Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

² Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

³ The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

⁴ *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meeting be provided (even if the minute is not yet available). The agenda is attached in Appendix 2. The Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

Conclusion

10. The Commission is invited to consider this update for its interest and seek further information from the Chair as appropriate.

Paul Reilly
Secretary to the Commission
1 February 2022

Minutes Board

Monday 22 November 2021, 10.00am
Audit Scotland by Video conference

Present:

Alan Alexander (Chair)
Stephen Boyle
Elma Murray
Jackie Mann

Apologies:

Colin Crosby

In attendance:

Diane McGiffen, Chief Operating Officer
Martin Walker, Associate Director, Corporate Performance and Risk
Stuart Dennis, Corporate Finance Manager
Simon Ebbett, Communications Manager
Mark MacPherson, Senior Manager, Performance Audit and Best Value
Parminder Singh, International Liaison Manager
Graeme Greenhill, Senior Manager, Performance Audit and Best Value
Judith Strange, Cyan2 Limited

1. Private meeting of Board members

The Board met privately and there were no matters arising. Members welcomed a verbal update from Stephen Boyle, Accountable Officer.

2. Welcome and apologies

Diane McGiffen, Chief Operating Officer, Martin Walker, Associate Director, Corporate Performance and Risk and Stuart Dennis, Corporate Finance Manager, joined the meeting.

The Chair welcomed attendees to the meeting and noted Colin Crosby's apologies.

3. Declarations of interest

There were no declarations of interest.

4. Items to be taken in private

The Chair invited members to agree that the reports at items 17, 18, 19, 20 and 21 of the agenda be considered in private based on the reasons set out on the agenda. The Board agreed.

The Chair advised that the review of the Remuneration and Human Resources Committee minutes at item 8 would also be considered in private.

5. Chair's report – verbal update

The Chair invited members to note of his regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Elma Murray, Interim Chair of the Accounts Commission and Diane McGiffen, Chief Operating Officer.

The Chair advised members of engagement with the Audit Quality and Appointments team on queries raised during the procurement exercise.

The Chair advised that he had attended a keynote session on the Future of the audit profession and welcomed the insight provided and recognised the potential impact for Audit Scotland as a public audit agency.

The Chair also welcomed members' contribution to the Board's Financial planning discussion on 9 November 2021 to consider Audit Scotland's approach to its medium term financial plan and fees and funding strategy.

The Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle recorded his and Audit Scotland's condolences on the death of Bob Black, the first Auditor General for Scotland and reflected on Bob's significant contribution to public services and public audit in Scotland over many years.

Stephen advised the Board of regular meetings with the Chair and reflected on the level of activity across the organisation as we progress the delivery of the joint work programme and financial audits and recorded his thanks to colleagues for their continued dedication and commitment.

Stephen invited the Board to note the comprehensive series of events which have been organised as part of Audit Scotland's 2022 conference programme including valuable contribution to the keynote sessions from CIPFA, ICAEW, Professor Jason Leitch, National Clinical Director, Scottish Government, Anna Fowlie of SCVO and Jennifer Wallace from the Carnegie Trust. The Board welcomed the comprehensive virtual engagement programme and noted the final event with the UK and Ireland Auditors' General in January 2022.

Turning to Parliamentary engagement, Stephen invited members to note the range of activity including publications and evidence sessions, Section 22 reporting and briefings on a range of public audit matters, including attendance with Sharon O'Connor, member of the Accounts Commission, at a session with the Education Committee. Stephen invited the Board to note his continued engagement with the new Finance and Public Administration Committee on its public scrutiny of budget and public administration in Scotland and had been joined by Professor James Mitchell and Graham Roy to discuss public sector reform. The Board also noted a busy period of engagement and evidence sessions scheduled with the Public Audit Committee between now and the end of the year.

Stephen invited the Board to note that the next meeting of the UK and Ireland Auditors' General was scheduled for Friday 26 November.

Stephen advised members of forthcoming changes to the leadership team of Audit Scotland and recorded his thanks to Diane McGiffen, Chief Operating Officer for her significant contribution to Audit Scotland. The Board welcomed the update and proposed early engagement on proposals for the future structure of Audit Scotland's leadership team.

The Board welcomed the update.

7. Accounts Commission Interim Chair's report – verbal update

Elma Murray, Interim Chair of the Accounts Commission advised members that the Accounts Commission had livestreamed two meetings since the previous Board meeting and noted the meeting on 11 November 2021 had been Pauline Weetman's last as a member of the Commission.

The members noted items of business considered by the Accounts Commission which included one Best Value Assurance Report, a review of Audit Scotland's e-hubs and agreement by the Commission to consult on the plans for the new Statutory Performance Indicators Direction from 2022/25. In addition the Commission had considered the Audit Planning Guidance prior to consultation and had held a private session with the Director of Nesta in Scotland to consider the future environment for innovation and risk. The Board noted that the Accounts Commission's Committees would meet on Thursday 25 November.

Elma invited the Board to note the publication of the Commission's new strategy, one Best Value Assurance Report, a blog on the Christie Commission, Community Empowerment Briefing and Climate Change briefing and advised of a meeting with the Deputy Chair and Chair of the Performance Audit Committee as part of ongoing engagement with Scottish Government local government leads. In addition, Elma advised members that she had met with the Convenor of the Public Audit Committee. The Board was also invited to note responses to various consultations including the Public Inquiry into Covid, Equalities, Human Rights and Justice Committee on the Pre-Budget Scrutiny and National Care Service plans.

The Board noted internal engagement including attendance at a number of Audit Scotland's insight and keynote sessions and of external engagement with attendance at the Scottish Leaders Forum launch event of the Covid Recovery Plan, SOLACE Springboard event and noted ongoing engagement with the Education reform programme.

Elma also advised that the Strategic Scrutiny Group had met last week and agreed an updated programme of work, together with support to develop a national scrutiny portal.

The Board welcomed the update.

8. Review of minutes

Board meeting: 22 September 2021

The Board considered the minutes of the meeting of 22 September 2021, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting.

Audit Committee: 1 September 2021

The Board noted the minutes of the Audit Committee meeting of 1 September 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

Remuneration and Human Resources Committee: 12 May 2021 (*considered in the private section of the Board meeting*)

The Board noted the minutes of the Remuneration and Human Resources Committee meeting of 12 May 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

9. Review of action tracker

The Board noted the updates provided on the action tracker.

The Chair highlighted action ASB154 and advised a further reiteration of the Medium Term Financial Plan would be considered in January 2022 with a view to finalising this in April 2022 with consideration of the future fees and funding model to be scheduled thereafter.

10. Covid-19 update

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated.

Martin invited the Board to note the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and the next steps.

During discussion, the Board noted the updates provided on the organisational and audit response and noted the impact and pressure to conclude audit work. In addition, the members noted that the rollout of the vaccination programme continues at pace, the number of reported cases are still rising and the scheduled announcement by the First Minister the following week.

The Board considered the current levels of office activity and sought assurance around future engagement, ongoing monitoring and the balance between office and home based working in the future, noted the level of disruption reported by colleagues and the impact this had had on delivery. The Board noted continued engagement with colleagues was scheduled early in 2022.

Following discussion, the Board welcomed the update and noted the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and the next steps.

11. Strategic Improvement Programme update

Martin Walker introduced the Strategic Improvement Programme update report, copies of which had been previously circulated.

Martin invited the Board to note the progress reported and next steps.

During discussion, the Board considered the update provided and noted the reprioritisation of some workstreams to focus on the delivery of audit work.

The Board welcomed the progress made to build capacity across the organisation and sought clarification on the membership of the project team for the refresh of Public Audit in Scotland. Martin advised that the scope and timing for the project was currently being developed and would welcome an early discussion with Elma Murray to consider Accounts Commission engagement.

Following discussion, the Board welcomed the update noted the progress reported and next steps.

Action ASB155: A discussion to consider Accounts Commission input on the Public Audit in Scotland workstream. (December 2021)

12. Q2 Financial performance report

Stuart Dennis introduced the Q2 Financial performance report, copies of which had been previously circulated.

Stuart invited the Board to note the financial results for the six months to 30 September 2021 which had been scrutinised by the Audit Committee at its meeting on 10 November 2021.

The members considered the principal reason for the increase in fees reported in relation to local government charitable trust accounts and noted the original assumption to complete the work had been based on the number of audit days agreed with the respective Directors of Finance. In addition, the Board noted the negative price variance for central government bodies and Stuart confirmed that the number of days taken to complete the audit had been fewer than the assumption.

Following discussion, Stuart Dennis and Elma Murray agreed to discuss an update to be shared with the Accounts Commission Financial Audit Assurance Committee at its meeting on Thursday 24 November.

The Chair invited any further comments or queries on the comprehensive report and there being none, the Board noted the financial results for the six months to 30 September 2021.

Action ASB156: Stuart Dennis and Elma Murray to discuss an update for the Accounts Commission Financial Audit Assurance Committee meeting on Thursday 24 November. (November 2021)

13. Q2 Corporate performance report

Martin Walker introduced the Q2 Corporate performance report, copies of which had been previously circulated.

Martin invited the Board to review the performance in quarter two and consider whether any additional management action is required.

During discussion, the Board noted the overall steady and consistent performance reported and reflected on the Delivery of World Class Public Audit and internal Being a World Class Organisation areas, being complimentary corporate objectives.

The members noted the resource challenges previously discussed and welcomed the progress reported on recruitment to build capacity. In addition, the Board recognised the need to ensure flexibility in the work programme to manage resource demands across audit teams.

The Board also noted that while delivery of audit quality remains amber they welcomed the actions which had been implemented as part of the ongoing improvement programme and awaited the results from this year's quality reviews which were scheduled to be reported in Q3 and Q4.

The Board noted the support provided for Parliamentary engagement and Martin advised this related to colleagues' support across all engagement with the Parliament for and on behalf of the Auditor General for Scotland, the Accounts Commission and Audit Scotland.

The Chair sought assurance that the performance was consistent with risks reported in Audit Scotland's risk register. Martin provided assurance that the performance and risk reports inform one another, both of which are reviewed by the Performance Risk and Management Group prior to reporting and ongoing dialogue with Management Team. The Chair welcomed the assurance provided of the governance arrangements for both performance and risk.

Following discussion, the Board welcomed the update.

14. Any other business

There was no other business for discussion.

15. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion. The members reflected on its first hybrid meeting of the Board and welcomed the support from colleagues and the technology to support a successful meeting.

The Chair thanked everyone for their contributions.

16. Date of next meeting: 26 January 2022

The members noted the next meeting of the Audit Scotland Board is scheduled for 26 January 2022.

Items taken in private

17. 2022/23 Budget proposal

Stuart Dennis introduced the 2022/23 Budget proposal report, copies of which had been previously circulated.

Stuart invited members to discuss, review and provide comment on the draft 2022/23 Budget proposal and approve the Scottish Commission for Public Audit (SCPA) budget submission.

During discussion, the Board considered the underlying assumptions for the budget proposal in relation to pay, increased employer national insurance contributions, budget for financial devolution work and noted the proposed increase for fees.

The Board noted that the Scottish Government is due to publish both its budget and the pay policy announcements on 9 December 2021 and agreed that consideration of these would be valuable prior to the submission of Audit Scotland's proposed budget to the SCPA.

Following discussion, the Board approved the submission of the budget submission to the SCPA subject to minor presentational amendments to the document.

Action ASB157: The 2022/23 Budget proposal to be submitted to the SCPA. (December 2021)

18. 2021/22 Spring Budget Revision

Stuart Dennis introduced the 2021/22 Spring Budget Revision report, copies of which had been previously circulated.

Stuart invited the Board to approve the request to the SCPA for a 2021/22 Spring Budget Revision of £6 million non-cash AME funding in order to meet additional IAS 19 pension charges.

The Board noted the change in discount rate and the potential for a small reduction in the discount rate, thereby increasing charges, but that the funding level requested in the budget revision together with the year-end forecast should be sufficient to meet any small increase.

Following discussion, the Board approved the submission of the request to the SCPA for a 2021/22 Spring Budget Revision of £6 million non-cash AME funding in order to meet additional IAS 19 pension charges.

Action ASB158: The 2021/22 Spring Budget revision proposal to be submitted to the SCPA. (December 2021)

19. Scottish Commission for Public Audit update

Martin Walker introduced the Scottish Commission for Public Audit update report, copies of which had been previously circulated.

Martin invited the Board to consider and comment on the proposed draft quarterly update to be submitted to the SCPA.

The Chair invited any comments on the draft update and, there being none, the Board approved its submission to the SCPA.

20. Draft Audit Scotland International Strategy for 2021-24

Mark MacPherson, Senior Manager, Performance Audit and Best Value, and Parminder Singh, International Liaison Manager, joined the meeting.

Mark MacPherson introduced the draft Audit Scotland International Strategy for 2021-24 report, copies of which had been previously circulated.

Mark invited the Board to consider and approve the draft International Strategy for 2021-24.

During discussion, the Board welcomed the two way nature of learning, engagement, knowledge sharing and best practice, noted the anticipated level of engagement both virtually and in person and agreed the proposal to keep the strategy under review.

Following discussion, the Board approved the draft International Strategy for 2021-24.

Mark MacPherson and Parminder Singh left the meeting.

21. Environment, Sustainability and Biodiversity Annual Report 2020/21

Graeme Greenhill, Senior Manager, Performance Audit and Best Value, joined the meeting.

Graeme Greenhill introduced the draft Environment, Sustainability and Biodiversity Annual Report 2020/21, copies of which had been previously circulated.

Graeme invited the Board to consider and approve the Environment, Sustainability and Biodiversity Annual Report and to comment on future areas of focus in relation to environmental issues.

The Board considered the metrics used to report progress and noted the approach was consistent with other public bodies including the approach to off-setting measures while recognising the future challenges of reducing carbon emissions as a result of home working. The Board agreed they would welcome further information of how Audit Scotland calculates home working emissions and agreed to receive this by correspondence.

The Board noted the data reported is not currently peer reviewed and Graeme advised that options for independent evaluation were being explored.

Following discussion, the Board welcomed the report and approved the Environment, Sustainability and Biodiversity Annual Report 2020/21.

Action ASB159: Information on how Audit Scotland calculates home working emissions to be shared with members.

Graeme Greenhill left the meeting.

Additional item of business

The Chair paid tribute to Diane McGiffen, Chief Operating Officer, on this her last meeting with the Audit Scotland Board and reflected on her contribution not only on the establishment of Scotland's public audit agency but also her strategic vision, dedication, openness and approachability and wished her well in her new role as Chief Executive of the Law Society of Scotland.

Diane McGiffen expressed her thanks to the Board, Management Team and colleagues and wished Audit Scotland every future success.

Agenda

Wednesday 26 January 2022 at 10.15am



1. Private meeting of members
 2. Welcome and apologies
 3. Declarations of interest
 4. Items to be taken in private
-

Standing items

- | | |
|---|-----------------|
| 5. Chair's report - verbal update | For information |
| 6. Accountable Officer's report - verbal update | For information |
| 7. Accounts Commission Chair's report - verbal update | For information |
| 8. Review of minutes: | For approval |
| • Board meeting: 22 November 2021 | |
| 9. Review of action tracker | For information |
| 10. Covid-19 update | For information |
-

Business planning, performance and governance

- | | |
|--|-----------------|
| 11. 2021/22 Spring Budget Revision and 2022/23 Budget proposal – verbal update | For information |
| 12. Our purpose – Workstream update | For information |
-

Conclusion

- | | |
|--------------------------|-----------------|
| 13. Any other business | For discussion |
| 14. Review of meeting | For discussion |
| 15. Date of next meeting | For information |
-

Items to be taken in private

- | | |
|---------------------------------|--------------|
| 16. Building strategic capacity | For approval |
|---------------------------------|--------------|
- [Item to be taken in private to support the effective conduct of business]
-

17. New audit appointments – verbal update

For information

[Item to be taken in private to support the effective conduct of business, commercial sensitivity and intended for future publication]

18. New audit appointments – affordability (to follow)

For information

[Item to be taken in private to support the effective conduct of business, commercial sensitivity and intended for future publication]

19. Stakeholder engagement update

For information

[Item to be taken in private to support the effective conduct of business]

MEETING: 10 FEBRUARY 2022

REPORT BY: SECRETARY TO THE COMMISSION

BEST VALUE ASSURANCE PROGRESS REPORT: MORAY COUNCIL

Purpose

1. The purpose of this paper is to introduce for the Commission's consideration the Controller of Audit's Best Value Assurance Progress Report for Moray Council.

Background

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. It is intended that this will be achieved by the Controller of Audit submitting a Best Value Assurance Report (BVAR) on each council at least once during the five-year audit appointment and by Best Value being reported in annual audit reports.
3. The attached report (**Appendix 1**) is a progress report on the previous BVAR, which the Controller of Audit reported to the Commission in [August 2020](#), and on which the Commission published findings (**Appendix 2**). In [October 2015](#), the Controller of Audit provided an update to the Commission on the council's progress since the previous Best Value Audit (findings **Appendix 3**). This followed on from a Controller of Audit Targeted Best Value Audit report on the council published in [September 2013](#) (findings in **Appendix 4**).
4. In its August 2020 findings, the Commission required the Controller of Audit to report on the progress made by the council no later than February 2022.

The Controller of Audit report

5. The Best Value Assurance Progress Report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
6. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - the accounts of local authorities audited under the Act;
 - any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - the performance by a local authority of their statutory duties in relation to best value and community planning.
7. A copy of the report is being sent to the council, which is obliged to supply a copy to each elected member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the council it is effectively in the public domain.

8. The report concludes with the recommendations proposed by the Controller of Audit in the 2020 BVAR and progress made against these by the council which are to be part of the Commission's considerations.

Procedure

9. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
10. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
11. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
12. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the council of its decision, which the Commission does before making the decision public.

Conclusion

13. The Commission is invited to:
 - a) consider the Controller of Audit's Best Value Assurance Progress Report on Moray Council; and
 - b) decide in private how it wishes to proceed.

Paul Reilly
Secretary to the Commission
31 January 2022

BEST VALUE ASSURANCE PROGRESS REPORT: MORAY COUNCIL

The Controller of Audit previously reported to the Commission in [August 2020](#).

BEST VALUE ASSURANCE REPORT – MORAY COUNCIL

COMMISSION FINDINGS

AUGUST 2020

1. The Commission accepts the Controller of Audit's report on Best Value in Moray Council and we endorse his recommendations. We note the substantial nature of these recommendations.
2. The work for this audit was done prior to the Covid-19 emergency and thus does not consider the additional and sizeable pressure that this has placed on the council. The Commission is, however, of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital. Accordingly, we intend that our reporting of the Best Value audit will help the council deal with the significant challenges that it faces.
3. We have serious concerns about a lack of sustained improvement in Moray Council over many years since our first Best Value report in 2006. The Controller's report gives us only limited assurance and confidence about the council's prospects to improve. While we noted some progress in our previous report in 2015, momentum stalled, and it is only recently that this has been restored. While we are pleased to note such early signs, it is critical that the council increase its pace of implementing change.
4. To do this, clear, committed and decisive leadership will be needed. The duty of Best Value lies with the council as a whole, and so it is important that all elected members fulfil their responsibilities – in administration or opposition – to improve the council for the good of its communities. Such political leadership exercised alongside effective implementation and support by officers, will help the council make difficult strategic decisions about how and where it needs to improve.
5. At the core of such improvement is a need for a medium- to long-term financial strategy, which clearly maps how the council will deal with substantial future funding gaps in a sustainable way while transforming its services.
6. We underline the recommendations of the Controller of Audit on the need to continue to review and improve decision-making and governance structures and similarly the need for better and timely performance information reported to elected members and to the public.
7. Deteriorating performance and evidence of declining satisfaction of many council services is concerning. Underperformance in educational attainment is a significant issue. Recent attainment initiatives and a review of the learning estate strategy are vital components that the council needs to expedite urgently in conjunction with school leaders and communities. The council's approach to working with its communities and partners is a good foundation as it faces future challenges in delivering its services and improving people's lives.
8. It is crucial that the council ensures that it has the capacity to deliver change. We note messages from staff surveys around workload and culture which highlight risks to staff morale and commitment.
9. As a result of our findings, we require a further report by the Controller of Audit no later than February 2022 on the progress made by the council. In line with our new approach to auditing Best Value, the annual audit process will also monitor and report progress.

THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING –

PROGRESS REPORT – THE MORAY COUNCIL

COMMISSION FINDINGS

OCTOBER 2015

The Commission accepts this report by the Controller of Audit on progress made by The Moray Council since our 2013 report Best Value audit work.

The Commission is encouraged by the council's progress in aligning its strategic plans, priorities and objectives; the awareness and commitment of the management team; and the focus on elected member and employee development. Substantial improvement activity is underway. At the moment, it is too early to judge its overall effectiveness.

The council is moving in the right direction but the pace of improvement needs to increase significantly. In particular, the financial challenge facing the council – to reduce spending by over £16 million by March 2018 - requires demonstrable leadership by elected members in approving and implementing a comprehensive strategy to achieve the necessary savings. In addition, the council needs to quicken progress in its approach to engaging with customers. It also must follow through on recent employee engagement activity to develop a more positive workforce culture.

We will maintain our interest in the progress made by the council. The Controller of Audit will continue to monitor progress through the annual audit process.

THE MORAY COUNCIL – TARGETED BEST VALUE AUDIT WORK 2012/13

COMMISSION FINDINGS

SEPTEMBER 2013

1. The Commission accepts the Controller of Audit's report on targeted Best Value work in The Moray Council.
2. The Commission welcomes the improvement plan put in place and being taken forward by the council in response to the Best Value targeted work.
3. The council has strengthened its leadership as it addresses improvements. We are encouraged by this and the momentum can continue if the council fulfils its commitment to its development programmes for officers and members.
4. We believe that there would be substantial benefit for the council in integrating its various strategic plans and strands of improvement work. We also see the potential of a more coordinated approach to seeking and making use of the views of customers. We urge progress to these ends.
5. The Commission recognises that the council's performance against its improvement plan will feature in the annual audit process. We ask the Controller of Audit to report back to us on progress in 18 months' time.

Moray Council

Best Value progress report

ACCOUNTS COMMISSION 

Prepared by Audit Scotland

February 2022

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Audit approach

1. This report updates the Accounts Commission on the progress made by Moray Council on the findings of the [Best Value Assurance Report \(BVAR\) published in August 2020](#). The Commission's findings in the BVAR are set out in [Exhibit 1](#) on page 4 of this report. In those findings the Commission noted the substantial nature of the recommendations in the BVAR, and said it had serious concerns about a lack of sustained improvement in Moray Council over many years since the first Best Value report in 2006. The Commission said that it was critical that the council increase its pace of implementing change and requested a further report from the Controller of Audit on the progress made by the council in response to the Commission's findings no later than February 2022.

2. This follow up report is based on audit work carried out remotely in September and October 2021. It builds on the annual audit work reported by the auditor in the **Moray Council 2020/21 Annual Audit Report**. [Appendix 1](#) on page 14 outlines the Controller of Audit recommendations from the 2020 BVAR and summarises the progress made to date. [Appendix 2](#) on page 16 outlines the key events and the decisions that have taken place since the Best Value Assurance Report in August 2020.

3. My report covers:

- how effectively elected members and officers are leading action to address sustained improvement at the council
- the council's progress in securing its financial position and developing medium- to long-term financial planning
- the council's progress in reviewing and improving decision-making and governance structures
- steps taken by the council to address deteriorating performance and improving performance reporting.
- whether the council has demonstrated that it has the capacity to deliver change.

Exhibit 1

Commission findings in the Best Value Assurance Report, August 2020

1. The Commission accepts the Controller of Audit's report on Best Value in Moray Council and we endorse his recommendations. We note the substantial nature of these recommendations.
2. The work for this audit was done prior to the Covid-19 emergency and thus does not consider the additional and sizeable pressure that this has placed on the council. The Commission is, however, of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital. Accordingly, we intend that our reporting of the Best Value audit will help the council deal with the significant challenges that it faces.
3. We have serious concerns about a lack of sustained improvement in Moray Council over many years since our first Best Value report in 2006. The Controller's report gives us only limited assurance and confidence about the council's prospects to improve. While we noted some progress in our previous report in 2015, momentum stalled, and it is only recently that this has been restored. While we are pleased to note such early signs, it is critical that the council increase its pace of implementing change.
4. To do this, clear, committed and decisive leadership will be needed. The duty of Best Value lies with the council as a whole, and so it is important that all elected members fulfil their responsibilities – in administration or opposition – to improve the council for the good of its communities. Such political leadership exercised alongside effective implementation and support by officers, will help the council make difficult strategic decisions about how and where it needs to improve.
5. At the core of such improvement is a need for a medium- to long-term financial strategy, which clearly maps how the council will deal with substantial future funding gaps in a sustainable way while transforming its services.
6. We underline the recommendations of the Controller of Audit on the need to continue to review and improve decision-making and governance structures and similarly the need for better and timely performance information reported to elected members and to the public.
7. Deteriorating performance and evidence of declining satisfaction of many council services is concerning. Underperformance in educational attainment is a significant issue. Recent attainment initiatives and a review of the learning estate strategy are vital components that the council needs to expedite urgently in conjunction with school leaders and communities. The council's approach to working with its communities and partners is a good foundation as it faces future challenges in delivering its services and improving people's lives.
8. It is crucial that the council ensures that it has the capacity to deliver change. We note messages from staff surveys around workload and culture which highlight risks to staff morale and commitment.
9. As a result of our findings, we require a further report by the Controller of Audit no later than February 2022 on the progress made by the council. In line with our new approach to auditing Best Value, the annual audit process will also monitor and report progress.

Key messages

The council has made progress in some important areas over a difficult period, but challenges remain to successfully deliver strategic change. Elected members need to work better together to deliver the council's priorities

4. The council approved a BVAR strategic action plan in October 2020 to address the Accounts Commission's findings and the recommendation of the BVAR published in August 2020. The council routinely monitors and reports progress against its plan. By September 2021, the council had reported that the short-term actions were largely complete and is moving to address medium- and long-term actions. The council has made progress in some important areas, whilst dealing with the ongoing demands of the Covid-19 pandemic but ongoing challenges remain. Work completed by the council since the last BVAR includes:

- Approval of a clearer vision of its Improvement and Modernisation Programme (IMP). This was revised and prioritised and includes target dates set out in its BVAR strategic action plan. Progress with the IMP includes:
 - approval of its learning estate strategy
 - service reviews of additional support needs, children's services and leisure services.
- An updated medium- and longer-term financial strategy in March 2021, with the council's financial position improving over the past two years.
- The council continues to set aside funding for transformation and approved the appointment of a project team to help support delivery, but it has yet to agree and implement a sustainable financial model for service delivery.
- Finalising a governance review, but as part of this process the council agreed to defer the review the remit of the Audit and Scrutiny Committee until after the local election in May 2022.
- Improved performance management arrangements, with a clearer focus on outcomes to better support priorities.
- A revised raising attainment strategy, which sets out an approach to better understand and improve educational attainment. The council has maintained a focus on attainment throughout the pandemic.
- Actions to address and better understand satisfaction with housing.
- A comprehensive elected member development strategy.

- 5.** The council was quick to respond to the Covid-19 pandemic, but the pandemic has affected the overall pace of change. Some transformation work was temporarily halted during the peak periods of the council's Covid-19 response.
- 6.** The council has taken steps to improve capacity to drive strategic change and address gaps in resource but has faced recruitment challenges in key posts for example the head of transformation role.
- 7.** The council will need to continue to build on the momentum it has gained to achieve its longer-term strategic aims. The minority SNP administration group has been able to gain support for some key decisions, but this can be time-consuming, challenging and relies on the support of other elected members. But there are still some difficult strategic decisions that lie ahead, and progressing these will require all elected members working constructively together.
- 8.** To achieve further progress in the key areas of Best Value and lay strong foundations for the new intake of elected members in May 2022, the council needs to finalise the remit of the Audit and Scrutiny committee and address the lack of a shared and clear view on the role and nature of scrutiny. This is needed to address tensions between officers and members and to improve working relationships among elected members. The council should continue to seek external support around this. It will also need to continue to review and address capacity issues, ensuring that its priorities are achievable and that it protects the well-being of its staff.

Audit findings

The council has made some progress in delivering its improvement and modernisation programme, but this has been affected by the Covid-19 pandemic

9. In May 2021 the council approved a revised and re-prioritised improvement and modernisation programme (IMP). This more clearly aligns the IMP to council priorities, and sets short and medium- to long-term targets. The council also approved a preliminary project team to support delivery of the IMP and allocated £6.4 million for transformation projects.

10. The council has progressed the IMP over a challenging period while responding and adapting to the Covid-19 pandemic, but challenges remain to successfully deliver transformational change. It has met all its short-term targets. This includes progressing a learning estate strategy, and progressing service reviews of additional support needs, children's services and leisure services. We provided an update on the council's progress against its IMP in our [last report](#). Exhibit 2 provides a summary of progress for each stream of the IMP.

Capacity has had an impact on some planned changes

11. A significant number of transformation projects are still at an early stage and progress has been slower than expected, but there has been some progress. The council has identified additional posts to drive strategic change but still faces challenges. It has had difficulties filling some key posts, (eg head of transformation) and some services still face issues regarding capacity. Moray is a small council, and capacity has had an impact on its ability to resource some planned changes. It needs to continue to develop its approach to agreeing priorities and programme management to ensure the transformation programme is achievable.

12. A mental health survey of officers carried out in summer 2021 highlights workload issues. The council plans to present the results to corporate committee and full council and is developing a mental health action plan and workload management toolkit. The council will use these results to monitor officer wellbeing and reallocate workloads as required.

Exhibit 2

Summary of progress against the improvement and modernisation programme

The council has made progress in some important areas, over a difficult period but challenges remain to successfully deliver transformational change.

IMP Stream

Progress since August 2020

Stream 1 Asset management	<p>Corporate asset management plan approved in April 2021. This set out the asset management planning for the financial year 2021/22. Work on many of the targets set out in the plan have been deferred and are dependent on the future nature of the Covid-19 pandemic. It is hoped that they can be carried over for completion during 2021/22.</p>
Stream 2 Transforming Customer Service <i>ICT and Digital</i> <i>Customer Service Redesign</i>	<p>Several on-line solutions have been implemented. The council is now working to ensure that the online services that have been implemented meet customer requirements.</p> <p>One access point has been transferred to a revised location. The review of the remaining access points is progressing following the appointment of a customer service manager.</p>
Stream 3 Alternative Service Delivery	<p>Leisure services business plan was approved in November 2020. This plan identifies the strategic priorities for leisure services and sets out how the council will create a sustainable future for the leisure estate.</p>
Stream 4 Internal Transformation <i>Organisational redesign</i> <i>Review and expansion of flexible working</i>	<p>The review of third and fourth tier management structure across all services is partially complete. Any further reviews of management structure will be carried out once the full effects of the Covid-19 pandemic are known.</p> <p>A proposal has been drafted to expand the scope of this stream of IMP activity to address core ICT requirements and workforce development issues arising from Covid-19.</p>
Stream 5 Income generation	<p>Most elements of this workstream have been stopped or are deferred for consideration later due to Covid-19.</p>
Stream 6 Service efficiency	<p>Service efficiency activities were delivered as part of budget savings proposals in 2019 (eg reviews in cleaning and facilities, waste refuse collections</p>

and street sweeping). The council is now undertaking a general service review programme.

Stream 7 Transforming education

Learning estate strategy approved in October 2020, this details a new approach to developing a long-term strategy for the learning estate

Raising attainment strategy approved in November 2020.

An outline business case and action plan were approved in August 2021 to take forward a review of additional support needs.

Stream 8 Service transformation in children's services

Drafting a business case, in line with 'The Promise' ¹ Service improvements are being implemented.

Note 1: The Promise is an independent care review to transform how Scotland cares for children and families as well as the unpaid and paid workforce.

Source: Moray Council

The council's financial position has improved over the last two years

13. The council's financial position has improved over the last two years. The council achieved general fund surpluses with its general fund balance increasing by £7 million in 2019/20 and by a further £21 million in 2020/21. This includes £16 million of unspent Covid-19 funding. The level of reserves and the recent surpluses means that Moray Council is no longer in danger of running out of reserves in next couple of years.

14. An updated medium- to long-term financial strategy was approved as part of the council's budget setting process in March 2021, which recognised increased difficulties around long-term financial planning due to uncertainties created by the pandemic. This strategy was further updated in November 2021 to reflect the impact of the pandemic and other additional budget pressures on the council's short to medium term financial plans. The council plans to use significant Covid-19 reserves to balance its budget in 2022/23 and 2023/24 and use this time to develop new transformation projects and consider other approaches to deliver the savings required to ensure services are financially sustainable in the medium to longer-term. There is a risk that the council is unable to agree and implement a sustainable financial model for service delivery.

The council is still to finalise its review of governance arrangements and address the lack of a shared view on the role and nature of scrutiny

15. We highlighted in the last report that there was a high degree of challenge and scrutiny at service committees and that scrutiny sometimes focused too much on operational detail at the expense of strategic issues.

16. The council is finalising its review of governance arrangements and committee structures to reduce bureaucracy, streamline decision making, and reduce material going to committees.

- March 2020 - in response to the pandemic, the council agreed a temporary emergency cabinet of seven elected members. This reflected the political balance and emergency powers were delegated to the chief executive for lower risk decisions.
- June 2020 – in further response to the pandemic, the council agreed to put a temporary committee structure in place from September 2020, aligning with the management structure. This provided an opportunity to trial a more streamlined approach.
- October 2020 - elected members voted to reject a cabinet model as part of a motion to change the administration by the Leader of the Conservative group
- September 2021 – the council agreed it's longer-term, committee structure as part of the governance review, having deferred making a decision earlier in the year due to the Covid-19 pandemic. The role of the Audit and Scrutiny Committee was left outstanding.
- November 2021 - the council agreed to not review the remit of the Audit and Scrutiny Committee until after the local election in May 2022.

17. The revised model is similar to the [original committee structure](#), although committee remits were changed slightly to align with depute chief executive roles (Depute Chief Executive Economy, Environment and Finance and Depute Chief Executive Education, Communities and Organisational Development).

18. To try and reduce the length of some committee meetings, the council has introduced more information-only reports and is looking to hold further discussions with elected members on relevant matters before committee meetings.

19. The remit of the Audit and Scrutiny Committee is still to be reviewed and clarified. Service committees are responsible for scrutinising performance and policy issues within their service area. To help improve the quality of scrutiny the council has developed a scrutiny handbook. This summarises the nature and purpose of scrutiny, the different ways members can scrutinise council activity and good questioning techniques. Elected members deferred consideration of the remit of the Audit and Scrutiny Committee and approval of the scrutiny handbook until after the local elections in May 2022. The council continues to

lack a shared and clear view on the role and nature of scrutiny, which can create tensions among officers and members. External support will be helpful, and the council is arranging further training for members in scrutiny, supported by the Improvement Service.

The council is implementing a comprehensive elected member development strategy

20. The council approved its elected member development strategy in November 2020. Elected members complete a personal development plan based on a completed competency assessment framework with the offer of support from a member of the organisational development (OD) team. A programme of training is provided based on the strategy, best value recommendations, corporate priorities and individual needs. In 2020/21, 19 out of 26 elected members had a development discussion with a member of the OD team. This is now being repeated during 2021/22 to review any additional needs. Overall, the council offered 51 training sessions with 186 attendees, a slight increase on the previous year.

21. The council has started planning for elected member induction in 2022 and plans to use the same structure as before - a seven-day orientation period followed by a 100-day induction.

Elected members need to work better together to deliver council priorities

22. In the BVAR published in August 2020, we said that [political instability](#) and lack of focus had slowed the pace of change, but the current minority administration was more cohesive with good relationships between the CMT and administration. The report also noted that the political make-up of the council was finely balanced at a time when the council needed to work together to make some difficult strategic decisions. This will be even more challenging following the resignation of a member of the administration in November 2021, who will not be replaced until after the local elections in May 2022. The Conservative group and Moray alliance group presented a motion to change the administration in December 2021, but this was unsuccessful.

23. The council works with three tiers of governance. The CMT meet with the administration group; group leaders meet at least once a month; and business goes through formal committees. In December 2020, the Chief Executive met with group leaders to discuss political management and ways of working, but this can still be difficult especially where there are areas of political difference. Cross-party working arrangements can be affected by longstanding political differences between some groups and some poor relationships. The administration group has been able to gain support for key decisions, but this can be time-consuming, challenging and relies on the support of other elected members. For example, it took around six months to revise the IMP.

24. Council officers and members worked well in response to the emergency response to the pandemic, but some working relationships between members have deteriorated again.

25. The council's annual [monitoring officer report](#) in September 2021 points to time spent dealing with instances of disrespectful behaviours and issues arising from division between councillors. Elected member complaints to the monitoring officer relate to a lack of respect for each other; relationships between members and officers; and language used on social media. The monitoring report was originally tabled as information only, but due to the issues highlighted in the report the monitoring officer escalated the report to be added to the agenda for consideration by the council. It is important that all officers and members work together to create a positive culture in the best interests of the people of Moray. Continued external support will be helpful in improving working relationships and embedding effective scrutiny.

The council has strengthened its performance management framework and is working to address areas of poorer performance

26. The council has improved its performance management framework (PMF), creating a clearer link between service and corporate priorities, along with the actions and outcomes it wants to achieve. This has provided the foundation for improved service performance reports which have a clearer focus on performance against strategic objectives. More use is made of exception reporting, summarising key areas of good and poorer performance and identifying what needs to improve. The reports also reference relevant complaints, case studies and engagement activities. The pandemic impacted on the frequency of service performance reporting during 2020/21, but these are now reported to committee every six months. The 2020/21 public performance report due in July 2021 has been delayed and is expected to be published in February 2022.

27. In September 2021, the council approved its annual corporate plan progress report, which focuses on a smaller set of indicators. The council's central support team continues to work with services to review and refine performance measures and improve performance reporting, providing useful internal challenge. The council should continue to use this process to drive further improvements. It should also continue to support officers and members so that they have a good understanding of the PMF, scrutinise how well the council is achieving its strategic objectives and use it to inform improvements.

The council has taken important measures to improve educational attainment, but educational attainment data has been disrupted by the pandemic

28. The last best value report highlighted that secondary school tariff scores were consistently below the virtual comparator for S4 to S6 with deteriorating performance between 2017 and 2019. There has been significant disruption to learning across all local authorities in 2020-21 due to the pandemic. The council has continued to provide the committee responsible for education with detailed information on its own educational attainment data but it is not possible to make national comparisons due to the absence of external assessment information. Improvements in educational attainment will need to be monitored over the longer-term with the need to consider any impacts from the pandemic.

29. The council has taken measures to improve educational attainment and learner well-being over the audit period, maintaining a focus on this alongside responding to Covid-19.

- In November 2020, the council approved a new raising attainment strategy, developed with schools and practitioners, which includes a section on Covid-19. The emphasis is on working with schools and includes focused quality improvement work, better understanding of reasons behind attainment, promoting consistency in quality teaching standards and sharing good practice.
- The council estimates that nearly 40 per cent of pupils have additional supports needs. In August 2021, the council approved an outline business case and action plan to take forward a review of additional support needs and approved £1.9m of resources to support this.
- A learning estate strategy was approved in October 2020. A project team has been established, including a community support officer, and will start looking at options for three priority associated school groups with stakeholders from November 2021. The council successfully bid for learning estate investment programme funding for Findrassie primary school.

Action has been taken to better understand tenant satisfaction

30. The council carried out a tenant satisfaction survey during autumn 2021 using a different methodology to get a more in-depth understanding of the issues driving satisfaction and what is important to tenants. The design of the survey was informed by engagement with other local authorities. The council received results in November 2021 and expects to present these to members in January 2022 and report to the committee responsible for housing in February 2022.

31. The council appointed a new head of housing in summer 2021. Actions are being taken to better understand tenant satisfaction including considering findings from the latest tenant survey, the stock condition survey and rent levels survey. The council intends to feed this into the 30-year Housing Revenue Account Business Plan and an investment plan will follow. The Scottish Housing Regulator has no major concerns about housing services in Moray.

Community planning partners are increasing their focus on outcomes, but further improvements are required

32. Community planning partners are in the process of improving their approach to performance management with a sharper focus on the outcomes they wish to achieve. Community planning lead groups attended workshops on this in December 2020 and January 2021. In April 2021, the community planning partnership (CPP) Board approved delivery frameworks (action plans) for each of the four Local Outcome Improvement Plan priorities providing a better focus on outcomes and measures to monitor these. The CPP acknowledge this is an evolving area of work which they are continuing to

develop. Progress has been slower than anticipated while partners responded to the pandemic.

33. Performance reporting lapsed between September 2020 and June 2021 but has resumed since then and the lead groups are now using a new template to report on progress against their delivery frameworks. The CPP intend to make further improvements, developing some of the performance measures and indicators to help assess performance and bringing greater consistency in reporting across the groups. The CPP needs to ensure it fully develops its performance management framework.

Appendix 1

August 2020 Controller of Audit recommendations and progress

Controller of audit recommendations 2020	Progress at the council
<p>The council needs to make some difficult strategic decisions on areas such as, asset management, leisure services, flexible working, income generation and service transformation in education and social work</p>	<p>The council approved a revised and re-prioritised improvement and modernisation programme, this more clearly aligns the IMP to council priorities, and sets short and medium- to long-term targets. It continues to set aside funding for transformation, and approved appointment of a project team to help support delivery.</p> <p>The council has progressed some difficult strategic decisions during Covid-19 pandemic with challenges around capacity for example it has approved its learning estate strategy, and is progressing service reviews of additional support needs, children’s services and leisure services. See paragraphs 9. to 11.</p>
<p>The council needs to complete its performance management suite of documents. This should include key indicators to support priorities and address the level of reporting at an overall council level versus service level. Improvements to reporting should include a review of targets and better summary of key areas of good and poor performance and any specific actions to be taken.</p>	<p>Good progress has been made, see paragraphs 26. and 27. Performance reports are now more focused on strategic priorities, summarising key areas of good and poorer performance and identifying what needs to improve. The performance management team continue to work closely with services to ensure indicators and targets are relevant. The emphasis is now on continuing to refine and build on what is in place, using it to drive priorities and making sure there is a good understanding of outcome-based performance management among officers and members.</p>
<p>The medium- and longer-term financial position needs to be addressed and the continued reduction in the council’s reserve position halted before the position becomes acute.</p>	<p>The council’s financial position has improved over the last two years and Moray Council is no longer in danger of running out of reserves in the medium term, see paragraphs 13. and 14.</p> <p>The council plans to use significant Covid-19 reserves to balance its budget in 2022/23 and 2023/24 and use this time to develop new transformation projects and consider other approaches to deliver the savings required to ensure services are financially sustainable in the medium to longer-term.</p>

<p>The elected member development strategy should be implemented through programmed activity and personal development plans.</p>	<p>The council now has a comprehensive elected member development strategy which is being implemented, see paragraphs 20. and 21. The council plans to roll this out to new members from May 2022. It is important that all elected members take responsibility for their training and development.</p>
<p>To help streamline processes, the council needs to continue to progress its governance review, including reviews of committee structures, schemes of delegation and reporting to committees.</p>	<p>A governance review is being finalised, the remit of the Audit and Scrutiny Committee is still to be reviewed and clarified and the council needs to address the lack of a shared view on the role and nature of scrutiny, see paragraphs 15. to 19.</p> <p>Cross-party working has been affected by political differences between some groups and some poor relationships. The administration group have been able to gain support for key decisions, but this can be time-consuming and challenging.</p> <p>It is the responsibility of all officers and members to work together to create a positive culture in the best interest of the people of Moray. This should be a priority of the council and external support will be helpful.</p>
<p>Considerable development work and additional measures are required to improve educational attainment, alongside making significant changes to the school estate.</p>	<p>Measures have continued to be taken to improve attainment over the audit period, alongside responding to Covid-19, although it is not possible to make national comparisons on performance due to the absence of external assessment information. See paragraphs 28. and 29.</p>
<p>The council should investigate and better understand the reasons for poorer satisfaction levels in housing, learning from councils with higher satisfaction results.</p>	<p>The Scottish Housing Regulator has no major concerns about housing services in Moray and actions are being taken to better understand tenant satisfaction. See paragraphs 30. and 31.</p>
<p>The council needs to continue working with CPP partners to determine clear outcome milestones and performance reporting.</p>	<p>Performance management is being refocused, see paragraphs 32. and 33. This is an evolving area of work which has been affected by the pandemic. Now need to focus on making further improvements required.</p>

Appendix 2

Best Value audit and Moray council key events and decisions timeline

Month	Moray Council key events	Covid-19 timeline
August 2020	Moray BVAR published	<i>Moray at Level 1 Covid-19 restriction (since June 2020)</i> Public protection response to Covid-19
September 2020	Council implements temporary committee structure	Progress update on Moray Council's strategic framework for recovery and renewal for Covid-19
October 2020	Council approves BVAR strategic action plan Council approves learning estate strategy	Council approves economic Covid-19 recovery plan
November 2020	Council approves education service plan, focusing on improving outcomes, learning and teaching assessment, supporting all learners and leadership Raising Attainment Strategy and Toolkit approved	
December 2020	Chief Executive invites group leaders to meet to discuss how to improve ways of working and provide clear, committed and decisive political leadership	<i>Moray moves to Level 4 Covid-19 restriction</i>
January 2021		Council agrees to extend temporary committee governance arrangements during Level 4
February 2021	Council approves capital strategy and plan Council approves indicative capital plan 2021/22 to 2031/32 Council approves public performance report 2019-20 Council approves local child poverty action report	Economic recovery action plan update approved Update on strategic framework for recovery and renewal approved
March 2021	Council approves 2021-22 revenue budget and 2021-2024 financial plan Council approves medium to long term financial strategy	Report on Covid-19 related pressures and service prioritisation noted and expectation of scaled down delivery of a range of non-statutory services acknowledged

	Council approves climate change strategy	Social recovery through locality planning approved. Three Moray communities identified for priority action
April 2021	Council approves corporate asset management plan	<i>Moray moves to Level 3 Covid-19 restriction</i>
May 2021	Council updates, reprioritises and expands the improvement and modernisation programme	<i>Moray moves to Level 2 Covid-19 restriction</i> Increase in ICT resourcing approved to meet the demands of Covid-19 on the service to support and facilitate the volume of increased remote working and online learning and teaching required across the council
June 2021		<i>Moray moves to Level 1 Covid-19 restriction</i> Allocation of education recovery monies approved for additional teaching and support staff Committee governance reviewed against latest level of SG Strategic Framework Update report on Covid-19 related pressures and service prioritisation
July 2021	Council in recess	<i>Moray moves to Level 0 Covid-19 restriction</i>
August 2021	Council approves an outline business case and action plan to take forward a review of additional support needs	
September 2021	Council agrees revised committee structure	<i>Update report on strategic framework for recovery and renewal in Moray</i>
February 2022	Moray BVAR follow-up published	

Source: Moray Council

Moray Council

Best Value progress report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

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MEETING: 10 FEBRUARY 2022

REPORT BY: SECRETARY TO THE COMMISSION

SECRETARY'S UPDATE REPORT

Purpose

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, including issues relating to Covid-19.
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 his activity.
 - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
 - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business

Publications and activities

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 31 December 2021. [Appendix 2](#) provides additional information on the overall engagement that reports, and other business received on social media. Alongside the promotional activities noted below, the Commission repromoted its recent joint reports with the Auditor General on [community empowerment](#) and [education outcomes](#). The February meeting of the Commission has been [promoted](#) using Commission member Sophie Flemig's overview video of the December meeting.
4. On 1 December, Commission member Sheila Gunn attended an event hosted by the Accounts Commission and the Improvement Service for local education leaders. The event explored the findings and recommendations of the joint performance report [Improving outcomes for young people through school education](#).
5. On 9 December, the Commission met to discuss, amongst other items, the Falkirk Council Best Value Assurance Report (see paragraph 10). Community groups across Falkirk were tagged in social media posts promoting the meeting. Targeted advertising of the meeting on Facebook reached 1,400 people, with an engagement rate of 1.9%. Engagement rates over 1% on Facebook are considered good.
6. On 10 December, to mark International Human Rights day, Interim Chair Elma Murray posted a [vlog](#) on Twitter talking about equalities being one of the Accounts Commission's priorities and one of four main areas of focus in its five-year Strategy 2021-26. The vlog was promoted on social media and was viewed 108 times. As a result, the Commission's [Strategy](#) page was viewed 16 times (compared to zero views in the preceding three weeks).

7. On 15 December Elma Murray stepped down as Interim Chair of the Accounts Commission and Tim McKay, the Interim Deputy Chair, assumed the role of Interim Chair until the end of 2021.
8. On 20 December the Scottish Government [announced](#) the appointment of Willian Moyes as Chair of the Accounts Commission from 1 January 2022 until 31 December 2025. This news was promoted by the Commission across all social media platforms.
9. On 21 December the Commission [published](#) its new Statutory Performance Information Direction 2021, accompanied by a [blog](#) by Tim McKay, Interim Deputy Chair, on the importance of Public Performance Reporting for councils. The Direction will apply for the three audit years from 1 April 2022.
10. On 13 January the Commission [published](#) its Best Value Assurance Report on Falkirk Council alongside a [video](#) by Tim McKay as Interim Deputy Chair. The report found that the council had done well in tackling the impact of Covid, in particular the way it had worked with its health partners, and that some services were performing well and improving. However, leaders now needed to make and implement some big decisions about how to deliver sustainable services and make the necessary savings of £70 million over the next five years. The report is being taken to the next Falkirk Council meeting on 15 February 2022. The report had been downloaded 481 times by 26 January. This compares to a total of 503 downloads for the last Best Value Assurance report published in October 2021 (Appendix 1).
11. On 27 January the Commission [published](#) a joint briefing with the Auditor General on the sustainability of social care services across Scotland alongside a [video](#) from the Chair. The briefing says fundamental issues and threats to the future sustainability of Scotland's social care system need to be addressed urgently. The pandemic has exacerbated long-standing challenges, highlighting the precarious situation of many vulnerable people who rely on social care or support. Accounts Commission member Stephen Moore set out the key messages in interviews with the BBC, STV, and on Radio Scotland's Good Morning Scotland programme.
12. Twenty four hours after publication the social care briefing had been viewed 12,223 times across a range of social media platforms. The Twitter post was viewed 1,738 times, with an engagement rate of 4.5% which is high given that above 1% is considered good. Although not an equal comparison due to the significant activity of community groups on social media, this compares to a total of 21,328 views and an engagement rate of 1.8% for the community empowerment briefing published in October 2021. The Chair's video was also viewed 463 times in the first 24 hours of publication.

Forthcoming publications and activities

13. During February, the following activities are planned:
 - A vlog on the February Commission meeting
 - Issuing the latest four-monthly Commission newsletters to Scottish councillors and to communities and third sector organisations
14. The Commission's sponsors for climate change work, Andrew Burns and Sharon O'Connor, are considering a draft baseline review on climate change that Audit Scotland plans to publish in March 2022. This includes a summary of national recommendations made to public bodies which highlights the areas where improvement is most needed. The review will cover all public bodies and help to inform future audit work. The Interim Director will report to a future meeting of the Commission on future work in the area of climate change.

15. The publication of the performance audit of Scotland's financial response to Covid-19 has been delayed slightly from mid-May to 9 June 2022. The audit is progressing well, and the team discussed emerging messages with the Accounts Commission sponsors (Sophie Flemig and Sheila Gunn) and the Auditor General on 14 January and will be considered by the Performance Audit Committee at its February meeting. All at the meeting recognise the need for flexibility in both our approach and timescales for this piece of work and agreed to slightly delay publication for the following reasons:

- The audit relies on findings from other audit work such as the Local Government Overview and business support briefing paper. Both of which have delayed publication dates because of difficulties obtaining data.
- Information from the Scottish Government on individual funds is held at a portfolio level and not centrally. This has resulted in additional work for the team in collating the evidence to make judgements. The team recently asked the Scottish Government for evidence for ten sample funds which is not expected to be received until late January.
- The team have meetings arranged with Director Generals for January and February, and it is likely that these will shape the evidence and messages.

Other Commission business

16. At its meeting on 9 December, South Ayrshire Council [unanimously accepted](#) the findings of the Commission and approved a draft action plan in response to the [Best Value Assurance Report](#) on the Council, published in October.

17. In December and January, the Commission submitted responses to the following consultations/inquiries.

- HM Inspectorate of Constabulary Scotland's (HCMIS) consultation on their scrutiny plan for 2022-25. On 7 December Gill Imery, HM Chief Inspector of Constabulary in Scotland, [wrote](#) to the Commission about their [consultation](#) on the three-year Scrutiny Plan for 2022-2025. This joint [response](#) was submitted.
- The Scottish Parliament's Health, Social Care and Sport Committee's inquiry into the health and wellbeing of children and young people in Scotland – a joint [response](#) with the Auditor General was submitted
- The Scottish Government's consultation on a Fire and Rescue Framework for Scotland – a joint [response](#) with the Auditor General was submitted.
- The Scottish Parliament's Net Zero, Energy and Transport Committee's inquiry into the progress towards Scotland's net zero targets. This [response](#) was submitted.
- The Scottish Parliament's Education, Children & Young People Committee's [inquiry](#) into the effectiveness of the Scottish Attainment Challenge in raising the attainment of children from deprived backgrounds. Due to the short consultation period, it was agreed that Audit Scotland submit a response on behalf of both the Commission and Auditor General to be provided to the Commission in due course.

18. Members can review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with the Chair and Audit Scotland's work programme and communications teams. Members are asked to share their thoughts on the schedule, as well as any suggestions for further communications

directly to the [schedule](#).

19. On 1 February Interim Deputy Chair Tim McKay and member Stephen Moore met with representatives of Falkirk Council to discuss the [Best Value Assurance Report](#) (BVAR) on the Council published on 13 January. They were accompanied by Paul Reilly (Secretary to the Commission), Stephen Reid (Partner, EY (appointed auditor)) and Mark McCabe (Audit Manager, Audit Scotland (audit team)). Falkirk Council was represented by councillors Cecil Meiklejohn, Leader of the Council (Scottish National Party); Robert Bissett, Leader of the Scottish Labour Party group; and Nigel Harris, Depute Leader of the Scottish Conservative group. They were accompanied by Kenneth Lawrie, Chief Executive; Robert Naylor, Director of Children's Services; Malcolm Bennie, Director of Place Services; Karen Algie, Head of People, Technology & Transformation; Rebecca McDonald, Change Manager; and Bryan Smail, Chief Finance Officer. A note of the meeting has been shared with Commission members. The Council will consider the BVAR on 15 February.

Auditor General

20. On 1 and 2 December the Auditor General joined the [ACCA International Public Sector Conference](#), speaking alongside his counterparts from Jamaica and the Maldives in a session on realising trust in public finances on 2 December.
21. On 6 December the Auditor General joined a Fraser of Allander Institute (FAI) webinar panel looking ahead to the Scottish Budget 2022/23 considering the governments options for its tax and spend policy and the implications of these options.
22. On 9 December the Auditor General published a [Section 22¹ follow up report](#) on Bòrd na Gàidhlig following a [Section 22 report](#) that identified multiple failings in the oversight and senior management of the organisation and outlined a number of areas for improvement on the 2018/19 accounts. The update report advises the Bòrd has responded well and undertaken key actions concerning the structure and capacity of the leadership team, the non-executive board membership and skills gaps, the roles of the Senior Management team, committees, board and sponsors and increasing the openness and transparency of Committee and board meetings.
23. On 9 December the Auditor General emailed all Audit Scotland staff with an update on audit quality. The [email](#) and [progress report](#) can be found on the members SharePoint site.
24. On 10 December, to mark International Human Rights day the Auditor General posted a [vlog](#) on Twitter about how human rights and equalities are central to reporting on public services in Scotland.
25. On 14 December the Auditor General [published](#) a follow up Section 22 report on NHS Highland commenting on progress over the last two years and reporting that NHS Highland has improved its governance, leadership and culture, and managed to reduce its spending. The report advises the board must now focus on addressing its challenging future financial position.
26. On 16 December the Auditor General [published](#) a Section 22 report on the 2020/21 audit of the Scottish Government consolidated accounts advising the government needs to be more transparent about its spending in response to the Covid-19 pandemic, following a

¹ Section 22 reports are prepared by the Auditor General if any specific concerns or issues have been raised in the annual audit of one of the public bodies for which he is responsible. This is done under Section 22(3) of the Public Finance and Accountability (Scotland) Act 2000.

year in which its budget grew by a quarter.

27. On 20 December the Auditor General [published](#) a Section 22 report on the 2020/21 audit of the Commissioner for Ethical Standards in Public Life in Scotland identifying that public trust in the body is now at risk because of serious failings in the way it is run. Failings identified by the appointed auditor include;
 - an absence of openness and transparency
 - a breakdown in key relationships with stakeholders and within its own office
 - no effective scrutiny or challenge which might have flagged up issues earlier
28. On 14 January the Auditor General [published](#) a report on the Administration of Scottish income tax 2020/21 to accompany the Comptroller and Auditor General, Gareth Davies', [published](#) report on HMRC's administration of Scottish income tax, including the final calculation of Scottish revenues for the 2019/20 tax year.
29. On 20 January the Auditor General [published](#) a report on how effectively the Scottish Government, Skills Development Scotland (SDS) and the Scottish Funding Council (SFC) work together to ensure that Scotland's skills system responds to individuals' and employers' needs. The report found that the Scottish Government needs to take urgent action to ensure essential progress in improving how workforce skills are planned and provided and should clearly set out its strategic aims and objectives for skills alignment, and how progress will be measured.

Audit Scotland

30. In December and January Audit Scotland held the following events as part of its keynote event and insight programme which has now concluded:
 - On 1 December, Elaine Boyd, Associate Director for Audit Quality and Appointments and ambassador for the Open University to support learning and employment opportunities for people with disabilities, hosted a discussion on how to create accessible and inclusive workplaces for people with disabilities. The session was recorded and is available for members to view on the Audit Scotland's [intranet](#).
 - On 8 December, Chief Operating Officer, Diane McGiffen was joined by representatives from the Institute for Public Policy Research (IPPR) Scotland and Heriot-Watt University to discuss how we work in post-pandemic Scotland and the potential for technology to transform workplaces and how public services are delivered. The session was recorded and is available for members to view on the Audit Scotland's [intranet](#).
 - On 13 December the Data Analytics team introduced Audit Scotland's new financial ledger analytics tool, Asc. The session was recorded and is available for members to view on the Audit Scotland's [intranet](#).
 - On 25 January, Paul Johnson, Director of the Institute for Fiscal Studies (IFS) chaired a keynote event 'Audit without borders' with a panel made up of the four Auditor Generals for the UK. Panel members shared knowledge, experience and learning from across the UK. Links to this event were shared with Commission members. The session was recorded and will be available in the near future for members to view.
31. During January Audit Scotland launched a recruitment campaign for a number of additional posts across Corporate Services, PABV and ASG including an Audit Director in Audit Services Group (ASG).

32. In January Audit Scotland launched its annual staff audit quality survey across ASG and Performance Audit and Best Value (PABV) groups asking for views on how well people feel supported to deliver quality audit work. The results will be used to help shape training and development.
33. On 20 January, Audit Director, Gordon Smail joined a panel of speakers at an ICAS event sharing insights and experiences of how chartered accountants working in the public sector have managed challenges relating to audit work during the pandemic. Information about the event is available on the [members SharePoint site](#).

Issues affecting Scottish local government

Scottish Government

34. On 9 December Kate Forbes, Minister for Finance and Digital Economy, [set out](#) the Scottish Government's spending and tax plans for 2022-23. Please see item 8 on the agenda for a briefing on the implications of the 2022-23 budget for local government. A [carbon assessment](#) and an [Equality and Fairer Scotland impact assessment](#) were also published. Accompanying information on rates and bands for [Scottish Income Tax](#) for 2022/23, a [public sector pay policy](#) for 2022/23 and [Medium term financial strategy](#) were also published. The Scottish Fiscal Commission also [updated](#) its economic and fiscal forecasts.
35. On 20 December the government published [details](#) of how the £12.5 billion allocated for local authorities in the budget will be distributed. It notes council are being given a settlement equivalent to a 5.1% real terms increase with authorities now allowed to set levels of council tax following a government induced freeze during the pandemic. On 27 January, at the Scottish Parliament's debate of the Government's budget bill, Finance Secretary Kate Forbes confirmed the Scottish Government will allocate an [additional £120 million to local authorities](#) in the budget this year. An amendment will be brought forward during Stage 2 of the Budget Bill, with funding representing the equivalent of a 4% increase in Council Tax, following the UK Government advising that the Scottish Government should anticipate further funding for 2021-22.
36. On 3 December the Scottish Government emailed key stakeholders details about changes to the [revised protocol](#) on the application of terms and conditions of employment during the Coronavirus outbreak as of 30 November and as agreed with trade unions. The key changes related to the request for employers to maximise home working, references to 'green, amber and red' list countries as there are now only 'red' list countries and removal of all references to the furlough scheme as this ended on 30 September 2021.
37. On 14 December the Scottish Government [published](#) details of the terms of reference and chair for the public inquiry into the handling of Covid 19 in Scotland. The terms of reference for the inquiry covers 12 areas of investigation, each covering a strategic element of the handling of the pandemic, to identify lessons to be learned and recommendations. The period covered by the inquiry will be from 1 January 2020 to 31 December 2022, and it will also consider pandemic planning undertaken before this. The Honourable Lady Poole QC, Senator of the College of Justice of Scotland, will chair the inquiry.

Scottish Government consultations

38. Throughout December and January, the Scottish Government announced a number of consultations and on 24 January [published](#) guidance on consultations in the Scottish Government, covering what their [purpose](#), how responses are used and reported, and the benefits and limitations of consultations. The consultations have been split into two groups with appropriate proposals below;

- Consultations likely to be of interest to members and where it is proposed the Commission does not respond as follows;
 - A [consultation](#) on a new heating benefit that will give around 400,000 low income households the reassurance of a guaranteed £50 payment every winter. The Low Income Winter Heating Assistance will be introduced from winter 2022 to replace the current UK Government Cold Weather Payment scheme. It closes on 23 February 2022.
 - A [consultation](#) on the lessons to learn from the Covid pandemic, and the proposed new strategic arrangements for pandemic PPE supply in Scotland. It is due to close on 22 March 2022.
 - A consultation on the framework document on its forthcoming Scottish Resource Spending Review. The consultation will run until 27 March and the review will be published in May 2022. (This is referred to in item 8 on today's agenda on a briefing on Scottish budget.)
 - A [consultation](#) on the new national litter and fly tipping strategy. Proposed actions are grouped in three strategic themes: behaviour change, services and infrastructure and enforcement. It will run until 31 March 2022.
 - A [consultation](#) on regulations and guidance in local development planning. It will seek views on the secondary legislative requirements and the draft guidance to stakeholders on implementing the future local development plan system. The consultation will close on 31 March 2022.
 - A [consultation](#) on draft regulations for open space strategies and play sufficiency assessments. The consultation will close on 31 March 2022.
 - A [consultation](#) on its rental sector strategy, inviting views on how to progress the right to an adequate home and ensure all tenants have access to secure and stable tenancies across both private and social sector tenancies. The deadline to respond is 15 April 2022.
 - A [consultation](#) on the proposed new dedicated National Public Energy Agency by 2025, to lead on transformational change to the way homes, workplaces and community buildings are heated across Scotland. The consultation closed on 8 February 2022.

- Consultations likely to be of interest to members and where it is proposed the Commission does respond as follows;
 - A [consultation](#) on proposals for reviewing the effectiveness of the Public Sector Equality Duty in Scotland. The consultation sets out proposals both for legislative changes to the Scottish Specific Duties and changes to the wider implementation environment. The consultation will run until 7 March 2022, and it is proposed the Commission responds.
 - A joint [consultation](#) with COSLA on proposals for new prevention of homelessness duties. They are seeking views on two broad themes, the first involves legal duties on a range of public bodies to prevent homelessness. Secondly, they are looking to understand whether changes to existing legislation ensure homelessness is prevented at an earlier stage. The deadline for submissions is Thursday 31 March 2022, and it is proposed the Commission responds jointly with the Auditor General.

Local government general

39. On 7 December the Scottish Government published a [code of conduct for councillors](#) and a [code of conduct for members of devolved public bodies](#), setting out standards of behaviour expected to be followed by elected members of local authorities and those who serve on the boards of public bodies in Scotland. Issued by ministers under the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Scottish Government has asked all public bodies to adopt the new Code within six months. I will report back to the Commission on this matter to ensure that the Commission complies with this. During December the Standards Commission for Scotland published revised [Guidance](#) on the Code, updated and revised their [Advice Notes](#) for Members and Councillors in light of changes to the Code and developed some relevant training materials available [online](#).
40. On 9 December the Scottish Government [published](#) its second national report on corporate parenting, providing an overview of corporate parents' activities over the last three years across Scotland and how duties to support children and young people with care experience have been delivered. The report concludes that corporate parents should have a clear focus on working together and ensuring new policies, practice and participation approaches underpin the delivery of the priorities. It also identifies one of the foundations is listening to and meaningfully involving children and young people in decision making about their care.
41. On 14 December the Scottish Government published a joint [letter](#) to Priti Patel, Home Secretary, from Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government, and Jane Hutt AS/MS, the Welsh Government's Minister for Social Justice. The letter calls for "urgent talks" with the Home Office about unaccompanied asylum-seeking children and asylum dispersal issues for Scottish local authorities.
42. On 26 January Transport Scotland [published](#) the Scottish Government's draft vision for public electric vehicle charging in Scotland. It pledges to build on existing provision by introducing a new public electric vehicle charging fund, which will provide up to £60 million to local authorities over the next four years, with approximately half of this funding anticipated to be invested from the private sector.

Health and social care

43. On 30 November the Scottish Government [announced](#) more than £11 million has been awarded to two drugs projects to enable them to expand their residential rehabilitation service as part of a commitment to increase the number of beds in Scotland by 50% to 650 by 2026.
44. On 10 December the Scottish Government [published](#) findings from a survey of over 1,000 pupils from 50 secondary schools in Scotland undertaken between February and April 2021, on questions about mental wellbeing, relationships and social media use. On average pupils reported reasonable outcomes relating to mental wellbeing, relationships and social media but certain characteristics were identified with poorer outcomes. Those most at risk were female, older and had a physical or mental health condition. Pupils living in rural settings with either a physical or mental health condition were also more likely to experience specific poor outcomes.
45. On 14 December the Scottish Government [published](#) its quarterly report on suspected drug deaths in Scotland for July to September 2021. It reported a fall over the two most recent quarters but that levels of suspected drug deaths remained high and there continued to be an upward trend.
46. On 7 December Public Health Scotland published its [Child and Adolescent Mental](#)

[Health Services \(CAMHS\) waiting times](#) report with figures up to 30 September 2021. It reported a decline in performance for the percentage of children and young people starting treatment compared to the previous quarter and compared to the same quarter in the previous year. But there was an improvement in the percentage of children and young people seen within 18 weeks, although this remained below the Scottish Government target of 90 percent. Figures for NHS Forth Valley were [reported](#) in the local press on 14 December, with 525 young people waiting more than 18 weeks out of 617 young people and 179 waiting for more than a year. This performance was described as ‘truly appalling’ by the Mid-Scotland and Fife MSP Alexander Stewart and an apology from an NHS Forth Valley spokesperson for the wait length was included. A further related news story was [published](#) by the BBC on 26 January about one family’s experience, highlighting concerns about the serious inadequacies of Children’s Mental Health Services across Scotland.

47. On 11 January the Scottish Government [announced](#) that because of staffing availability due to Covid, the Scottish Government and COSLA, working with local partners across the public services in Scotland, have agreed to prioritise essential social care services and agreed a joint approach to maximise social care support. A joint statement was also [published](#) by Ministers and COSLA, asking all public, private and voluntary sector services to make social care support a national priority and take action to support some of the most vulnerable people in society.
48. On 13 January the Scottish Government [published](#) details of a £4 million package to expand support services to unpaid carers in recognition of the extra pressure they have faced because of the pandemic. £3 million has been allocated to local carer centres, £200,000 to the Young Carers Package, £377,000 to Family Fund support and £590,000 to wellbeing support services.
49. On 14 January the Scottish Government [published](#) details that the Protection of Vulnerable Groups (PVG) checks and Scottish Social Services Council (SSSC) registration will be funded to help encourage more staff into the social care profession and address winter staffing pressures. The entry costs for new staff will be paid until the end of March 2022. Unison [published](#) their response, highlighting how unfair the proposals were to those who were existing social care workers and urged the Scottish Government to reconsider the plans.
50. During January the Scottish Government announced the appointments of the [chair](#) and [vice chair](#) of the Drug Deaths Taskforce, following the [resignation](#) of the previous chair and vice chair in a joint letter to the Minister for Drugs Policy (Angela Constance) on 23 December 2021. With immediate effect David Strang, a former Chief Constable who previously chaired the Independent Inquiry into Mental Health Services in Tayside and who was HM Chief Inspector of Prisons in Scotland was appointed as chair and Professor Fiona McQueen, former Chief Nursing Officer and former Executive Nurse Director at NHS Lanarkshire and NHS Ayrshire and Arran was appointed vice chair.
51. On 27 January the Scottish Government [announced](#) the establishment of a new National Collaborative to ensure the views of people with Lived and Living Experience (LLE) are reflected in all aspects of the national mission on drug deaths. It will be chaired by human rights law expert Professor Alan Miller.

Education

52. In response to the Scottish Government’s [consultation](#) on education reform, two agencies published information on their responses which advocated participation from learners. Children in Scotland’s response called for a [child-rights approach](#) and the Scottish Qualifications Authority’s [response](#) called for a single integrated approach to the curriculum and assessment, and advocated investments in digital assessments.

53. On 3 December Education Scotland [announced](#) HM Inspectors of Education will not resume the routine early learning and childcare and school inspection programme as originally planned. The HM Chief Inspector of Education, advised that if Covid-19 conditions allow, from mid-February 2022, HM Inspectors will carry out 'recovery' visits to support the education sector as it continues to respond to the impact of the current pandemic.
54. On 11 December the Scottish Government [published](#) details of funding for education recovery set out in the budget. The Scottish Attainment Challenge will receive £200 million while £145.5 million has been committed for the sustained employment of additional teachers and classroom assistants.
55. On 13 December the Scottish Qualifications Agency [advised](#) it had written to all schools, colleges and training providers confirming its intention for national examinations to take place and restating its contingency plans for examinations in 2022.
56. On 14 December the Scottish Government [published](#) statistics for 2020 to 2021 on the achievement of curriculum for excellence (CFE) levels across Scotland. This includes information on national performance of schools in literacy and numeracy and covers all pupils in publicly funded mainstream schools in Primary 1, 4 and 7. The [supplementary tables](#) provide full results including information broken down by local authority. Data for secondary school pupils and special school pupils were not collected in 2020/21 and was not collected for any pupils in 2019/20.
57. On 14 December the Scottish Government [published](#) its Achieving Excellence and equity: 2022 National Improvement Framework and Improvement Plan that sets out the vision and priorities for Scottish education and the improvement activity to be undertaken. The key priorities of the National Improvement Framework are as follows;
- Placing the human rights and needs of every child and young person at the centre of education
 - Improvement in children and young people's health and wellbeing
 - Closing the attainment gap between the most and least disadvantaged children and young people
 - Improvement in skills and sustained, positive school-leaver destinations for all young people
 - Improvement in attainment, particularly in literacy and numeracy.

The Improvement plan considers the evidence and improvement actions relating to the following six areas:

- School and Early Learning and Childcare leadership
 - Teacher and practitioner professionalism
 - Parent/carer involvement and engagement
 - Curriculum and assessment
 - School and ELC improvement
 - Performance information
58. On 16 December the Scottish Government [published](#) the findings of a jointly commissioned review with COSLA of the six regional improvement collaboratives (RICs) for children, education and skills. The review found evidence of RICs having an

impact on skills development of school staff, new approaches to delivering lessons in the classroom, skills in assessment and moderation, leadership and improvement planning skills and building a collaborative culture between local authorities.

59. On 11 January the Scottish Government [announced](#) that local authorities will receive up to £5 million of additional support to ensure ventilation in schools and early years settings meets the latest Covid-19 safety guidance. The funding is to improve air flow, such as adjustments to windows and doors, use of fan systems and use of air cleaning devices in line with existing safety guidance.

Communities

60. On 1 December the Scottish Government [published](#) details on the three month extension of a superfast broadband voucher scheme. Homes and businesses in Scotland that are unable to access fast internet speeds now have until 31 March 2022 to apply for funding worth up to £400 under the Reaching 100% (R100) Scottish Broadband Voucher Scheme. An additional £250 is available for those in the hardest-to-reach areas.
61. On 17 December the Scottish Government [published](#) details of £25 million Regeneration Capital Grant Funding which was allocated to support 22 locally developed place-based projects across 15 local authorities, tackling inequalities and promoting sustainable and inclusive economic recovery from the pandemic.
62. On 17 December the Scottish Government [published](#) an interim Gypsy/Traveller site design guide developed under the [Gypsy/Traveller Action Plan](#) that was jointly published with COSLA in October 2019 and committed to more and better accommodation for Gypsy/Travellers. The Scottish Government's Housing to 2040 announced the Gypsy/Traveller Accommodation Fund of up to £20 million in capital funding available to local authorities over five years to 2026.
63. On 23 December the Scottish Government [published](#) its strategy to tackle fuel poverty in Scotland, setting out policies and proposals for national government, local authorities and third sector partners to help meet the targets set out in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019. The strategy highlights interim targets for 2030 and 2035 and sets out a range of objectives in relation to evidence gathering; capital investment; energy markets; guidance; monitoring frameworks; and stigma.
64. On 4 January the Scottish Government [published](#) details about an additional £16 million for local authorities to help tackle homelessness by moving people swiftly from temporary accommodation into settled homes. The funding includes a £6.5 million investment in the Housing First pathfinder to support people with multiple and complex needs and will be awarded over the next two financial years.
65. On 16 January the Scottish Government [published](#) details of almost £400,000 funding awarded to over 30 public and school libraries across Scotland to deliver a range of projects including initiatives to tackle climate change and promote sustainable development.
66. On 22 January the Scottish Government [published](#) details of six community projects to receive a share of almost £600,000 from the Scottish Government's Island Communities fund. The projects are located in five local authority areas, Argyll and Bute, Comhairle nan Eilean Siar, North Ayrshire, Orkney and Shetland.

Economy and business

67. On 12 December the Scottish Government [outlined](#) funding in its 2022/23 budget that relates to training, skills and supporting business. £68.3 million is being allocated for

employability and training to address skills shortages and create sustainable jobs, while £192 million is being allocated to boost the digital economy. The domestic rates package will save ratepayers over £800 million and the retail, hospitality and leisure sectors will receive ongoing relief at 50% until July 2022. Other funding includes £215 million for the Scottish National Investment Bank, £370.5 million for enterprise agencies, £49.2 million for VisitScotland and £225 million for Skills Development Scotland.

68. On 17 December and 21 January the Scottish Government published its labour market monthly briefing for [December 2021](#) and [January 2022](#) – a summary of employment, unemployment and economic inactivity sourced from the Labour Force Survey and other labour market statistics from a range of official sources for Scotland and the UK. Some of the information is broken down into Scottish local authority areas. On the 14 December and 18 January SPICe published overviews of the labour market for Scotland in [December](#) and [January](#).
69. On 17 December the Scottish Government [published](#) details of the 22 community projects across 15 different local authorities to receive a share of the £25 million funding from the Regional Generation Capital Grant Fund. These locally developed place-based projects aim to tackle inequalities and promote sustainable and inclusive economic recovery from the pandemic.
70. On 17 December the Scottish Government [announced](#) the breakdown of a £100 million financial package to support businesses experiencing cancellations due to the rapid spread of the new Omicron variant over the festive period. It was broken down into:
 - £66 million for eligible hospitality businesses
 - £20 million for the culture sector
 - £8 million for food and drink supply chain businesses including wholesalers
 - £3 million for the wedding sector
 - £3 million for the worst affected businesses in the tourism sector, including international inbound tour operators.
71. On the 29 December the Scottish Government [announced](#) targeted funding of £107 million for businesses, to help mitigate the impact of the Omicron variant of Covid-19.
72. On 13 January the Finance ministers of Scotland, Wales and Northern Ireland upon the Treasury to guarantee that money allocated to support Covid responses will be provided in full, following a meeting with the Chief Secretary to the Treasury.
73. On 26 January the Scottish Government [published](#) its background tables and charts related to Scotland's Labour Market – people, places and regions 2020/21. This includes charts and tables that provide detailed information relating to each Scottish local authority area.

Covid-19 measures

74. The Scottish Government undertook a wide range of measures, actions and published revised guidance during December to help reduce and mitigate against the spread of the Omicron variant of Covid-19, including;
 - Accelerating the [booster vaccination programme](#), introduced a target that all adults over 18 years would be able to book a booster appointment by 31 December 2021 and published an [updated version](#) of Scotland's Autumn/Winter vaccination strategy.

- Reducing [social interaction](#) indoors to a maximum of three households and encouraging everyone to take a lateral flow test before meeting others.
 - Providing [additional funding](#) of £100 million to ensure the Self-Isolation Support Grant was available to those who need it, and a £100 million financial package for eligible businesses.
 - Published a range of guidance to help reduce the risk and spread of the Omicron variant.
75. Throughout January as the as the impact of the Omicron variant was reviewed, a number of changes to restrictions were announced and guidance updated as well as a continued widening of the vaccination programme. This included the following actions, changes and updated guidance:
- Bringing [forward the second dose of the vaccine](#) for 12-15year olds.
 - [Reducing the requirements](#) for self-isolation and testing
 - For those travelling to Scotland from abroad, [removing the requirements](#) for a pre-departure Covid-19 test and to self-isolate on arrival. Subsequently removal of [the testing requirements for international travellers](#) where they are fully vaccinated on arrival to Scotland and updating guidance on [international travel](#)
 - The [resumption of large outdoor events](#) without physical distancing or capacity limits but continuing with Covid-19 certification requirements from events with 1,000 attendees.
 - Reducing the requirement for [new care home residents to self-isolate](#) on admission unless they tested positive for Covid-19 and a reduction of the isolation period for those who are required. The removal of [any set limits](#) to the number of households visiting care home residents. Revised [guidance](#) was also published.
 - The [reopening of night clubs](#).
 - [Removing the restrictions](#) of one metre physical distancing in hospitality and leisure settings, requiring table service in hospitality venues, and attendance limits at indoor events.
 - The [resumption of non-professional indoor contact sports](#).
 - An update on [guidance](#) on working from home and a recommendation that from 31 January employers consider [implementing hybrid working](#).
 - Publication of revised guidance for [cultural performances and events](#).

Climate emergency

76. On 6 December the Scottish Government [published](#) details that more than £13 million has been awarded to local authorities to increase the quantity and quality of recycling in Scotland with nine more local authorities successfully bidding for support from the Scottish Government’s Recycling Improvement Fund. The fund will total £70 million over five years. A COSLA spokesperson said “Local Government in Scotland is fully committed to combatting climate change and supporting the Just Transition to a net zero society.”
77. On 7 December the Climate Change Committee (CCC), [published](#) its tenth annual progress report on reducing emissions in Scotland, to the Scottish Parliament, including over 70 recommendations. It claims the Scottish Government has made ambitious commitments in areas which are not devolved to Scotland and a significant

proportion of the Scottish Government's ambitions for net-zero rely on carbon capture and storage and suggests recent funding decisions may hamper efforts to deliver an operational facility in the northeast by 2030. Noting the need for contingencies to be developed, the CCC warns the Scottish Government should be more transparent in how policies will be delivered and recommends that a comprehensive policy framework is developed.

78. On 14 December the Scottish Government [announced](#) that Scotland's deposit return scheme will go live on 16 August 2023 with a phased implementation and aims to achieve 90 per cent collection rates by 2024.
79. On 16 December the Scottish Government published its [response](#) to the [report by Scotland's Climate Assembly](#) which was published in June 2021 and included 81 recommendations for the Scottish Government. The response sets out the existing and proposed actions government will take to address the recommendations and specifically states it will work with the Children's Parliament.
80. On 14 January the Scottish Government [published](#) its report and findings from an evaluation of Scotland's Local Heat and Energy Efficiency Strategy (LHEES) pilot programme, which involved pilot projects, delivered by all 32 Scottish local authorities. LHEES will set out long-term plans for energy efficiency and heat decarbonisation for all buildings in each local authority area and will be crucial in delivery of national emissions reduction and fuel poverty targets.
81. On 18 January the Scottish Government [published](#) details of £8.7 million investment for eight projects across seven local authority areas, through the Low Carbon Infrastructure Transition Programme. In addition to the Scottish Government investment, project partners will provide match funding, taking the total investment to £24.4million.

Scottish Parliament

82. Progress with the Scottish Budget 2022/23, including implications for local government, is reported in the briefing at item 8 on today's agenda.
83. In December and January, SPICe published:
 - A [blog](#) on citizens' assemblies
 - A [briefing](#) on child poverty in Scotland since the 1960s
 - A [briefing](#) on how the Covid-19 pandemic has changed the way the Scottish Parliament works.
 - A [blog](#) and a [briefing](#) on the 2022-23 Budget and two related infographics, one considering [headline figures and changes](#) in cash and real terms and one on [taxes](#).
 - A [briefing](#) on the Social Security budget 2022-23
 - A [briefing](#) on the Local Government Finance and provisional allocations to local authorities
 - A [briefing](#) on adults with incapacity
 - Launched a [central hub](#) for SPICe blogs and briefings on the draft National Planning Framework 4 (NPF4).
 - A [blog](#) on the health and wellbeing of children and young people.

- A [blog](#) on retrofitting homes for net-zero.
- A [blog](#) on the Budget bill debate.

Parliamentary committee news

Local Government, Housing and Planning Committee

84. During December and January, the Committee took evidence on and [considered](#): subordinate legislation; Non-Domestic Rates (Coronavirus) (Scotland) Bill; National Planning Framework 4 and budget scrutiny.

Public Audit Committee

85. During December and January, the Committee took evidence on and [considered](#): its work programme; five Section 22 reports on the 2020/21 audits of the Crofting Commission; NHS National Services; National Records of Scotland; Bòrd na Gàidhlig and NHS Highland; a briefing on Personal protective equipment; the 2020/21 audit of Scottish Government Consolidated Accounts; the 2020/21 audit of National Records of Scotland; and the 2020/21 audit of the Commissioner for Ethical Standards in Public Life in Scotland and the work programme.
86. On 2 December the Auditor General and Senior Manager Graeme Greenhill and Pat Kenny, Director of Audit and Assurance Deloitte LLP, gave [evidence](#) on the [Crofting Commission section 22 report](#). Following this the Auditor General was joined by Carole Grant and Ashleigh Madjitey who gave evidence on the Section 22 report on the [2021/22 audit of NHS National Services](#) Scotland and a [briefing](#) on Personal Protective Equipment.
87. On 9 December the Auditor General, Senior Manager Audit Services Asif Haseeb, Senior Auditor Graeme Samson and Audit Scotland's Correspondence Manager Dharshi Santhakumaran, gave [evidence](#) on the [National Records of Scotland section 22 report](#). The committee also considered a private briefing paper by the Auditor General on the National Fraud Initiative which can be found on the [Members SharePoint site](#).
88. On 9 December the Committee [wrote](#) to Paul Johnston, director general for communities at the Scottish Government, requesting a an update on community empowerment within the context of Covid-19. The convener asked whether it has taken a pandemic for the Scottish Government to treat third sector organisations as equal partners in the planning and delivery of services and enquires what work the government is doing to better recognise the work of the third sector.
89. On 16 December the Auditor General and Senior Manager Graeme Greenhill and Pat Kenny, Director of Audit and Assurance Deloitte LLP, gave [evidence](#) on the [Crofting Commission section 22 report](#).
90. During December the Auditor General wrote to the Committee confirming he intends to publish a report on the 2020-21 audits of [Scottish Canals](#) and [SEPA](#). The letters note the December conclusion of the Scottish Canals audit meant there was insufficient time to consider findings. Therefore, Scottish Canals was unable to lay its annual report and accounts in advance of a statutory laying deadline of Monday 31 December. For SEPA, the auditor general has confirmed an annual report and accounts, together with a section 22 report, will be laid on Tuesday 1 February.
91. On 13 January the Auditor General and Senior Manager Graeme Greenhill and Pat Kenny, Director of Audit and Assurance Deloitte LLP, gave [evidence](#) on the [2020/21 audit of Bòrd na Gàidhlig section 22 report](#). Following this the Auditor General was

joined by Senior Manager Leigh Johnston and Joanne Brown, Partner, Grant Thornton UK LLP who gave evidence on the section 22 report on the [2020/21 audit of NHS Highland](#).

92. On 20 January the Auditor General, Audit Director Michael Oliphant and Senior Audit Manager Helen Russell gave [evidence](#) on the section 22 report on the [2020/21 audit of Scottish Government Consolidated Accounts](#). Following this the Auditor General was joined by Correspondence Manager Dharshi Santhakumaran and Senior Auditor Graeme Samson who gave evidence on the section 22 report on the [2020/21 audit of National Records of Scotland](#).
93. On 27 January the Auditor General, Audit Director Michael Oliphant and Senior Audit Manager Helen Russell gave further [evidence](#) on the section 22 report on the [2020/21 audit of Scottish Government Consolidated Accounts](#). Following this the Auditor General was joined by Senior Manager, Richard Robinson and Director of Audit and Assurance, Deloitte LLP, Pat Kenny to provide evidence on the section 22 report on the [2020/21 audit of the Commissioner for Ethical Standards in Public Life in Scotland](#).

Finance and Public Administration Committee

94. During December and January, the committee took evidence on and [considered](#): budget scrutiny; the work programme; the Implementation plan progress; updated complaints procedure and an independent report on the Scottish Fiscal Framework.

Covid-19 Recovery Committee

95. During December and January, the committee took evidence on and [considered](#): ministerial statements; subordinate legislation; the vaccination programme; the work programme; the Coronavirus (Discretionary Compensation for self-isolation) (Scotland) Bill; and the Coronavirus Acts report.
96. On 9 December the Committee launched an [inquiry](#) into excess deaths since the start of the pandemic. Recent data published by the Scottish Government shows deaths in Scotland are 11 per cent above the average for this time of year and have been above the average for the last 26 weeks. The committee is seeking views on whether the public health emergency has shifted from Covid-19 deaths to deaths from non-Covid-19 conditions and explore whether there is evidence of patients presenting in a more acute condition. The deadline for submitting evidence was Friday 7 January.
97. On 23 December the Deputy First Minister and Cabinet Secretary for Covid Recovery, John Swinney [wrote](#) to the Covid-19 Recovery Committee to explain exemptions from self-isolation for critical national infrastructure. Annex A to the letter sets out the criteria for critical national infrastructure and outlines how specific arrangements have been made with each sector. Annex B sets out the eligibility conditions on automatic self-isolation exemptions for health and social care workers identified as household and non-household contacts.

Social Justice and Social Security Committee

98. During December and January, the committee took evidence on and [considered](#): the performance and operation of Social Security Scotland; Third Sector recovery; the new adult disability payment; subordinate legislation; Budget scrutiny 2022-23 and correspondence.

Other Committee news

99. During December and January the Net Zero, Energy and Transport Committee took evidence on and [considered](#): the fuel poverty strategy; carbon capture utilisation; the

Climate Change Committee Annual progress report; the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland; European Union (withdrawal) Act 2018; subordinate legislation and the work programme.

100. During December, John Swinney [wrote](#) to the Education, Children & Young People Committee, setting out the government's response to the UK Supreme Court's judgment on the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill. The Deputy First Minister explains the government would prefer to return the bill to parliament through the reconsideration stage and is considering whether that route offers the best approach.
101. On 10 January the Criminal Justice Committee [published](#) a report about reform of the justice sector, covering the impact of Covid, prisons and prison policy, the misuse of drugs, violence against women and girls, victims' rights and support, reducing youth offending and alternatives to custody and legal aid. The findings and recommendations are based on evidence from a series of roundtable sessions carried between September and November 2021 and includes over 60 short and long-term recommendations collated into an action plan.
102. On 18 January, the Education, Children & Young People Committee launched an [inquiry](#) into the effectiveness of the Scottish Attainment Challenge (SAC) in raising the attainment of children from deprived backgrounds. The inquiry will also look at the impact of the pandemic on attainment and how the impact of funding is measured (see paragraph 17).
103. On 26 January the Scottish Parliament [published](#) details that three committees, the Criminal Justice Committee, Health, Social Care & Sport Committee and Social Justice & Social Security Committee will be holding two special sessions on action to reduce drug deaths in Scotland. The sessions will question the Scottish and UK governments, as well as the new chair of the Scottish Drugs Deaths Taskforce, with each committee sending representatives to question witnesses.

Local government news

104. On 14 December the [SNP retained control of Moray Council](#), following a vote brought forward by the Conservatives and Moray Alliance Group after a councillor resigned. A vote on the proposed change tied at 12 councillors for each side, with councillors cutting cards to settle leadership of the administration.
105. On 17 December, Gavin Stevenson [retired](#) as Dumfries and Galloway Council's Chief Executive. Derek Crichton has been appointed as Interim Chief Executive and Lorna Meahan, Director of Economy and Resources has been appointed Returning Officer in the interim, pending a permanent appointment.
106. On 21 December the Cabinet Secretary for Finance and Economy, Kate Forbes [wrote](#) to the Economy & Fair Work Committee confirming the signing of the Heads of Terms Agreement for the Falkirk Growth Deal with the UK Government and Falkirk Council on Tuesday 21 December 2021.
107. On 21 December the UK Government [published](#) the Head of Terms Agreement for the Falkirk Growth Deal, defining the broad activities to be supported. The Scottish and UK governments will invest £40 million each with a £50.8 million contribution from local partners including £5.8 million from Scottish Canals, [enabling 11 projects](#) to proceed and for the creation of an investment zone for Falkirk and Grangemouth.
108. On 18 January three local government trade unions, UNISON, Unite and GMB [submitted](#) a joint pay claim to COSLA calling for a 'fair and decent' pay increase to make up for decades of cuts and to recognise the vital role workers played during the

pandemic.

COSLA

109. During December, in response to the budget, COSLA published a '[budget reality document](#)' on the local government settlement and a [response](#) to the budget following a full meeting of council leaders on 10 December. The response describes the budget as a bad deal for communities, warning of serious financial challenges in key service areas for local councils. A spokesperson said, 'We are left in a position where we do not have adequate funding to provide our range of essential services and support recovery from Covid.'
110. On 22 December, COSLA [announced](#) that following a virtual meeting, council leaders will take their case for a better financial settlement directly to the First Minister.
111. On 10 January, following the publication of [findings of a Councillor Remuneration Survey](#), COSLA's president, Councillor Evison [stated](#) there should be a 'realistic' review of remuneration for the role and called upon the Scottish Government to look at Councillors' salaries and to be paid the Real Living Wage as a minimum.

Improvement Service

112. On 3 December the Improvement Service [published](#) information on progress of a project to automate the collection and publication of planning and building standards data. It has now entered the deployment phase with the first local authority, Comhairle nan Eilean Siar, providing updates of its data along with Loch Lomond and Trossachs and Cairngorms National Parks. The project is part of wider work to create national layers of local authority location-based data via the [Improvement Service's Spatial Hub](#) platform.
113. During December the Improvement Service published its [2021 Annual report](#), a new [prospectus for Scottish councils](#) and a new [prospectus for local government partners](#).

SOLACE UK

114. On 16 December SOLACE UK [called](#) for a finance commission and a fundamental review of the way local government is financed. This was in response to the UK Government's local government finance settlement that it said was insufficient and last minute in nature.

Scottish Public Sector Ombudsman (SPSO)

115. On 22 December and 19 January the SPSO published their [December](#) and [January](#) newsletters, outlining statistics on complaints and learning points from decision reports, statistics on Scottish Welfare Fund reviews, case studies and listing training courses available.

Scottish Housing Regulator (SHR)

116. On 30 November the Scottish Housing Regulator [published](#) details about its approach to the next annual risk assessment, identifying six main risks as follows;
 - The delivery of services for people who are threatened with, or experiencing, homelessness.
 - Service delivery performance of landlords and how they meet the social housing charter standards and outcomes.

- Stock quality and how social landlords are ensuring they meet the Scottish Housing Quality Standard and the Energy Efficiency Standards.
- The development of new homes
- Financial health of registered social landlords (RSLs)
- Good Governance of RSLs

Care Inspectorate

117. On 9 December the Care Inspectorate [published](#) an overview report on the first three years of justice related scrutiny and assurance work. The report considered three areas of assurance activity covering community justice social work and community justice partnerships, considering each approach separately, outlining key messages and highlighting consistent themes relevant to other local authority and partnership areas. The three areas were;

- community payback orders in five local authorities,
- supported and validated self-evaluation work across five community justice partnerships
- throughcare practice across four local authority areas.

The report identified a number of strengths in practice which were consistent, particularly in relation to report writing and risk management.

118. On 6 January the Care Inspectorate [announced](#) the retirement of Peter Macleod as Chief Executive from Thursday 10 February following a period of ill health. Edith Macintosh, Deputy Chief Executive and Executive Director of Strategy and Improvement, will become Interim Chief Executive.

119. On 11 January the Care Inspectorate [published](#) a joint inspection report on services for children and young people at risk of harm in Dundee City. The inspection looked at how staff were working together across a range of services in the Dundee community planning partnership area.

Scottish public policy news

120. On 29 November PWC [published](#) findings of its first [green jobs barometer](#) which show Scotland is the region with the greatest proportion of new green job creation at 1.65% of all new vacancies, against a national average of 1.2% for the year to July 2021. The report also identifies the largest relative impact of job losses will be felt in Scotland and the East Midlands and reports that Scotland is among the lowest performing for delivering workplace training, education, and communications.

121. During December Understanding Scotland [published](#) findings of a recent survey on economic attitudes and expectations in Scotland. It found 72% of respondents felt the economy operates against the interests of most people with 52% noting a focus on growth came at a detriment to the environment.

122. On 1 December the Times [published](#) an article by the previous Auditor General for Scotland, Caroline Gardner about whether Scotland should adopt a social prescribing model nationally and would help reduce the pressure on health services. Caroline Gardner chaired the inclusive public service working group for the Royal Society of Edinburgh's post-covid-19 Future Commission that [published](#) a joint report with Support in Mind Scotland, in April 2021, urging decision makers to adopt a social prescribing approach.

123. On 1 December the Scottish Council for Voluntary Organisations (SCVO) [published](#) findings of a study on the impact of Covid on the third sector in Scotland. The report found 57 per cent of surveyed organisations saw an increased demand in services despite almost half also facing financial issues, with a majority seeing emerging mental and physical health needs from service users.
124. On 1 December the Scottish Drugs Taskforce published a working group [report and recommendations on women and drug related deaths](#) that should underpin Scottish Government actions and the work of all services supporting women who use drugs and their families. A [summary of the 26 recommendations](#) focusses on the development of services including drug and alcohol services and other wider relevant services, the promotion of united and collaborative working between sectors and stakeholders to support a whole system approach and ensuring workforce training and information sources are appropriate for women.
125. On 6 December Public Health Scotland (PHS) [launched](#) a new online public health [learning hub](#) to support those working in our public services. The hub will allow those working in local government, NHS, third sector and community-based organisations to learn more about factors that influence health and provide guidance on embedding health and wellbeing into professional roles to improve population health and reduce health inequalities.
126. On 6 December, Citizens Advice Scotland [launched](#) an energy saving winter campaign following the results of a poll by YouGov for the organisation that found 36% of adults in Scotland find their energy bill unaffordable, with 40% citing low incomes as a reason, working out to around one in seven adults.
127. On 7 December the Office for National Statistics (ONS) [published](#) figures on alcohol-specific deaths in the UK for 2020. Figures show that Scotland and Northern Ireland had the highest rates of alcohol-specific deaths (21.5 and 19.6 deaths per 100,000) compared with England and Wales (13.0 and 13.9 deaths per 100,000).
128. On 9 December, the Fraser of Allander Institute (FAI) [published](#) their initial consideration of the budget indicating that additional funding was transferred into the local government settlement but that there were also more constraints to this.
129. On 14 December the FAI [published](#) an article following a survey of business carried out in October on how business priorities are changing in the face of the climate emergency. The survey established that the majority of businesses had committed to achieving net zero but that it varied significantly across different sectors and 42 percent of businesses had not set any net-zero targets.
130. On 15 December the Resolution Foundation [published](#) a briefing note urging renewed furlough and increases to Universal Credit amidst the possibility of business closures due to the Omicron variant of Covid-19.
131. On 16 December the FAI [published](#) an article about their latest quarterly economic commentary which anticipates that the Scottish economy will recover to pre-pandemic levels in the Spring, but that the speed of recovery in 2022 could be impacted as restrictions are increased in response to managing the spread of the Omicron variant. The commentary also finds the removal of the furlough scheme, has not had the negative impact on employment and unemployment that was feared.
132. On 12 January, Age Scotland [called](#) for more to be done to meet the needs of Scotland's ageing population, highlighting new [published](#) figures from National Records of Scotland which show the number of over-65s is expected to grow by 30% by 2045, while the number of children is projected to fall by 22% in the same period.

133. On 17 January ENABLE Scotland [launched](#) a campaign to uphold the human rights of all adults with learning disabilities in Scotland. The campaign calls for urgent action to ensure all ensure all adults with learning disabilities are supported to live in the community of their choice by 2023, after a [report](#) found hundreds of people with learning disabilities are living in hospital or far from their families.
134. On 24 January the Fraser of Allander Institute [published](#) a new report looking at the policy options for tackling child poverty in Scotland. The report does not provide recommendations but looks at a number of measures that could be considered and sets out the scale of the challenge with around one in four children in Scotland currently living in poverty.
135. In January the Poverty and Inequality Commission [published](#) advice for the Scottish Government on its Child Poverty Delivery Plan 2022-26. The report states insufficient progress has been made, to meet Scotland's child poverty targets and advises the Scottish Government they will need to use all levers available to end child poverty. It makes recommendations about the approach the Scottish Government should take to the next Delivery Plan, and the actions that should be included.
136. On 24 January the Data for Children Collaborative with UNICEF [published](#) information about a collaborative project with the Northern Alliance regional improvement collaborative to explore how to make better use of data to assess the poverty-related attainment gap. The eight local authorities involved with the Northern Alliance improvement collaborative are Aberdeen City, Aberdeenshire, Argyll and Bute, Comhairle Eilean Siar, Highland, Moray, Orkney Islands and Shetland Islands and cover a wide range of school settings. Following this, on the 28 January, the FAI [published](#) details about their involvement with this project and links to the following three papers;
 - Paper 1 – [Statistical analysis](#) of the Educational Mobility of Primary Schools across Scotland
 - Paper 2 – A [scoping study](#) on data and information that describes poverty and educational attainment
 - Paper 3 – A [review](#) of the literature on the effects of Covid-19 on the poverty related attainment gap and rural Scotland
137. On 26 January the Scottish Veterans Housing Group [published](#) a report on veterans' homelessness in Scotland with 24 recommendations that will feed into the Government's [Ending Homelessness Together Action Plan](#). The recommendations include introducing an Armed Forces Lead Officer as part of every local authority housing department, ensuring social landlords prioritise ex-Service personnel and providing more support for tenancy sustainment in the private rented sector.

Other UK audit bodies

138. On 21 December the Northern Ireland Audit Office [published](#) Local Government Auditor's Report 2021, assessing the management of local authorities, particularly in relation to the pandemic. It found that additional central funding offset some of the financial implications of the pandemic but that councils will feel the effects of the pandemic for some time, with significant challenges expected next year.
139. On 13 January the National Audit office [published](#) an interactive guide to good practice principles for annual reporting for public sector organisations, covering the six sections of an annual report.
140. On 13 January Audit Wales [published](#) a public interest report relating to a county

council's decision to give a former chief executive an exit payment that was found to have failed to follow internal policies and procedures and had not followed the council's decision-making process and did not comply with legislative requirements.

UK Government

141. During December and January the Prime Minister announced a number of changes to restrictions to help tackle the spread of Omicron cases across the UK. These included moving to a [plan B](#), confirming that [additional funding](#) from the UK Reserve will be made available to the devolved administrations to support their vaccine rollout and health response in light of the Omicron variant and subsequently [announcing](#) the additional funding being made available to governments in Scotland, Wales and Northern Ireland to support measures tackling Covid-19 would double.
142. On 1 December the UK Government [published](#) the adult social care reform white paper which sets out a ten year vision to improve adult social care and which will provide greater choice for those receiving care and certainty over costs. The white paper is part of the government's wider social care plans, backed by £5.4 billion, which for the first time provides a limit to the cost of care for everyone in the adult social care system, and significantly increases state support.
143. From 1 December [changes](#) to the Universal Credit taper rate and work allowances will apply to tens of thousands of low income households in the UK. A reduction to the taper rate, from 63% to 55% and an increase to the work allowances by £500 per year were announced in the UK Government Autumn Budget.

UK public policy news

144. On 21 December the Fraser of Allander Institute and Institute for Fiscal Studies (IFS) [published](#) findings of a joint study exploring reforms of the fiscal framework for Scotland, Wales and Northern Ireland. They argue devolved governments should in times of extreme crises be given minimum funding guarantees or enhanced borrowing powers to create more headroom for decision making.
145. On 7 January the Office for National Statistics (ONS) [published](#) figures relating to household total wealth in Great Britain between April 2018 and March 2020. These show the median household net wealth in Great Britain was £302,500 between April 2018 and March 2020. Scotland was one of the regions with the lowest median household wealth and experienced a 12% dip in wealth, when adjusted for inflation, compared with the previous period.
146. On 12 January ONS [published](#) interim national population projections which suggest the UK population will increase by 3.2% from 67.2 million in mid-2020 to 69.2 million in mid-2030. England's population is projected to grow more quickly than the other UK nations: 3.5% between mid-2020 and mid-2030, compared with 2.6% for Wales, 2.0% for Northern Ireland and 0.3% for Scotland.
147. On 13 January, the Policy Exchange [published](#) findings of a survey examining the public's response to climate and environmental policies. It found the public particularly supported policies with local benefits, such as job creation or protecting the beauty of British landscapes and ocean environments.
148. On 17 January, the Resolution Foundation has [published](#) a briefing note on the likely increase in fuel stress experienced by households when energy bills increase in April. It states households in England, spending more than 10% of their budget on energy is likely to treble from 9% to 27%, with the scale of increase likely to require targeted intervention.

149. On 18 January the Joseph Rowntree Foundation [published](#) its first new-style UK poverty report, which aims to comprehensively outline trends across all characteristics and impacts. It notes the Scottish Government's plan to double the Scottish Child Payment in April this year, but warns more action is needed to meet child poverty targets.
150. On 19 January the ONS [published](#) figures which show inflation rose to 5.4% in December, up from 5.1% in November. The increase is largely driven by the rising price of food and non-alcoholic drinks, and household costs including energy bills. Increases in the cost of furniture and clothing also contributed to the increase.
151. On 19 January the Resolution Foundation [published](#) a report claiming the existing social security system in the UK is not well placed to meet the scale and nature of challenges in the coming decade. It notes unemployment benefits in 2022-23 will be at their lowest level in real terms since 1990-91 with rates falling behind average incomes.
152. On 24 January the Centre for Cities [published](#) findings show Edinburgh lost nearly a years' worth of sales during the pandemic, with government support shielding less prosperous areas but ultimately delaying business closures. Across 52 city and town centres studied, Aberdeen saw a 5.6% increase in unit vacancy rates, with 10.1% of city centre units now vacant in Edinburgh.
153. On 24 January the Nuffield Foundation [published](#) the final report of its Covid-19 Realities programme examining life on low incomes during the pandemic. The report finds the multiple financial pressures faced by those on low incomes were made worse by the social security system during the pandemic, citing issues such as the five-week wait for the first payment of Universal Credit as a particular problem.
154. During January the IFS has [published](#) a report on the effects of increasing the state pension age to 66. It notes the increased pension age increased the employment rate of 65-year-old men by 7.4% and of women by 8.5%, putting a total of 55,000 more people in employment than had the pension age remained at 65.

Conclusion

155. The Commission is invited to:
 - a) Note the progress of climate change work (paragraph 14).
 - b) Note the proposed delay to the publication of the performance audit of Scotland's financial response to Covid-19, to be considered by the Performance Audit Committee at its February meeting (paragraph 15).
 - c) Note the responses to the consultations and inquiries highlighted in paragraph 18.
 - d) Note this report.

Paul Reilly
Secretary to the Commission
2 February 2022

Appendix 1 - Accounts Commission reports/blogs in past 12 months – downloads and views

Report / Blog	Date	Report downloads/ blog views
Blog: Public performance reporting – why it matters	21 Dec 21	62
Blog: Assurance and scrutiny on Scotland’s housing benefit services	25 Nov 21	179 (+58)
Community empowerment: Covid-19 update	28 Oct 21	1,946 (+248)
South Ayrshire Best Value Assurance Report	27 Oct 21	503 (+101)
Auditing climate change: An update	21 Oct 21	494 (+86)
The role of sponsors in our reporting work	14 Oct 21	176 (*)
The impact of Covid-19 on Scottish Councils’ benefit services	7 Oct 21	287 (*)
Blog: Christie – it really is now or never	4 Oct 21	606 (+31)
East Dunbartonshire Best Value Assurance Report	29 Sept 21	412 (+53)
Accounts Commission Strategy 2021-26	23 Sept 21	485 (+132)
Blog: Digital exclusion	16 Sept 21	787 (+79)
Blog: Child and Adolescent Mental Health Services	31 Aug 21	1,044 (+72)
Blog: Public Services and Scotland’s Voluntary Sector during Covid-19?	25 Jun 21	477 (*)
Best Value Assurance Report: Aberdeen City Council	24 Jun 21	880 (+46)
Social Care: social care reform questions remain	3 Jun 21	1,699 (+40)
Accounts Commission annual report 2020/21	3 Jun 21	388 (*)
Local government in Scotland Overview 2021	27 May 21	2,992 (+174)
Equality Outcomes 2021-25	27 Apr 21	563 (+30)
Mainstreaming equality and equality outcomes: progress report 2019-21	27 April 21	500 (*)
Improving outcomes for young people through school education	23 Mar 21	7,478 (+406)
Local Government in Scotland: Financial Overview 2019/20	26 Jan 21	3,238 (+381)
Digital progress in local government	14 Jan 21	3,159 (+113)
Digital progress in local government – supplement 1 (checklist)	14 Jan 21	377 (*)
Digital progress in local government – supplement 2 (methodology)	14 Jan 21	167 (*)

Note: Figures are reported as of 31 December 2021

Key:

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

Appendix 2: Accounts Commission social media engagement data

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publications
Jan 22	805 (+13)	12,600	839	103	27	38	6	2
Dec 21	792 (+4)	6,500	108	48	20	25	2	0
Nov 21	788 (+10)	6,600	499	32	29	35	0	1
Oct 21	778 (+13)	22,500	316	93	47	97	6	6
Sep 21	765 (+8)	13,600	584	43	35	39	0	3
Aug 21	757 (-1)	11,200	339	48	3	13	0	0
Jul 21	758 (+18)	7,700	24	5	16	26	0	0
Jun 21	740 (+14)	56,900	513	348	113	174	8	1
May 21	726 (+22)	46,300	836	122	95	148	9	1
Apr 21	704 (+3)	3,300	n/a	1	1	0	0	0
Mar 21	701 (+15)	36,100	2,100	76	66	138	10	1
Feb 21	686 (+3)	11,000	307	20	9	10	1	0
Jan 21	683 (+30)	50,000	2,400	128	94	103	9	2
Dec 20	653 (+24)	26,400	688	46	34	47	0	1

Figures as of 31 January 2022.

Increase on previous month shown in brackets.

MEETING: 10 FEBRUARY 2022**REPORT BY: INTERIM DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE****SCOTTISH BUDGET BRIEFING 2022/23**

Purpose

1. The purpose of this paper is to brief the Commission on the Scottish Government's Budget for 2022/23, highlighting some of the key implications for local government finances.

Background

2. The Scottish Budget was published on 9 December 2021, which is in line with planned schedules. Previous 2021/22 and 2020/21 Scottish Budgets were published later in the financial year, in January 2021 and February 2020 respectively. This posed challenges for Scottish Parliament's scrutiny and for local authorities planning their budgets. These previous Budgets were published before UK Budgets, which resulted in uncertainty over levels of funding through Barnett consequentials available.
3. For 2022/23 the UK Budget is known, and the UK Government has also published a three-year Comprehensive Spending Review (CSR). This gives some assurance over likely levels of Barnett consequentials for Scotland over a three-year period. The Scottish Government plans to publish a Revenue Spending Review (RSR) by the end of May 2022, as well as an updated Medium Term Financial Strategy (MTFS).
4. The main sources for this briefing are the Scottish Government's Budget for 2022/23, the local government finance settlement published on 20 December 2021 and the Scottish Parliament's associated briefing papers published shortly after the Budget.
5. At time of writing, the Budget has passed stage 1, but has not yet been finalised and there may be changes at stages 2 and 3 in February.

Conclusion

6. The Commission is invited to note this report.

Antony Clark
Interim Director of Performance Audit and Best Value
26 January 2022

Scottish Budget 2022/23 Accounts Commission briefing

February 2022

 AUDIT SCOTLAND

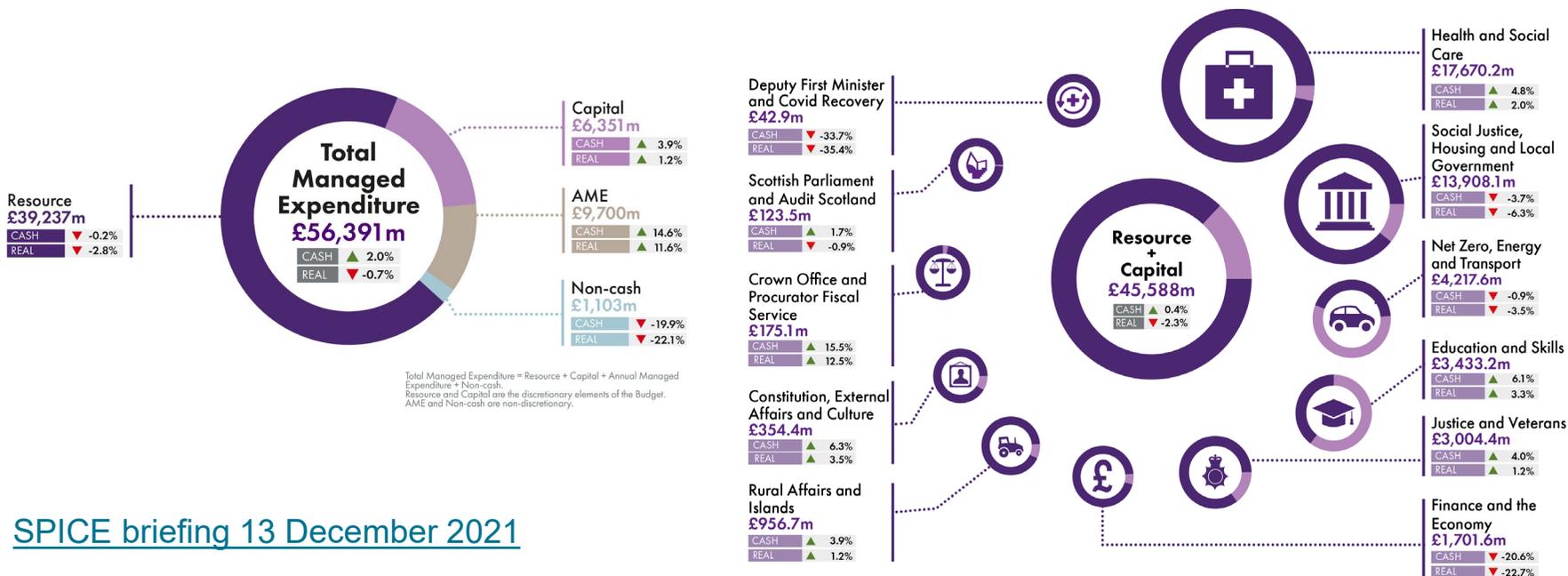
- The 2022/23 budget process is less disrupted than in recent years.
- The 2022/23 Scottish budget was published on 9 December 2022, which is in line with the planned budget process. The Local Government Financial Settlement was published on 20 December 2021, rather than alongside the budget. This delayed its scrutiny. The [Finance and Public Administration Committee](#) has sought assurances that the Scottish Government will engage with COSLA at the earliest opportunity about any remaining concerns regarding settlement.
- Previous 2021/22 and 2020/21 Scottish budgets were published later in the financial year, in January 2021 and February 2020 respectively. This posed challenges for Scottish Parliament's scrutiny and for local authorities planning their budgets. These timing issues do not apply to 2022/23.
- The 2022/23 Scottish budget was published after the UK Autumn budget (27 October 2021). As such, Barnett consequentials, which make up the majority of the funding to the budget, are largely known. This was not the case in the previous two years, where the UK budget published after the Scottish budget, requiring larger adjustments during and after the Scottish budget stages.
- The Scottish budget contains anticipated income, some of which is subject to negotiation with the UK Government'. The Scottish Fiscal Commission has reservations about the likelihood and amount of income available from these sources, but considers the overall budget balance reasonable given the likelihood of underspends in other areas.
- The UK Government has also published a three-year Comprehensive Spending Review (CSR). This gives some assurance over likely levels of Barnett consequentials for Scotland over a three-year period. The Scottish Government plans to publish a Revenue Spending Review (RSR), by the end of May 2022, as well as an updated MTFs. This is expected to provide more information to local government about its potential funding levels in future years.



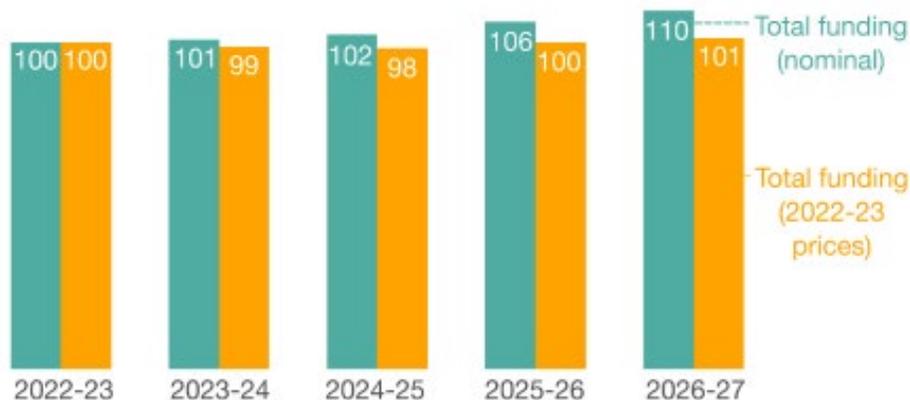
[Scottish budget 2022/23](#)

Overview of the budget

- The total proposed budget for 2022/23 is £56,391m, an increase of 2% in cash terms, and a reduction of 0.7% in real terms compared to 2021/22 (including Covid-19 funding).
- The amount of the 2022/23 budget that is under the direct control of the Scottish Government is £45,588m. The remainder of the budget is allocated to AME (such as NHS pensions) and non-cash items (such as depreciation charges), which are not under the direct control of the Scottish Government.



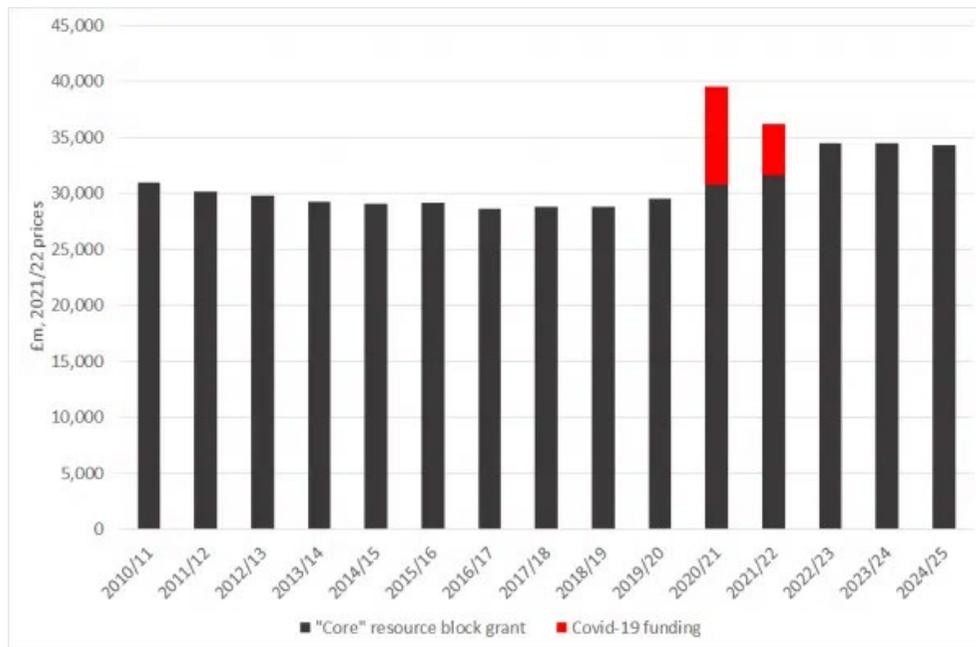
- Barnett consequentials have increased funding to the 2022/23 Scottish budget by £4.6 billion (£4.1 bn revenue and £0.5 bn capital). This is the average increase expected over the period of the spending (i.e. levelling out in subsequent years).
- However, there is debate around whether the budget for 2022/23 has gone up or down because of the impact of additional funding for Covid-19.
- The Scottish budget states that after all 2021/22 COVID-19 and other one-off funding from the Block Grant is stripped out, between 2021/22 and 2022/23, resource funding is 7.1% less in real terms.



- The Scottish Fiscal Commission's view is that while there is no longer any funding allocated specifically for COVID-19, the Block Grant will include within it funding in line with pandemic-related spending in the UK Government Spending Review.
- The SFC expects the budget to increase by 10 per cent in cash terms between 2022/23 and 2026/27. After adjusting for inflation, this is an increase of 1 per cent.

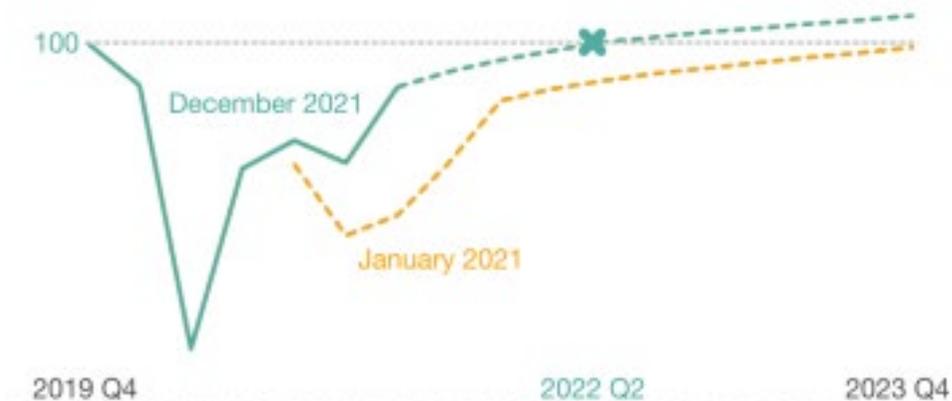
Is the budget going up or down?

- The [Fraser of Allander Institute](#) mapped out the trend of resource spending (day-to-day spending rather than capital) to show the difference that Covid-19 specific funding made in the previous two years as well as the overall changes in budget over several years.

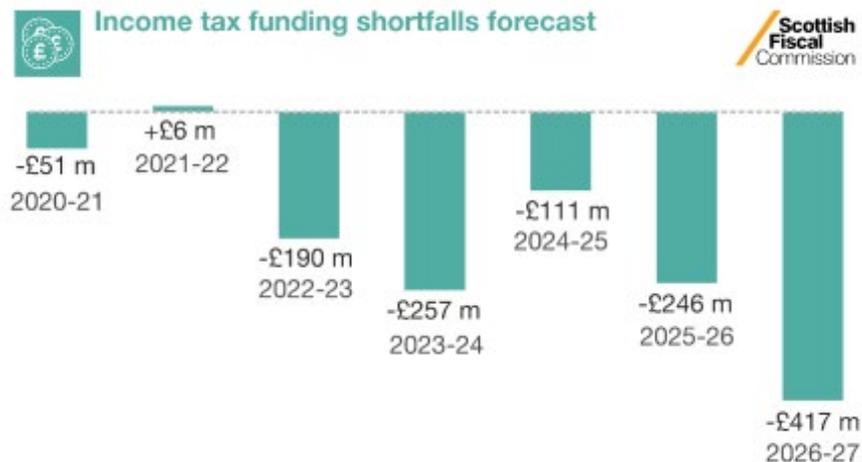


- [Latest data](#) shows that the Barnett consequentials arising from Covid-19 measures in 2020/21 and 2021/22 were around £9.6 billion and £4 billion respectively.
- Looking further ahead, the overall picture is of budget levels over the coming years which are expected to be relatively static.
- The UK budget also included a [Regions and nations factsheet](#) which includes (p20) other UK Government spending on projects which relate to various Scottish local authority areas. This is reserved spending and so not included in the Scottish Government's budget figures.

- The [Scottish Fiscal Commission](#) expects Scotland's GDP to recover to pre-pandemic levels by the second quarter of 2022. At the time of the last budget, it was not expected to recover to pre-pandemic levels until the start of 2024.
- Scotland's GDP is forecast to increase by 10.4% in 21/22. The economy is expected to recover strongly in 21/22, though longer term GDP growth rates for 2025/26 have been adjusted down by the SFC.
- SFC forecasts were finalised before the emergence of the Omicron variant. It remains to be seen how the emergence of this new variant will affect the economy, future forecasts and tax receipts.



- Growth in the Scottish economy is forecast to be less than the rest of the UK. In 2022, SFC forecasts Scotland's growth rate at 3.8%, compared to the forecast for the rest of the UK by the OBR of 6.0%.
- The largest devolved tax in Scotland is Scottish Income Tax. Because of the differences between Scottish and rUK in forecasted growth and earnings, the Scottish budget for 2022/23 is reduced by £190 million, because the receipts generated from the tax are expected to be less than the block grant foregone from devolving the tax. The SFC forecasts that reductions to the budget could continue and increase future years.



- In 2022/23, there are minimal changes to income tax rates and bands. There will be an inflationary increase (CPI of 3.1%) in the starter and basic rate tax bands. The Higher and Top Rate thresholds will remain frozen in cash terms at £43,662 and £150,000.
- There is also a downward adjustment to the budget in 2022/23 year of £34 million. This accounts for the actual Scottish income tax outturn for 2019/20 being lower than the UK Block Grant Adjustment. Further details are included in the [Administration of Scottish Income Tax](#) report for 2020/21.

Administration of Scottish income tax 2020/21

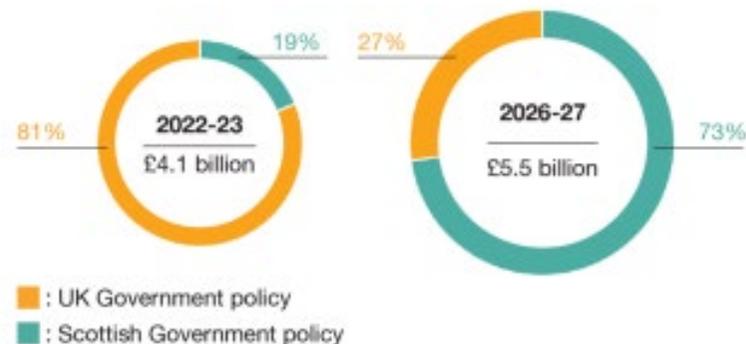


AUDITOR GENERAL

Prepared by Audit Scotland
January 2021

Social security spending

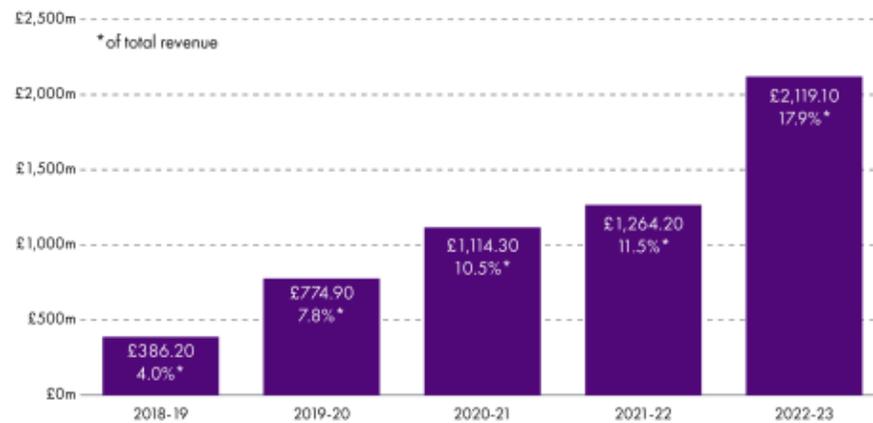
- Over recent years, the amount of social security spending being administered in Scotland has increased, and this is set to continue.
- Where Scottish social security spending replaces previous UK spending, the Scottish Government receive a block grant adjustment. This adds to the Scottish budget the spending that the UK Government no longer bears, which the Scottish Government can use towards its own spending.
- Where the Scottish social security spending is based on new policy with no UK Government equivalent, the Scottish Government must meet the cost through its budget, with no additional block grant received.
- The Scottish Government will also bear any risk that the devolved social security costs per head grow at a different rate to the rest of the UK.
- Due to several new expansive policies, social security spending is rising significantly above block grant funding. These new payments include the Carer's Allowance Supplement, Scottish Child Payment, Child Winter Heating Assistance, Best Start Grant Early Learning Payment and the Best Start Grant School Age Payment.
- The SFC forecast that the amounts not covered by block grant that the Scottish Government must cover from its own budget will be £361 million in 2022/23, rising to over £760 million in five years time.



- Total local government funding rose from £12.3bn in 2021/22 to £12.5bn in 2022/23. In cash terms, the budget remains broadly consistent in 22/23, while experiencing a real-terms decrease of 2.6%. Of the £12.5bn, the total core funding allocation to local government is £11.1bn. The remainder that makes up the total financial settlement to local government (£1.4bn) is revenue funding in other portfolios to be transferred to local government.

	2021-22 £ million	2022-23 £ million	% change cash
General Revenue Grant	7,108.2	<u>6,973.2</u>	-1.9%
Non-Domestic Rates Income	2,631.0	<u>2,766.0</u>	+5.1%
	9,739.2	9739.2	0%
Specific resource grants	752.0	<u>752.1</u>	+0.01%
Support for capital	478.0	<u>540.5</u>	+13%
Specific capital grants	139.1	<u>139.1</u>	0%
	11,108.2	11,170.9	+0.6%
Revenue funding in other portfolios to be transferred to LG	1,162.6	<u>1,368.0</u>	+17.7%
Total Local Government Settlement	12,270.782	12,538.9	+2.2%

- £1,368 million of the local government settlement is transferred from other portfolios. The Scottish Government regards this funding as General Revenue Grant (GRG), available to allocate to local needs and priorities. Specific Resource Grant is about 7% of the total revenue settlement.
- COSLA has argued that these transfers are effectively ring-fenced as they are for achieving a prescribed policy intention and come attached with conditions for their use (page 12 of SPICe [LG Budget 2022-23 Briefing](#)).
- Based on Specific Resource Grants being the only "ring-fenced" revenue element of the Finance Circular, SPICe analysis (SPICe Briefing 5 January 2022) shows that ring-fenced funds as a proportion of total revenue grew from 2.7% in 2018-19 to 6.6% in 2022-2.
- If the broader definition of ring-fencing is used - i.e. Specific Resource Grants plus transferred revenue from within other portfolios – SPICe analysis shows ring-fencing as a proportion of total revenue grew from 4.0% (£386.2 million) in 2018-19 to 17.9% (£2,119.1 million) in 2022-23.



- COSLA contends that 60% of the Local Government is effectively ring-fenced, which extends the definition of what constitutes ring-fenced funding (page 12 of SPICe [LG Budget 2022-23 Briefing](#)). There has been ongoing correspondence between COSLA and the Scottish Government on this matter.

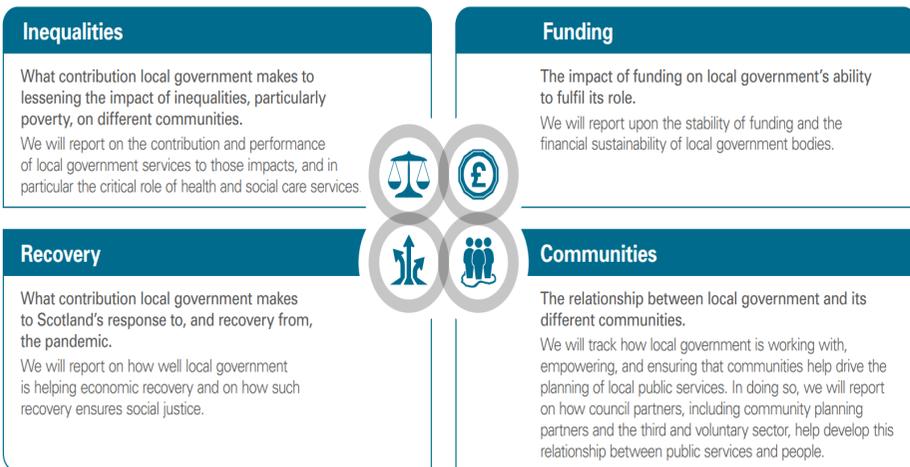
- The largest transfers from other portfolios included in the £1,368 million are included in the following table.
- Around 40% is transferred from the Health and Social Care Portfolio, the largest single portfolio by value of transfers to Local Government.
- The increase in revenue funding from other portfolios is the main driver behind the increase in broader-definition ring-fenced funding, and is often linked to specific national initiatives.

Revenue Funding from other portfolios	£m
Health and Social Care	257.2
Living Wage (for care workers)	233.5
Additional Teachers and Support Staff	145.5
Care at Home	124.0
Health and Social Care and Mental Health	120.0
Discretionary Housing Payments	80.2
Child Bridging Payments	68.2
Free School Meals expansion	64.0
Carer's Act	60.5

- The [Local Government Finance Circular](#) details how funding is distributed to councils. At the point of producing the circular, there is often a balance of funds which is part of the settlement but is yet to be distributed among councils. In 2022/23 this undistributed revenue funding has increased to £482.9 million (£36.0 million in 2021/22). The Finance and Constitution Committee has noted this in its [budget scrutiny](#) as standard practice although the sums involved this time are higher than usual.

- The budget is presented around 3 strategic spending priorities. These are:
 - Tackling inequalities
 - Ending Scotland's contribution to climate change
 - Supporting Scotland's recovery.

Accounts Commission priorities for the next five years (Strategy 2021-26)



- There is a degree of alignment between the Scottish Government's strategic priorities and that of the Accounts Commission's four priority areas for the next five years.
- The upcoming Resource Spending Review in May 2022 will focus on these three priorities.
- The [Scottish Government's framework document](#) outlines its aim to set out spending plans in May 2022 for the remainder of the Parliamentary term (4 years to 2025/26).
- The following slides outline some of the key budget announcements relating to these priorities which may be of particular relevance to the Accounts Commission.

Tackling inequalities

- £197 million on the Scottish Child payment, doubling the payment to £20 per week and increasing eligibility by December 2022 and bridging payments until that increase eligibility is introduced.
- £41 million to the Scottish Welfare fund and £80.2 m for discretionary housing payment.
- Devolved social security payments have increased from £3.34bn in 2020/21 to £3.95 bn in 2022/23.
- Included in the health budget was almost £200m for adult care workers to be paid £10.50 per hour, bringing them in line with the public sector pay floor set out in the MTFs and Public Sector Pay Policy 22/23.
- Additional £1.2bn invested in mental health, looking to shift focus from acute services to prevention and early intervention, reducing demand and waiting times.

Climate change

- The first tranche (£20m) of the £500 million Just Transition Fund to support efforts to decarbonise the North East economy.
- £414 million for emergency efficiency measures.
- £370 million in supporting the enterprise agencies to drive forward plans for a Net Zero economy.
- £150 million in active travel.
- £53 million for industrial decarbonisation projects.
- £23.5 million for the Green Jobs Fund.

Scotland's recovery

- Full flexibility for LG to set their own Council Tax rates. This brings an end to the freezing of Council Tax at 2020/21 rates that was implemented for 21/22 in light of the pandemic, and effective limits on increases over many years.
- Record funding of £18bn for health and social care which is now 32% of the overall budget. This represents an increase of £805m (4.7%) in the Health and Social Care budget from the restated 21/22 figures.
- Total investment of £1.6bn for social care and integration, includes a transfer to local government of £847m and lays groundwork for National Care Service.
- The budget maintains Small Business Scheme and expands Business Growth Accelerator relief.
- £205.9 million directed to the Scottish National Investment Bank.
- £51 million to help deliver the National Islands Plan and introduce a new Islands Bond Fund.
- £225.6 million to deliver a range of national training interventions through Skills Development Scotland.
- Non-Domestic Rates relief will be withdrawn in July 2022. After a period of 100% NDR relief for Retail, Hospitality and Leisure, this will be reduced to 50% relief in the first quarter of 2022/23, before being withdrawn altogether. In England, 50% relief will be available for the whole financial year for eligible businesses. The poundage rate has been increased from 49p in 21/22 to 49.8p. The rate in England is 49.9p.

MEETING: 10 FEBRUARY 2022

REPORT BY: CHAIR OF ACCOUNTS COMMISSION

CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission.
2. This is my first report after being appointed Chair on 1 January 2022.

Engagement and Audit Scotland business

3. The engagements and work in the period of 1 to 31 January have been as follows:

Audit Scotland Board and Committee meetings

- 26 January – Audit Scotland Board – The main items of substance covered were a Covid-19 update, 2021/22 Spring Budget Revision and 2022/23 Budget proposal, our purpose – workstream update, building strategic capacity report, new audit appointments update and stakeholder engagement update.

Audit Scotland engagement

- 18 January – Introductory meeting with Antony Clark, Interim Controller of Audit and Director of Performance and Best Value.
- 18 January – Introductory meeting with Martin Walker, Acting Director of Corporate Services.
- 18 January – Introductory meeting with Carol Calder, Audit Director and Strategic Scrutiny Group Secretary.
- 20 January – Introductory meeting with Fiona Kordiak, Director of Audit Services.
- 21 January – Introductory meeting with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Audit Scotland.
- 25 January – Introductory meeting with Alan Alexander, Audit Scotland Board Chair.
- 25 January – Introductory meeting with Elaine Boyd, Associate Director, Audit Quality and Appointments.

External engagement

- 26 January – Introductory meeting with Sean Neill, Director for Local Government and Communities and Ellen Leaver, Deputy Director for Local Government at the Scottish Government.

Commission business, development and support

4. Commission business has been as follows:

- Introductory meetings and then regular catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant to the Commission.
- 6-12 January – Introductory meetings with Accounts Commission members.
- 13 January – Private members meeting.
- 25 January – Introductory meeting with Joanna Mansell, Communications Adviser.
- 27 January – Monthly sponsor catch up and draft report discussion with the Local Government Overview team to discuss the approach and timing for the Financial Local Government Overview due for publication in March.
- 27 January – Forward planning meeting with Tim McKay, Deputy Chair of the Commission, Paul Reilly and Jillian Elgin to plan up and coming Commission business.

5. Other areas of work have included:

- Accounts Commission and Audit Scotland Board inductions
- introductory video to Audit Scotland colleagues
- video to promote key messages for publication of the social care briefing.

Forthcoming activities

6. My forthcoming engagement activities include:

- 1 February – Introductory meeting with Sarah Gadsden, Chief Executive, and Councillor Alison Evison, President of the Improvement Service.
- 1 February – Introductory meeting Colin Crosby, Audit Scotland Board member.
- 3 February – Introductory meeting with Gayle Fitzpatrick, Corporate Governance Manager.
- 3 February – Fortnightly catch up with Tim McKay.
- 3 February – Introductory meeting with Lucy Carter, Policy Manager, Accounts Commission.
- 3 February – Introductory meeting with Simon Ebbett, Communications Manager.
- 3 February – Introductory meeting with Ben MacPherson, Minister for Local Government and Social Security.

Conclusion

7. The Commission is invited to:

- a) Note this report and enquire about any areas of interest.

- b) Consider whether there are any changes that they would wish to see to the format and content of the report for the future.

William Moyes
Chair
27 January 2022

MEETING: 10 FEBRUARY 2022

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT'S UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during December 2021 and January 2022.

Engagement

2. Please note below my engagements in December and January:
 - **1 December** – Accounts Commission pre-meeting with Interim Chair, Deputy Chair and Secretary to the Commission.
 - **1 December** – Follow up meeting with Pat Kenny, Managing Partner, and Conor Healy, Audit Manager (Deloitte) for an update on issues associated with the 2020/21 audit of the Orkney and Shetland Valuation Joint Board (VJB).
 - **1 December** – Scottish Leaders' Forum (SLF) Accountability and Incentives Action Group.
 - **3 December** – Monthly engagement meeting with Secretary to the Commission.
 - **3 December** – Lynn Hendry, The Hunter Foundation – regular meeting to discuss the foundation's work, new models of public service leadership, service innovation and the role of the third sector.
 - **7 December** – Accounts Commission Best Value Working Group (BVWG) meeting.
 - **8 December** – Quarterly engagement meeting with Steve Grimmond, Chair, SOLACE Scotland. This was my final meeting with Steve before he passed the SOLACE Chair role over to Andrew Kerr (Chief Executive, City of Edinburgh Council).
 - **9 December** – Accounts Commission meeting.
 - **14 December** – Meeting with team to discuss the key themes and issues arising from the review of this year's local government Annual Audit Reports (AARs) to inform the drafting of next year's Controller of Audit (CoA) Annual Assurance and Risks Report (AARR) to the Commission.
 - **14 December** – Meeting with Kenneth Lawrie, Chief Executive, Falkirk Council, to discuss the Accounts Commission's consideration of the council's Best Value Assurance Report (BVAR) on 9 December 2021, and the council's proposed response to the improvement actions contained in the report.
 - **16 December** – East Dunbartonshire BVAR post project review with the team.

- **16 December** – Local Government Sector Forum meeting with appointed auditors (including the firms Ernst and Young, Grant Thornton International, Klynveld Peat Marwick and Goerdeler (KPMG), Deloitte, Mazars) and Professional Support.
- **16 December** – Joint Work Programme meeting with the Auditor General for Scotland (AGS), Deputy Chair of the Accounts Commission, Commission Secretary, plus Michelle Borland and Mark Roberts, Performance Audit and Best Value.
- **10 January** – Scottish Leaders’ Forum (SLF) Accountability and Incentives Action Group to finalise the report which examines how accountability for delivery of the National Performance Framework (NPF) outcomes can be improved.
- **11 January** – John Mundell, Chief Executive, Orkney Islands Council, discussion on support and governance and accountability issues associated with council employees who also provide support services to joint boards (eg. Integration Joint Boards (IJBs) and Valuation Joint Boards (VJBs)).
- **12 January** – Monthly engagement meeting with Secretary to the Commission.
- **12 January** – Following the Pandemic Pound (FtPP) Steering Group meeting of key members of Audit Scotland staff involved in Covid-19 related audit work (eg. Scottish Government Consolidated Accounts, council audits, audits of Enterprise Agencies, NHS overview, S23 audit on Scotland’s financial response to the Covid-19 pandemic).
- **13 January** – Regular catch-up meeting with Audit Scotland colleagues leading on the Best Value approach to IJBs (Leigh Johnston and Peter Worsdale).
- **14 January** – Scotland’s financial response to Covid emerging messages discussions with AGS and sponsors (Sophie Flemig and Sheila Gunn).
- **14 January** – Meeting with Scottish Government public service reform staff (Laura Turney, Head of Public Service Reform Unit, David Milne and Jane O’Donnell, Public Service Reform and Public Bodies Division) to discuss a range of public sector reform issues.
- **17 January** – Meeting with Paul Johnston, Director-General Communities, and Stephen Kerr, Social Security Director, Scottish Government, to discuss progress with the ongoing S23 audit of the Scottish Government’s implementation of its new Social Security powers with the Audit Scotland audit team.
- **17 January** – Quarterly engagement meeting with Sean Neill, Director, Local Government and Communities, Scottish Government. Topics discussed included the impact of the 2022/23 Scottish Budget on local government finances, local government support for Covid-19 recovery planning, the Local Governance Review and key Accounts Commission and Audit Scotland developments.
- **18 January** – Introductory meeting with Chair of the Accounts Commission.
- **20 January** – Scottish Funders Forum meeting (also attended by Accounts Commission member Sophie Flemig in her capacity as Chief Executive of Cattnach) to discuss research into the future focus and opportunities for charity reserves.

- **20 January** – How we work drop-in session for all Audit Scotland staff – hosted the fifth session in Audit Scotland’s ‘How we work’ series of staff engagement events. These sessions are used to discuss working arrangements and future plans linked to the impact of, and response to, Covid-19 on Audit Scotland’s work and our staff.
- **21 January** – Introductory meeting with Andrew Kerr, Chair, SOLACE (having taken over from Steve Grimmond in December 2021). Topics discussed included SOLACE National Care Service consultation response, Covid-19 recovery planning, local government budget setting and longer-term financial planning, and key Accounts Commission and Audit Scotland developments, including future liaison with SOLACE over the new Best Value (BV) audit approach in councils and IJBs.
- **21 January** – Quarterly engagement meeting with Jennie Barugh, Director, Performance and Strategic Outcomes, and Tim Ellis, Deputy Director, Performance and Outcomes, Scottish Government, regarding performance reporting and the National Performance Framework (NPF).
- **25 January** – Attended Stephen Boyle’s Keynote event ‘Audit without borders - Sharing knowledge, experience and learning from across the UK’. Stephen was joined by Gareth Davies, Comptroller and Auditor General, National Audit Office; Adrian Crompton, Auditor General for Wales, Audit Wales; and Kieran Donnelly, Comptroller and Auditor General, Northern Ireland Audit Office. The event was chaired by Paul Johnson, Director of the Institute for Fiscal Studies (IFS).
- **27 January** – Financial Local Government Overview meeting with Accounts Commission Chair, Deputy Chair, Brian Howarth (Audit Director) and Blyth Deans (Senior Manager) to discuss the draft report.
- **27 January** – Follow up meeting from October with Audit Scotland colleagues to discuss Planning for Outcomes progress and follow up on a Strategic Scrutiny Group (SSG) action on auditing for outcomes (Richard Robinson, Senior Manager, and Carol Calder, Audit Director).
- **27 January** – Engagement meeting with Joe Griffin, Director-General, Education and Justice, Scottish Government. Topics discussed included issues associated with the ongoing and longer-term impact of Covid-19 on education and justice services in Scotland and key Accounts Commission and Audit Scotland developments.
- **31 January** – Drugs and Alcohol output draft discussion with team, AGS and sponsors (Christine Lester and Stephen Moore).

Forthcoming activities

3. My upcoming engagements in February include:

- **2 February** – Catriona MacLean, Deputy Director, Public Service Reform, Scottish Government – general six-monthly engagement meeting.
- **2 February** – Regular catch-up meeting with Audit Scotland colleagues leading on the BV approach to councils and IJBs (Fiona Mitchell-Knight, Carol Calder, and Leigh Johnston).
- **3 February** – Quarterly engagement meeting with Communications Manager.

- **4 February** – Monthly engagement meeting with Secretary to the Commission.
- **7 February** – Local Government Forum meeting.
- **7 February** – Sistema evaluation strategy meeting.
- **10 February** – Accounts Commission meeting.
- **17 February** – Accounts Commission meeting to discuss the draft Financial Local Government Overview (FLGO) report and the emerging messages for the more policy and performance-oriented Local Government Overview (LGO) report.
- **21 February** – UK&I Public Audit Forum (National Audit Office (NAO), Northern Ireland Audit Office (NIAO), Wales Audit Office (WAO), Audit Scotland) quarterly engagement meeting.
- **21 February** – Quarterly engagement meeting with Sarah Gadsden, Chief Executive, Improvement Service.
- **23 February** – New Audit Appointments (NAA) steering group meeting.
- **23 February** – Lynn Hendry, Hunter Foundation – regular engagement meeting.
- **23 February** – Introductory meeting with Louise Long, Chief Executive, Inverclyde Council, with Bill Moyes.
- **24 February** – Financial Audit and Assurance Committee and Performance Audit Committee (FAAC/PAC) meetings.

Antony Clark
Interim Controller of Audit
26 January 2022