

MEETING: 13 JUNE 2019

REPORT BY: SECRETARY TO COMMISSION

UPDATE REPORT

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## Introduction

1. The purpose of this report is to provide a regular update to the Commission on significant recent activity relating to local government, as well as issues of relevance or interest across the wider public sector.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. This report also complements the weekly briefing provided by Audit Scotland's Communication Team made available on the extranet site, which provides more detailed news coverage in certain areas.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

## Commission business

### *Publications*

4. On 6 May the Accounts Commission and Audit Scotland [published](#) the Mainstreaming and Equality Outcomes Progress Report 2017-19. The Commission approved the draft report at its meeting on 11 April. In doing so, the Commission noted that, of the two outcomes agreed as a basis for the Commission's reporting, the second outcome refers to Audit Scotland's role as an employer, and accordingly the Commission does not report progress against this outcome. To this end, Audit Scotland's Remuneration Committee (of which the Commission Chair is a member) approved the Audit Scotland Annual Diversity Report for 2018-19 - proposed by Audit Scotland's People Focus Group and Management Team - at its meeting on 22 May, and the report will be published on the [Audit Scotland website](#) on 14 June.
5. On 21 May the Accounts Commission and Auditor General [published](#) the 'Drug and alcohol services' briefing. This paper was produced to allow the Commission and Auditor General to consider future work in this area. It provides an overview of the current position of drug and alcohol services in Scotland as well as noting progress against recommendations made in the 2009 report. The report noted that drug-related deaths remain significantly high in Scotland, particularly in comparison to other parts of the UK and across Europe. In addition, drug problems are increasing in people aged 35 and over, with 76 per cent of drug-related deaths occurring in this age group in 2017.
6. On 23 May the Commission [published](#) the North Lanarkshire Council Best Value Assurance Report. The report stated the council's strong financial planning and management means it is in a good position to meet future challenges. The report also acknowledged the ambitious vision of the council but underlined the need to work with

communities and stakeholders to help achieve their plans.

7. On 31 May the Accounts Commission published its [annual report for 2018/19](#). This annual report sets out the Commission's work over the year, along with its work programme for 2019/20. The Commission also published its [strategic plan](#) for the next five years and annual action plan, along with its [engagement strategy](#).
8. Audit Scotland collects [media coverage](#) on all the reports published by the Accounts Commission. Audit Scotland also provides a weekly summary of the [key media stories regarding local government](#). Both are available through Audit Scotland SharePoint, on the Accounts Commission Members' Extranet.
9. The download statistics of the reports published over the last 12 months (as at 22 May) are set out in **Appendix 1**.
10. NAO response
11. Brydon response

#### ***Other business***

12. On 22 May, members of the Commission met with representatives of South Lanarkshire Council to discuss the [BVAR on the council](#) which was published on 28 March. The Commission was represented by Sophie Flemig, Christine Lester and Tim McKay. Paul Reilly, Secretary to the Commission and Fiona Mitchell-Knight, Audit Director, Audit Scotland (the appointed auditor for the council) were also present. The council was represented by John Ross, Leader of the Council and Leader of the Scottish National Party Group; Alex Allison, Leader of Conservative Group; Margaret Cooper, Leader of Independent Group; and Joe Fagan, Leader of Labour Group. Officers present were Lindsay Freeland, Chief Executive; Paul Manning, Deputy Chief Executive / Executive Director of Finance and Corporate Resources; Michael McGlynn, Executive Director of Community and Enterprise Resources; Tony McDaid, Executive Director of Education Resources; Danny Lowe, Executive Director of Housing and Technical Resources; and Val de Souza, Executive Director of Health and Social Care Resources. The council will consider the report at its meeting on 26 June.
13. On 27 May, members of the Commission met with representatives of Stirling Council to discuss the [BVAR on the council](#) which was published on 25 April. The Commission was represented by Ronnie Hinds, Andrew Cowie and Pauline Weetman. Fiona Mitchell-Knight, Audit Director, Audit Scotland (the appointed auditor for the council) was also present. The council was represented by Scott Farmer, Leader of the Council and Leader of the Scottish National Party Group; Danny Gibson, Depute Leader of the Council and Leader of the Scottish Labour Party Group; Neil Bennie, Leader of the Conservative and Unionist Group; Carol Beattie, Chief Executive; Isabel McKnight, Chief Officer, Strategic Commissioning and Customer Development; Jim Boyle, Chief Officer, Finance; and Julia McAfee, Chief Officer, Governance. The council will consider the report at its meeting on 27 June.
14. On 15 May Audit Scotland, as external auditor for West Dunbartonshire Council, [published](#) their review of the investigation of tendering and contracting practices in Roads and Greenspace services in West Dunbartonshire Council. The auditors found that the council's controls to monitor revenue spend on contracts, across all services, were ineffective. They also reported that the controls to ensure personal relationships between officers and suppliers do not influence contract awards were ineffective, and that the time the council took to investigate the allegations was excessive. At a special meeting of West Dunbartonshire Council on 14 May, elected members considered and

noted the recommendations, as well as the council's actions to take on the recommendations. The auditors will monitor progress, and in line with their reporting arrangements on the annual audit, will provide a summary of progress to the council and the Controller of Audit in September's Annual Audit Report.

15. At the previous meeting of the Commission, I advised that I would report back on any national developments in relation to skills and capacity in the building control profession. On 20 May the Scottish Government published the [New Housing and Future Construction Skills Short Life Working Group's report](#). The group made 40 recommendations to the Scottish Government to address housing construction skills gaps. They include investment in apprenticeships, upskilling current workers and encouraging more people to work in the sector. A report on stakeholder views on challenges for housing to 2040 has also been published. It calls for improvements to existing housing stock, more recognition of the challenges facing rural areas and greater community involvement in planning decisions.
16. At the previous meeting of the Commission, I advised that I would provide an update on the status of the [Children and Young People \(Information Sharing\) \(Scotland\) Bill](#). The Bill was introduced on 19 June 2017. It seeks to amend the Children and Young People (Scotland) Act 2014 on the provision of information in relation to the named person service and the preparation and implementation of child's plans. The Bill provides for a Code of Practice that will be used by organisations and individuals within those organisations responsible for deciding whether they hold relevant information and whether they should share it. The Bill is amidst scrutiny stages, led by the Education and Skills Committee. Most recently, in January 2017, the Convenor of the committee wrote to the Cabinet Secretary for Education and Skills seeking clarification on a previous letter that Professor Iain Welsh OBE, chair of the Getting It Right For Every Child Practice Development Panel, sent to Mr Swinney regarding the draft Code of Practice for information sharing. This initial letter provided an update on the Panel's work, outlining some of the challenges that the Panel has faced with regards to keeping the draft Code 'simple, concise and accessible', as well as informing Mr Swinney that the Panel were going to initiate a short period of engagement work to seek feedback from key stakeholders. The letter that the Convenor of the Education and Skills Committee sent to Mr Swinney sought assurances about the organisations that would be consulted and the timescales for completing this engagement exercise. The chair of the Panel provided details of the organisations that would be consulted in this short engagement exercise in a letter on the 27 February, including informing Ms Adamson that the Panel aims to produce a report for Mr Swinney shortly.

### **Audit Scotland**

17. On 10 May Fiona Kordiak, Director, Audit Services, Audit Scotland, was appointed as the new chair of The Chartered Institute of Public Finance and Accountancy.

### **Issues affecting local government**

#### ***Scottish Government***

18. On 27 April the Scottish Government launched their [Families and Communities Third Sector Fund](#). This fund will aim to reduce inequalities through training in prenatal skills, a focus on early years intervention and greater certainty for third sector organisations to plan and deliver services.
19. On 28 April the Scottish Government announced a consultation on codifying the UN Convention of Rights of the Child. She said it would be fully incorporated into Scots law by the end of the current Parliament in 2021. The First Minister also announced

the establishment of a Social Justice & Fairness Commission to demonstrate how additional powers could reduce poverty.

20. On 28 April First Minister Nicola Sturgeon MSP [announced](#) a consultation on short-term lets, which will consider how local authorities can balance the housing needs of communities and wider economic and tourism interests. A research annex paper has also been [published](#). The consultation will close on Friday 19 June.
21. On 30 April the Scottish Government [announced](#) an additional £80 million will be provided over the next two years to help council deliver affordable homes. The Scottish Government claims that this additional investment will mean local authorities will share a total of £1.3 billion between now and 2021 to help achieve the Scottish Government's ambitious aim to deliver 50,000 affordable homes, with 35,000 available for social rent, by that date.
22. On 30 April Deputy First Minister and Cabinet Secretary for Education John Swinney MSP [urged](#) all local authorities to provide free music tuition for school pupils.
23. On 1 May the Scottish Government [announced](#) that over £190m had been paid out to more than 326,000 households in emergency grants since April 2013. Grants are given to people facing disaster or emergency situations, and to families facing exceptional pressure with one-off costs for items including beds, washing machines or cookers.
24. On 2 May the Scottish Government [published](#) their 'Lessons Learned for Delivery of The Devolved Benefits' report which seeks to set out the lessons that have been learned by the Scottish Government over the delivery of the devolved benefits.
25. On 2 May the Scottish Government [launched](#) the £17m Scottish Social Growth Fund, which will enable social enterprises, charities and voluntary groups deliver community projects while contributing to the wider economy. Organisations will be able to access affordable and flexible loans of between £100,000 and £1.7 million from the new fund.
26. On 7 May the Scottish Government published a [toolkit](#) for the delivery of devolved benefits and a [guide](#) to information held by the Scottish Commission on Social Security.
27. On 8 May the Scottish Government [launched](#) their Investing in Communities Fund. This £11.5 million fund encourages community-led development, design and delivery of sustainable local solutions addressing local issues, circumstances and aspirations. Grants of up to £250,000 are available over three years providing stability and recognising the need for longer term planning in some projects.
28. On 9 May Loganair [called](#) on the Scottish Government to extend the existing exemption from Air Passenger Duty to cover flights from mainland airports to the Highlands and Islands. Under current rules, passengers flying from Highlands and islands airports are exempt from the duty, and now the airline wants to see that exemption applied to include inward flights to the region.
29. On 10 May Dr Dame Denise Coia [resigned](#) as chair of the Scottish Government and COSLA's taskforce on young people's mental health due to illness.
30. On 13 May the Scottish Government [announced](#) that it will set up an advisory group on how body image affects young people's mental wellbeing. Members will identify ways to improve support for young people affected by this.

31. On 14 May the Scottish Government [published](#) the fifth annual summary report for the Home Energy Efficiency Programmes for Scotland. The report focuses on the outcomes achieved from 2017-18 and an overview of the progress since 2013.
32. On 16 May the Scottish Government and COSLA [published](#) a joint statement on the local governance review, outlining how they will work together to empower local communities and councils across Scotland. They state that the early findings of the review confirmed that those who responded to the survey believe that communities should have more control of decisions that impact on their lives. This is particularly the case for control over decisions that are seen to directly affect their local communities. The Scottish Government and COSLA will now consider the next steps of the review, committing to further dialogue with communities.
33. On 16 May the Scottish Government [published](#) guidance on funeral costs. It includes provisions on addressing funeral poverty. The Scottish Government will also introduce a new funeral support payment this year to replace the UK's funeral payments.
34. On 16 May the Scottish Government has published the [latest estimates](#) of fuel poverty and extreme fuel poverty under the proposed new definition following Stage 2 of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Bill. The publication provides a comparison of fuel poverty rates between the current and proposed new definition across a range of households. An [island communities impact assessment](#) for the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Bill has also been published.
35. On 20 May the Scottish Government started accepting consultations on the implementation of the Gender Representation on Public Boards (Scotland) Act 2018. The Scottish Government is specifically seeking views on two elements of implementation:
  - Draft regulations setting out the arrangements for reporting on progress under the Act; and
  - Draft guidance on the operation of the Act.
36. On 22 May the Scottish Government opened a [consultation](#) on how best to incorporate the United Nations Convention on the Human Rights of the Child into Scots Law. Incorporating the UNCRC will strengthen existing work to protect and respect children.
37. On 22 May the Scottish Government opened a [consultation](#) on the length of time that people can stay in temporary accommodation. The consultation closes on 14 August.
38. On 29 May the Scottish Government published [information](#) about public finances for the 2019-20 period. The report references that the Auditor General have given their accounts for 2017/18 a 'clean bill of health'.
39. On 29 May the Scottish Government [published](#) the latest statistics on its non-domestic rates revaluation appeals up to 31 March 2019. It revealed 49% of appeals against the 2017 revaluation of properties had been resolved, with a reduction in rates by £103m.
40. On 29 May the Scottish Government [published](#) statistics on non-UK nationals in Scotland's workforce. It revealed 81.2% of working age EU nationals were in employment, a rate which was higher than UK nationals (74.5%). The number of EU nationals in employment fell for the first time since records began in 2007, though, by 7.6%. In terms of sectors, it was found around two-thirds worked in either the hospitality, public sector or finance industries.

41. On 30 May the Scottish Government [announced](#) that, in 2019/20, an additional £50 million would be allocated to a range of funds to help close the attainment gap in Scotland's schools.
42. On 30 May the Scottish Government published the [Medium-Term Financial Strategy](#). The Scottish Fiscal Commission has also published its report on [Scotland's Economic and Fiscal Forecasts](#), alongside a [report summary](#).

#### 43. Poverty and Inequality Commission

##### **Scottish Parliament**

###### *General*

44. On 29 April the Scottish Parliament Information Centre (SPICe) [published](#) a briefing on the Scottish National Investment Bank Bill.
45. On 30 April SPICe released findings which suggest that 56 per cent of school pupils claim that they have been unable to study certain subjects from National 4 level onwards. It was claimed that pupils were being unable to study subjects such as: modern studies, languages and sciences.
46. On 2 May SPICe [published](#) a briefing paper on the Health and Care (Staffing) (Scotland) Bill. This briefing was published prior to the Stage 3 debate.
47. On 8 May the Scottish Parliament [passed](#) the Age of Criminal Responsibility Bill. This bill will raise the age of criminal responsibility in Scotland to 12.
48. On 7 May Kate Forbes MSP, minister for public finance and digital economy, [responded](#) to a parliamentary question submitted by Mike Rumbles MSP over how much local authorities were paying in non-domestic rates on bus shelters in 2018-19. Ms Forbes stated that £764,424 was paid in non-domestic rates by local authorities on bus shelters in 2018-19.
49. On 10 May MSPs unanimously passed the Vulnerable Witness Bill. This will allow child witnesses to pre-record evidence ahead of criminal trials. The changes in the Vulnerable Witnesses Bill are intended to minimise further distress to children who have experienced or witnessed serious crimes such as murder, sexual assault or human trafficking.
50. On 10 May SPICe [published](#) their 'Devolved social security powers: progress and plans' briefing. This report attempts to provide an update on the devolution of certain aspects of social security. Audit Scotland is mentioned throughout this briefing.
51. On 10 May SPICe [published](#) its latest briefing on Brexit.
52. On 14 May SPICe [published](#) a briefing paper on the Non-Domestic Rates (Scotland) Bill. This briefing attempts to explain the background to the legislation, an overview of Non-Domestic Rates in Scotland, and an introduction to the general principles of the Bill.
53. On 15 May Pauline McNeil MSP [tabled](#) a Members' Bill on the private rented sector. The Fair Rents (Scotland) Bill intends to protect tenants by introducing rent controls and increasing the amount of information that is published on rent levels. The consultation on the Bill runs until 6 August.

54. On 29 May Michael Russell MSP, cabinet secretary for government business and constitutional relations, [tabled](#) the Referendums (Scotland) Bill. This is framework legislation which seeks to make provision for the holding of referendums through Scotland.
55. On 29 May SPICe [published](#) its 'Primary Care in Scotland' briefing. This briefing attempts to inform how primary care operates in Scotland.

### **Parliamentary Committee News**

#### *Local Government and Communities Committee*

56. On 1 May the Committee took evidence on new powers arising from the withdrawal of the United Kingdom from the European Union from Councillor Alison Evison, president of the Convention of Scottish Local Authorities (COSLA), Julie Welsh, director, Scotland Excel, Gordon McLaren, former chief executive of ESEP Ltd., and Malcolm Leitch, chair of the European funding sub-group of the Scottish local authorities economic development group.
57. On 3 May the Committee [published](#) a letter from Kevin Stewart, Minister for Local Government and Housing regarding allocation of the full 2019-20 resource planning assumptions to council areas.
58. On 8 May the Committee took evidence from Dr Graham Sharp, chair of the Accounts Commission, Fraser McKinlay, controller of audit, Claire Sweeney, audit director and Ashleigh Madjitey, senior auditor, on the [Local government in Scotland: Challenges and performance 2019](#) report.
59. On 3 June the Committee [published](#) a letter to Susan Aitken regarding the Accounts Commission overview report. The letter seeks an update on the Council's performance in providing temporary or emergency accommodation to individuals presenting as homeless and on its approval of a "housing first" policy towards homeless.
60. On 15 May the Committee took evidence from Shaheena Din, national manager at the Scottish empty homes partnership, and Derek Logie, chief executive of Rural Housing Scotland, as part of their inquiry into empty homes.
61. On 16 May the Committee [published](#) a letter from Alison Evison, President of COSLA, regarding the impact of EU returned powers on local government.
62. On 20 May the Committee [published](#) its work programme for the remainder of the session. Some work remains to be confirmed, however the Committee has announced it will look into the Non-Domestic Rates Bill and continue its inquiry into empty homes. The Committee agreed to focus on the long-term financial sustainability of local government during its 2020-21 pre-budget scrutiny. It also expects to return to building regulations and fire safety, homelessness and the small business bonus scheme in the medium to long term.
63. On 22 May the Committee held their first evidence session on the Non-Domestic Rates (Scotland) Bill by taking evidence from a range of stakeholders.
64. On 30 May the Committee announced that it would shortly be holding an evidence session on the impact that spending reductions has had on local government. The session will examine how cuts to spending were achieved, whether through efficiencies or reductions in services. It will also look at distribution of cuts across different tiers of local government and the impact of funding mechanisms such as business rates retention. The Committee will also explore how the system of local

government finance could be improved, hearing from a group of local government think tanks.

*Public Audit and Post Legislative Scrutiny Committee*

65. On 25 April the Committee took evidence from Caroline Gardner, Auditor General for Scotland, Fraser McKinlay, Director of Performance Audit and Best Value and Antony Clark, Audit Director, on Audit Scotland's future work programme.
66. On 9 May the Committee took evidence from Jim Harra, deputy chief executive and second permanent secretary, Her Majesty's Revenue and Customs (HMRC) and Jackie McGeehan, deputy director for income tax policy, HMRC, on the administration of Scottish Income Tax 2017-18.
67. On 16 May the Committee took evidence from Caroline Gardner, Mark Taylor, Audit Director, Gemma Diamond, Senior Manager and Kirsty Ridd, Senior Auditor on the section 23 report, 'Social security: Implementing the devolved powers.'
68. On 30 May the Committee took evidence from Caroline Gardner, Auditor General for Scotland, Mark Taylor, Audit Director, Gemma Diamond, Senior Manager and Kirsty Ridd, Senior Auditor on Audit Scotland's report on the delivery of Social Security Scotland.

*Finance and Constitution Committee*

69. On 24 April the Committee held a roundtable event with a range of stakeholders on earnings in Scotland.
70. On 8 May the Committee took evidence from Derek Mackay MSP, cabinet secretary for finance, economy and fair work, and other representatives from the Scottish Government as part of their inquiry into earnings in Scotland.
71. On 15 May the Committee took evidence from Ivan McKee MSP, minister for trade, investment and innovation, and Stephen Sadler, head of trade strategy, Scottish Government on trade negotiations.
72. On 29 May the Committee published a report on the 2016-17 and 2017-18 audits of NHS Tayside. The report concluded that while the NHS in Scotland is under significant pressure the performance of NHS Tayside needs to be significantly improved.
73. On 29 May the Committee held a roundtable event with a range of stakeholders on the implementation of Additional Dwelling Supplement (ADS). It was brought to the Committee's attention that ADS applied to local authorities and was costing them "significant" amounts of money. It was noted housing associations were exempt from the tax due to their status as a charity. Some witnesses called for local authorities to be granted the same exemptions, arguing the financial impact of the tax was reducing its effectiveness, due to increases in rent prices.

*Other Committees*

74. On 2 May the Economy, Energy and Fair Work Committee [published](#) a report about the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2019.
75. On 10 May the Rural Economy & Connectivity Committee has [launched](#) a survey on the proposed workplace parking levy. The levy would give local authorities the ability to charge organisations for workplace parking spaces. John Finnie MSP has lodged [amendments](#) to the Transport (Scotland) Bill which would legislate to give councils this

additional power. The proposal emerged out of budget talks between the Government and the Greens. The survey will close on Monday 20 May and the amendment is likely to be debated on Wednesday 19 June.

76. On 16 May the Rural Economy and Connectivity Committee published a [report](#) on the draft Public Appointments and Public Bodies etc (Scotland) Act 2003 (Treatment of South of Scotland Enterprise as Specified Authority) Order 2019. It states: “*Advice from Audit Scotland is that the leadership of merged and new bodies is in place 6 months ahead of the new body taking on its full functions.*”
77. The Standards, Procedures and Public Appointments Committee has published its [Annual Report 2018-19](#). The report highlighted the Committee’s recent efforts to implement recommendations from the Commission on Parliamentary Reform. These recommendations included granting the Presiding Officer the option of extending decision time by 20 minutes in exceptional cases, the addition of one extra session of Portfolio Questions each week and the end to scripted diary questions during First Minister’s Questions. The report also highlighted the Committee’s recent work on sexual harassment and the code of conduct for MSPs.
78. On 22 May the Rural Economy and Connectivity Committee has published its [Annual Report](#). The report includes information on all the legislation, inquiries, petitions and evidences sessions that the Committee has considered throughout the year. The Committee’s work on the Transport Bill and the South of Scotland Enterprise Bill was highlighted. During the Committee’s meeting today, evidence will be given from Nottingham Council on the Workplace Parking Levy. The Committee has also published a [summary](#) of the responses it has received for its online survey on the levy. Of the 4,491 individual respondents, 59% supported the introduction of the levy.
79. On 28 May the Health and Sport Committee has published its [annual report](#). The report outlines the Committee’s scrutiny work across a range of topics, including the Year of Young People, NHS Governance, suicide prevention and healthcare in prisons. Its role as the lead committee for the Health & Care (Staffing) (Scotland) Bill and the Human Tissue (Authorisation) (Scotland) Bill was also addressed in the report.
80. On 28 May the Delegated Powers and Law Reform Committee [published](#) a letter from the Scottish Government on the Non-Domestic Rates (Scotland) Bill.
81. On 30 May the Rural Economy and Connectivity Committee rejected the Restricted Roads (20mph Speed Limit) (Scotland Bill). Following the publication of its Stage 1 report, the Committee concluded that it supported the aims of the Bill but did not believe the blanket reduction in speed limits was appropriate. The Committee also cited concerns over costs and implementation times. Members felt local authorities should be afforded more flexibility.

### **COSLA**

82. On 31 May council leaders from across Scotland met for their monthly leaders’ meeting. The theme of the meeting revolved around suicide prevention and how the new suicide and mental health training resources can help those in need of support.

### **Improvement Service**

83. On 1 May the Improvement Service [published](#) a briefing note on the Fairer Scotland Duty which came into force on the 1st April 2018.

84. On 17 May former Chief Executive of the Improvement Service, Colin Mair, died. Mr Mair served in the position of Chief Executive of the Improvement Service from 2005 until his retirement in March 2018.
85. On 23 May the Improvement Service [announced](#) that West Lothian Council would now be using the [parentsportal.scot](#) platform for their schools. This service was developed by the Improvement Service and seeks to improve the communication between schools and parents.
86. On 24 May it was [announced](#) that the Spatial Information Service (SIS) had published several new datasets as part of the Spatial Hub data publication schedule. The datasets that were published, included information on renewable energy sites, wind turbine spatial framework and local development plans.
87. On 27 May the Improvement Service [published](#) information on their [#CelebrateCommunityCouncils](#) campaign that they ran throughout April. This campaign asked Twitter users to share their success stories of being involved with a community council.

### ***Community Planning Improvement Board***

88. The Community Planning Improvement Board provides dedicated support for community planning in Scotland. Audit Scotland's Director of Performance Audit and Best Value is a member of the Board. On 30 May the Board met in the offices of Audit Scotland. Some of the items being considered at this meeting included a discussion around the recently published Local Governance Review report. In addition, the board also discussed their work plan for the next two years. The work programme will revolve around addressing the following key challenges:
  - Strengthened leadership and influence at CP level
  - Community participation, particularly for vulnerable and hard to reach groups and communities of interest
  - Effective decision making and good governance
  - Innovative approaches to joint planning, service design and resourcing
  - Availability and use of high-quality local data and insights to support decision making
  - Supporting innovation, improvement and sharing best practice

### ***By-elections results***

89. On 8 April the Scottish National Party's Steven Rome won the North East By-Election in Dundee. Mr Rome received 1,507 first preference votes with Labour candidate Jim Malone receiving 1,224 votes on a turnout of 28.4%. This seat was previously held by the Labour Party.
90. On 10 May the Conservative's Craig Hoy won the Haddington and Lammermuir By-Election in East Lothian. Mr Hoy won the by-election with 35% of the vote. The by-election was sparked by the resignation of Conservative councillor Brian Small.

### ***Other Scottish local government news***

91. On 26 April it was [reported](#) that council officials from Aberdeen City Council were looking to make trips to North America, Asia, Africa and South America as they seek out new business opportunities. Local authority leaders have emphasised the need to build relationships with countries outside Europe as uncertainty over the future

relationship with the EU continues.

92. On 29 April the Glasgow Connectivity Commission published their phase 2 report which examined Glasgow's future transport needs. The report called for approximately £10bn worth of investment to be spent over the next 20 years on a range of measures that would upgrade the city's transport capacity.
93. On 30 April 93 per cent of pupil support staff that are members of GMB Union voted against Highland Council's proposal for the re-deployment of 63 additional support need staff across the local authority area. The staff re-deployment plan is part of a plan to reduce the budget by £700,000 across ASN services in Highland schools in 2019, with a further £1m a year in budget reductions planned for 2020 and 2021.
94. On 1 May Citizens Advice Scotland [launched](#) a new online tool – [www.checkmycounciltax.scot](http://www.checkmycounciltax.scot) – to help people check if they are entitled to reductions, exemptions or deductions on their council tax. This was in response to statistics which suggest that an estimated 80,000 low incomes households in Scotland were paying too much Council Tax.
95. On 8 May campaign group Research for Action [called](#) on Scottish local authorities to renegotiate some of their loans in order to make savings. The campaign group has called on local authorities in Scotland to follow Newham Council's decision to restructure its Lender Option Borrower Option (Lobo) loans. Newspaper reports suggest that the English local authority renegotiated its Lobo loan, a move that officers apparently believe could save £143m.
96. On 9 May Aberdeen City Council called on the Scottish Government to devolve powers over airport taxes to the local authority. This followed the decision of the Scottish Government to abandon their plans to replace airport passenger duty with a devolved air departure tax.
97. On 17 May Highland Council [agreed](#) to transfer land and property held in its ownership to two community groups for £1 each.
98. On 18 May the chair of the East of Scotland European Consortium (ESEC), Councillor Will Dawson, [wrote](#) to Liz Truss, Chief Secretary to the Treasury, in order to seek assurance about the UK Shared Prosperity Fund (UKSPF). This fund is being lined up to replace the EU Structural and Investment fund which will cease once the UK leaves the European Union.
99. On 21 May John Mundell was [appointed](#) Interim Chief Executive of Orkney Islands Council as a result of current Chief Executive Alistair Buchan's absence due to illness.
100. On 22 May the Fraser of Allander Institute [released](#) analysis council tax rates are now markedly lower in Scotland than in England and Wales. By 2019/20, average band D council tax in Scotland is 21 per cent lower than in Wales and 28 per cent lower than in England. Back in 2008/09, the average band D council tax in Scotland was around 10 per cent higher than the average band D charge in Wales, and 16 per cent lower than the average in England. The Fraser of Allander Institute have called for a fundamental reform of council tax, if councils are to raise additional revenue from local taxation.
101. On 24 May it was [reported](#) that lawyers representing Glasgow City Council started legal action to mandate First Bus to share liability for compensation payouts to bereaved families affected by the George Square bin lorry crash in 2014.

102. On 28 May social workers in West Dunbartonshire who are members of Unison [voted](#) overwhelmingly to take strike action over workloads and working environments. 98.6 per cent of members voted in favour for strike action, with 82 per cent of members responding to the ballot.

### ***Other Scottish public policy news***

103. On 27 April the National Farming Union (NFU) [warned](#) that the consequences of the UK withdrawing from the European Union without a deal would be an 'absolute disaster' for Scottish farming. The NFU further argued for the UK Government to guarantee it would match funding currently distributed by the Common Agricultural Policy.
104. On 30 April Which? [published](#) their Consumer Insight Report 2019 Scotland. The report collates survey data on the worries, optimism, trust, spending intentions and financial pressures experienced by people living in Scotland. The research found a greater proportion of trust in the water industry than any other nation. Scottish consumers reported lower trust than their UK counterparts in everyday banking services (39 per cent compared to the UK average of 45 per cent). There are specific sections on broadband coverage and rail satisfaction, areas that Which? has been campaigning on.
105. On 2 May the Committee on Climate Change [released](#) their 'Net Zero: The UK's contribution to stopping global warming' report which suggested that Scotland could achieve net-zero greenhouse emissions by 2045. The CCC said its recommendations are achievable with known technologies, alongside improvements in people's lives, and at an affordable overall cost, with new targets covering all Scottish emissions, including from international aviation and shipping. It said the goal should be to deliver them entirely through domestic effort in Scotland. The Scottish Government accepted the took action on the recommendations of the report by lodging amendments to the Climate Change Bill, setting a legally binding target of net-zero greenhouse emissions by 2045, with Scotland becoming carbon neutral by 2040.
106. On 1 May Scotland's chief statistician [published](#) new statistics which indicates that Scotland's GDP grew by 0.3% during the fourth quarter of 2018.
107. On 1 May [Four Season Health Care](#), which operates more than 30 care homes in Scotland, entered into administration.
108. On 7 May the leader of the Scottish Conservatives, Ruth Davidson MSP [announced](#) that if her party was to be elected as the next Scottish Government they would raise the school leaving age to 18. This would mean that anyone under 18 had to either go to college or university, or if they want to start work, it would have to be through a structured apprenticeship or a traineeship
109. On 8 May the Royal Society for the encouragement of Arts, Manufacturers and Commerce (RSA) [published](#) their 'A Basic Income for Scotland' report. The researchers investigated the recent basic income pilot in Fife and modelled the potential outcomes of the policy. It concluded that an annual basic income of £2,400 would halve destitution and reduce relative household poverty by 8.5 per cent, while £4,800 would end destitution and reduce relative household poverty by 33 per cent.
110. On 13 May Common Weal published a policy paper on fuel poverty. The group has called for the creation of new district heating systems to improve the provision of affordable heating and reduce carbon emissions. Researchers say the Scottish Government has "failed to learn" from the experiences of other countries which had

used a multi-technology approach combining solar thermal, biomass, heat recovery and inter-seasonal heat storage systems.

111. On 15 May [new research](#) was released by Loughborough University suggested that 46 per cent of children in some of Glasgow constituencies are living in poverty. In Scotland, eight local authorities have more than 25 per cent of children living in poverty. The highest levels of poverty are in Glasgow Southside (46 per cent), Glasgow Shettleston (42 per cent) and Glasgow Kelvin (41 per cent).
112. On 15 May the Office for National Statistics published the latest [national](#) and [regional](#) labour market statistics alongside a [productivity estimate](#) and [economic commentary](#). Unemployment in Scotland fell by 0.2 per cent in Q1 2019, but economic inactivity rose by 0.3 per cent which led to an overall decrease in employment by 0.1 per cent down to 75.4 per cent. The UK employment rate (76.1 per cent) was higher than Scotland but UK unemployment was also higher, standing at 3.8 per cent compared to 3.2 per cent. Labour productivity across the UK fell for the third consecutive quarter, dropping by 0.2 per cent.
113. On 24 May IPPR Scotland and the Joseph Rowntree Foundation [published](#) a post on poverty within Scotland. The post claimed that the Scottish Government should introduce the income supplement earlier than originally planned. The report states that without new measures being introduced, 50,000 more children will fall into poverty between 2017-18 and 2023-24. The income supplement is due to be introduced as part of the Scottish Government's new social security system in 2022.
114. On 27 May the [results](#) of the European Election were officially declared for Scotland. The Scottish National Party won 3 seats with The Brexit Party, Liberal Democrats and Conservatives all winning one seat each.
115. On 28 May Reform Scotland [published](#) their 'Beyond Holyrood: Why Scotland's economic future depends on local power' report. This report, which focused on fostering a link between greater localism and economic growth, calls for the Scottish Government to empower local authorities. This would allow different areas to tackle specific regional issues, such as high levels of poverty or increased numbers of retirees. It adds that powers to introduce levies such as a tourist tax should be granted, as well as introducing directly elected mayors.

## **Scrutiny, inspection, regulatory and related bodies**

### ***Scottish Public Sector Ombudsman (SPSO)***

116. [The SPSO's Newsletter - May](#) outlines investigation reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings](#) webpage. The Commission's Financial Audit and Assurance Committee will consider more detailed intelligence from the SPSO on a six-monthly basis (next at its September meeting).

### ***Standards Commission for Scotland***

117. On 9 May [Councillor Margot Russell, who serves on Midlothian Council was sanctioned for breaching the Councillor's Code of Conduct](#) by the Standards Commission at a public hearing held in Dalkeith. The case related to aspects of the Code on fairness and impartiality in the instance of a planning decision. Councillor Russell was suspended from Midlothian Council's Planning Committee for a period of one month.

118. On 9 May [Councillor John Hackett, who serves on Midlothian Council was sanctioned for breaching the Councillor's Code of Conduct](#) by the Standards Commission at a public hearing held in Dalkeith. The case related to aspects of the Code on fairness and impartiality in the instance of a planning decision. Councillor Hackett was suspended from Midlothian Council's Planning Committee for a period of one month.
119. On 15 May Councillor Gregor Murray, who serves on Dundee City Council was sanctioned for disrespectful conduct by the Standards Commission at a public hearing held in Dundee. The case related to aspects of the Code on the relationships with other councillors and members of the public
120. 3.2 You must respect your colleagues and members of the public and treat them with courtesy at all times when acting as a councillor.
- 121.
- 122.
123. Councillor Murray was suspended for a period of two months.

### ***Care Inspectorate***

124. On 23 April the Care Inspectorate [published](#) the 'Inspection of justice social work services in Scottish Borders council'. The report noted that individuals subject to community payback orders experience strong, respectful and consistent relationships with staff. However, the service is not yet able to demonstrate the difference these relationships are towards achieving improved outcomes. Operational managers also supporting their staff well, however the report also notes that local leaders do not have sufficient understanding of the performance of the service to inform improvement priorities.
125. On 17 May the Care Inspectorate [published](#) their 'A quality framework for care home for adults.' This guidance document will aid inspectors in carrying out their duties under the newly introduced Health and Social Care standards.
126. On 21 May the Care Inspectorate and Inspiring Scotland [published](#) their guidance document, 'Out to play: Practical guidance for creating outdoor experiences in early learning and childcare.' This document aims to support the Scottish Government's: A Blueprint for 2020: the Expansion of Early Learning and Childcare in Scotland.

### ***Her Majesty's Chief Inspector of Constabulary Scotland (HMICS)***

127. On 21 May a report by HM Inspectorate of Prisons for Scotland (HMIPS) stated that there was a lack of attention and care to the mental health needs of young people on remand and in custody at Polmont Young Offenders Institute. This HMICS's review was requested following the deaths of Kate Allen and William Lindsay at Polmont Young Offenders Institute. The HMIPS report made seven key recommendations, including minimising social isolation for those newly on remand, improved risk management between agencies on young people entering and leaving custody, and the development by NHS Forth Valley and the Scottish Prison Service of a "bespoke suicide and self-harm strategy".

### ***Education Scotland***

128. On 25 April a number of primary and secondary schools were [nominated](#) for a number of awarded at the 2019 Scottish Education Awards. Results will be announced on 5 June 2019.
129. On 13 May Education Scotland [launched](#) the Creative Curriculum Fund. This fund – which is aimed at secondary schools - will seek to tackle challenges relating to learner voice, senior phase, pathways, timetabling, work based learning, school environment,

learner/teacher relationships, and inter-disciplinary learning amongst others. The fund will award ten schools with £3,000 to employ an individual or organisation to drive forward creative approaches to problem solving.

130. On 23 May Education Scotland [launched](#) the Compassionate and Connected Classroom resource. This resource aims to help provide primary school pupils with the skills to be able to combat adversity.

### ***Scottish Housing Regulator***

131. On 9 May the Scottish Housing Regulator [published](#) their action plan for 2019-20, setting out what they hope to achieve over the following year.

## **UK Parliament**

### ***General***

132. On 1 May Peter Wishart, MP for Perth and North Perthshire [announced](#) that he would compete to become the next Speaker of the House of Commons.
133. On 1 May the Prime Minister [sacked](#) Gavin Williamson following accusations that he disclosed information relating to Huawei from the National Security Council. He is strenuously denying any involvement in the leak and claims the move was politically motivated. Penny Mordaunt MP has been appointed as his successor and becomes the first woman to hold the position.
134. On 24 May Theresa May MP [announced](#) that she would stand down as Leader of the Conservative Party on Friday 7 June, triggering a leadership contest. She will remain Prime Minister until the conclusion of that contest.

### ***Housing, Communities and Local Government Committee***

135. On 23 April the committee took evidence from Heather Wheeler MP, minister for housing and homelessness, on the implementation of the Homelessness Reduction Act.
136. On 1 May the committee [published](#) its 'Funding of local authorities' children's services report. The report stated that the current levels of funding for children's services are unsustainable and the 2019 Spending Review must reflect the increased demand and pressures on local authorities' children's services.
137. On 7 May the committee took evidence from Kit Malthouse MP, housing minister, and Andrew Stephenson MP, minister for business and industry, as part of its inquiry into modern methods of construction.
138. On 13 May the committee held an evidence session with a range of stakeholders as part of its inquiry into local government finance and the 2019 Spending Review. This inquiry will consider the adequacy of current funding arrangements for local government to provide local services, both now and in the long term.
139. On 20 May evidence the committee held its opening evidence session as part of its inquiry into the implications of the waste strategy for local authorities.

### ***Scottish Affairs Committee***

140. On 30 April the committee took evidence from Santander, Royal Bank of Scotland, Bank of Scotland and TSB as part of their inquiry into access to financial services.
141. On 1 May the committee continued its inquiry into the closure of bank branches across Scotland by taking evidence from a range of stakeholders.
142. On 3 May the Scottish Affairs began its inquiry into problem drug use in Scotland. The committee took evidence from a range of stakeholders.
143. On 10 May the Scottish Affairs Committee has published the UK Government's response to the Committee's report on the future of the oil and gas industry. In the response, the Government did not directly address the Committee's call for a sector deal, and instead stated its relationship with the sector is already "well-established".
144. On 14 May the committee took evidence from Fergus Ewing MSP, cabinet secretary for the rural economy, as part of its inquiry into the future of the Scottish agriculture.

### ***Public Accounts Committee***

145. On 1 May the committee published their 'Disclosure and Barring Service: progress review' report.
146. On 13 May the committee took evidence from a range of stakeholders on Local Enterprise Partnerships.
147. On 15 May the committee [published](#) a report on local governance and accountability in England. The report noted that local governance arrangements are being stretched and tested as local authorities take on more risks and look for innovative ways to deal with funding pressures and growing demand for services. In addition, the report claims that the UK Government's oversight of local authority governance has been reactive and ill-informed.
148. On 17 May the committee [unveiled](#) its series of inquiries that it will hold over the coming months. This includes an inquiry session on funding for Scotland, Wales and Northern Ireland.

### **Other UK Audit Bodies**

#### *National Audit Office*

149. On 24 April the National Audit Office [published](#) guidance for audit committees on cloud services. This guidance document provides an overview of cloud services as well as a series of informed questions that audit committee members may want to ask on how local authorities use and managed cloud services.
150. On 8 May the National Audit Office [published](#) a progress update on local enterprise partnerships.
151. On 17 May the National Audit Office published a [briefing](#) about the UK Government's preparation for trade negotiations.

#### *Northern Ireland Audit Office*

152. On 1 May the Northern Ireland Audit Office [published](#) guidance on partnership working for public bodies.
153. On 15 May the Northern Ireland Audit Office [published](#) a report about mental health in the criminal justice system.

#### **Other general – UK**

154. On 26 April Cabinet Office minister for the UK Government, David Lindington MP, [launched](#) a new tool which will seek to improve responses to cyber attacks for local government, emergency services and SME's. The free 'Exercise in a Box' tool will provide bespoke guidance from the National Cyber Security Council to help organisation understand better the cyber risks they face.
155. On 28 April Ciaran Martin, chief executive of the National Cyber Security Centre [warned](#) that the threat of a serious, category one cyberattack is high. A category-one attack is classed as a "national cyber emergency", according to official NCSC classification.
156. On 7 May the Institute for Government [published](#) a report on the impact of Brexit on devolution.
157. On 14 May the Institute for Fiscal Studies and Nuffield Foundation [launched](#) the Deaton Review. This project will attempt to chart inequality in the UK across income, wealth, political participation, health and social opportunities. It will also cover gender, ethnicity, geography, age and education. The initial [briefing](#) sets out the UK's current position, including background statistics and the challenges the country will face in the future.
158. On 22 May the ONS has published the latest [inflation figures](#) alongside statistics on [house prices](#), [rental prices](#), [construction](#), [producer prices](#), [household income](#) and [public sector finances](#). Inflation was 2% in April, up from 1.8% in March. This was driven by air fares and energy prices. Regarding public sector finances, borrowing decreased to a 17-year low, at £23.5bn. Meanwhile, public debt has increased by £20.5bn compared with the previous financial year.
159. On 22 May the UN Special Rapporteur on Extreme Poverty has published a report which claims 14 million people in the UK live in poverty, while 1.5 million people experience extreme destitution. The report highlights that increased cuts to public services since 2010 have led to the high levels of deprivation.
160. On 20 May Living Streets published a survey of UK parents of children aged between four and 11 which showed that 65% of respondents are concerned about the effect of air pollution on their children's health. In addition, 40 per cent of respondents are specifically concerned about the levels of air pollution around their child's school or on the school run, despite driving to school making air quality worse and exposing children to even more pollution inside the car. Living Streets claim the level of air pollution is stopping many children from waking to school.
161. On 23 May it was [reported](#) that the UK had been replaced by Singapore at the top of this year's Government AI Readiness Index. This is a global ranking of countries whose governments are prepared to capitalise on artificial intelligence technologies in public services. The index scored governments across 11 metrics, divided into four broad categories: governance; infrastructure and data; skills and education; and government and public services.

## **Conclusion**

162. The Commission is invited to consider and note this report.

**Paul Reilly**  
**Secretary to the Accounts Commission**  
**13 June 2019**

## **APPENDIX 1: Accounts Commission reports in past 12 months - downloads**

<b>Report</b>	<b>Date</b>	<b>Report downloads</b>	<b>Podcast downlds</b>
<a href="#">Stirling Council: BV Assurance Rprt</a>	25 Apr 19	442 (+205)	25 (n/a)
<a href="#">How council work: Safeguarding public money</a>	11 Apr 19	839 (+282)	n/a
<a href="#">South Lanarkshire Council: BV Assurance Rpt</a>	28 Mar 19	549 (+135)	26 (n/a)
<a href="#">Local government in Scotland: Challenges and performance 2019</a>	21 Mar 19	1,649 (+313)	74 (n/a)
<a href="#">Local government in Scotland: Challenges and performance 2019 - Supplement</a>	21 Mar 19	202 (+32)	n/a
<a href="#">Social Work in Scotland – Impact report</a>	5 Dec 18	895 (+75)	n/a
<a href="#">Local government in Scotland – Financial overview 2017/18</a>	28 Nov 18	2,532 (+141)	78 (n/a)
<a href="#">Local government in Scotland – Financial overview 2017/18 - Supplement</a>	28 Nov 18	312	n/a
<a href="#">Dumfries &amp; Galloway Council BV Assurance Rpt</a>	22 Nov 18	1,184 (+73)	*
<a href="#">Health and social care integration: update on progress</a>	15 Nov 18	9,705 (+750)	284 (<30)
<a href="#">East Lothian Council Best Value Assurance Report</a>	1 Nov 18	1,242(+42)	78 (n/a)
<a href="#">Children and young people’s mental health</a>	13 Sep 18	7,206 (+643)	216 (+36)
<a href="#">Community Planning – an update – Impact report</a>	24 Aug 18	867 (+58)	n/a
<a href="#">Glasgow City Council Best Value Assurance Report</a>	23 Aug 18	1,791 (+50)	71
<a href="#">West Dunbartonshire Council Best Value Assurance Report</a>	28 Jun 18	1,374 (+32)	21
<a href="#">Maintaining Scotland’s roads: a follow-up report – Impact report</a>	27 Jun 18	1,118 (+92)	n/a
<a href="#">Accounts Comm annual report 2017/18</a>	7 Jun 18	605 (+31)	n/a
<a href="#">Accounts Comm engagement strategy and plan 2018/19</a>	7 Jun 18	690 (+46)	n/a
<a href="#">Accounts Comm Strategy and annual action plan 2018-23</a>	7 Jun 18	842 (+39)	n/a
<a href="#">Accounts Comm engagement plan 2017/18 progress</a>	7 Jun 18	47 (n/a)	n/a
<a href="#">Best Value Assurance Report: East Ayrshire Council</a>	29 May 18	2,184 (+83)	104 (n/a)
<a href="#">Best Value Assurance Report: Fife Council</a>	24 May 18	2,2258 (+33)	110
<a href="#">Councils’ use of ALEOs</a>	17 May 18	2,279 (+86)	62

### **Key:**

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