

481st meeting of the Accounts Commission for Scotland

Thursday 12 August 2021, 9.30am

by video conference and public livestream

Agenda

1. **Apologies for absence**

2. **Declarations of interest**

3. **Order of business**

The Chair seeks approval of business, including proposing taking items 10 to 15 in private (* see note).

Business requiring decisions in public

4. **Minutes of meeting of 10 June 2021**

5. **Dynamic work programme quarterly update**

Report by Interim Director of Performance Audit and Best Value.

Business for information in public

6. **Secretary's update report**

Report by the Secretary.

7. **Interim Chair's update report**

Report by the Interim Chair.

8. **Interim Controller of Audit's update report**

Report by the Interim Controller of Audit.

Any other public business

9. **Any other public business**

The Interim Chair will advise if there is any other public business to be considered by the Commission.

Business requiring decisions in private

10. **Local Government Overview 2022: scope**

Report by the Interim Director of Performance Audit and Best Value.

11. **Audit quality update**

Report by the Associate Director, Audit Quality and Appointments.

12. **Audit Scotland update**

Report by Chief Operating Officer.

13. **New audit appointments – retention of audits**

Report by the Associate Director, Audit Quality and Appointments.

14. **New audit appointments update**

Report by the Interim Chair.

Any other private business

15. **Any other private business**

The Interim Chair will advise if there is any other business to be considered by the Commission in private.

* It is proposed that items 10 to 15 be considered in private because:

- Item 10 requires the Commission to discuss the scope of an overview report which may require consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 11 requires the Commission to consider confidential commercial and policy matters in relation to the quality of audit.
- Item 12 requires the Commission to consider confidential policy matters in relation to Audit Scotland.
- Items 13 and 14 require the Commission to consider confidential commercial and contractual matters in relation to the appointment of auditors.
- Item 15 may require the Commission to consider matters of a confidential nature.

MEETING: 12 AUGUST 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 480th meeting of the Accounts Commission held via online meeting on Thursday 10 June 2021, at 9.00am.

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

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Blyth Deans, Audit Manager, PABV (Item 13)
 Natalie Goddard, Senior Auditor, PABV (Items 7 and 12)
 Graeme Greenhill, Senior Manager, PABV (Items 7 and 12)
 Brian Howarth, Audit Director, Audit Services (Item 13)
 Martin McLauchlan, Audit Manager, PABV (Items 7 and 12)
 Michael Wilkie, Director, KPMG (Items 7 and 12)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 13 May 2021
5. Minutes of meetings of Commission committees of 27 May 2021
6. Audit Scotland Board update
7. Best Value Assurance Report: Aberdeen City Council
8. Secretary's update report
9. Interim Chair's update report
10. Interim Controller of Audit report
11. Any other public business
12. Best Value Assurance Report: Aberdeen City Council (in private)
13. Local government financial overview 2020/21: scope (in private)
14. Accounts Commission Strategy (in private)
15. Best Value update (in private)
16. New audit appointments update (in private)
17. Commission meeting arrangements 2022 (in private)
18. Any other private business

Introductory remarks: live streaming

The Interim Chair advised that this would be the first meeting of the Commission that would be streamed live via the internet. She indicated that the intention was to enhance the Commission's profile with the public, thus underlining its role of reporting to the public on the performance of Scottish local government.

1. Apologies for absence

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

2. Declarations of interest

The following declarations of interest were made:

- Andrew Cowie, in items 7 and 12, as a former Chief Officer of Police Scotland who worked in partnership with Aberdeen City Council. Mr Cowie removed himself from the meeting during consideration of these items.
- Christine Lester, in items 7 and 12, as a former Vice Chair of NHS Grampian Board and a member of North East Partnership Steering Group.

3. Order of business

It was agreed that items 12 to 18 be considered in private because:

- Item 12 requires the Commission to consider actions in relation to a report by the 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 13 requires the Commission to discuss the scope of an overview report which may require consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 14 requires the Commission to consider a draft strategy document in advance of its publication, which may require consideration of confidential policy matters.
- Items 15 and 16 require the Commission to consider matters in relation to Best Value and new audit appointments process, which may require consideration of confidential commercial and contractual matters.
- Item 17 requires the Commission to consider meeting arrangements, which may include matters relating to the welfare or conditions of staff.
- Item 18 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

4. Minutes of meeting of 13 May 2021

The minutes of the meeting of 13 May 2021 were approved as a correct record.

Arising therefrom, the Commission noted advice from the Secretary:

- In relation to paragraph 10, fourth bullet point, that he had agreed with the Interim Chair and Interim Deputy Chair that the Associate Director Audit Quality and Appointments report to the Commission at its August meeting on her discussions with Audit Scotland on quality improvement actions.

- In relation to paragraph 11, that the Commission's annual report was published on 3 June.
- In relation to paragraph 16, that the Best Value Working Group had considered the legal advice obtained by the Commission in relation to the proposals for the evaluation of tenders, the outcome of which is reported under item 15 on this agenda.

5. Minutes of meetings of Commission committees of 27 May 2021

The minutes of the meetings of the Financial Audit and Assurance Committee (FAAC) and the Performance Audit Committee (PAC) of 27 May 2021 were approved as a correct record, subject to, in item 4 (fourth bullet point) of the minutes of the FAAC, removing the 'action' reference.

Arising therefrom, the Commission agreed the recommendations in the minutes, thus:

- In relation to item 6 of the FAAC minutes, to delegate to the Interim Chair, Interim Deputy Chair and past FAA Committee Chair to agree the terms of a response to the consultation by the UK Secretary of State for Business, Energy and Industrial Strategy on improving the UK's audit, corporate reporting and corporate governance systems in the private sector.

Action: Secretary

- In relation to item 7 of the FAAC minutes, that further thought be given to ensuring robustness of approach to engaging with the public.

Action: Secretary

- In relation to item 6 of the PAC minutes, that the Commission develop a contingency planning exercise around capacity and responsiveness.

Action: Secretary

6. Audit Scotland Board update

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

During discussion, the Commission noted advice from the Interim Chair, in response to a query from the Interim Deputy Chair, on the implications of Audit Scotland gaining 'one star' status in the Best Companies survey.

Following discussion, the Commission agreed to note the report.

7. Best Value Assurance Report: Aberdeen City Council

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

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

- The inclusion in the report of a new form of exhibit (i.e. Exhibit 1) (raised by Tim McKay)
- The involvement of young people in locality planning, e.g. in Case Study 4, including the application of human rights principles in this regard (Sophie Flemig and Geraldine Wooley)
- The implications of the Council's application to become Scotland's first

UNICEF Child Friendly City (Sophie Flemig)

- The performance of education services (Sharon O'Connor)
- The partnership approach to climate change (Sharon O'Connor)
- Workforce planning, capacity and skills (Geraldine Wooley)
- Digital strategy and digital exclusion (Tim McKay)
- Capital accounting and capital project management (Tim McKay)
- Child protection, particularly Case Study 3 (Stephen Moore)
- Revenue budget gaps, both for the Council and the Integration Joint Boards (Stephen Moore)
- The pace of improvement (Pauline Weetman)
- Community inequalities, including educational attainment (Pauline Weetman)
- Elected member leadership (Pauline Weetman)
- National benchmarking data (Pauline Weetman)
- Community empowerment and participatory budgeting (Andrew Burns)
- Reporting of performance (Sheila Gunn)
- The performance in housing services (Sheila Gunn)
- The Council's 'Target Operating Model' (Elma Murray).

Following discussion, the Commission agreed:

- To consider in private how to proceed, including the approach to the proposed case study (as referred to in paragraph 3 of the Secretary's report).
- That the Controller of Audit provide further information for members' interest on the points raised above by Geraldine Wooley (first bullet point) and Sophie Flemig (second bullet point: specifically the status of the Council's application to become Scotland's first UNICEF Child Friendly City), and that these be published.

Action: Controller of Audit & Secretary

8. Secretary's update report

The Commission considered and noted 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 his report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- In relation to paragraph 91, and further to a point made by Stephen Moore, agreed to reflect on how child poverty features in the next refresh of the work programme.

Action: Director of PABV

- In relation to paragraph 94, and further to a point made by Stephen Moore, agreed to reflect on how human rights considerations in public service redesign features in the next refresh of the work programme.

Action: Director of PABV

Following discussion, the Commission agreed:

- In relation to paragraph 12, that the Interim Chair, Interim Deputy Chair and past FAA Committee Chair prepare a response to the consultation by the Secretary of State for Business, Energy and Industrial Strategy on the UK's audit, corporate reporting and corporate governance systems in the private sector.

Action: Secretary

- In relation to paragraph 105, that the Secretary prepare a response in conjunction with the Interim Chair to the consultation by the Acting Ethical Standards Commissioner on his draft strategic plan for 2021-24.

Action: Secretary

- Noted the report.

9. Interim Chair's update report

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

10. Interim Controller of Audit report

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

11. Any other public business

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

The live stream of the meeting was stopped at this point.

12. Best Value Assurance Report: Aberdeen City Council (in private)

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

Following discussion, the Commission:

- Agreed that the points on which further information was to be provided by the Controller of Audit, noted in item 7 of this minute, were not material enough to affect the Commission's consideration of the action to take in respect of the Controller's report.
- Agreed accordingly to make findings, to be published on 24 June 2021.

Action: Secretary

- Agreed not to publish meantime the case study appended to the report, pending further discussion with Audit Scotland.

Action: Secretary

13. Local government financial overview 2020/21: scope (in private)

The Commission considered a report by the Interim Director of PABV seeking the

approval of the Commission on the proposed scope for the *Local government in Scotland: Financial overview 2020/21* report.

Following discussion, the Commission agreed to approve the scope of work for the *Local government in Scotland: Financial overview 2020/21* report, including the proposed audit scope leaflet for publishing, subject to the audit team reflecting with the sponsors on the points raised in discussion.

14. Accounts Commission Strategy (in private)

The Commission considered a report by the Secretary proposing a draft Commission Strategy for 2021-23.

Following discussion, the Commission agreed to defer consideration of the draft Commission Strategy, pending further consideration by the Secretary, in conjunction with the Interim Chair and Deputy Chair, of matters raised in discussion, with a view to the matter being discussed further at the Commission's Autumn Strategy Seminar.

Action: Secretary

15. Best Value update (in private)

The Commission considered a report by the Secretary providing an update on matters relating to Best Value.

The Commission noted the report, and in particular that the next meeting of the Best Value Working Group would take place in August.

16. New audit appointments update (in private)

The Commission noted a verbal update from the Interim Chair on the progress made in the New Audit Appointments project.

17. Commission meeting arrangements 2022

The Commission considered a report by the Secretary proposing meeting arrangements for the Commission for 2022.

During discussion, the Commission noted that it would consider further at a later date options for accommodating and conducting its meetings and of its committees, including a return to face-to-face meetings.

Following discussion, the Commission:

- Agreed the proposed schedule and arrangements for meetings of the Commission and its committees in 2022, subject to further discussion between the Interim Chair and Secretary on committee meeting dates.

Action: Secretary

- Agreed the following subject areas for the Insight programme:
 - Community wealth building
 - Early years' intervention: evaluation of the Big Noise programme.

Action: Secretary

18. Any other private business

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

Close of meeting

The meeting closed at 1.35pm.

MEETING: 12 AUGUST 2021

REPORT BY: INTERIM DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

DYNAMIC WORK PROGRAMME QUARTERLY UPDATE

Purpose

1. This paper introduces the joint Accounts Commission and Auditor General for Scotland (AGS) work programme update.

Background

2. In April 2021 the Accounts Commission and the AGS agreed the joint dynamic work programme. We published this on the Audit Scotland website on 24 May 2021.
3. The overall objective of having a more dynamic work programme is to increase our impact and effectiveness by being more agile and innovative. We agreed to review and update the work programme quarterly and this is the first update of 2021/22. The next updates will be in December and March.

Scope and approach

4. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the Accounts Commission and the AGS, with clarity on who is producing which products. It covers our whole range of audit work and includes:
 - a) **What we've delivered:** From April 2021 to July 2021.
 - b) **What's coming up:** Planned audit products from August 2021 to March 2022 and products in the pipeline for 2022/23 and beyond.
 - c) **Decisions required:** Proposed changes to the programme.
5. Ongoing monitoring of risks and issues is a key part of informing the work programme. This includes regular policy briefing discussions with the Commission's Performance Audit Committee (PAC), monitoring and reporting risks and issues arising from annual audit work at the Financial Audit and Assurance Committee (FAAC), and external engagement with community organisations and other stakeholders.
6. To support this, we have reviewed and analysed feedback and discussions from Accounts Commission meetings and PAC/FAAC meetings and grouped these into the work programme themes. We shared the analysis with senior managers in PABV to inform programme development and this update. We are also discussing with the Commission support team how best to keep members informed about how their feedback is reflected in the work programme.
7. We are also increasingly supporting the Committees to have strategic discussions that inform the work programme, to enhance their role in setting direction and acting as an 'engine room' for ideas about audit responses and work proposals. This includes the discussion we had at PAC about following the pandemic pound in May and the upcoming planned sessions on equalities in August and on public service reform and Covid-19 recovery in November.

Wider work programme development

8. Commission members will see some of their feedback addressed through specific audit work over the coming months, while some feedback will be addressed through our wider work programme development plans. For example:
- d) **Inequalities and human rights** – Our equality impact assessment (EIA) on the work programme identified opportunities for improvement that connect to action planning on our [audit-focused equality outcome](#). We are developing a long-term action plan that covers the four-year period to April 2025. Between now and December 2021 we are focusing on:
 - Reviewing governance arrangements for EIAs.
 - Preparing conclusions/recommendations about the alignment between existing audit guidance and our equalities and human rights aspirations.
 - Developing processes for gathering equalities/human rights related findings in our audit work.
 - Delivering an organisational self-assessment against the PANEL principles (Participation, Accountability, Non-Discrimination, Empowerment and Legality).
 - e) **Person-centred approach** - We are already increasing our person-centred focus within specific audit products. For example, the community empowerment update will include case studies with a citizen perspective. We will explore participatory research approaches and how they might inform our audit approach. We are also commissioning a new partner to work with us to establish a new advisory group of young people.
 - f) **Third sector** - We have identified a lead person and are currently scoping how we can better consider the role of the third sector through our audit work as well as how we can work better with the sector. Through our *Shaping our Future* internal communications programme we are working with third sector partners to deliver insights events for staff that explore the experience of service users in different policy areas.
 - g) **Stakeholder engagement** - We continue to engage with stakeholders through our three policy clusters, for example with Scottish Government, public policy networks and academia. The recent Climate Change Round Table was a good example of how we are using our programme development work to raise our profile and build our reach with stakeholders. We will continue to work with the Commission support team on how the Commission's stakeholder engagement activities inform the work programme.
 - h) **Impact** - The dynamic work programme gives us an opportunity to think differently about how we identify, measure and report on our intended impact. We are giving this further thought for individual audit products as well as the work programme as a whole and will come back to the Commission later in the year to discuss this.

Conclusion

9. The Commission is asked to:
- a) Note the progress delivering the work programme from April to July and the planned products for the remainder of 2021/22 and into 2022/23.

- b) Discuss and approve the proposed changes to the programme summarised on slides 13 and 14 of appendix one.

Antony Clark
Interim Director of Performance Audit and Best Value
28 July 2021

Dynamic work programme – Update

August 2021

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

What guides our planning and delivery...

Providing assurance and driving improvement

We will use our unique local and national perspective to provide assurance about how Scotland's public services are responding to Covid-19. We will aim to provide insight and learning, and drive improvement, innovation and transformational change as Scotland moves towards recovery and renewal.

Taking a person- centred approach

Where possible and appropriate, we will capture the needs and concerns of the people who use public services through our audit work.

Integrating cross cutting issues

We will integrate thinking on issues that cut across policy areas and have an impact on citizens and service users throughout our audit work. For example: prevention, digital, inequality and human rights, climate change, community engagement

Taking a risk-based and proportionate approach

We recognise the potential impact of audit work on people working in public services who are still responding to Covid-19. We will ensure our audit response is proportionate and risk-based, and that audited bodies have clear advance notice of any planned work.

Being flexible and agile

We will adapt our work programme as new issues emerge or risks change. We will use a range of approaches to report our audit work.

ECONOMIC RECOVERY AND GROWTH

How public money is being used to support economic recovery and the renewal of public services

- Public finances
- Supporting jobs, business and enterprise
- Skills and training
- Infrastructure investment and low carbon economy
- Impact of EU withdrawal

GOVERNANCE AND ACCOUNTABILITY

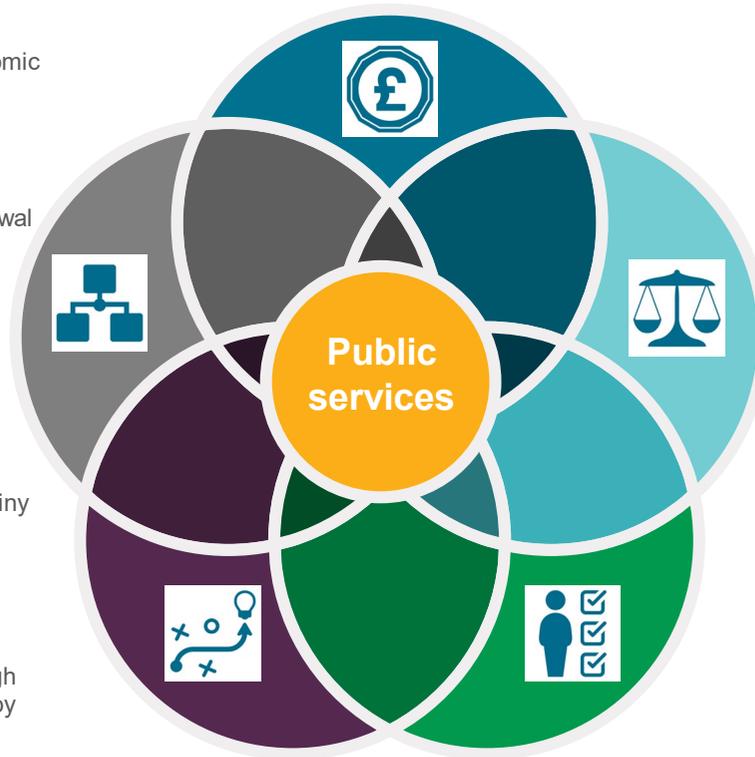
How public bodies are ensuring proper and effective use of public money across the public sector and within individual bodies

- Following the pandemic pound
- Collaborative leadership
- Annual audits
- Fraud risks
- Effective scrutiny

INNOVATION AND TRANSFORMATION

How public bodies are learning through continuous improvement, innovation and by transforming public services

- Local government
- NHS
- Best Value
- Service redesign
- Digital transformation
- Workforce planning



INEQUALITIES AND HUMAN RIGHTS

How Covid-19 is impacting on different groups in society, focusing on the risk of deepening existing inequalities. Helping ensure public bodies address inequalities and protect human rights, recognising the multiple ways people experience disadvantage and poorer outcomes.

- Child poverty
- Children and young people with additional support needs
- Care experienced children and young people
- Mental health
- Housing benefit
- Digital exclusion
- Social security



POLICY PRIORITIES AND COMMITMENTS

Progress on key policy commitments. Public services' ability to deliver on long-term strategic priorities and outcomes

- Health and social care integration
- Early learning and childcare
- School education
- Community empowerment
- Community justice
- Courts backlogs
- Climate change

Overview reports

Local government challenges and performance

Best Value Assurance Reports

Aberdeen City Council

Briefings

Personal Protective Equipment

Community justice: Sustainable alternatives to custody

Other audit products

Social care: Blog

Scotland's Colleges 2020: Blog

Investing in skills: Blog

Climate change: Blog

Cyber security and resilience: Blog

Scottish Government Provisional Outturn: Blog

Digital innovation used to respond to the Covid-19 pandemic: Case studies

Climate change: Roundtable

Other reports

Covid-19: Following the pandemic pound: Our strategy

Mainstreaming equality and equality outcomes: progress report 2019-21

Equality outcomes 2021-25

Annual report: Fraud and irregularity

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Joint – Accounts Commission and Audit Scotland

Audit Scotland

What's coming up: August to March

(Auditor General)

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

Overview reports

NHS in Scotland 2021

Performance audits

Investing in skills

New ferries for the Clyde and Hebrides

Briefings

Vaccinations

Section 22s

Scottish Government consolidated accounts

AGS considering preparing a number of other S22 reports on bodies that fall under his audit powers

Other audit products

Christie 10 years on: Blog

Administration of Scottish Income Tax: Report

Social security

What's coming up: August to March

(Accounts Commission)

Overview reports

Local government finances 2021

Financial overview of IJBs 2020/21

Best Value Assurance Reports

East Dunbartonshire Council

South Ayrshire Council

Falkirk Council

Moray Council follow up

Other audit products

Education outcomes impact event: Exploring findings and recommendations with local education leaders (Joint Commission / Improvement Service event)

Impact of Covid-19 on housing benefit services

Digital exclusion: Blog

Christie 10 years on: Blog

Housing benefit performance audit: Annual update

Annual Assurance and Risk Report (AARR)

Statutory reports

Section 102s – Controller of Audit may decide to bring to the Commission's attention any significant issues from the auditing of the accounts of local government bodies

What's coming up: August – March

(Auditor General and Accounts Commission)

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

Performance audits

Reviewing Scotland's financial response to the Covid-19 pandemic

Briefings

Social care

Scotland's economic recovery

Other audit products

Covid-19 support for businesses

Community empowerment Covid-19 update

Education outcomes impact event: Scottish Learning Festival

Digital exclusion and connectivity

Climate change

- Audit Scotland will deliver the following to complement the joint work programme:
 - Child and Adolescent Mental Health Services: Blog
 - Risk and issues facing Scottish public sector: Web page
 - Tracking the implications of Covid-19 on Scotland's public finances: Report
 - Data governance and ethics: Roundtable
 - The National Fraud Initiative in Scotland: Report
- Audit Scotland is also maintaining a national database of UK and Scottish Covid-19 funding announcements to inform all Following the Pandemic Pound products across the joint work programme

Sector	Plans expected	Plans received	Received on time
Central government	74	74	86%
Local government	104	104	86%
Health	23	23	96%
Further education	21	21	62%
Total	222	222	

Sector	Number of AARs	Deadline
Health	23	30/09/21
Central government – Agencies and Scottish Water	13	30/09/21
Central government – NDPBs and similar	61	31/10/21
Local government	104	30/11/21
Further education	21	31/12/21
Total	227	

In the pipeline for 2022/23 and beyond

Priorities	Latest plans
Social security (AGS)	We are planning to report in Spring 2022 on the progress the Scottish Government has made in delivering devolved social security benefits and responding to our previous recommendations. The audit will also assess the impact of Covid-19 on the Scottish Government's benefits programme, including revised delivery plans and capacity for future delivery.
Colleges (AGS)	We will continue to develop our new approach to reporting on the college sector by drawing together key financial information and themes from annual audit reports in a short online output in Spring 2022.
Best Value Assurance Reports (AC)	<ul style="list-style-type: none">• Angus Council – June 2022• Shetland Islands Council – August 2022• Comhairle nan Eilean Siar – September 2022• Thematic summary of Best Value best practice examples
Digital exclusion and connectivity (Joint)	We are planning a performance audit in 2022/23 on how the public sector is addressing digital exclusion and connectivity. We aim to scope this work during 2021/22 alongside the work on the Infrastructure Investment Plan. Given the interest in the R100 programme, we may look to release a blog or briefing at the same time as the scope to update on superfast broadband. We will also continue to look at digital exclusion through other audit work, such as overviews.
Social care (Joint)	A series of themed performance audits will follow the social care briefing planned for November 2021, with the first planned in the Winter of 2022/23.

In the pipeline for 2022/23 and beyond

Priorities	Latest plans
Reviewing Scotland's financial response to the Covid-19 pandemic (Joint)	In 2022/23 we will move into the recovery phase of our approach to following the pandemic pound, which will assess the wider impact on public finances of recovery from a pandemic. A performance audit planned for Winter 2022/23 will look at how budget headings and spending considerations have changed to meet the ongoing response to the pandemic as well as the recovery against backlogs and other costs of dealing with the aftermath of a pandemic.
Early learning and childcare (Joint)	The next audit in this series will look at whether the expansion in funded early learning and childcare was delivered as planned and how much it cost. We plan to report in Winter 2022/23.
Community justice: Sustainable alternatives to custody (Joint)	The recent AGS briefing paper on this topic highlighted that the Scottish Government had not achieved its aim to shift the balance of sentencing from prison to the community. The joint performance audit planned for Winter 2022/23 will extend our audit work, to consider the roles and work of other key stakeholders, including local government and the third sector.
Mental health (Joint)	We are considering how best to reflect this significant long-term challenge in our work programme. Options include: national overview work and/or specific client-group work.
Child poverty (Joint)	In 2023/24 we plan to look at the progress made in achieving interim targets within the Child Poverty (Scotland) Act 2017. This will include looking at any additional plans and actions the Scottish Government is putting in place with local government and their partners to mitigate the new risks in this area created by Covid-19.

Summary of proposed changes to 2021/22 programme

Change	Detail
Adding	Child and Adolescent Mental Health Services (Audit Scotland blog): Comment on the increased demand and waiting times in the context of the pandemic and the lack of progress on the recommendations in our 2018 report.
	Improving outcomes for young people through school education (Impact events): <ul style="list-style-type: none">• Panel discussion at Scottish Learning Festival with the Auditor General for Scotland, Accounts Commission and a director of education (AGS and Commission)• Exploring findings and recommendations with local education leaders (Commission and Improvement Service)
	Christie 10 years on (AGS and AC blogs): What our audit work in recent years has told us about progress against the Christie principles.
	Digital exclusion (AC blog): Highlight key findings of our recent reports and sow the seed for our planned 2022/23 performance audit in the area.
	Financial analysis of IJBs (AC report): We will raise the profile and coverage of IJB financial analysis, which was previously included in the Financial LGO report. This will summarise the financial position of IJBs including the main issues and pressures, and link with emerging audit work on social care and Best Value in IJBs.
	Social security (AGS product TBC): This will outline key issues and high-level areas of interest in social security, signposting to the Social Security Scotland AAR, in the run up to the full performance audit planned for Spring 2022.

Summary of proposed changes to 2021/22 programme

Change	Detail
Delaying	Infrastructure Investment Plan and strategic capital investment (AGS) – Briefing will now publish in 2022/23 due to prioritising work on the economic recovery briefing.
Removing	Covid-19: Guidance on internal audit (Audit Scotland): We are stopping work on this product for now to prioritise resources on other areas of the work programme. We may re-visit this if significant internal audit issues arise related to Covid-19 through the 2020/21 annual audits.

MEETING: 12 AUGUST 2021

REPORT BY: SECRETARY TO THE COMMISSION

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

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download statistics for the Commission's published reports over the last 12 months. [Appendix 2](#) provides additional information on the overall engagement that reports and other business have received on social media.
4. On 3 June the Accounts Commission [published](#) its annual report for 2020/21.
5. On 24 June the Accounts Commission [published](#) a best value assurance report on Aberdeen City Council. The report found that over the past five years Aberdeen City Council has significantly improved its performance while making challenging savings targets and acting to reshape the city's economy. However, improvements need to accelerate in housing and education.
6. On 28 June Andrew Burns, Accounts Commission Member [blogged](#) on public services and Scotland's voluntary sector during Covid-19, writing that the rapid response to the pandemic by the voluntary sector, statutory partners, regulators, and funders has shown what can be achieved through positive partnerships.
7. In terms of social media engagement, June saw the highest levels of engagement over the last 18 months. The period included the full engagement statistics from the Local government [overview report](#), which has driven the strong numbers (see appendix 2). The [best value assurance report](#) on Aberdeen City Council was also well engaged with. In June the Commission also promoted Commission Member Andrew Burns' [blog](#) (see above), as well as Commission Member Christine Lester's [vlog](#) of June's meeting, the Commission's [annual report](#) and the [Code of Audit Practice](#). July has been a quieter month. The focus has been on re-promoting previous work, as well as promoting

subscription to email alerts. Upcoming activity includes promoting the August meeting and the live stream.

Other Commission business

8. At the Commission's Financial Audit and Assurance Committee meeting on 27 May, Pauline Weetman asked a question on Audit Scotland's correspondence process when an issue is not within Audit Scotland's remit. In such an event, if possible, Audit Scotland would provide details of another regulator or body that may be able to help the correspondent, explaining what the body does and their reasoning for signposting the respondent to that body.
9. On 25 June Douglas Lumsden MSP [lodged](#) a motion congratulating Aberdeen City Council on its Best Value Assurance report from the Accounts Commission.
10. The Interim Chair wrote on 29 June to the new conveners of the following Scottish parliamentary committees, introducing the Commission and advising that we are keen on building on our relationship with parliamentary committees that have an interest in local government issues. The letters are available on the [members' SharePoint site](#). She also offered further discussion in this regard with each convener.
 - Local Government, Housing and Planning Committee
 - Education, Children and Young People Committee
 - Health, Social Care and Sports Committee
 - Finance Committee.
11. Meantime, the Auditor General Stephen Boyle has had an introduction to the Public Audit Committee and a separate introductory meeting with the Committee's Convener. Audit Scotland senior managers are also engaging with the clerks of the other Parliamentary committees to discuss working relationships and future collaboration.
12. On 29 July, the Interim Chair wrote to Ariane Burgess MSP, new Convener of the Local Government, Housing and Planning Committee. This was in response to the Committee's [call](#) for views on the Commission's priorities within the Committee's remit. The letter can be found on the [members' SharePoint site](#).
13. Subsequently, there has been further liaison with the Committee involving the Interim Chair and Secretary. A briefing session is being arranged by the Committee in coming weeks involving the Commission, to consider the above response and the Commission's most recently published local government overview report and financial overview report.
14. Members are asked to review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and communication 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 Interim 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 items either by commenting in the [Teams discussion](#), or directly to the [schedule](#).
15. At its last meeting I advised the Commission that the Secretary of State for Business, Energy and Industrial Strategy (BEIS) had issued a consultation paper that proposes a package of measures aimed at improving the UK's audit, corporate reporting and corporate governance systems in the private sector. The Commission agreed to the

recommendation of the Financial Audit and Assurance Committee that it delegate to the Interim Chair, Interim Deputy Chair and past FAA Committee Chair to agree the terms of a response to the consultation. The response submitted is available on the [members' Sharepoint site](#).

16. At its last meeting, I advised the Commission that on 2 June the Acting Ethical Standards Commissioner had written to the Commission seeking its views on his draft strategic plan for 2021-24. The Interim Chair subsequently responded to the Commissioner, a copy of which has been placed on the [members' SharePoint site](#).
17. On 19 July, Audit Scotland held a roundtable discussion with a range of key stakeholders operating in the climate change sector. The session was chaired by the Director of Performance Audit and Best Value and attended by Commission members Andrew Burns and Sharon O'Connor. Attendees discussed the challenges and opportunities for Scotland in delivering on the net zero target. The audit team are preparing to publish a summary of the session in the Autumn, which will be publicly available and shared with Commission members.
18. On 3 August, the Interim Chair and the Auditor General for Scotland wrote a joint letter to Professor Ken Muir, congratulating him on his appointment as adviser to the Scottish Government on the matters raised in the OECD review of the Curriculum of Excellence. They highlighted relevant matters in the joint March 2021 performance audit on [Improving outcomes for young people through school education](#). A copy of the letter can be found on the [members' SharePoint site](#).
19. In paragraph 16 of the May update report, I noted that we had requested trends in public library closures from the Chartered Institute of Public Finance and Accountability (CIPFA). Trends on Scottish library closures can now be found on the [members' SharePoint site](#).
20. On 30 July, the Scottish Government's Director General Corporate wrote to all public bodies outlining new staff guidance and a handbook on the reopening of Scottish Government offices. These documents are both saved on the [members' SharePoint site](#).
21. Audit Scotland's New Financial Powers team have informed me that there are currently no significant issues on which to update the Commission. Consequently, the team have proposed that instead of its six-monthly reporting to the Commission (the next one of which is due in September), the team update the Commission as and when issues arise. They anticipate that the next most appropriate time to update the Commission will be following the Fiscal Framework Review, which is due by the end of 2021/22. The Commission is asked to agree with this approach.

Auditor General

22. In June Stephen Boyle, Auditor General for Scotland wrote blogs on:
 - [Making climate change an audit priority](#)
 - [Investing in skills](#)
23. On 17 June the Auditor General [published](#) a briefing on Covid-19: Personal Protective Equipment. The rise in PPE prices at the start of the Covid-19 pandemic increased costs for the body that provides support services to the NHS by over £37 million.
24. On 8 July the Auditor General [published](#) a blog on the Scottish Government's provisional outturn. He writes that transparency over public spending remains vital during the ongoing Covid-19 pandemic.

25. On 15 July the Auditor General [published](#) a briefing entitled Community justice: sustainable alternatives to custody. The briefing finds that the Scottish Government has yet to achieve its objective of ensuring that people convicted of criminal offences increasingly receive community-based sentences instead of going to prison.

Audit Scotland

26. On 3 June Antony Clark, Interim Controller of Audit and Interim Director of Performance Audit and Best Value [wrote](#) a blog on social care, commenting that changes to how social care is provided in Scotland are needed – but the solutions are far from simple. There was good engagement with the blog on [Twitter](#) and it was covered in the Herald, Scotsman, Daily Mail, The National, Morning Star and healthandcare.scot. The coverage is saved [here](#).
27. On 11 June Audit Scotland published:
- [Annual report and accounts 2020/21](#)
 - [Correspondence and whistleblowing annual report 2020/21](#)
 - [International work annual report 2020/21](#)
 - [Quality of public audit in Scotland annual report 2020/21](#)
 - [Transparency report 2020](#)
28. As noted in paragraph 21 of the June update report, on 1 July Audit Scotland [published](#) its Fraud and irregularity report 2020/21.
29. Audit Scotland submitted a response on behalf of the Commission and Auditor General to the Public Sector Audit Appointment's consultation on its [draft prospectus](#). The response has been saved [here](#) on the members' SharePoint site.
30. Audit Scotland colleagues attended a recent International Public Policy Observatory (IPPO) event on 'Action on Covid-19 Inequalities'. Relevant papers have been saved [here](#) on the members' SharePoint site. Policy cluster teams will include some of the key messages from the event in their briefing for the next meeting of the Performance Audit Committee in August.

Issues affecting Scottish local government

Scottish Government

31. Given that Covid-19 has resulted in a significant number of matters originating from the Scottish Government, this section is divided, for ease of reference, into the following sub-sections:
- Local government general
 - Economy
 - Health and social care
 - Education
 - Transport

- Communities
- Business
- Covid-19 measures
- Climate change
- Other matters

Local government general

32. On 8 June the Scottish Government [published](#) management information provided by local authorities relating to support to isolate and support for people during the coronavirus pandemic.
33. On 10 June the Scottish Government [published](#) its analysis of responses to its consultation – on which the Commission previously responded - on possible revisions to the Councillors’ Code of Conduct. The paper also notes that the Scottish Government will consider the key findings and decide what actions – if any – need to be taken forward in finalising the revised Code in response to the consultation feedback. Thereafter, the Scottish Government will take the actions required to ensure the Code is laid before the Scottish Parliament for scrutiny and approval at the earliest possible date. The Commission will therefore maintain a close interest in the passage of any revised Code. Separately, Brodies LLP [published](#) a blog on some of the changes the Scottish Government is proposing.
34. On 10 June Boundaries Scotland [submitted](#) to Scottish Ministers its final proposals for councillor numbers and wards in Argyll and Bute, Highland and North Ayrshire council areas to Scottish Ministers. The Islands (Scotland) Act 2018 required the Commission to review the six councils containing inhabited islands (Argyll and Bute, Highland, North Ayrshire, Orkney, Shetland and Na h-Eileanan an Iar) as soon as practicable. The reviews formally commenced in January 2019 and the Commission has submitted its proposals on a timescale that would allow them to be in force, if accepted by the Scottish Parliament, in time for the local government elections in 2022. The reviews propose a single member island ward for Arran (North Ayrshire); three two-member “islands-only” wards in Argyll and Bute; and five-member wards in North Ayrshire and Highland.
35. On 10 June the Scottish Government [announced](#) that the children and young people most impacted by Covid-19 will be supported by £20 million to create opportunities to socialise, play and reconnect this summer. Councils will receive £15 million and up to £5 million has been allocated to a coalition of 18 national partners.
36. On 11 June the Scottish Government published [child protection statistics 2020: local authority benchmarking tool](#) and [looked after children statistics 2020: local authority benchmarking tool](#).
37. On 22 June the Scottish Government published:
 - [local government 2020-21 provisional outturn and 2021-22 budget estimates](#)
 - [council tax collection statistics, 2020-21](#)
 - [council tax reduction in Scotland, 2020-21](#)

38. On 1 July Shirley-Anne Somerville, Cabinet Secretary for Education and Skills, [provided](#) a response to a question lodged by Beatrice Wishart MSP relating to the distribution of 70,000 devices for learners, broken down by local authority area.
39. On 5 July the Scottish Government [published](#) an FOI release on the allocation of additional funding to local authorities for the recruitment of teachers.
40. On 6 July the Scottish Government [announced](#) £10 million for projects that restore nature and tackle biodiversity loss. Half of the funding will go to local authorities to develop new or existing projects.
41. On 7 July the Scottish Government [published](#) guidance for local authorities on making applications under the Bellwin Scheme for emergency financial assistance. Information about the threshold levels has also been [published](#). The Bellwin Scheme operates under the Local Government and Housing Act 1989 and allows Scottish Ministers to make additional revenue support to local authorities to assist with the immediate, and unforeseen costs in dealing with the aftermath of emergency incidents.
42. In July the Scottish Government [published](#) figures on local authority-administered funding made available to businesses affected by Covid restrictions to Friday 25 June.
43. On 9 July the Scottish Government [published](#) independent research on section 75 planning obligations and other developer contributions mechanisms. The research estimates that in 2019/20 approximately £490 million worth of developer contributions were agreed, of which £310m was for affordable housing and £180m towards infrastructure. All but two planning authorities use developer contributions. However, the value of what is achieved is heavily concentrated in a few areas. Many authorities also make extensive use of planning conditions to secure in-kind contributions. Around 75% of authorities use developer contributions to secure affordable housing.
44. On 16 July the Scottish Government [announced](#) an increase in affordable homes funding for local authorities. Councils across Scotland are to share more than £3.2 billion in grant funding over five years to deliver more affordable homes.
45. On 21 July the Scottish Government [announced](#) that its Area Based Scheme (ABS) programme will provide over £64 million in 2021/22 – up from £55 million the year before – to enable local authorities in Scotland to deliver energy efficiency measures.
46. On 26 July the Scottish Government [announced](#) new legislation to help siblings in care stay together.
47. On 27 July the Scottish Government [highlighted](#) that people seeking help for drug use in East Ayrshire are receiving support the same day through an initiative introduced ahead of new treatment standards for Scotland.

Economy

48. On 7 June the Scottish Government [highlighted](#) that around 23,000 people will be given new online skills and training to help improve their chances of securing a job or to reduce isolation as part of the £26 million Connecting Scotland programme.
49. On 9 June the Scottish Government [launched](#) a new investment programme of £200 million to help deliver Scotland's transition to a net-zero emissions economy. The Green Growth Accelerator is intended to speed up delivery of low carbon infrastructure projects and provide resources and support to local authorities.
50. On 18 June the Scottish Government [announced](#) that £26 million will be invested in Aberdeen City to accelerate the energy sector's transition to net-zero emissions.

51. On 3 July Ivan McKee MSP, Trade Minister [wrote](#) to the UK Government seeking their urgent cooperation to deliver green ports in Scotland.
52. On 9 July the Scottish Government announced appointments to a new Advisory Council, to help shape a 10-year National Strategy driving Scotland's economic transformation as the country recovers from the pandemic and transitions to a net zero economy. The Council includes Councillor John Alexander, Chair of Scottish Cities Alliance and Leader of Dundee Council.
53. On 15 July the Scottish Government [published](#) labour market trends, which show an unemployment rate for those aged 16-64 of 4.4 per cent in the period between March and May of this year. This is a 0.2 per cent decrease on the previous quarter and falls below a UK-wide rate of 4.8 per cent.
54. On 16 July Scottish and Welsh Government [raised](#) concerns that the UK Government will undermine devolution if it establishes freeports in Scotland and Wales without reaching agreement with devolved governments.
55. On 21 July the Scottish Government [published](#) monthly GDP estimates for May 2021, when Scotland's onshore GDP grew by 0.9 per cent.

Health and social care

56. On 8 June Public Health Scotland [published](#) 'Healthy Housing for Scotland', a briefing paper setting out evidence on how housing can influence health and wellbeing.
57. On 9 June the Scottish Government published the [terms of reference](#) for the Children and Young People's Mental Health and Wellbeing Joint Delivery Board and [minutes](#) from the meeting of the Board on 28 April. Local government and professional interests are represented by the Association of Scottish Principal Educational Psychologists; Association of Directors of Education in Scotland; Social Work Scotland; SOLACE; and the Integration Joint Board (IJB) Network.
58. On 16 June the Scottish Government [highlighted](#) new measures to provide free NHS dental care for all young people aged 18 to 25. Around 600,000 young people will benefit from free dental care from the end of August, subject to Parliamentary approval.
59. On 25 June the Scottish Government [published](#) best practice guidance for public bodies on procurement of care and support services. Originally published in March 2016, it has been updated to reflect changes since the UK's exit from the EU.
60. On 27 June the Scottish Government [announced](#) an £8 million package to support the health and wellbeing of health and social care staff in Scotland.
61. On 30 June the Scottish Government [announced](#) an online portal, for more than 10,000 personal assistants across Scotland to access a £500 thank you payment.
62. On 11 July the Scottish Government [released](#) £12 million in additional funding to health boards across Scotland to support non-Covid emergency care.
63. On 12 July the Scottish Government [published](#) updated statutory guidance for local authorities, health boards and integration authorities on effective implementation of the provisions of the Carers (Scotland) Act 2016. The Accounts Commission's previous performance audits on social work and health and social care are referenced.
64. On 20 July the Scottish Government [highlighted](#) the first meeting of a Social Covenant Steering Group, set up to help guide the development of a National Care Service. Establishing the group, made up of people with day-to-day experience of social care,

was a key recommendation of Derek Feeley's Independent Review of Adult Social Care.

65. On 26 July the Scottish Government [announced](#) that the new Child Disability Payment has opened for applications from people living in three pilot council areas – Dundee City, Perth and Kinross and Western Isles.
66. In relation to Scotland's drugs deaths emergency:
 - On 15 June the Scottish Government [highlighted](#) that £4 million is being spent to increase the speed of treatment for drug users.
 - On 17 June the Scottish Government [announced](#) that £14.4 million will be invested in front-line services to help tackle Scotland's drugs deaths emergency.
 - On 8 July the Scottish Government [highlighted](#) that £1.61 million has been allocated to community-based drugs organisations and services providing access to treatment and residential rehabilitation.
 - On 29 July the Scottish Government [highlighted](#) that almost two thirds of Scotland's ambulance clinicians have been trained in supplying Take-Home Naloxone (THN) to people who may witness a drug overdose.
 - On 30 July National Records of Scotland [published](#) statistics of drug-related deaths. 1,339 drug-related deaths were registered in Scotland in 2020, an increase of 5 per cent from 2019.

Education

67. On 5 June the Scottish Government and COSLA [reached](#) a £28 million funding deal to extend free school meals to primary four and five pupils during term time. A further £21.75 million will be used by councils to support young people during the holidays.
68. On 7 June Education Scotland [highlighted](#) a national overview report by HM Inspectors of Education (HMIE), which found that colleges took swift action to enable learning and teaching to continue remotely following the national lockdown in March 2020.
69. On 15 June the Scottish Government published statistics on [2019-20 school leaver destinations](#) and information on [attainment and leaver destinations](#) for school leavers in Scotland who were looked after during the 2019/20 school year.
70. On 16 June Clare Haughey, Minister for Children and Young People [provided](#) an update on progress towards the expansion to 1,140 hours of funded early learning and childcare (ELC). The Scottish Government [highlighted](#) that more than seven out of ten children in ELC are now receiving the full 1,140 funded hours.
71. On 17 June the Scottish Government [published](#) the 2020 Attainment Scotland Fund Evaluation: Headteacher Survey report. The survey found 90 per cent of respondents had seen improvement in closing the poverty-related attainment gap and 88 per cent expected further improvement. 95 per cent felt that Covid-19 had affected progress.
72. On 19 June the Scottish Government [highlighted](#) that pupils living in Scotland's most deprived communities will be among those to benefit from £215 million of targeted funding in 2021-22 to help close the poverty-related attainment gap.
73. On 21 June the Office for Economic Co-operation and Development (OECD) [published](#) its review of the Curriculum for Excellence (CfE). Key findings include:

- The CfE continues to be a bold and widely supported initiative, and its design offers the flexibility needed to improve student learning.
 - Stakeholder engagement is at the heart of CfE and offers the possibility, with better structure, for shared ownership and effective leadership.
 - Continued efforts are needed to enhance the coherence of policy with the CfE.
 - The implementation of CfE has lacked structure and long-term perspective.
74. In relation to the publication of the above review, Education Secretary Shirley-Anne Somerville [announced](#) that all 12 of its recommendations will be accepted in full, including recommendations on curriculum, assessment and qualifications which will see the Scottish Qualifications Authority (SQA) replaced and Education Scotland substantially reformed.
75. On 22 June the Scottish Government:
- [unveiled](#) a new online learning resource to help school staff support young people's mental health
 - [highlighted](#) that a new Children and Young People's Education Council will be created.
76. On 30 June the Commissioner for Fair Access to higher education [published](#) the fourth annual report on widening access to universities.
77. On 4 July the Scottish Government [highlighted](#) that the Interventions for Vulnerable Youth (IVY) project, which supports young people with very complex social, emotional and behavioural needs, has received £280,000 of Scottish Government funding.
78. On 5 July the Scottish Government [highlighted](#) that it has agreed with local authority leaders to increase the national school clothing grant to a minimum of £120 per eligible primary school pupil and £150 per eligible secondary school pupil. This will be supported by £11.8 million of additional funding to local authorities.
79. On 14 July the Scottish Government [announced](#) £7 million of funding to remove fees to learn a musical instrument at school. Councils will also receive £6 million to waive some charges levied on families, including, for example materials for home economics.
80. On 28 July the Scottish Government [published](#) details of the funding given to local authorities and the numbers of additional teachers each local authority has recruited.

Transport

81. On 9 June Transport Scotland [announced](#) that the procurement of a new ferry to help support the community and economy on Islay is underway.
82. On 9 June Transport Scotland [highlighted](#) that the Scottish Government has approved up to £35.4 million to enable bus operators to maintain services during Covid-19.
83. On 10 June Transport Scotland [published](#) a summary of the findings from a project investigating the transport barriers facing families and young people living in poverty.
84. On 11 June Transport Scotland [highlighted](#) its consultation on measures which will allow local authorities to take forward discretionary workplace parking licensing (WPL) schemes. The consultation will close on 6 September 2021. It is proposed that the Commission does not respond.

85. On 16 June Transport Scotland [published](#) Covid-19 sub-national transport trends for May. This showed a reduction in walking and cycling in the majority of local authorities compared with April.
86. On 24 June Transport Scotland [released](#) provisional figures for road casualties, showing a significant drop in 2020.
87. On 1 July the Mobility and Access Committee for Scotland [published](#) its annual report 2020-21.
88. On 14 July Transport Scotland [opened](#) a consultation on how to design the implementation framework for bus services set out in the Transport (Scotland) Act. The closing date for submissions is Wednesday 6 October. It is proposed that the Commission does not respond.
89. On 26 July Transport Scotland [highlighted](#) that two pilot schemes have secured £1 million of funding from the Mobility as a Service (MaaS) investment fund, which aims to make public transport easier to use.

Communities

90. On 15 June the Scottish Government [released](#) the housing statistics quarterly update, [highlighting](#) that 102,055 affordable homes have been delivered since April 2007, with 70,866 of these for social rent.
91. On 17 June Scottish Government [announced](#) a new fund for island communities for projects focussed on supporting sustainable island economies and the journey towards net zero. The fund is backed by £2 million of Scottish Government funding, which comes from the £9.5 million committed to the Islands Programme for 2021-22.
92. On 23 June the Scottish Government [published](#) the findings of the third progress report on Tackling Child Poverty.
93. On 25 June the Scottish Government [highlighted](#) that the Promise Partnership Fund supporting care experienced young people has been extended until 2024-25.
94. On 28 June the Scottish Government [published](#) its sixth briefing on the impact of Covid-19 on the wellbeing of children and families in Scotland.
95. On 29 June the Scottish Government [published](#) homelessness statistics for 2020-21.
96. On 2 July the Scottish Government [opened](#) applications for a new youth climate programme backed by £450,000 of funding. Young people will co-design the programme, to help connect with communities to tackle climate change.
97. On 16 July the Scottish Government [announced](#) that 13 crofters have received grants to improve housing or build homes in Scotland's most remote and marginal communities.
98. On 28 July the Scottish Government [announced](#) a £70 million investment in the Young Person's Guarantee, including £45 million for local partnerships, £13.5 million for colleges, universities and the Scottish Funding Council, £10 million for new school coordinators and £1.5 million to increase places on third sector programmes.
99. On 29 July the Scottish Government [highlighted](#) that projects supporting carers and disabled people are among nine initiatives that are set to share £1 million to tackle loneliness and isolation as a result of the pandemic.

Business

100. On 2 June Kate Forbes, Finance Secretary, [outlined](#) in a statement to Parliament how businesses will be supported to build a sustainable economic recovery. A new ten-year National Strategy for Economic Transformation will be delivered in the first six months of parliament.
101. On 15 July the Scottish Government [highlighted](#) that £200,000 has been awarded to projects helping regional food and drink ventures recover from the impact of Covid-19
102. On 23 July the Scottish Government [highlighted](#) the launch of a new accreditation scheme encouraging businesses to provide secure contracts, flexible hours and the real Living Wage.

Covid-19 measures

103. On 4 June the Scottish Government [announced](#) it was accelerating the vaccination programme and members of the Armed Forces have been asked to help with the roll out. NHS Lothian and NHS Lanarkshire requested this to boost their capacity to administer second doses alongside the delivery of first doses to younger cohorts.
104. On 10 June Michael Matheson, Cabinet Secretary for Net Zero, Energy and Transport [advised](#) Parliament that health protection regulations have been updated to allow councils to give someone the power of entry to enforce restrictions relating to stadia and events.
105. On 22 June the Scottish Government [announced](#) its aim to remove all major legal Covid-19 restrictions on Monday 9 August. On 3 August the Scottish Government [confirmed](#) that the legal requirement for physical distancing and limits on gatherings will be removed on 9 August when all venues are able to reopen. Some protective measures will stay in place such as the use of face coverings indoors, the collection of contact details and event capacity limits.
106. On 3 July the Scottish Government [highlighted](#) that Test and Protect are to prioritise phone calls to high-risk cases. SMS text messages are now be more extensively for low risk cases.
107. On 13 July Nicola Sturgeon [delivered](#) a statement to Parliament, setting out that all of Scotland would move to Level 0 from Monday 19 July. She noted original plans had been modified owing to a high infection rate but planned measures will see physical distancing reduce to one metre in all indoor and outdoor public settings.
108. On 18 July the Scottish Government highlighted that the vaccination programme will complete first doses for all over 18s who have attended their scheduled appointments at close of play on Sunday 18 July.
109. On 23 July the Scottish Government [announced](#) that changes are being made to self-isolation rules for close contacts of Covid-19 cases to allow essential staff in critical roles to return to work to maintain lifeline services and critical national infrastructure.

Climate Change

110. In June Scottish Enterprise [launched](#) its Net Zero Framework for Action, outlining its approach to supporting businesses in achieving a fair, green economic recovery.
111. On 13 July the Scottish Government [published](#) Home Energy Efficiency Programmes - Energy Efficient Scotland: delivery report 2018 to 2019.

112. On 15 July the Scottish Government [published](#) a new air quality strategy, setting out its air quality policy framework for the next five years and a series of actions to deliver further air quality improvements.
113. On 19 July the Scottish Government [published](#) an FOI release on organisations which responded to the Net Zero Consultation. Audit Scotland is mentioned.
114. On 23 July the Scottish Government [published](#) an indicative nationally determined contribution (NDC), setting out how it will help meet the goals of the Paris Agreement on climate change.

Other matters

115. On 17 June Tom Arthur, Minister for Public Finance, Planning and Community Wealth [delivered](#) a ministerial statement on the [2020-21 provisional outturn](#). It showed 99 per cent of the £48 billion budget had been spent. The remaining one per cent will help support spending priorities in 2021/22 as the country recovers from the pandemic.
116. On 23 June Roger Halliday, Chief Statistician [wrote](#) a blog on improving the completeness of data on protected characteristics.
117. On 24 June the Scottish Government [published](#) a paper on the impacts of Brexit in Scotland. It reports that a third of Scottish manufacturing businesses faced increased costs as a result of Brexit and this particularly affected the food and drink sector.
118. On 29 June the Times [reported](#) that “in an online blog on the Scottish government’s intranet, Leslie Evans, the Permanent Secretary, revealed that the recruitment process has started to find her replacement.”
119. On 12 July the Scottish Government [published](#) an Freedom of Information release: Breakdown of recorded fraud attempts against the Scottish Government. Audit Scotland’s role in leading the National Fraud Initiative was mentioned.
120. On 13 July the Scottish Government [published](#) an update on administration and decision making work taking place since the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Bill was passed by Parliament in March 2021.
121. On 14 July the Scottish Government [published](#) a policy note detailing how a public body should notify Scottish Ministers of the publication of their annual procurement report covering financial year 2020/21.
122. On 15 July the Scottish Government [highlighted](#) that it is seeking views on its 2021-26 draft Gaelic language plan. This is the third iteration of the plan which seeks to set out how the government will use Gaelic in official business, while promoting its development and use as a means of engagement with government.
123. On 21 July Public Health Scotland and Police Scotland [formalised](#) a new collaboration to address public health and wellbeing in communities across Scotland.

Scottish Parliament

124. In June and July SPICe published:
 - a [briefing](#) introducing COP26 (2021 United Nations climate change conference)
 - a [briefing](#) on climate governance of the Scottish budget
 - an [extended briefing](#) on the Coronavirus (Extension and Expiry) (Scotland) Bill

- a [blog](#) on mental health and adults with incapacity law in Scotland
 - a [briefing](#) on school education
 - a [briefing](#) on Scotland's GDP: first quarter 2021
 - a [briefing](#) on Covid-19 Barnett Consequentials
 - a [briefing](#) on climate change
 - a labour market [update](#) for July 2021
 - a [briefing](#) on further and higher education in Scotland
125. On 17 June the Parliament [published](#) the proposed membership for this session's committees. The SNP has 52 seats, Conservatives 32, Labour 20, the Greens have nine and the LibDems have two seats.
126. On 22 June the Carer's Allowance Supplement (Scotland) Bill was [introduced](#). It will provide for an increase in the carer's allowance supplement for the period from 1 October 2021 to 31 March 2022.
127. On 24 June MSPs passed the Coronavirus (Extension and Expiry) (Scotland) Bill despite opposition from the Conservatives and Liberal Democrats. The legislation expires certain provisions which affect children's hearings, guardianship orders for adults with incapacity and several powers which allowed ministers to accelerate the scrutiny of regulations.
128. On 24 June a petition was [lodged](#), calling on the Scottish Government to order an inquiry into the actions of the Scottish Qualifications Authority during the 2019-20 and 2020-21 academic years. The Citizen Participation and Public Petitions Committee [published](#) a SPICE briefing on the petition.
129. On 12 July Willie Rennie MSP [announced](#) that he is to step down as leader of the Scottish Liberal Democrats.
130. On 20 July the chairs and conveners of the relevant committees in each of the UK's parliaments [wrote](#) a joint letter urging the UK Government to extend the £20 uplift to Universal Credit.

Parliamentary Committee news

Public Audit Committee

131. On 23 June the Committee [met](#) for the first time. Richard Leonard (Scottish Labour) was chosen as Convener and Sharon Dowey (Scottish Conservative and Unionist) was chosen as Deputy Convener.

Local Government, Housing and Planning Committee

132. The Committee [wrote](#) to stakeholders including the Accounts Commission seeking views on the Committee's remit. Please see paragraph 10 for the Commission's response.

On 22 June the Committee [met](#) for the first time. Ariane Burgess (Scottish Greens) was chosen as Convener and Elena Whitham (SNP) was chosen as Deputy Convener.

Finance and Public Administration Committee

133. On 24 June the Committee [opened](#) a consultation on Scotland's public finances in 2022-23 and the impact of Covid-19. The closing date for responses is 13 August 2021. Audit Scotland is preparing a response.
134. On 22 June the Committee [met](#) for the first time. Kenneth Gibson (SNP) was chosen as Convener and Daniel Johnson (Scottish Labour) was chosen as Deputy Convener.

Covid-19 Recovery Committee

135. On 23 June the Committee [met](#) for the first time. Siobhian Brown (SNP) was chosen as Convener and Murdo Fraser (Scottish Conservative and Unionist) was chosen as deputy convener.

Other committees

136. On 21 June the Cabinet Secretary for Net Zero, Energy and Transport Michael Matheson and Cabinet Secretary for Finance and Economy Kate Forbes [wrote](#) to the Net Zero, Energy & Transport Committee about the joint review of the Budget carried out by a predecessor committee.
137. On 25 June John Swinney, Deputy First Minister [wrote](#) to the Education, Children & Young People Committee to inform it of the publication of The Change Programme by The Promise Scotland.
138. On 2 July the Social Justice and Social Security Committee [opened](#) a consultation on the proposed doubling of the [Carer's Allowance Supplement](#). The consultation closes on 12 August. It is proposed that the Commission does not respond.

Local government news

139. On 17 June STV News [reported](#) that Marketing Edinburgh – Edinburgh City Council's wholly-owned tourism marketing company – has been fined for failing to file its accounts two years in a row.
140. On 17 June Inverclyde Council [announced](#) that it has appointed Louise Long as the new Chief Executive. Louise replaces current Chief Executive Aubrey Fawcett who is set to retire from the council in September after five years in the job.
141. On 28 June the BBC [reported](#) on a parliamentary answer from the Education Secretary that that children with additional support needs (ASN) are receiving £1,000 less per pupil compared to 2012. While overall Scottish government funding is up by £200 million, the number of pupils with ASN has increased 89 per cent - from 118,011 to 215,897.
142. On 8 July the BBC [reported](#) that about 500 jobs are to go at Glasgow Life. The charity said the cuts would be made over time and would not involve compulsory redundancies. STV [reported](#) that trade unions have lodged a collective grievance over the cuts.
143. On 9 July the Daily Record [reported](#) that councils plan to save £141 million over the next year to pay for the Covid-19 pandemic response. The figures were compiled by the BBC Shared Data Unit, which works with journalists from regional newspapers across the UK.
144. On 23 July Leader of Glasgow City Council, Susan Aitken [announced](#) Glasgow's participation in the Thriving Cities Network (TCI) ahead of COP26.

145. On 27 July the Evening Express [reported](#) that a four-day strike by Unite trade union members at Aberdeen City Council has begun. The dispute comes as the council's housing team faces challenges due to rising rent arrears and homelessness in the area.
146. On 29 July the Scotsman [reported](#) that one in 20 complaints made about care homes for older people were investigated by the Care Inspectorate in 2020/21, despite more than a quarter being raised by staff members. The finding came from work on a media collaboration project involving The Scotsman, The Press and Journal, The Courier, The Herald and STV.

Public policy news

147. On 5 June the Children and Young People's Commissioner Scotland [published](#) investigative research which reveals vulnerable children in Scotland may have been unlawfully detained in secure accommodation.
148. On 6 June Carers Scotland [released](#) research on the challenges facing unpaid carers during the pandemic. More than a third of unpaid carers feel unable to manage their caring role and 71 per cent have not had any breaks during the pandemic.
149. On 7 June children's charities and organisations [wrote](#) to the SQA urging changes to the appeals process. The letter calls for a no-detriment policy and for the process to consider the exceptional circumstances some young people have faced.
150. On 8 June Age Scotland [published](#) a survey which found nearly half of those aged over 50 feared spending so much time at home over the pandemic has led to a loss of strength and mobility. On 25 June Age Scotland [warned](#) of a new "epidemic of loneliness", as its research reveals the impact of the pandemic on older people.
151. On 9 June Policy Exchange [launched](#) its Beyond COP26 programme and published its first report exploring the UK's position and role in addressing climate change.
152. On 12 June the BBC [highlighted](#) research from the [Learning Disabilities Mortality Review](#) (LeDeR), which calls for urgent action to prevent avoidable deaths. In 2020, 24 per cent of learning disability deaths were caused by Covid-19, compared to 13 per cent of deaths in the general population.
153. In June the UK Climate Change Committee:
 - [Published](#) an independent assessment of UK climate risk concluding that action to improve the nation's resilience is failing to keep pace with the impacts of a warming planet and increasing climate risks facing the UK.
 - [Published](#) two reports offering its appraisal of progress on the twin climate challenges: cutting emissions to Net Zero and adapting to the climate risks.
154. In June and July, the Fraser of Allander Institute:
 - [Published](#) a report arguing that the UK government's approach to prioritising local areas for resources from the Levelling Up Fund lacks transparency.
 - [Published](#) analysis of the Scottish Government's child poverty targets. It highlights the increasing child poverty rate in Scotland ahead of the government's child poverty delivery plan being published in spring 2022.
 - [Published](#) economic commentary for 2021 quarter two.

- [Published](#) information about its project “A Social Accounting Matrix for Scotland”.
155. On 17 June the Joseph Rowntree Foundation [published](#) a briefing on how to lift low-income single parents out of in-work poverty. Of the 230,000 children in poverty in Scotland, 90,000 live in single-parent households.
156. On 17 June Shelter Scotland [published](#) a 2021 action plan to tackle housing inequality. The plan calls for a Covid-19 exit plan, social justice in social house building and stronger housing rights.
157. In June Institute for Public Policy Research (IPPR):
- [Published](#) a report documenting the Aberdeenshire Climate and Fairness Panel’s view on the practical steps required to address the climate crisis and restore nature in a way that is fair for everyone.
 - [Published](#) a report on decarbonising transport, arguing that the UK Government’s plan must focus on improving people’s quality of life – and this cannot be achieved through a shift to electric vehicles alone.
158. In June Transform Scotland [published](#) a report assessing the possible avenues to gain business support for transforming city centres. It states the delivery of walking, cycling and civic spaces is a positive for businesses and can help to support local employment.
159. In June the Scottish Council for Development and Industry (SCDI) [released](#) “Making a Good Living” - a ten-year strategy addressing the key economic challenges identified by the Fraser of Allander Institute.
160. In June Common Weal [published](#) a policy paper on the establishment of community hubs as part of the National Care Service, suggesting that the National Care Service could be managed and delivered at local level through community hubs.
161. On 1 July the Resolution Foundation [published](#) a report on living standards, warning that better than expected growth masks rising child poverty.
162. The Scottish Council for Development and Industry (SCDI), BT, the Royal Society of Edinburgh, and ScotlandIS [produced](#) a report outlining Scotland’s potential to be a leading innovator and exporter of technological solutions to climate change.
163. On 20 July the Centre for Policy Studies (CPS) [published](#) its report on “building back better” and reshaping high streets. The report found the pandemic has impacted commercial space and high streets heavily, with vacancy rates increasing.
164. In July 2021 the Living Wage Foundation [published](#) a report that noted 21 per cent of workers in the UK experience some form of work insecurity, with 56 per cent of those in insecure work earning less than the real living wage.

COSLA

165. On 4 June COSLA [welcomed](#) the [announcement](#) of a £20 million fund which will allow local authorities to apply for funding to establish more and better accommodation for Gypsy/Traveller communities.
166. On 28 June COSLA [highlighted](#) its joint statement with the Association of Local Authority Chief Housing Officers, housing associations and Scottish Government in relation to supporting tenants to stay in their homes.

Improvement Service

167. In June the Improvement Service [highlighted](#) an elected member briefing note on gender responsive budgeting, aiming to raise awareness and understanding of the importance of gender analysis within local authority budgetary processes.
168. On 18 June the Improvement Service [published](#) a collection of 15 datasets from the recent Scotland Green Heat in Greenspaces (GHIGs) project.
169. On 22 June the Improvement Service [highlighted](#) that, in partnership with the British Geological Survey, it has been commissioned by Scottish Government Digital Planning to undertake a Planning Data Pathfinder.
170. On 9 July the Improvement Service [highlighted](#) that it has supported the development of the Glasgow City Region's first Adaptation Strategy and Action Plan.
171. On 12 July the Improvement Service [highlighted](#) that it has joined with COSLA, NatureScot and the Sustainable Scotland Network to develop awareness of the potential of Nature-based Solutions (NbS).

Commissioner for Ethical Standards

172. On 14 July, the Acting Ethical Standards Commissioner [published](#) a Consultation Paper for Code of Practice for Ministerial Appointments to Public Bodies in Scotland. The paper contains recommendations for changes to the Code of Practice and a proposed draft Code for further consultation. He also [published](#) an analysis of previous consultation with several references to the Accounts Commission's response to that consultation. The closing date for the consultation is 30 September, and I will propose to the Commission a draft response at the next Commission meeting.

Scottish Public Sector Ombudsman (SPSO)

173. The SPSO's June newsletter [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 at its meeting in November.
174. On 9 June the SPSO [published](#) its annual statistics for 2020/21, detailing the enquiries and complaints it has received and determined in the past year.

Scottish Housing Regulator (SHR)

175. On 11 June Scottish Ministers [announced](#) that Scottish Housing Regulator Chair, George Walker along with Board members Siobhan White, Andrew Watson and Bob Gil have all been appointed for a second term.
176. On 5 July the SHR [published](#) new research on the impact of Covid-19 on tenants.

Other UK audit bodies

177. On 8 June Northern Ireland Audit Office (NIAO) [published](#) an overview of the Northern Ireland Executive's response to Covid-19, estimating the total cost at over £6.2 billion.
178. On 11 June Audit Wales [published](#) a report on the rollout of the Covid-19 vaccination programme in Wales. The Welsh Government's vaccination strategy provided a strong motivation and all milestones have been met to date.

179. On 17 June the NIAO [published](#) its report on broadband investment in Northern Ireland, examining the delivery of two of the most recent projects: Northern Ireland Broadband Improvement Project (NIBIP) and Superfast Rollout Programme (SRP2).
180. On 22 June the National Audit Office (NAO) [published](#) its annual report and accounts.
181. On 25 June the NAO [published](#) its second report on the UK Government's test and trace services in England, focusing on the period from November 2020 to April 2021.
182. On 28 June the Jersey Audit Office [published](#) a report on overall management of public finances during the pandemic. The Comptroller and Auditor General found that the state responded well to the impact of Covid-19 on financial management arrangements.
183. On 29 June Audit Wales [published](#) its annual report and accounts 2020/21.
184. On 29 June the NIAO [published](#) a report on the Northern Ireland budget process.
185. On 14 July the NAO [published](#) the first in a series of reports about efficiency in government, ahead of the upcoming Treasury spending review in the autumn.
186. On 16 July the NAO [published](#) a report on local government and net zero in England. The report finds that there are serious weaknesses in central government's approach to working with local authorities, which hamper their ability to plan effectively for the long-term, build skills and capacity, and prioritise effort.
187. On 20 July the NAO [published](#) a report on good practice guidance for public bodies on managing the "commercial lifecycle".
188. In July the NAO [released](#) a data visualisation on the changes in English local authorities' financial circumstances over the last decade.
189. On 21 July the NAO [published](#) a report on the challenges for public services and central government in implementing digital change. It reports a consistent pattern of underperformance of government strategies to deliver digital business change, with taxpayer money wasted by implementation gaps within decision-making.

UK Government

190. Throughout June and July, the Public Accounts Committee:
 - [published](#) a report on local government finance during the pandemic.
 - [published](#) its report on public service pensions.
 - [published](#) a report on adult social care markets, finding that the pandemic has had a "devastating" impact on the care sector and that the care system requires substantive reform.
 - [published](#) a report on taxpayer exposure to fraud and error under government loan schemes.
 - [found](#) that Government's oversight of local government audit has become "increasingly complacent" with less than half of local authority audits meeting the deadline for completion in 2019-20, and half of audits examined by the Financial Reporting Council (FRC) needing "more than limited" improvement.
 - published two reports on the government's response to the Covid-19 pandemic:

- [Covid-19: Cost Tracker Update](#)
- [Initial lessons from the government's response to the Covid-19 pandemic](#)

191. On Scottish-specific issues:

- On 11 June the UK Government [highlighted](#) a new plan to drive recovery of the Scottish tourism sector, including a rail pass for UK "staycationers" and a tourist voucher scheme.
- On 18 June the UK Government [published](#) a breakdown of changes in the devolved administrations' block grant funding from the 2015 Spending Review to Main Estimates 2021. Since the start of the Covid-19 pandemic the Scottish Government has received an additional £14.5 billion.
- On 23 June the Scottish Affairs Committee [published](#) its report on welfare policy in Scotland. The committee found although devolution of welfare powers to Scotland have been successful, challenges persist for the working relationship between the Scottish and UK governments, and claimants were often unaware of which benefits they were entitled to from both governments.
- On 24 June the UK Government [announced](#) that the Scottish Affairs Committee is to visit Orkney (27-28 June) as it continues gathering evidence for its Renewable Energy in Scotland inquiry.
- On 24 June the instrument establishing Environmental Standards Scotland was formally [lodged](#) by the UK Government.
- On 29 June the UK Government [highlighted](#) that people in rural Scotland will see uplifts in mobile coverage under the UK Government's £1 billion programme to level up digital connectivity across the UK.
- On 9 July the Scottish Affairs Committee [urged](#) the UK Government to launch a public consultation on the new UK Shared Prosperity Fund (UKSPF) by the Autumn.
- On 15 July the Office of the Secretary of State for Scotland and Office of the Advocate General for Scotland [published](#) annual report and accounts 2020/21, along with an outcome delivery plan.
- On 27 July the Scottish Affairs Committee [launched](#) an inquiry into airports in Scotland. The inquiry will examine the impacts of Covid-19, the work of the local community and environmental concerns. Evidence can be submitted until 6 October.

192. On 8 June the Health and Social Care Committee [published](#) a report on workforce resilience and burnout within the NHS and social care. It finds burnout had reached emergency levels during the pandemic, workforce planning was opaque, and funding and staff capacity were key drivers behind increased burnout.

193. On 10 June Ofsted [published](#) a review of sexual abuse in schools and colleges and concluded that a culture change is needed to address 'normalised' sexual harassment.

194. On 17 June the UK Government [announced](#) the launch of the UK Infrastructure Bank, which will be tasked with accelerating investment into infrastructure projects, cutting emissions, and levelling up every part of the UK.

195. On 22 June the Education Committee [published](#) its report on the disadvantages faced by white, working-class pupils. The report examines the achievement gap, the influence of place and geographic inequalities, support for families, teacher training and school funding and destinations for pupils.
196. On 22 June the UK Government [highlighted](#) that the Insolvency Service has taken action against businesses abusing Covid-19 financial support.
197. On 24 June the Business, Energy and Industrial Strategy (BEIS) Committee [launched](#) an inquiry on net zero governance. It will examine the leadership and co-ordination which will be needed to meet the UK's commitment to reach net zero by 2050.
198. On 25 June the UK Government [published](#) the first UK-EU annual report on the functioning of the Withdrawal Agreement.
199. On 30 June the UK Government [highlighted](#) interim advice from the Joint Committee on Vaccination and Immunisation (JCVI) that any potential Covid-19 booster programme should be offered in two stages from September.
200. On 13 July a new European Scrutiny Committee report [called](#) on the Government to clarify if it will support British firms if they are affected by an uneven playing field that could be created by an EU €5.3 billion (£4.6 billion) fund subsidising its Brexit-impacted industries.
201. On 14 July the UK Government [highlighted](#) a new report by the Green Jobs Taskforce, which outlines several recommendations in the area of job promotion, joined up industry approaches and skills reform and investment.
202. On 15 July the Prime Minister [delivered](#) a speech outlining how the UK Government would "level up" the UK.
203. On 21 July the UK Government [published](#) a report by the Board of Trade setting out how fair and free trade could support the low carbon transition.
204. On 22 July the UK Government [published](#) the UK Innovation Strategy, setting out its strategy to support businesses under four pillars of: unleashing business, people, institutions and places, and missions and technologies.
205. On 28 July the UK Government [launched](#) its National Disability Strategy. Supported by £1.6 billion in funding, it sets out 100 immediate commitments across employment, housing, and travel.
206. On 28 July the UK Government [set out](#) proposals for local authority capital finance and provided an update on work to date. The Government also [launched](#) a technical consultation on the local audit framework. It closes Wednesday 22 September. It is not intended to respond to this consultation.

Other UK news

207. On 24 June Onward [published](#) a paper which highlights the impact of geographical inequalities in access to good education in England.
208. On 25 June the Social Market Foundation [published](#) a report on the foster care system in England. It highlights the current and future challenges regarding the provision of appropriate foster care placements to meet the needs of vulnerable children.

209. On 1 July Public Finance [reported](#) that councils 'face shortage of senior finance staff'. Sara Pitt, Assistant Director of Finance at Birmingham City Council identified a lack of professionally qualified accountants with experience of local government.
210. On 2 July the Institute for Government [published](#) a report recommending urgent reform of the ministerial code.
211. On 14 July new data from the Financial Reporting Council (FRC) [revealed](#) the challenger audit firms have increased their share of FTSE 250 audits, up from 4.8 per cent to 7.6 per cent, although all FTSE 100 companies continue to be audited by a Big Four firm.
212. On 14 July the Joseph Rowntree Foundation (JRF) [published](#) a report on minimum income standards as it urges the UK Government to commit to keeping the £20 uplift to Universal Credit.
213. In July the Institute for Fiscal Studies:
- [published](#) a paper outlining the impact of the UK Government's proposed expiry of the £20 Universal Credit uplift
 - [published](#) an article analysing levels of teachers' pay – as of September 2020, starting salaries in Scotland were about 7% higher than in England.
214. On 15 July the Institute of Chartered Accountants in England and Wales (ICAEW) [responded](#) to the Department of Business, Energy and Industrial Strategy (BEIS) consultation on the [White Paper on restoring trust in audit and corporate governance](#). The ICAEW highlights that the principles in the White Paper could apply to the public sector and that public sector bodies should be excluded from the scope of the Public Interest Entity (PIE) criteria. (See paragraph 14 for the Commission and Auditor General's response to the consultation.)
215. On 19 July the Aldersgate Group (a research and campaign group advocating the business case for decarbonising the UK economy, improving resource efficiency and investing in the natural environment, composed of business leading NGOs, professional institutes, public sector bodies and politicians) [published](#) a report calling on the UK Government to accelerate progress on resource efficiency to secure emission savings and reduce industry's environmental impact.
216. In July a review [commissioned](#) by the UK Government said reforms of the food system are needed to protect the NHS, improve the health of the nation and save the environment.
217. In July the Bank of England [published](#) its biannual UK financial stability report, which states the spread of Covid-19 remains a significant risk to recovery despite the economic outlook improving.
218. On 24 July BBC [reported](#) that families of children with special educational needs and disabilities (SEND) felt they were "forgotten" in the response to the Covid-19 pandemic, according to a [report](#) from the National Children's Bureau (NCB) in Northern Ireland.

Conclusion

219. The Commission is invited to:
- a) Confirm that it is content with the proposal that its next update on Scotland's new financial powers is delayed until the Fiscal Framework Review is published (paragraph 21)

- b) Agree that the Commission does not respond to the consultations highlighted at paragraphs 84, 88, 138 and 206.
- c) note this report and in particular, in relation to paragraph 173, that I will propose to the Commission a draft response at the next meeting on the consultation by the Acting Ethical Standards Commissioner on the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

Paul Reilly
Secretary to the Commission
4 August 2021

Appendix 1 - Accounts Commission reports in past 12 months – downloads

Report	Date	Report downloads
Best Value Assurance Report: Aberdeen City Council	24 Jun 21	282 (n/a)
Accounts Commission annual report 2020/21	3 Jun 21	201 (n/a)
Local government in Scotland Overview 2021	27 May 21	1,311 (n/a)
Equality Outcomes 2021-25	27 Apr 21	261 (+223)
Mainstreaming equality and equality outcomes: progress report 2019-21	27 April 21	223 (+185)
Improving outcomes for young people through school education	23 Mar 21	4,480 (+1,240)
Local Government in Scotland: Financial Overview 2019/20	26 Jan 21	2,058 (+488)
Digital progress in local government	14 Jan 21	2,212 (+385)
Digital progress in local government – supplement 1 (checklist)	14 Jan 21	263 (+46)
Digital progress in local government – supplement 2 (methodology)	14 Jan 21	106 (*)
Housing Benefit Performance audit: annual update 2020	8 Dec 20	280 (+66)
Best Value Assurance Report: The City of Edinburgh Council	26 Nov 20	1,382 (+196)
Covid-19 Strategic Scrutiny Group	5 Nov 20	804 (+40)
Best Value Assurance Report: Aberdeenshire Council	22 Oct 20	985 (+177)
Best Value Assurance Report: Dundee City Council	29 Sept 20	1,173 (+135)
Best Value Assurance Report: Moray Council	27 Aug 20	1,609 (+158)

Note: Given that there was no update report in July, increase in numbers cover a two-month period, rather than the usual one month.

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	Number of publications
Aug 20	590 (+7)	7,100	129	27	18	18	0	1
Sep 20	605 (+15)	9,700	607	82	35	46	2	1
Oct 20	617 (+12)	10,700	526	34	26	34	0	1
Nov 20	639 (+22)	23,400	730	106	49	53	3	2
Jan 21	683 (+30)	50,000	2,400	128	94	103	9	2
Feb 21	686 (+3)	11,000	307	20	9	10	1	0
Mar 21	701 (+15)	36,100	2,100	76	66	138	10	1
Apr 21	704 (+3)	3,300	n/a	1	1	0	0	0
May 21	726 (+22)	46,300	836	122	95	148	9	1
Jun 21	740 (+14)	56,900	513	348	113	174	8	1
Jul 21	758 (+18)	7,700	24	5	16	229	0	0

Increase on previous month shown in brackets

MEETING: 12 AUGUST 2021

REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION

INTERIM CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.

Engagement and Audit Scotland business

2. The engagements and work in the period from 1 June to 31 July have been as follows:

Audit Scotland Board and Committee meetings

- 2 June – Audit Committee. The main items of substance discussed were the Audit Scotland Audit summary report and the draft annual report and accounts for the year ended 31 March 2021; along with a suite of annual assurance and governance reports.
- 2 June – Audit Scotland Board Meeting. The main items of substance discussed were our Governance arrangements; Strategic Improvement Programme update; a Covid-19 update; Q4 Financial performance report; 2020/21 Annual report on international work; 2020/21 Annual report on complaints, 2020/21 Annual report on freedom of information and environmental information; 2020/21 Annual reports from the Chairs of the Audit Committee and Remuneration Committees; Policy on the provision of non-audit services by Audit Scotland's external auditor report; Counter Fraud Policy review report and 2020/21 Governance statement and certificate of assurance report.
- Copies of the key papers from these meetings have been loaded onto the Commission's SharePoint site and brought to members attention.

Audit Scotland engagement

- 8 June – Meeting with Diane McGiffen, Chief Operating Officer and Stephen Boyle, Auditor General for Scotland to have a general discussion on how we work together.
- 14 June & 14 July – Monthly catch up with Antony Clark, Interim Controller of Audit and Director of Performance and Best Value to discuss key areas of work and intelligence.
- 15 June – Work Programme meeting with Michelle Borland, Business Manager, Performance Audit and Best Value and Jillian Elgin, Executive Assistant to discuss how the new dynamic approach to updating the refreshing the Work Programme will operate in practice. This was a really good discussion.
- 16 June & 7 July – Monthly catch up with Stephen Boyle. These meetings focus on joint areas of interest and how we can work well together.

- 17 June – Monthly catch up with Diane McGiffen. These meetings tend to focus on operational matters.
- 21 June – Media catch ups and preparation for the publication of the Aberdeen City Best Value Assurance report with Joanna Mansell, Communications Adviser.
- 23 & 28 June – Catch up with David Blattman, HR & OD Manager.
- 24 June – New Audit Appointments Steering Group meeting.
- 1 July – Catch up with Elaine Boyd, Associate Director, Audit Quality and Appointments and Kathrine Sibbald, Audit Quality Project Manager about the New Audit Appointments project and the approach to the procurement and interviews.
- 1 July – NAA discussion about tender arrangements with officers and NAA Steering Group members.
- 6 July – Regular catch up with Alan Alexander, Audit Scotland Board Chair.
- 14 July – Quarterly catch up with Simon Ebbett, Communications Manager

External engagement

- 4 June – Introductory meeting with Sean Neill, new Director for Local Government & Communities at Scottish Government.
- 14 June – Strategic Alliance meeting with Antony Clark and Sarah Gadsden, Chief Executive Improvement Service to prepare for a meeting on the 22 July to discuss how we can engage with the third and voluntary sector.
- 16 June – Scottish Housing Regulator meeting with George Walker, Chair, Michael Cameron, Chief Executive and Carol Calder, Audit Director, Performance Audit and Best Value, to follow-up on issues raised at my meeting with Tenants Representative Chairs earlier this year. This meeting also explored other potential opportunities for us to work more closely.
- 5 July – Angela Scott, Chief Executive Aberdeen City Council, to receive some feedback on how the recent BVAR had progressed.
- 8 July – Introductory meeting with Robert Scott, HM Chief Fire Inspector
- 22 July – Strategic Alliance meeting with Antony Clark, Sarah Gadsden and Annie Gunner-Logan, Chief Executive, Coalition of Care and Support Providers in Scotland discussing how we can engage and work closer together. Annie pointed me to their #BigIdeas site www.ccps-big-ideas.org
- 27 July – Introductory meeting with the Convener and Depute Convener of the Local Government, Housing and Planning Committee. This was a very rich conversation and an early date for us to brief the Committee on our most Overview reports is being arranged.
- 27 July – Online Leadership Symposium - The Art of the Possible: Making Scotland's National Care Service a Reality. A fabulous discussion supported by three position papers from Julia Unwin, Neil Crowther and Ron Culley with observations and comments from IJB Chief Officers, Council and Third/Voluntary sector Chief Executives and Carers.

- 27 July – Meeting with Scottish Government colleagues Laura Turney, David Milne and Catriona McLean to discuss Public Service Reform and the role of scrutiny bodies.
- 30 July – Initial discussion with Jimmy Paul, Director of the Wellbeing Alliance, in preparation for the discussion with the Commission in August.

Commission business, development and support

3. Commission business has been as follows:

- Regular catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant to the Commission.
- 9 June & 8 July – Forward planning meetings with Tim McKay, Interim Deputy Chair, Paul Reilly, Lucy Carter, Policy Manager for the Commission, and Jillian Elgin to plan up and coming Commission business.
- 10 June – Accounts Commission meetings
- 17 June & 28 July – Communications monthly catch up meetings with Paul Reilly, Lucy Carter, Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement, and public profile.
- 24 June – Aberdeen Digital catch up with Antony Clark and Tim McKay.
- 28 June – Catch up with Tim McKay to discuss ongoing Commission business and how we are working.
- 7 July – Action Tracker review meeting with Paul Reilly, Jillian Elgin and Lucy Carter.
- 8 July – Performance Audit Committee follow-up discussion with Christine Lester, Performance Audit Committee Chair and Tim McKay.
- 14 July – Discussion with Mark Roberts about the Commission’s approach to Parliamentary Engagement.
- 15 July – Strategy Seminar preparation meeting with Andrea Quinn, external facilitator, Tim McKay, Paul Reilly and Lucy Carter. And a follow-up meeting with Tim McKay, Paul Reilly, Lucy Carter and Jillian Elgin on 28 July.
- 15 July – Monthly sponsor catch up and draft report discussion with Tim McKay and Local Government Overview team to discuss the approach, timing, and emerging messages for the Local Government Overview due for publication in May.

4. Other areas of work have included:

- Preparation, video recording and media interviews to support the publication of the Aberdeen City Council Best Value Assurance report.
- Reviewed the newsletter for the Annual Report & Work Programme.
- Signing off introductory letters to the Conveners of the Local Government, Housing and Planning Committee, Finance and Public Administration Committee, Health, Social Care and Sport Committee and Education, Children and Young People Committee outlining the work of the Commission and seeking an introductory meeting.

- Signing off a response to the Ethical Standards Commissioner on his Strategic Plan.
- Signing off a detailed response to the Local Government, Housing and Planning Committee Convener on the wealth and depth of evidence that the Accounts Commission can bring to the Committee.
- I have been working at APSE, the Association of Public Service Excellence, for the last 18 months taking evidence and considering the future of local government. Our report, Local by Default, was published on the 22 July, which involved my first 'out-of-home' work event since March 2020. My focus has been to consider inequalities, community empowerment and ensuring the voice of young people is heard.
- On 14 June I did my first Speakers for Schools broadcast to around 400 young people covering my career and my interest in ensuring young people have the opportunity to influence and design public services.

Forthcoming activities

5. My forthcoming engagement activities include:

- 2 August – Catch-up with Kathrine Sibbald on New Audit Appointments
- 3 August – Observation of Audit Scotland Management Team meeting
- 4 August – preparatory meeting with for August Commission meeting with Antony Clark, Paul Reilly and Tim McKay and monthly catch-ups with Stephen Boyle and Diane McGiffen
- 5 August – Forward Planning meeting and Strategic Improvement Programme keynote event preparatory meeting with Stephen Boyle and Professor James Mitchell.
- 10 August – Strategic Scrutiny Group pre-meeting and New Audit Appointments Steering Group
- 11 August – Accounts Commission pre meeting.
- 11 August – Mid-Year Strategy Seminar.
- 12 August – Accounts Commission meeting.

Conclusion

6. 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.

Elma Murray
Interim Chair
31 July 2021

MEETING: 12 AUGUST 2021

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during June and July 2021.

Engagement

2. Please note below my engagements in June and July:

- **1 June** – Holyrood explained: post-election analysis with Newsdirect – the first Insight event for *Audit Scotland 2021: Shaping our future*.
- **2 June** – Audit Scotland Board meeting – for 2020/21 annual report on international work.
- **3 June** – Best Value (BV) programme under the new Code of Audit Practice – planning meeting with Audit Scotland colleagues leading on the BV approach to councils and Integration Joint Board (IJB) (Fiona Mitchell-Knight, Carol Calder and Leigh Johnston).
- **3 June** – Trainee meeting – introduction meeting with new Audit Scotland trainees (including a Q&A session).
- **4 June** – Monthly engagement meeting with Secretary to the Commission.
- **7 June** – First of two workshops on Best Value in IJBs pilot audit work.
- **9 June** – Christine Lester, Chair, Performance Audit Committee – introductory meeting on how best to support the Chair and the Committee.
- **9 June** – Local Government Quarterly Forum.
- **11 June** – Steve Grimmond, Chair, Solace Scotland – general introductory engagement meeting.
- **14 June** – Audit Partners meeting.
- **15 June** – Nicola Killean and David Sinclair, Sistema Scotland – planning meeting ahead of second evaluation workshop on 29 July.
- **16 June** – Meeting with Audit Scotland and Commission colleagues (Paul Reilly, Lucy Carter, and Gemma Diamond) to progress joint areas of work for Audit Scotland/Accounts Commission and the Improvement Service.
- **16 June** – Angela Scott, Chief Executive, Aberdeen City Council – Best Value annual report (BVAR) feedback meeting.
- **18 June** – Sean Neill, Director of Local Government (LG) and Communities, Scottish Government (SG) – general introductory engagement meeting.

- **24 June** – New Audit Appointments (NAA) Steering Group meeting.
- **1 July** – Anne-Louise Clark, Executive Director, Communications and Change, Audit Wales – general introductory engagement meeting.
- **1 July** – Councillor Alison Evison, President, Convention of the Scottish Local Authorities (COSLA) – general introductory engagement meeting.
- **13 July** – Scottish Leaders Forum (SLF) Accountability and Incentives Action Group.
- **15 July** – Local Government Overview (LGO) scope discussion with audit team and sponsors ahead of taking LGO scope to August Commission meeting.
- **15 July** – Tim McKay, Chair, Financial Audit and Assurance Committee – regular engagement meeting with Chair of the Financial Audit and Assurance Committee (FAAC).
- **16 July** – Monthly engagement meeting with Secretary to the Commission.
- **16 July** – Bimonthly meeting with Joanna Mansell (Communications Advisor) and Lucy Carter (Commission Support Team) to discuss Accounts Commission communications.
- **19 July** – Audit Scotland Climate Change stakeholder roundtable discussion – hosted the event (which included Andrew Burns and Sharon O’Connor, Accounts Commission sponsors) to gather views on how audit work can support the climate change agenda and progress towards a just transition to Net Zero by 2045.
- **21 July** – Catherine Whitaker, Business Manager, Solace Scotland – general introductory discussion around Audit Scotland liaison with Solace Scotland leads.
- **22 July** – Strategic Alliance discussion – meeting with Elma Murray, Sarah Gadsden (Chief Executive, Improvement Service) and Annie Gunner Logan (Director, CCPS - Coalition of Care and Support Providers) to discuss potential joint areas of work.
- **23 July** – Sally Loudon, Chief Executive, COSLA – regular engagement meeting.
- **27 July** – Catriona MacLean, Deputy Director, Public Service Reform, SG – general introductory engagement meeting.
- **29 July** – Sistema Scotland Evaluation workshop – the second of two workshops to help Sistema Scotland to develop their evaluation strategy with input from community representatives, Glasgow Centre for Population Health (GCPH), Improvement Service, Scottish Government, Stirling Council, Dundee City Council, Aberdeen City Council, Biggar Economics, Fraser of Allander Institute, and Education Scotland.

Forthcoming activities

3. My upcoming engagements in August include:

- **5 August** – LG Sector Forum.
- **5 August** – BV in IJBs Advisory Group – second workshop on Best Value in IJBs pilot.
- **13 August** – National organisations integration huddle meeting – short slot to introduce the current thinking on the approach to auditing BV in IJBs.

- **18 August** – Audit Partners Meeting.
- **19 August** – Lynn Hendry, Hunter Foundation – to discuss third sector work.
- **24 August** – Strategic Scrutiny Group meeting.
- **26 August** – Joint work programme update meeting with Accounts Commission Interim Chair, Interim Deputy Chair and Auditor General for Scotland.

4. Commission members are invited to note this report.

Antony Clark
Interim Controller of Audit
28 July 2021