



T: 0300 244 4000
E: scottish.ministers@gov.scot

James Dornan MSP
Convener
Local Government and Communities Committee
The Scottish Parliament
Edinburgh
EH99 1SP

29 January

Dear James

Thank you for your letter of 17 November 2020 regarding the 2021-2022 Budget.

This year's budget is being published in the context of one of the greatest challenges of any of our lifetimes – the global Covid-19 pandemic and the unprecedented measures needed to combat it.

We have all had to face up to the huge challenges this has brought and I am proud of the action we have taken throughout the last year to mitigate the harms caused by COVID-19, supported by a commitment of over £500 million in social protections. Recognising the importance of these supports I have ensured that the 2021-22 budget allows me to continue prioritising our key commitments, including ongoing support to those in our society who need it most, with Social Justice funding increasing by £11.4 million to £40.8 million. £10.7 million of this increase is allocated to tackling Child Poverty, ensuring that as a Government we will deliver on our commitment to make available £50m over 4 years to underpin our Tackling Child Poverty Delivery Plan.

Our settlement also sees increases to funding across a range of areas. Regeneration funding has increased by £34.1m to £81.5m. This includes the Regeneration and Place Capital Grant Fund increasing by 29.3m to 54.3m Our budget will also deliver a new £50 million Vacant & Derelict Land Investment Programme over the next five years.

Our Planning and Buiding Standards budget has significantly increased from £18m to £30.4m as the the digital planning programme continues to progress and a fund is created for cladding remediation.

Capital investment in our energy efficiency programmes has increased with an additional £12m Capital Grants. Financial Transactions spend on loans remains the same at £40m whilst forecast receipts have increased by £4.5m in 2021-22 from nil in 2020-21.

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However, this year's budget has also brought some challenges - particularly around Housing. We are delivering this budget against a shortfall of over £500 million in consequential for housing as a result of decisions taken by the UK Government. The Cabinet Secretary for Finance has written to the Chancellor of the Exchequer setting out the impact of this on our plans to continue delivering an affordable housing programme and asks for action to restore funding to the levels required to deliver housing commitments in all parts of the UK. Despite this difficult backdrop, we have protected the housing budget from the negative impact of the UK capital grant reduction to the maximum extent possible.

This year's budget has provided a Local Government Settlement of £11.6 billion which continues to provide local government with a funding settlement that is both fair and affordable.

The settlement provides a cash increase in local government day to day spending for local revenue services of £335.6 million which is the equivalent of a 3.1 per cent increase. A further £631.4 million will be provided outwith the local government settlement which means that Scotland's local authorities will receive over £12.2 billion in 2021-22.

The budget has also provided further COVID-19 support for local government. For 2020-21 a further increase of £110 million is to be added to the initial estimated £90 million to compensate councils for the loss of income from sales, fees and charges due to the pandemic, bringing the total to £200 million. When added to the previous £49 million that was made available last year local authorities have up to £249 million to support their lost income.

A further £259 million of non-recurring COVID-19 consequential for 2021-22 was also confirmed, and the distribution of this general funding to address COVID-19 pressures will be discussed and agreed with COSLA.

I would also like make the Committee aware that we have taken the decision to move the budget line for the Scottish Child Payment to the Social Security and Older People portfolio, with the budget line for Discretionary Housing Payments moving to my portfolio. This better reflects where these budget lines are delivered in practice.

I very much appreciate you setting out the key points from the Committee, informed by the evidence sessions in your letter of 17th November. The Committee raised a number of questions, covering issues across a range of portfolios, and I have addressed these in the annex to this letter.

I hope that this information is useful, and I look forward to the opportunity to be able to meet with the Committee and discuss the budget in due course.

AILEEN CAMPBELL

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Question 1

Does the Scottish Government agree with Cosla that the crisis has caused a £500 million “gap” in local government resources?

Response:

The Scottish Government and COSLA have worked together throughout the pandemic to ensure our local authorities continue to have sufficient resources to provide the necessary support to Scotland’s business community and our local communities. It was because of the ongoing funding pressures that the Cabinet Secretary for Finance announced on 8 October additional financial flexibilities to address the financial pressures caused by COVID-19 which could be worth around £600 million over the next two years. The Scottish Government, working with COSLA and local authorities have now finalised a lost income scheme worth an estimated £90 million which when added to the previously committed £49 million consequential will provide an extra £139 million of committed funding. Taken together, these measures will provide councils with an overall financial flexibility and funding package of up to approximately £750 million. Scotland’s councils will also receive an additional £382.2 million in direct support during 2020-21 - over and above their regular grant payments. This brings the value of the overall COVID-19 support package for councils to more than £1 billion.

Question 2

The Committee asks the Scottish Government for its assessment of the resilience of local services as we head into winter, bearing in mind Scotland and UK-wide developments since we concluded taking evidence in early October: an increase in infections and hospitalisations, and the imposition of stricter lockdown rules over most of the country, with little indication of a return to relative “normality” until well into the New Year.

Response:

The Scottish Government continues to work closely with partners, including local government and COSLA, to assess and mitigate the four harms caused by the COVID-19 pandemic.

To address the social harms, the First Minister announced the Scottish Government’s Winter Plan for Social Protection on 30 November, backed by £100 million of investment – this takes into account the concurrent impacts of COVID-19, seasonal increases in the cost of living and the threat of a no-deal exit from the EU on people and communities.

The Winter Plan outlines ten key areas of investment, including:

- *Support for families on low incomes (£22m)*
- *Supporting services for children and young people (£23.5m)*
- *Enhancing capacity within the third sector and communities (£15m)*
- *Funds for local authorities moving into level 4 (£15m)*
- *Further help with fuel costs (£7m)*

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- Further investment in strategic national food activity (£2m)
- Further investment to support people affected by homelessness (£5.14m)
- Increased digital inclusion through Connecting Scotland for older people, support for social isolation and loneliness and strategic investment to promote equality (£5.91m)
- A campaign on benefit uptake and income maximisation (£0.25m)
- Reserve fund to meet potential pressures (£4.2m)

This investment, which includes a £100 payment for families on low incomes receiving Free School Meals, is designed to strengthen supports in place locally – including those delivered by local authorities and third sector partners. We will continue to work closely with COSLA, local authorities and others to ensure that this investment reaches the people and communities impacted and addresses the challenges faced.

This is in addition to measures supported under the Communities Funding package announced on 18 March, which included distributing an additional £22 million for the Scottish Welfare Fund, confirming an additional £8 million for Discretionary Housing Payments. As you will be aware we have also committed over £30 million of funding for local authorities to tackle financial insecurity over the winter period – including over £10 million to support the continuation of Free School Meals during school holidays inclusive of Easter 2021.

In total over £500 million of investment has been committed for social protections. In addition over £200 million of consequential funding has been confirmed for local authorities – further supporting local efforts and resilience.

Question 3

We also ask the Scottish Government for an assessment of the financial state of integration joint boards, and of the Highland Health and Social Care Partnership, as we head into the winter.

Response: (as at end of Quarter 2)

The health and social care budget for 2020/21 is £9.685 billion; which is currently forecast to overspend by £76.5 million. This is before factoring in the provision of additional funding from Health Board and Council partners (some of which is repayable), the impact of financial recovery plans and the use of reserves. As in previous years, when these positive financial influences are incorporated, all Integration Authorities, will see a favourable movement in their financial position for 2020-21. The assumption is made that Covid costs will be fully funded. The full effect of Covid on transformation and financial recovery plans is still being understood.

Integration Authority cumulative deficits are reported as a negative (or minus) general reserve. North Ayrshire, the only Integration Authority to have reported a deficit in their annual accounts to date, is anticipating an in-year deficit of £3.430 million in their general reserves. All other IAs are reporting a nil or positive balance in reserves.

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The forecast reserves position is to conclude the year with total reserves of £86.129 million, this is made up of £61.358 million (71%) of earmarked reserves and £24.771 million (29%) of general reserves (0.89% of the £9.685 billion budget). Total reserves at the end of 2019-20 were £139 million, therefore the forecast position at the end of 2020-21 represents an in-year decrease of £52.9 million and is in line with the policy to prioritise specific earmarked reserves before making further in-year SG allocations (PCIF, ADP & Mental Health).

We have a process for gathering financial information from each partnership and keep this under review where there are material changes to forecast or budget. We understand the position going in to winter work closely with CFOs to ensure funding allocations are received to allow services to continue over the winter period.

Question 4

Is the Scottish Government now satisfied that all front-line workers (including volunteers) providing local services have the necessary PPE to carry out their role? Is the Scottish Government satisfied that this is future-proofed for the coming winter?

Response:

The Scottish Government is providing routes for sourcing PPE for organisations in either health and social care or non-health and social care settings.

PPE is used as part of a range of measure to help prevent the spread of Covid-19. The use of PPE follows an individual risk assessment as well as national guidance. For most non-health and social care activities PPE beyond business as usual is not normally required unless shown to be required by a risk assessment, and other measures such as distancing, hand washing and non-medical face coverings will be more typically used in the first instance. Our Chief Nursing Officer keeps this under active review and engages with staff representatives on PPE guidance and the use of PPE.

As part of routine winter planning all health boards have completed winter checklists which include an assessment of their PPE supplies over the winter period. No health boards indicated any serious concerns with the supply of PPE.

Social care providers have access to NSS and Scotland Excel procurement to source PPE. Regular discussions take place between providers and NSS and Scotland Excel and no concerns around the provision of PPE to front line workers have been raised during these discussions.

Non-health and social care essential public services can order PPE via our third party provider framework. Local Authorities can also source PPE via Scotland Excel. We are not aware of any current PPE shortages for these organisations.

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Question 5

The Committee asks the Scottish Government to respond to concerns about a likely sharp increase in evictions when the protected period for tenants ends. Does the Scottish Government accept these concerns and, if so, what measures does it propose to address them?

Response:

We have been clear that taking eviction action against a tenant, because they have suffered financial hardship due to coronavirus, should be an absolute last resort. Landlords should be flexible with their tenants, signposting them to the range of financial support that is available to help prevent rent arrears.

We took swift action at the start of the pandemic to help ensure tenants remained safe in their homes by, in effect, halting eviction action for up to six months. This enables tenants to stay in their homes, plan for the future and apply for all the financial support they may be entitled to.

This emergency protection is in place until March 2021 and should the evidence show a clear need for extending those provisions again, we will of course consider that as the emergency legislation enables Ministers to extend these protections for a final 6 months until September 2021 – subject to approval by Parliament.

We have also further strengthened protection for tenants who find themselves in rent arrears by introducing rent arrears pre-action requirements which came into force on 30 September. They provide additional protection by making sure that landlords work with their tenants to manage rent arrears before they take steps to seek eviction.

Compliance with these pre-actions will form part of the discretionary consideration of a Tribunal and a landlord's failure to follow the requirements could result in an eviction order being refused. We have already committed to assessing the impact of temporary pre-action protocols in the private rented sector. That will include exploration of any unintended consequences, to inform the development of permanent pre-action protocols in the future that will require primary legislation.

Whilst eviction action should be an absolute last resort during these times, we have to acknowledge that some tenancies will unfortunately no longer be sustainable and, where this is the case, our emergency legislation gives people extra time to prepare. Where an eviction is unavoidable, we have strong homelessness legislation in place to support households in these circumstances. Furthermore, because of the emergency legislative action we took, Tribunals now have the discretion to take all factors into account when hearing cases and could decide not to grant an eviction order.

In early December we launched our £10m Tenant Hardship Loan Fund, offering interest-free loans that will help some tenants who are struggling with rent because of changes to their finances during the pandemic.

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These measures should help to ensure evictions are a last resort, but we will continue to monitor the situation closely.

Question 6

How does the Scottish Government respond to concerns from the local government sector that the crisis has made it harder than ever to achieve targets set out as a response to the climate emergency?

Response:

Under the Climate Change Act, public bodies in Scotland are required to contribute towards Scotland's statutory emissions reduction target to meet net zero emissions by 2045. However given the different size and operations across the bodies, it is right that they set targets appropriate to these, rather than having Government set these for them. This allow public bodies to demonstrate leadership and buy in, in the context of their organisation. Our public bodies provide the strong delivery focus to enable policy to be translated into outcomes. The global climate emergency has not gone away and we remain absolutely committed to a just transition to net-zero emissions nationally by 2045. Our delivery bodies have had to adapt and change the way they work because of the pandemic - showing flexibility and versatility, but this has been exceptionally challenging.

We are strengthening our climate ambition through new regulations which came into force on 9 November which require public bodies to contribute towards our national target of net zero emissions by 2045, by setting a target date for achieving zero direct emissions of greenhouse gases (or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets). Other provisions in the regulations will require public bodies to set targets for reducing indirect emissions and set out how they will align spending plans and use of resources to contribute to delivering their emissions reduction targets, how they will publicise their progress, and how they will contribute to Scotland's 2019 Climate Change Adaptation Programme. These regulations will come into effect for reports submitted in 2022.

The update to the 2018 Climate Change Plan was laid in Parliament on 16 December, containing over 100 new and 40 boosted policies from 2018, and being framed around a green recovery from COVID-19. We all need to work together to end Scotland's contribution to climate change; our response to the global climate emergency must be a sense of national endeavour. The Scottish Government will need to take a partnership approach to implementation via close liaison with Local Authorities and others, ensuring actions in the immediate term are in line with our long-term goals.

Question 7

We request an update on the "pause" to the affordable homes policy and a response to views that this budget line should be protected.

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Response:

The impact of the initial lock down meant that there was a necessary pause in the delivery of affordable homes at a critical time in our target period. Housebuilding has now safely resumed and the affordable housing supply programme is progressing as normal albeit at a slightly slower pace. We will, however, not now meet the target of 50,000 affordable homes by the end of March 2021. This is of course disappointing as we were on track to deliver on our 50,000 affordable homes commitment. We are continuing to work closely with all partners across the housing sector to deliver affordable homes, as quickly as it is safe to do so.

Our draft Infrastructure Investment Plan sets out our planned capital investment of over £2.8 billion over the next 5 years, to deliver more affordable and social homes, continuing to ensure the right homes in the right places reflecting and supporting Local Housing Strategies and regional development priorities. This is a 16% increase on equivalent capital investment levels over the current parliament. There will also be further activity to deliver more affordable and social homes over the next parliament funded through the Transfer of Management of Development Funding budget.

We continue to show a strong commitment to affordable housing through our £667.615m capital grant budget allocation for 2021-22 (including £92.245 m from the TMDF budget line). This is lower than the 2020-21 capital budget but signals a move to a more even capital distribution over the next five years compared to the steep trajectory of the last five years as we moved from the 30k to the 50k target. Alongside this grant funding, we will also utilise £44m financial transactions – capital funding that must be used in the form of loans outwith the public sector – to support first time buyers through shared equity. However, our ability to fully fund these programmes has been significantly hampered by the UK Spending Review in November. There is the prospect of further Capital funding being made available to the Scottish Government from UK budget decisions in the coming weeks. We will revisit the Housing budget position in the event of further funding developments. This reflects the vital importance we place on further investment in housing to support our forthcoming Housing to 2040 strategy.

Question 8

Does the Scottish Government consider that the crisis has underlined the benefit of there being longer-term indicative budgets for local government, to help them plan better for the longer term, including for instance, preparing for emergencies?

Response:

The Scottish Government is fully committed to providing local government multi-year financial settlement to help them plan better for the longer term however as long as the UK Government continues to provide the Scottish Government with an annual resource budget settlement it will not be possible for the Scottish Government to set more than a single year budget and therefore a single year local government finance settlement.

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Question 9

We would welcome an update on discussions between the Scottish Government and Cosla on a fiscal framework. Have discussions been continuing during the crisis? What has been agreed? What is the future timetable? What is the Scottish Government's response to the Accounts Commission's offer, expressed during our scrutiny, to take part in the discussions?

Response:

The Finance Secretary wrote to COSLA on 5 March 2020, reiterating the Scottish Government's commitment to undertaking joint work with COSLA to develop a rules based fiscal framework to support future funding settlements for local government to be introduced in the next parliamentary session. Scottish Government and COSLA officials met on 11 March to discuss the scope of work required. Unfortunately, due to the pandemic no further work has taken place to date, however the commitment to develop a rules based fiscal framework remains. It is expected that work on developing such a fiscal framework will recommence in the near future.

Question 10

Does the Scottish Government think that it may be time to review the local government funding formula once the current public health emergency is over?

Response:

The Scottish Government and COSLA keep the current funding formula under constant review through the Joint Settlement and Distribution Group. The Scottish Government is always open to any proposals that could improve the current funding formula but radical change to the way local government is funded would have to be with the agreement of COSLA on behalf of all 32 local authorities.

Question 11

What lesson does the Scottish Government consider can be learned from the example of central government, councils and third sector and voluntary organisations working together to virtually eradicate rough sleeping this Spring? How can we best ensure any lesson learned can be applied in any other contexts where there is a multi-agency approach to the delivery of local services or the achievement of a particular outcome?

Response:

Scotland has some of the strongest rights in the world for people experiencing homelessness: this was the basis on which a swift and effective response was established. Unlike elsewhere in the UK, people experiencing homelessness have the right to accommodation which meant changes could be made in Scotland in response to the pandemic very quickly.

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The main lesson learned is that it is possible to end rough sleeping in Scotland. The key to successfully moving people off the streets during lockdown was strong partnership working between national and local governments and third sector organisations, as well as a shared commitment to addressing the most acute forms of homelessness. This enabled a rapid and co-ordinated response between local authorities and their third sector partners to support hundreds of people previously sleeping rough or in unsuitable B&Bs or night shelters into hotels or other self-contained accommodation. Resource of over £1.5 million provided early on in the crisis by the Scottish Government enabled third sector organisations to secure emergency hotel accommodation and move people off the streets. A shared commitment across all sectors that put people experiencing homelessness at the centre of the response was key to the success of this initiative. The ability to provide accommodation to people with no recourse to public funds due to the need to protect public health during the pandemic was also instrumental in reducing the number of people at risk of rough sleeping.

The development of Rapid Rehousing Transition Plans (RRTP) by local authorities across Scotland has been recognised as crucial in supporting their recovery from this pandemic. In some instances, local authorities have brought forward activities and transformed services earlier than planned. We have heard through the Housing Options Hubs of local authorities closing hostels and commencing Housing First earlier than anticipated to ensure people experiencing homelessness are safe and receiving the support they require. Funding of £5.14 million has recently been made available as part of the winter plan for social protection to boost rapid rehousing and support people experiencing homelessness, and we will use the lessons learned this year to ensure it has maximum impact.

Question 12

The Committee would welcome a Scottish Government update on homelessness, rough sleeping and the use of temporary accommodation in the context of the pandemic as we head into winter.

Response:

Due to the sustained efforts of frontline services in particular combined with that of local authorities, the significant progress made over lockdown has been maintained since. Intelligence from street outreach services following the First Minister's lockdown announcement on 4 January showed that there were only around 30 people sleeping rough in the areas where this activity is concentrated. As at 22 January, 4 people were rough sleeping in Glasgow, 1 in Aberdeen and 12 in Edinburgh, with no rough sleeping reported across the rest of the country.

Scottish Government support of £1.5 million for emergency hotel accommodation came to an end at 31 August, at which point local authorities moved people into alternative accommodation. The pandemic has changed what is considered acceptable in terms of emergency accommodation in terms of ensuring individuals are able to protect themselves from the spread of the virus and reduce the risk of the virus spreading in the community. In response to the public health crisis created by Covid-19, it was considered necessary to provide people with self-contained accommodation together with private bathroom facilities. Hotels are now the new bottom line for emergency accommodation – there will not be a return to dormitory-style night shelters as was the case in previous years. While local authorities are confident they have sufficient access to safe, self-contained accommodation

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to keep people safe this winter, we have set aside £1 million in reserve in our winter plan for social protection to respond to any unforeseen pressures.

Although our overall ambition in modifying night shelter provision this winter is to eradicate the need for these completely, we recognise there will always be a need for some form of emergency accommodation to prevent rough sleeping. In our 2020-21 Programme for Government and updated Ending Homelessness Together action plan, the Scottish Government committed to modifying night shelter provision this winter and ending the use of night shelter and dormitory style provision in future by establishing Rapid Rehousing Welcome Centres (RRWCs). The Edinburgh RRWC opened on 5 October and the Glasgow RRWC opened on 1 December. The RRWCs operate on the principle of scaling down hotel accommodation and night shelter provision and scaling up rapid rehousing and Housing First, where on-site accommodation will remain a last resort. A multi-agency service hub will provide in-reach support to the RRWCs to make connections with appropriate services, enabling guests to move on to preferred accommodation as quickly as possible.

Question 13

The Committee requests a progress report on the local governance review. Has it been revised in the light of lessons being learned from the current crisis? What is the remaining timetable for the review and how much of it does the Scottish Government expect to be completed by the time of dissolution? What plans does the Scottish Government have to capture the key principles it has agreed with Cosla, so that the work may be carried forward into the next Parliamentary session?

Response:

The Scottish Government remains committed to the principle of subsidiarity and local democracy: the way power and resources are shared between national and local government and with our communities contributes to the success of different places. In response to the Local Governance Review's initial findings, we jointly announced with COSLA that we will further empower communities and local councils across Scotland to create a vibrant, equal democracy where people understand their rights and actively participate in civic society.

COSLA has since worked with Scotland's councils to finalise a suite of place-based proposals for alternative governance arrangements. These were received in November 2020 instead of the original March deadline when our combined focus shifted onto the COVID response. Council proposals encompass changes designed to deliver functional and fiscal empowerment of councils, as called for in the COSLA Blueprint for Local Government¹, along with changes designed to support community empowerment.

We will use the time left before dissolution to work with COSLA to identify those proposals which demonstrate strong potential to improve outcomes for local people. This will involve agreeing joint-work to understand how any proposed changes would work in practice, including their full implications for local communities and wider public sector partners.

Democracy Matters conversations with our communities will continue to guide our overall approach to community empowerment. During the first phase of engagement, people from a

¹ [LG-Blueprint.pdf \(cosla.gov.uk\)](https://www.cosla.gov.uk/LG-Blueprint.pdf)

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wide range of backgrounds were clear that our diverse communities work best when they are able to shape their own futures. The next phase of engagement will involve people being invited to consider new democratic decision-making arrangements for communities which can direct potentially significant levels of resource, enhance equalities and human rights, and promote civic participation.

We want people to consider this kind of democratic future with their friends, families and neighbours. The public health emergency prevented the Democracy Matters conversations continuing within and across our communities during 2020. However, the response to COVID over this period further demonstrated what communities can achieve when they are trusted to take decisions of vital importance to local people's lives. We will use the remaining time before dissolution to work with a small number of diverse but ambitious communities to explore in detail how a powerful new sphere of democracy might work in their unique circumstances, and alongside emerging alternative governance arrangements for local government.

Question 14

We ask the Scottish Government to comment on views that there is a need for a “back to basics” review of social care delivery in Scotland, including the pay and status of workers in the sector.

Response:

The Scottish Government agrees that as a country, we need to have a comprehensive and fundamental review of social care. That is why, on 1 September the First Minister announced an Independent Review of Adult Social Care. Chaired by Derek Feeley, this Independent Review is now in its final stages and it will report by the end of January 2021.

As well as considering recommendations to improve the standard of support for people who use adult social care and their families, the Independent Review is also considering how to improve the experiences of unpaid carers and the social care workforce. This includes their employment arrangements, terms and conditions, pay, opportunities for training and progression and their relationships with other professions across health and social care. The Independent Review is taking a particular focus on the views and experiences of those with lived experience of social care in Scotland and will ensure that the voices of unpaid carers and the workforce are at the centre of the recommendations made in January 2021. To facilitate this, an extensive programme of engagement has been undertaken so they can hear first-hand from unpaid carers, workers, trade union representatives and service providers.

Further to this, the Review has also developed links with the Fair Work in Social Care Group so that issues around Fair Work can be fully considered. The Scottish Government has a long-standing commitment to fair work for the social care sector. Before the pandemic we had already begun work to address the issues highlighted in the Fair Work Commission report into social care. A key strand of this is how we achieve fair work for all of our social care workforce.

Work is underway with the Fair Work in Social Care Group to develop and implement proposals to embed fair work principles that will lead to better terms and conditions and more

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rewarding roles for the social care workforce. This includes people working in social care, including care homes, care at home, housing and other support. The Scottish Government provides regular updates to the Fair Work Convention, keeping them informed of progress. This valuable work continues to be a main priority – the conclusions of the Fair Work in Social Care Group are currently being developed and will be finalised following the Independent Review of Adult Social Care, which will report at the end of January..

Question 15

Does the Scottish Government agree with views from local government that the “new normal” after the pandemic is likely to involve a permanent shift to more online forms of service delivery, and a “blended” model of mixed working at home and in the office? If so, what work needs to be done at strategic level by central and local government, and the voluntary sector, to facilitate these new forms of working and to address the downsides, for instance the risk of digital exclusion?

Response:

The covid-19 pandemic has reinforced the importance of connectivity, and Scottish Government has accelerated plans to support our own workers, as noted, recognising that a blended model is likely to be more prominent in future. That includes looking at best tools to enable staff to work more effectively from home or at work and ensuring we are able to work virtually as and when required by ensuring our infrastructure is robust. Local Government are similarly addressing this area, supporting their own staff and strengthening their own infrastructure.

We are currently working on a refreshed Digital Strategy for Scotland, developed in conjunction with COSLA, which sets out the potential of digital ways of working to transform the way government and services are delivered in an ethical way to centre, around the user, with an increased focus on both wellbeing and inclusion.

Equally, we are continuing our plans to extend access to digital connectivity via the over £600 million investment in the R100 broadband programme, which will support the delivery of fibre networks across rural Scotland, and the £25 million investment in the Scottish 4G Infill programme, which is extending 4G coverage to up to 46 mobile notspots across Scotland. Connectivity is key to the virtualisation of the workforce and will underpin the digitalisation of organisations and service delivery across all sectors of the economy.

Through the Digital Participation Charter, the Charter Fund and a range of digital programmes for third sector organisations Scottish Government funds SCVO to support the sector to pivot services and organisations to make the most of digital technologies to improve service delivery appropriately. The Charter Fund, which is administered by SCVO, directly supports third sector organisations to increase digital inclusion. Information about projects supported by the Fund can be found at <https://scvo.org.uk/funding/digital-participation-charter-fund>

The isolation of staff is a current consequence of the pandemic, and management in all sectors are aware of the importance to ensure staff are supported eg by having virtual meetings, use of video technology, ensuring that communication is tailored to the individual's

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needs, to try and address the isolation. Mental and physical health is always a priority, and more so during the pandemic, so staff are encouraged to take breaks (avoid digital fatigue) and try to stay in contact with family and friends, even if only virtually.

Question 16

Does the Scottish Government consider that a switch to providing more local services online makes changes to local government staffing structures, including reduced staffing, likely or inevitable?

Response:

Local authorities are responsible for how they organise and deliver local services and Scottish Government has no direct control in these matters. We suggest that local government is best placed to advise the Committee on the detail of this point. However, the committee will want to be aware that the consultation around our future digital strategy is looking at the implications of digital transformation for the structure, culture, processes and practices of public sector organisation. The consultation is a joint exercise between Scottish Government and local government and both parties are committed to working in ways that enable them to take advantage the opportunities of the digital world. These include the opportunity to adopt common platforms for common processes and redirect resources as far as possible on to front line service delivery.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



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