

# Report

Report to:	<b>Finance and Corporate Resources</b>
Date of Meeting:	<b>26 February 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Local Governance Review Update</b>
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## 1. Purpose of Report

- 1.1. The purpose of the report is to:-
- ♦ provide an update on the current status of the Review

## 2. Recommendation(s)

- 2.1. The Committee is asked to approve the following recommendation(s):-
- (1) that the update on the Local Governance Review be noted; and
  - (2) that it be noted that Council Officers are currently seeking to identify whether there are any potential pieces of work which could be taken forward under the headings of the Review.

## 3. Background

- 3.1. In December 2017, the Scottish Government and COSLA jointly launched a Review of Local Governance. The purpose of the Review is to consider how powers, responsibilities and resources are shared across national and local spheres of government, and with communities. The Review is not simply about local government, as 'Local Governance' is much wider.
- 3.2. The first phase of the Review had two strands. Strand 1 involved a programme of community engagement which invited people to join a conversation about community decision making, called Democracy Matters. Strand 2 included consultation with public sector bodies, such as local councils, to consider if increasing their powers could improve outcomes for people. The Council response to Strand 2 of the Response was approved for submission by the Executive Committee on 19 December 2018.
- 3.3. On 16 May 2019, the Cabinet Secretary for Communities and Local Government and the COSLA President shared the findings of phase 1 of the Review. The outcome of Phase 1 indicated a clear desire for transformative change, based on a belief that democracy matters and in the sovereignty of communities.
- 3.4. Workstreams were then set up through the joint political arrangements in place between COSLA and the Government. A Special Joint Interest Group comprising the COSLA Group Leaders, the COSLA Presidential Team and a Cabinet Sub-Committee (SIG) was set up to take forward the 3 Key interconnected empowerments "Community, Fiscal and Functional". These are described as follows:-

- ◆ Community Empowerment through a new relationship with public services where communities have greater control over decisions
- ◆ Functional empowerment of public sector partners to better share resources and work together
- ◆ Fiscal empowerment of democratic decision makers to deliver locally identified priorities

3.5. The SIG, as part of the joint political discussion, emphasised the expectation that all 3 empowerments would be progressed concurrently; that parameters needed to be set, and timescales clarified. It also reconfirmed that the focus shouldn't be solely on local government but should include public services and proposed that a critical friend be added as part of the programme management arrangements.

#### **4. Next Phase of the Local Governance Review**

- 4.1. On 28 November 2019 a joint letter was issued by the COSLA President and the Cabinet Secretary for Local Government and Communities to all public sector leaders advising that the Review to date had stimulated a discussion on taking forward their commitment to subsidiarity in Scotland. They want to support reform at a local level as they recognise that when debates are held locally, people can more meaningfully engage. They take the view that by challenging whether traditional models of governance and associated service delivery are best placed to respond to local priorities they can identify how to transform local democracy in ways which drive improvement across public services.
- 4.2. The next phase of the Review will involve the development and testing of proposals and public sector leaders are invited to submit proposals to be considered as formal pilots or test of change sites. An update was provided by COSLA on 12 February 2020 that proposals must cover the headings set out in Appendix 1 and consideration of proposals will be guided by the democratic renewal principles also set out in Appendix 1. It also provided notification that the deadline for submission of proposals to be 27 March 2020.
- 4.3. Proposals must take account of fiscal, functional and community empowerment. Transformative proposals developed in conjunction with public sector partners and the community which offer the potential to increase community participation in locally identified and led activity are of interest, however proposals which focus only on changes to policy or practice will be considered out of scope. Any opportunities to road test the proposed changes through new ways of working in a small number of communities will also be of interest if this allows new arrangements to be further developed in order to best support the realisation of the National Performance Framework (NPF) outcomes.
- 4.4. The Local Governance Review Joint Programme Board will consider proposals in April before making recommendations to the Joint Political Oversight Group for decision. As prioritisation is required due to the limited resources available, Proposals which don't receive resource assistance, but which align with the principles of the review may still proceed and officers will share information and learning from the areas undertaking pilots.
- 4.5. Council Officers are currently working to identify whether there are any potential pieces of work which could be taken forward under the headings of the Review.

## **5. Employee Implications**

- 5.1. Support will be required to ensure community capacity in order to develop community leadership, and also to support participation in any partnership groups established by the Council with other public sector and community partners.

## **6. Financial Implications**

- 6.1. A level of funding will be awarded in the event of any proposal being selected by COSLA and Scottish Government to be taken forward as a priority proposal.

## **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability and the natural environment in terms of the content of this report.

## **8. Other Implications**

- 8.1. There are no significant implications in terms of risk associated with this report.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. Consultation will be required with public sector partners and community groups to develop transformative proposals addressing community, functional and fiscal empowerment.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

7 February 2020

## **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, effective, efficient and transparent

## **Previous References**

- ◆ Executive Committee, 19 December 2018
- ◆ Executive Committee, 15 August 2018

## **List of Background Papers**

- ◆ None

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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## APPENDIX 1

### Submission of Proposals

Proposals should also aim to consider their relevance and impact across the **three empowerment**s of fiscal, functional and community. When submitting a proposal it would be helpful if you could use the following headings:

**Outline of proposed governance changes** – what powers would shift, or be created, and who would take responsibility for these along with any associated resources?

**The outcomes this seeks to achieve** – what change will this have on the delivery and accountability of a service to the benefit of individuals and/or communities? Is there a clear link to the delivery of the NPF?

**Who is involved – partnerships/communities** – have local partners and communities been involved in agreeing the proposal and how will it support a more place based approach to service design and delivery?

**How the proposal will be developed and tested** – what next steps will be undertaken/are required to strengthen, and where possible, test the proposal?

**Any cost/resource implications that need to be considered** – what support requirements are required to take the next steps.

### Democratic Renewal Principles

Proposals submitted for consideration should clearly demonstrate that they will support or enable the following principles in their implementation:

- 1. Subsidiarity & local decision making**  
Decisions should be democratically accountable and taken at the lowest possible level or at the level closest to the people they affect.
- 2. Simple, Open Democracy**  
People should be able to genuinely influence the decisions that affect them and their families and can trust in the decisions the people they elect make on their behalf.
- 3. Personal & Empowering**  
People should have the equal opportunity to participate and have their voice heard in decisions shaping their local community and the society they live in.
- 4. Fairness & Equality of Outcomes**  
Arrangements should be appropriate and tailored towards the needs and aspirations of people and places, to support the delivery of shared national outcomes.
- 5. Financially sustainable & preventative**  
Arrangements should be effective, efficient and represent value for money for Scotland as a whole.