

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>16 December 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 Local Governance 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.

## 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 Review 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 were 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 should not 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 Second 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 had stimulated a discussion on taking forward their commitment to subsidiarity in Scotland. They wanted to support reform at a local level as they recognised that when debates are held locally, people can more meaningfully engage. They took the view that by challenging whether traditional models of governance and associated service delivery are best placed to respond to local priorities they could identify how to transform local democracy in ways which drive improvement across public services.

4.2 Phase 2 of the Review involved testing of proposals submitted for consideration as formal pilots or test of change sites. The proposals had to take account of fiscal, functional and community empowerment. Transformative proposals developed in conjunction with public sector partners and the community which offered the potential to increase community participation in locally identified and led activity are of interest, however, proposals which focused only on changes to policy or practice would be considered out of scope. Any opportunities to road test the proposed changes through new ways of working in a small number of communities would also be of interest if this allowed new arrangements to be further developed in order to best support the realisation of the National Performance Framework (NPF) outcomes. The Council did not put forward a proposal for consideration as a formal pilot or test of change site.

4.3 The Local Governance Review Joint Programme Board were due to consider proposals in April before making recommendations to the Joint Political Oversight Group for decision, however due to the pandemic progress stalled between March and late August.

#### **5. Next Phase of the Review**

5.1 On 20 October 2020, council Chief Executives were notified by email by the Chair of SOLACE that in late August the Cabinet Secretary for Communities and Local Government had written to the President of COSLA confirming that the next phase of the Review would be limited to looking in closer detail at the potential for a new tier of democratic governance at community level. This has been interpreted as enhanced Community Council governance, with the addition of an unspecified level of resources and decision-making powers. This proposal suggests that it would lead to a move of power and responsibilities from councils to the enhanced Community Council tier, with no consideration of devolution of powers to councils from other bodies including the Scottish Government, nor of further integration and democratic control of public services.

5.2 The email also advised that on 15 September 2020, COSLA had written to the Cabinet Secretary expressing disappointment at what appeared to be a unilateral decision taken without consultation and noted that only community empowerment was being progressed with no mention of fiscal or functional empowerment. COSLA reiterated

that the three empowerments should be progressed at the same time to deliver real and lasting progress.

5.3 The Cabinet Secretary responded, recommitting to the delivery of the Review's objectives in full and, jointly with COSLA recommending an agreed programme of consolidation of proposals submitted from councils. The final proposals were to be submitted by 6 November in order to be brought to the Review's Joint Programme Board for consideration on 18 November.

5.4 It is anticipated that the conclusions of the Review will be reflected in a Local Governance Bill to be promoted after the Scottish Parliamentary Elections in May 2021.

## **6. Employee Implications**

6.1 There are no employee implications associated with this report.

## **7. Financial Implications**

7.1 There are no financial implications associated with this report.

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

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

## **9. Other Implications**

9.1 There are no significant implications in terms of risk associated with this report

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

10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required

10.2. There was no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**

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

27 November 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
- ♦ Executive Committee 26 February 2020

## **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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