
NORTH AYRSHIRE COUNCIL

7 November 2018

North Ayrshire Council

Title: **Review of Local Governance**

Purpose: To agree the process for the Council's response to the Review of Local Governance.

Recommendation: That Council (1) agree that the points detailed in sections 2.12 to 2.22 of this report should form part of the Council's response to the Review and; (2) grant authority to the Chief Executive to finalise the Council's response, in accordance with the principles set out in this report and in consultation with the Leader and Leader of the Opposition.

1. Executive Summary

- 1.1 This report relates to the Review of Local Governance, jointly launched in December 2017 by the Scottish Government and COSLA. The Review considers how powers, responsibilities and resources are shared across national and local spheres of government, and with communities.
- 1.2 The Council's response is due on 14 December, which is in advance of the next meeting of Council. The Community Planning Partnership (CPP) are to consider the Review at a workshop on 22 November, and COSLA will also be considering their response during the next month.
- 1.3 This report considers the Review, and the principles and issues which underlie it. It goes on to propose key themes which should be covered in any Council response and specific changes which are required. It is recommended that Council consider and agree these matters with a view to informing the Council's eventual response. Given the timescales it is recommended that authority be given to the Chief Executive to finalise the Council's response in consultation with the Leader and Leader of the Opposition. This will enable the response to incorporate any relevant points arising from the CPP workshop.

2. Background

- 2.1 In December 2017 the Scottish Government and COSLA jointly launched a Review of Local Governance. The Review will consider how powers, responsibilities and resources are shared across national and local spheres of government, and with communities. It is important to recognise that the Review is not simply about local government, as 'Local Governance' is much wider.

2.2 The Review is being conducted in two overlapping strands. Strand 1 focusses on a programme of community engagement which invites people to join a conversation about community decision making, called Democracy Matters. The conversation will take place over a period of six months, ending around November 2018. Strand 2 involves consultation with public sector bodies, such as local councils, to consider if increasing the powers they hold could improve outcomes for people. The deadline for Strand 2 written proposals and evidence is 14 December 2018. In the event of legislative change being required, a Local Democracy Bill is provisionally scheduled for introduction later this parliament.

2.3 A letter dated 22 June 2018 from Angela Constance MSP, John Swinney MSP and Councillor Alison Evison of COSLA to public sector leaders regarding Strand 2 of the Local Governance Review is attached as Appendix 1. As detailed in this letter, the main themes of the Review include:-

- Local and national government's shared commitment to subsidiarity and local democracy;
- To strengthen local and community decision-making and democratic governance in ways that improve outcomes in local communities, grow Scotland's economy for everyone's benefit, support communities to focus on their priorities, and help new ideas to flourish.
- An acceptance of increased variation in decision-making arrangements across the country: what is right for one place will not necessarily be right for another;
- Working creatively across traditional boundaries to deliver responsive services- how this can be strengthened and scaled up, whether there are new powers or other changes that are needed to make more progress and the benefits these would produce, and about opportunities to hardwire better local governance arrangements into the places we serve. How this landscape could be made to work better overall.
- Shared aspirations in light of the new National Performance Framework to tackle inequalities and drive inclusive growth.

2.4 To get a sense of the scale of this Review and the opportunities it affords, it is important to consider its background and the need for reform. In particular, while the Review recognises its alignment with the 2011 Christie Commission, it is important to note that the Review provides the first comprehensive opportunity to address the following issues identified by Christie:-

"The public service system is often fragmented, complex and opaque, hampering the joint working between organisations which we consider to be essential. As a whole, the system can be 'top down' and unresponsive to the needs of individuals and communities. It lacks accountability and is often characterised by a short-termism that makes it difficult to prioritise preventative approaches.

Addressing these systemic defects will require a fundamental overhaul of the relationships within and between those institutions and agencies - public, third sector and private - responsible for designing and delivering public services.

Evidence drawn from written submissions to the Commission, public discussion events and stakeholder meetings, demonstrates that some new approaches - characterised by collaboration between organisations and partnerships with people and communities - are making a real difference and can provide positive models for the future.

However, these are isolated examples. A priority for government should be to ensure such approaches become the norm, benefiting individuals and entire communities.”

2.5 Against this background the Christie Commission identified several key principles which still remain core to public sector reform.

- Reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use.
- Public service providers must be required to work much more closely in partnership, to integrate service provision and thus improve the outcomes they achieve.
- Priority given to expenditure on public services which prevents negative outcomes from arising.
- The whole system of public services - public, third and private sectors - must become more efficient by reducing duplication and sharing services wherever possible.

2.6 Also of relevance to the Review is the Report of The Commission on Strengthening Local Democracy. It was noted that:

- 50 years of centralisation has not tackled the biggest problems that Scotland faces;
- For a country with Scotland's relative wealth and strength, the level of inequality today is simply intolerable, and has huge social and financial costs;
- There is a link between the absence of strong local democracy and the prevalence of inequalities; and
- It is communities that empower governments at all levels, not governments that empower people.

In response to these challenges, the Commission identified seven principles for stronger democracy in Scotland. These are:

1. The principle of sovereignty: democratic power lies with people and communities who give some of that power to governments and local governments, not the other way round.
2. The principle of subsidiarity: decisions should be taken as close to communities as possible, and local governance has to be right shape and form for the people and the places it serves.
3. The principle of transparency: democratic decisions should be clear and understandable to communities, with clear lines of accountability back to communities.
4. The principle of participation: all communities must be able to participate in the decision making that affects their lives and their communities.
5. The principle of spheres not tiers of governance: different parts of the democratic system should have distinct jobs to do that are set out in ‘competencies’, rather than depend on powers being handed down from ‘higher’ levels of governance.
6. The principle of interdependency: every part of the democratic system has to support the others, and none can be, or should seek to be, self-contained and self-sufficient.

7. The principle of wellbeing: the purpose of all democracy is to improve opportunities and outcomes for the individuals and communities that empower it.

The Review of Local Governance provides an opportunity to take forward these principles.

- 2.7 Within North Ayrshire, the development of Community and Locality Planning has been a key means of addressing the issues identified by both Commissions. In particular, Locality Planning aims to:

- support empowered communities;
- be evidence-led;
- ensure that clear priorities, co-produced with the community, are developed; targeted at the specific needs of communities (as opposed to a 'one size fits all approach');
- ensuring the work of Community Planning Partners and communities is aligned towards implementing agreed priorities.

The North Ayrshire approach towards Locality Planning, while by no means complete, has been widely praised as sector leading. As will become evident later in this report, it provides the starting point to address a number of issues raised in the Review.

- 2.8 To support Strand 1 of the review about community engagement, the Localities Conference in Saltcoats Town Hall on 15 September 2018 focussed on the review, with input from the Scottish Government. In addition, the Council has encouraged a number of local community organisations to apply for Democracy Matters funding from Scottish Government to run their own local events. This includes community councils, and the Connected Communities team are supporting these events. One of the main Scottish Government Regional consultation events will be held in North Ayrshire on 26th November. North Ayrshire Community Planning Partnership will also have a half day workshop on 22 November to consider the responses of partners, and a CPP response to stage 2.

- 2.9 COSLA have been working to identify a common view from the local government community around key themes, including national aspects of reform such as fiscal empowerment and powers. To inform this exercise Professor James Mitchell of Edinburgh University was tasked with an initial scoping exercise to map out local authority positions on reform. Initial themes identified by Professor Mitchell are:

- 2.9.1. "Asymmetric" and "Permissive" approaches to governance

Many responses highlight the diversity of their communities and the importance of ensuring that public services can meet that diversity. Common to these is support for exploring potentially different models of governance for different communities. Proposed options for reform vary accordingly, with reference to city powers, islands governance, and single public authority models. The emphasis has been on enabling/permissive legislation in pursuit of this and which could create the conditions and capabilities to provide locally sensitive services. A number of potential tensions have also been highlighted, including managing the relationship between greater variation in local delivery and perceptions of 'postcode lotteries'. Along with 2.8.3, this raises issues about the relationship between central and local government - is local government the delivery-

arm of central government, or should power be delegated to the lowest level and the role of central government restricted to setting minimum standards?

2.9.2. Collaboration and Integration across public services and councils

Issues include collaboration across neighbouring authorities (or those with similar needs/interests e.g. island authorities), with other public bodies including Community Planning Partnerships, and with social enterprises, the third sector and community models. The extent of potential collaboration varies from versions of an integrated single public authority/public sector delivery vehicle, to collaboration on specific policy fields, and greater budget sharing with other services including Health. The latter point is particularly relevant to the challenge of reducing health costs through increased social care.

2.9.3 Subsidiarity, Empowerment and Participation

Expressed in various forms, the theme of devolution of power, and rebalancing the relationship between national and local government and communities comes across strongly. Opportunities for greater local democratic control of other public services beyond local government are also an issue, as are the roles, functions and capabilities of Area Committees/Locality Partnerships within local government and Community Planning Partners. Related themes include those of participatory budgeting, community engagement, the need to push down power and resources beyond local government to communities, the role of community councils, as well as the future relationship between representative, participatory and deliberative democracy.

2.9.4 Scale

It is also suggested that work should be undertaken to address how to develop public services at the right scale, for example in relation to regional collaborations, existing council or CPP levels, and community level. In broad terms, there is interest in capturing economies of scale or scope at regional level, but in ways that enable local government and communities to deploy this according to local circumstances and priorities.

2.9.5. Fiscal Empowerment

This relates to a desire by local government to have more financial autonomy over the resources available to provide services, the consideration of specific measures such as a transient visitor tax, and reviewing the ways in which financial measures are used for central policy initiatives or specific input measures. Opportunities such as budget sharing within CPPs and across specific public services are also highlighted.

2.10 It is significant that the Review is taking place against a background of increasing demand for services, a history of central constraints on local financial flexibility (e.g. ring-fencing, the Council tax freeze etc.), and recurring reductions in grant. The clear message from Audit Scotland and others is that after 10 years of austerity it is no longer a realistic option for local government to target 'efficiency' savings or salami-slice. Transformation, particularly transformation which reduces demand, is required.

2.11 It is also important to recognise the Review seeks to address how resources are shared across national and local spheres of government. What matters is not just the total sum available for public expenditure but how it is allocated. The contrasting position of local authorities in England and Scotland and between public authorities in Scotland is

illuminating. Research by Cambridge University published in October 2018 showed that local authorities in England had suffered an average spending cut of almost 24% since 2010, compared to 12% in Wales and 11.5% in Scotland. The authorities facing the deepest cuts were those with the weakest local economies, who were most reliant on Government grant, with lower property values and fewer other funding sources. In other words, more deprived communities had borne the burden of austerity. While Scottish cuts to local authority budgets have so far avoided a similar pattern, the impact of austerity across the public sector has not been uniform. Local authorities have borne the brunt of cuts and 90% of public sector job losses have been in local authorities. The Review provides an opportunity to re-open the debate on Government funding priorities, the appropriateness of imposing central control through ring-fencing, enhanced revenue raising powers, commercialisation/municipal trading etc.

The Council Response

- 2.12 The Council's response is due to be submitted by 14 December 2018, immediately in advance of the Council meeting on 19 December. Accordingly this report seeks the views of Council on key principles to inform the response. It also proposes a number of key 'asks' of Government. Thereafter, following the CPP workshop on 22 November 2018, it is proposed that the response is finalised by the Chief Executive in consultation with the Leader and Leader of the Opposition.
- 2.13 Turning to the Council's proposed response, ultimately local governance needs to support the shared aspirations of the Scottish Government, COSLA, and North Ayrshire Council to tackle inequalities and drive inclusive growth, especially in the light of the Fairer Scotland Duty, Part 1 of the Equality Act 2010, which came into force in Scotland from April 2018. It places a legal responsibility on particular public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.
- 2.14 Underlying the proposed response are a number of high level themes, namely:-
1. Collaborative Leadership: the need to establish a generation of leaders who are focused on outcomes and reducing inequalities, and who can operate across organisations to reduce silo working and maximise creativity and resources. There is a need to develop trust through a culture of relational and collaborative leadership across Community Planning Partnerships and communities. Joint leadership and skills development among Community Planning Partners is advised.
 2. Culture Change: investing in people in the public sector, to ensure that early intervention and prevention approaches are at the heart of all we do and that staff are empowered and enabled to take risks in providing the best possible services.
 3. People Focus: linked to culture change, we need to review how we design policies and services and how we deliver them. While we need to address the needs of all groups, young people must be at the heart of this and inform our choices.

4. Subsidiarity: consideration should be given to what should be delivered at national, regional and local levels and power should be assumed at the level closest to the communities and people they affect. Scottish Government departments, national and regional agencies and public sector bodies should consider how this principle affects them and their relationships with other public bodies and the communities they serve. The role of central government should be about setting minimum standards, not prescribing how services are delivered.
5. Locality Planning: building and rebuilding a sense of community, where participation by experience rather than only participation by expertise inform our priorities and how we address them. To enable asset-based approaches, and community empowerment, where social capital is nurtured and shared, we need consideration of and investment through community development and associated professionals. This investment in community leadership is central to the rebalancing of “service provision”, the long term financial sustainability of the public sector, and community cohesion and volunteering.
6. Place-making - integration of community and spatial planning: we need to ensure that the “place” dimension becomes a further pillar of our work, where relevant partners inform the development of places, and this also needs to be supported at national, government and government agency level, to facilitate regional and local placemaking.
7. Inclusive Growth: although this is a pillar of the Scottish Government’s Economic Strategy, practical application of the principles is not widely embedded across the public sector and is key to removing regional inequalities. All public bodies should be operating within this principle. The option to provide a Basic Income, fully funded by Government, should be an option available as part of this.
8. Participatory Democracy: this needs to be widened out from just participatory budgeting to participatory approaches to deliver open government. We have to find ways to engage and involve citizens in service design and delivery in meaningful ways, respecting professional expertise but also allowing community based solutions to have parity of esteem with public sector where relevant.
9. Municipal Trading: a recognition that while it is neither desirable nor financially possible for local authorities to do everything, and this can create a ‘dependence culture’, equally there will be gaps in provision which neither the private market nor third sector can fill without support. Local authorities can fill such gaps, either to meet community needs, deliver Best Value or to generate income to fund other services. An obvious example is that in areas such as North Ayrshire, the rental values for industrial premises are not high enough to pay borrowing costs, meaning that none are built by the private sector without public sector involvement. It is important that local authorities are given power to support communities by being able to intervene where there are gaps in the market.
10. Fiscal Empowerment: almost 85% of the council's income is decided and allocated by the Scottish Government through the Scottish Parliament. How the council

spends, and what it spends on, is also subject to substantial external direction and scrutiny. Some of the income allocated by the Scottish Government is “ring-fenced” for particular purposes prescribed by Scottish Government (e.g. pupil equity funding; attainment challenge funding). Broader conditionalities are also periodically attached to national grant allocations, e.g. an obligation to maintain teacher/pupil ratios at an agreed level. Put simply, how can we encourage meaningful community involvement if neither communities nor local authorities can influence spend? Another message from England, is that local authorities will increasingly have to generate income to support public services. Currently there is no clear power to do so in Scotland and greater powers are required.

2.15 These themes, as well as the COSLA themes identified in 2.7 highlight interlinked themes of working together with partners and empowered communities to achieve outcomes focussed on the needs of individual communities. These reflect the principles of asymmetric governance, subsidiarity, empowerment, participatory democracy and collaborative leadership detailed in these paragraphs. Key to these themes is the question of how to achieve the ultimate aim of the Council, its public sector partners, community and business working together to develop and implement local priorities.

2.16 The European Commission said:

“Five principles underpin good governance...: openness, participation, accountability, effectiveness and coherence.”

Enablers such as participatory democracy and Open Government: public participation in government, must be an essential part of any future local governance. Its importance is in supporting the following:

- Complex problems can be addressed by drawing on untapped knowledge, experience and perspectives;
- Co-production delivers better policies and community ‘buy-in’, ensuring effective implementation;
- Improved public sector design and delivery;
- Improved legitimacy and trust in public institutions;
- Development of citizen’s skills, confidence and ambition; and
- Enabling active citizens and communities.

2.17 North Ayrshire Council’s model of Locality Planning has been widely praised as sector-leading because of its success in taking forward such themes. It provides a model for future local governance, not only in North Ayrshire but in Scotland as a whole. For these reasons the Council’s proposed response will both recommend its adoption and focus on barriers to the community working in a place-based way. At its heart our approach to Locality Planning has involved the following steps:

- For practical reasons, localities have to be geographically based and of a size to allow meaningful work;
- An acceptance that it is essential to identify the key priorities for all localities, not just those relating to inequality, islands, IJB Strategic Planning etc.

- Involvement of all CPP partners, Community Councils and representative community bodies on Locality Partnerships
- An evidence-led and objective approach to identifying priorities, using the Place Standard;
- Extensive engagement and consultation using the principles advocated by the Consultation Institute;
- Delegation of increasing levels of resource through Participatory Budgeting, a participatory approach to service delivery and resource allocation;
- Delivery of CPP services on a Locality basis where possible; and
- Maintaining focus on agreed priorities and the actions to deliver these within the Fairer Scotland Duty.

2.18 Another request of Government should be the incorporation of the European Charter of Local Self-Government, if the current proposal for a Private Member's Bill is unsuccessful. The Council's position on this was more fully detailed in the Council's consultation response on the Bill, as reported to Cabinet on 3 September 2018. As detailed in that response, while incorporation of the Charter introduces legal checks and balances in support of local democratic control, the significant practical advantage lies in the positive impact that doing so would have on everyday culture and practice. This is because, by clarifying the competencies of local and national government, both spheres would need to commit to a greater level of consensus and partnership working on shared issues.

2.19 Introduction of a Power of General Competence to replace the Power of Wellbeing is also a necessity for a number of reasons. The current Power of Wellbeing is so hedged with restrictions that it verges on being unusable. For example, it provides no power to generate monies to fund other services. In a context of increasing financial restraint, where local authorities have to work across boundaries and be innovative, whether in the context of Growth Deals, dealing with inequality, providing statutory services, supporting local communities or market failure, it is essential that local authorities have adequate powers. The Power of General Competence already exists in England and would support all the high level themes detailed in 2.12.

2.20 As regards specific 'asks' of Government, in terms of legislative change or otherwise, the key ones are:

2.21 Governance

- Incorporation of the European Charter of Local Self- Government into law in Scotland;
- A Power of General Competence to replace the Power to Advance Wellbeing contained in Part 3 of the Local Government in Scotland Act 2003. This could be subject to the principle of Best Value, which has worked well;
- Local authority jurisdiction to be extended to 12 miles offshore. This deals with the restrictions contained in the case of Argyll and Bute District Council v- Secretary of State for Scotland [(1976) SC 248]
- Electoral law (schedule 6 of the Local Government (Scotland) Act 1973) to be amended to prioritise local geographical considerations and community cohesion over electoral parity. It should also be competent to allow island areas which form part of a mixed

island/mainland authority to have a quota of electorate per Member which is based on the rurality/deprivation of that island rather than having a single quota based for the entire local authority area. This is particularly important for an authority such as North Ayrshire whose islands and mainland areas have quite different levels of rurality and deprivation, and where the quota will inevitably be driven by the much higher mainland population. In addition to this, two or five Member Local Government wards should be allowable where geographical or community factors warrant this.

- Deletion of the provision in section 57(3) of the Local Government (Scotland) Act 1973 which restricts the number of non-councillor Members on a Committee (but not a sub-committee) to one third. This is an impediment to partnership working.
- Amendment of section 56 of the Local Government (Scotland) Act 1973 which currently only allows delegation of functions to committees, joint committees or officers. The aim should be to give power to allow Councils to delegate functions to other CPP partners or communities where desirable;
- Similar powers to be provided to other Community Planning Partners to facilitate joint working. This should include powers to join up services of different public bodies, whether in islands or elsewhere;
- Repeal of sections 15 to 17 of the Local Government and Housing Act 1989 which relates to the duty to allocate seats on committees to political groups. These sections were never brought into force in Scotland and are unworkable in a modern cabinet system.
- Amendment of the requirement in section 62A of the Local Government (Scotland) Act 1973 to obtain the consent of Scottish Ministers to the incorporation of Joint Committees into Joint Boards. While a useful tool, this has been rarely used due to the bureaucracy and timescales in obtaining Ministerial consent. As a matter of principle this should be a decision for Councils, not Ministers. If Councils can form companies, why not Joint Boards?
- Repeal of the Local Authorities (Goods and Services) Act 1970. The 1970 Act is increasingly an obstacle to income generation and is at odds with a philosophy which supports community, subsidiarity and local outcomes rather than central control.
- A legal duty on all public sector bodies to promote inclusive growth;
- A legal duty on all public sector bodies to promote the principle of subsidiarity, that wherever possible power should be delegated to the lowest level closest to the community;
- A joined up approach to Locality Planning, that priorities are required for all localities, not just some - albeit there needs to be a focus on inequalities:
- A requirement for Community Councils to engage in Locality Planning;
- A means needs to be found of ensuring that agency cooperation and sharing of services does not proceed at the pace of the slowest;
- Review of legislation and guidance which impedes Integration Joint Boards from comprising more than one local authority area (e.g. IJBs based on a Health Board area);
- Support for open data, the sharing of data and better analysis of data to target allocation of resources and delivery of services to those most in need, and to identify duplication;
- To what extent does the role of political debate in ensuring scrutiny and transparency need to be balanced by a greater focus on the value of consensus in addressing shared priorities? Is the time now ripe for a high-level review of such issues?

- An integrated, cross- agency approach is needed to deal with issues of health inequality, educational attainment and other areas of inequality

2.22 Financial Empowerment

- Widening the tax base with particular emphasis on an ability to raise a Transient Visitor Tax and other local taxes;
- Local tax raising powers to be included as part of a Power of General Competence;
- Commitment from the Government that (a) local government fees should be set locally to reflect the costs of delivering the service, rather than set by Government, and (b) legislation which currently provides for the setting of local authority fees by Government will be amended to repatriate the setting of such fees back to local authorities;
- Removal of the Council Tax cap;
- A concordat with Government which commits to:
 - A review of the key statutory roles and responsibilities of local government, the resources required to deliver these and current resourcing levels;
 - The principle of subsidiarity, that powers should be delegated to the lowest possible level. This includes powers disaggregated from the UK Government post-Brexit;
 - A three year budget settlement where possible;
 - A recognition that as local authorities are democratically accountable to their electorate for delivery of services, the role of Government is to set minimum outcome standards, not to determine how services should be run or interfere in operational management;
 - A commitment not to impose Government's national will and to restrict local discretion through the use of ring-fencing, council tax freezes, financial penalties etc. All Government monies should form part of the general settlement; and
 - A commitment that any new legislative duties imposed on local authorities must be properly funded.
- Powers to pay a basic income, centrally funded, as a means of reducing regional inequalities;
- A consultative and comprehensive review of local authority funding designed to ensure that at least 50% of local authority expenditure is within the control of local authorities. It is recognised that in order to ensure that funds are targeted towards areas of need rather than each authority retaining all the income it generates, it will be necessary to have a certain amount of central pooling and redistribution;
- A legal duty on all public sector bodies to support and resource community participation;
- A legal duty on all public sector bodies to support and resource open government. Communities can only make informed decisions if they have the information to do so; and;
- A commitment by Government to examining how to better support social care and reduce the burden on acute NHS services, through moving resource into social care.

3. Proposals

- 3.1 It is recommended that Council (1) agree that the points detailed in sections 2.12 to 2.22 of this report should form part of the Council's response to the Review and; (2) grant authority to the Chief Executive to finalise the Council's response, in accordance with the principles set out in this report and in consultation with the Leader and Leader of the Opposition.

4. Implications

Financial:	The issue of local government finance is a key one which is considered throughout this report. However there are no direct financial implications of the report itself
Human Resources:	Similarly there are no direct Human Resource implications
Legal:	It is expected that the Review will lead to legislation in the next term of Parliament. Many of the 'asks' in this report are designed to remove legal obstacles to effective local governance and it is hoped that future legislation can adopt these. However there are no direct legal implications of the report itself
Equality: Children and Young People:	There are no direct equalities or children/young person implications of the report itself
Environmental & Sustainability:	There are no Environmental and Sustainability issues.
Key Priorities:	The Review of Local Governance provides a significant opportunity to remove legislative and other obstacles in the way of our key priorities. Accordingly it has the potential to support all of our Key Priorities
Community Benefits:	There are no Community Benefit Implications

5. Consultation

- 5.1 The Council is committed to supporting Strand 1 of the review in relation to community engagement. The Localities Conference in Saltcoats Town Hall on 15 September 2018 focussed on the review, with input from the Scottish Government. A Scottish Government Regional Democracy Matters event will be held in North Ayrshire on 26th November 2018, and North Ayrshire Community Planning Partnership will also have a half day workshop on 22 November.

A handwritten signature in black ink, appearing to be 'CH', written over a horizontal line.

Craig Hatton
Chief Executive

For further information please contact **Andrew Fraser, Head of Democratic Services** on **01294 324125**.

Background Papers

None



Scottish Government
Riaghaltas na h-Alba
gov.scot



Public Sector Leaders
By email

22 June 2018

Dear Public Sector Leader

LOCAL GOVERNANCE REVIEW – ENGAGEMENT PHASE

Programme for Government 2017-18 set out the intention to “decentralise power to a more local level in Scotland and launch a comprehensive review of local governance ahead of a Local Democracy Bill later in this Parliament”. In December 2017, the Scottish Government and COSLA jointly launched the Local Governance Review.

We believe that it is important to review how powers, responsibilities and resources are shared across national and local spheres of government and with communities in the context of significant change to the governance of Scotland over the last two decades, and in recognition that outcomes for citizens and communities are best when decisions are taken at the right level of place.

This review reflects local and national government’s shared commitment to subsidiarity and local democracy, and builds on joint agreement between COSLA and the Scottish Government to focus on and strengthen local and community decision-making and democratic governance in ways that improve outcomes in local communities, grow Scotland’s economy for everyone’s benefit, support communities to focus on their priorities, and help new ideas to flourish.

The Review of Local Governance will explore what might be achieved, and highlight opportunities for positive change. In doing so it brings a wide range of Scotland’s public services into scope, takes cognisance of reforms where work is already progressing, and will include powers and functions held at national level. It is therefore very important that we hear from you.

Many of you will know that the review is being undertaken in two key strands. First, a highly inclusive conversation with communities is getting underway, and will listen to views about how decision making can work best for towns, villages and neighbourhoods around the country. This reflects our shared commitment to community empowerment, and builds on the work already done to give people a direct say over the decisions that matter most to them. If you would like to support this process, for example by hosting events, please get in touch. As part of that

conversation, we expect people will be interested in how decisions about a range of public services can be made in the communities that they serve.

Second – the main purpose of this letter – we wish to involve you, as Scotland's public sector leaders, in a dialogue about how changes to how Scotland is governed can make the lives of Scotland's people better. Accordingly, we are now inviting you to bring forward proposals to feed into the review.

Just like the first strand, the second strand of the Local Governance Review offers a broad scope, and we anticipate that all public services will wish to offer proposals for improved governance arrangements at their level of place. This is based on an acceptance of increased variation in decision-making arrangements across the country: what is right for one place will not necessarily be right for another. For example, these could be at the level of a city or local authority, community planning partnership or regional economic grouping, or focus on how existing national arrangements can support a more local way of working.

We know that there are already many examples of working creatively across traditional boundaries to deliver responsive services for people. We want to hear how these approaches can be strengthened and scaled up, whether there are new powers or other changes that are needed to make more progress and the benefits these would produce, and about opportunities to hardwire better local governance arrangements into the places you serve. We are also keen to hear about how this landscape could be made to work better overall.

What is important is that proposals reflect our shared aspirations in light of the new National Performance Framework to tackle inequalities and drive inclusive growth, are consistent with Christie Commission principles, and strengthen local decision making.

We also want to have an interactive process with you to consider and develop ideas. Whilst we are setting a deadline for written proposals and evidence of 14 December 2018, we want to hear from you as early in the process as possible in order to understand your proposals, help them take shape and identify where other evidence or assurances might be required to deliver change, and consider how they might link with other ideas.

To get that process underway, we are seeking an initial indication of the kind of issues you would like to discuss by the beginning of September, and we will follow up this letter at that point. There is no fixed format for this, however we do want to receive your initial input no later than early Autumn in order to leave enough time to work with you on proposals. We also want to avoid setting an arbitrary date that would put you under undue pressure to take things forward. But we can't stress enough that we would welcome you getting in touch as early as possible in the process of you forming your ideas. We would of course be happy to meet with you and your networks as part of this process too.

Where there is interest in developing an idea, it will also be important to involve all partners with a potential contribution to make. For example, this approach is already opening up new possibilities for the Islands, following the commitment in Programme for Government 2017-18 to support those Island authorities who want to establish a single authority model of delivering local services.

These two strands of the Local Governance Review will run in parallel for a period of around 6 months, and inform a programme of changes to governance arrangements in different places where these can increase the pace and scale of public service reform, focus on shared outcomes, and strengthen local decision making. In the event of legislative change being required a Local Democracy Bill is provisionally scheduled for introduction later this parliament. However, should you have ideas that will make a real difference, but will take longer to develop and deliver, we do of course still want to hear from you.

Joint oversight for the Local Governance Review overall is provided by the Cabinet Sub-Committee on Public Service Reform Delivery and COSLA's Political Leadership Team. These arrangements provide the primary forum for determining how proposals will be progressed, with Ministers reflecting this in the scope and content of legislation.

The Local Governance Review is part of a long term commitment by national and local government to place based reform and a more local approach to decision making in Scotland. The newly refreshed National Performance Framework provides a shared set of outcomes that this way of working can help to deliver. It is therefore vital that we hear from all parts of Scotland's public services in line with the timescale above. We look forward to your participation, and to discussing your proposals in the coming months.

To begin this process, you can make contact with the team at: democracymatters@gov.scot or 0131 244 0709.

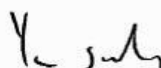
ANGELA CONSTANCE, MSP

Cabinet Secretary for Communities,
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CLLR. ALISON EVISON

COSLA President

