



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Local Government, Housing and Planning Committee

**Tuesday 5 September 2023**

**Session 6**



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Pàrlamaid na h-Alba

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**LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE**  
**19<sup>th</sup> Meeting 2023, Session 6**

**CONVENER**

\*Ariane Burgess (Highlands and Islands) (Green)

**DEPUTY CONVENER**

\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

**COMMITTEE MEMBERS**

\*Miles Briggs (Lothian) (Con)

\*Pam Gosal (West Scotland) (Con)

\*Mark Griffin (Central Scotland) (Lab)

\*Ivan McKee (Glasgow Provan) (SNP)

\*Marie McNair (Clydebank and Milngavie) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Tom Arthur (Minister for Community Wealth and Public Finance)

Joe FitzPatrick (Minister for Local Government Empowerment and Planning)

Kathleen Glazik (Scottish Government)

Councillor Steven Heddle (Convention of Scottish Local Authorities)

Ellen Leaver (Scottish Government)

Garrick Smyth (Convention of Scottish Local Authorities)

Sarah Watters (Convention of Scottish Local Authorities)

**CLERK TO THE COMMITTEE**

Euan Donald

**LOCATION**

The David Livingstone Room (CR6)



## Scottish Parliament

### Local Government, Housing and Planning Committee

*Tuesday 5 September 2023*

*[The Convener opened the meeting at 09:31]*

#### Interests

**The Convener (Ariane Burgess):** Good morning, and welcome to the 19th meeting in 2023 of the Local Government, Housing and Planning Committee. I hope that everyone had a great summer.

I remind members and witnesses to ensure that all their devices are on silent and that all other notifications are turned off during the meeting. I apologise: I have a new gadget, and I am not quite sure how to turn off the notifications.

I welcome Pam Gosal, who is a new member of the committee, and invite her to declare any relevant interests.

**Pam Gosal (West Scotland) (Con):** Good morning, everybody. I have no interests to declare.

**The Convener:** Thanks very much.

I invite other members to declare any relevant interests that they might have.

**Marie McNair (Clydebank and Milngavie) (SNP):** I direct members to my entry in the register of members' interests. I was a councillor in West Dunbartonshire until 2022.

**Mark Griffin (Central Scotland) (Lab):** This is my first committee meeting since my entry in the register of members' interests changed. I have ceased being the owner of a private rented property and a landlord. I was advised by a Standards, Procedures and Public Appointments Committee clerk that I must make that declaration for a year following the cessation of that declaration.

**The Convener:** Okay. Thanks very much.

### Decision on Taking Business in Private

09:32

**The Convener:** Our second agenda item is to decide whether to take agenda items 5, 6 and 7 in private. Do members agree to take those items in private?

**Members** *indicated agreement.*

## Community Empowerment (Scotland) Act 2015 (Post-legislative Scrutiny)

09:33

**The Convener:** Under agenda item 3, the committee will take evidence as part of our post-legislative scrutiny of the Community Empowerment (Scotland) Act 2015. We recently concluded an inquiry into part 2 of the act, which concerns community planning, and the Scottish Government has now published its response to our inquiry report. That was the fourth part of the act that our predecessor committee looked at. The committee has also looked at part 9 of the act, which is on allotments. Our predecessor committee looked at part 3 of the act, which is on participation requests, and part 5 of the act, which is on asset transfers. Each of those elements is important in empowering communities.

Today, we will take the opportunity to reflect on what progress has been made across all four areas of the inquiry. To do that work, we are joined in person by the Minister for Community Wealth and Public Finance, Tom Arthur, and the Minister for Local Government Empowerment and Planning, Joe FitzPatrick. The ministers are joined by Scottish Government officials. Andrew Connal is community planning and public service reform team leader in the Scottish Government, and Kathleen Glazik is the community empowerment team leader. We are also joined online by Councillor Steven Heddle, who is vice-president of the Convention of Scottish Local Authorities, which is often referred to as COSLA. Councillor Heddle is supported online by Garrick Smyth, who is policy manager in the workforce and corporate policy team at COSLA. I welcome all of you to the committee.

As you can imagine, we have a number of questions. I will ask the first question. The evidence that we heard during our inquiry into community planning from community organisations, particularly in communities of interest, about the extent of the shift of power towards communities was a lot less positive than the evidence that we heard from public bodies. Eight years on, how successful has the 2015 act been in shifting power towards communities? We are interested to hear your reflections on that. In answering that question, it would be helpful if you could set out what you understand “community” to mean and, moreover, what community empowerment looks like to you.

I will start with the Minister for Community Wealth and Public Finance.

**The Minister for Community Wealth and Public Finance (Tom Arthur):** Thank you very much, convener, and good morning to the committee. I will, of course, leave the specific points about community planning partnerships for my colleague, Mr FitzPatrick, to respond to on behalf of the Government, as the lead minister.

With regards to the broader question of community, there are recognised terms such as “community of place” and “community of interest”, but ensuring that communities have space to define and understand themselves is paramount, so that they are able to engage with public services through the shared understanding that they have developed of their own identity as a community. I take that very seriously in the work that I lead on community wealth building and the work more widely around community empowerment, whether that is through participation requests, asset transfers, the wider work that we are doing around the review of the 2015 act or the work that we are undertaking on the review of local governance—the key word being “governance”, not “government”.

Working with communities and exploring, in partnership with COSLA, ways in which we can empower communities further and place more resources and decision-making power in the hands of communities will be paramount to that. Part of that work is recognising that communities have a role in defining and understanding themselves and part of it is finding the models and the range of powers and levers that are best suited to their particular needs.

**The Convener:** Joe FitzPatrick, do you want to come in on the community planning aspect?

**The Minister for Local Government Empowerment and Planning (Joe FitzPatrick):** The points that Mr Arthur made on engagement with the wider community and getting people involved are really important, but ultimately, it is the responsibility of the community planning partnerships to identify the measures that they need to use in order to assess whether the work that they are doing and their partnerships are having an effect.

From the Scottish Government’s perspective, we do not currently commission research to look at the impact that community planning partnerships have in the round; that would be a difficult exercise to take forward. It would be difficult to measure some of the positive aspects of community planning partnerships.

The most important thing about the 2015 act was that it put those partnerships on a statutory footing, whereas previously they were not. That is a good thing. When we measure how effective our actions are, it is important that the partners who

have responsibility make sure that they measure outcomes appropriately, so that we can assess not whether the partnership is working but whether the actions that the partnership is taking and driving forward have an impact on communities.

It says something that the first part of your question was about those marginalised communities. It is sometimes easy to say that we are doing all this amazing work, because all the people around the table are connected, but often it is the people who are not around the table who most need the support of the community planning partnership.

That is why we need to continually assess in order to make sure that we do that correctly and, if we see particular gaps, that we look at how we will address them. We know that there was a particular gap was in relation to Gypsy and Traveller communities, and we have now taken action to make sure that we now know how to, and have the tools to, engage meaningfully with those communities on their terms, not on our terms. Such engagement is not on the terms of a particular part of a partnership, the Scottish Government or even this committee, but on those communities' terms.

**The Convener:** Thank you.

It is interesting that the “New Deal with Local Government: Verity House Agreement”—I think that that is the first time that have been able to say that in public—says:

“Community Planning Partnerships will be recognised as a critical mechanism for the alignment of resource locally, focussed on prevention and early intervention.”

It goes on, but it is important that community planning partnerships are central to the agreement between COSLA and the Scottish Government, so I am interested to hear what the minister thinks the role of community planning partnerships is.

The committee has made a number of proposals and it has ideas about how community planning partnerships can be improved, so if something is done to address those things, how can we give communities a voice in that through community planning partnerships, in the new deal that has been agreed?

**Joe FitzPatrick:** First, the new deal goes much wider than the Verity house agreement; the Verity house agreement is one of the planks of the new deal, but the two are not the same. A lot of work is ongoing with local government to deliver the new deal, and the Verity house agreement is an important partnership agreement between the two spheres of government—the Scottish Government and local government partners. The Scottish Government and COSLA recognise the important role of community planning partnerships within that. It is important to note that that is central to

the agreement between the Scottish Government and local government.

**Ariane Burgess:** Councillor Heddle, in the eight years since it was passed, how successful do you think the Community Empowerment (Scotland Act) 2015 has been in shifting power to communities, and what does community empowerment look like to you? The Verity house agreement puts community planning partnerships in a central role, so how do we ensure that communities have a voice in the new deal?

**Councillor Steven Heddle (Convention of Scottish Local Authorities):** I apologise for my croaky voice; I have a sore throat.

The 2015 act has obviously made a difference. That is not an assertion, because it is recognised by the independent bodies who have assessed it, including the Local Government Information Unit. Clearly, the change in emphasis on which partners are empowered or obliged to participate, and the widening out, from councils and health services being the leads, to the police and fire services and enterprise agencies being leads, has been very positive. We have also seen a good number of community asset transfers, and we welcome the existence of the participation requests.

However, it is clear that we could do more to make people aware of how they can participate, and a lot of work is ongoing on that through the local governance review. I note that phase 2 of the “Democracy matters” consultation—a six-month conversation to encourage more community participation—was launched last Monday. We also want to emphasise best practice in engagement with communities so that we can carry that on. We have various fora in which we can do that, including the community planning improvement board, the community planning network and the third sector interface.

Empowerment runs through all this. The local governance review includes three forms of empowerment: functional, fiscal and community. Those permeate the Verity house agreement, about which I will say more later. I will pre-empt the conversation that will take place about that and say that a lot of the principles in the Verity house agreement are based on the European Charter of Local Self-Government, and that subsidiarity is key to making decisions at the most appropriate level and the level that is closest to the community. Local government realises that doing that is incumbent on us, so we also speak to the Scottish Government about transfer of those three forms of empowerment from the Scottish Government to us.

The minister defined what “community” means similarly to how I would define it, so I will not labour that point further.

09:45

**The Convener:** Thank you. I am admiring your map backdrop, with the pointer that shows us where you are. Thanks for that orientation.

I bring in Pam Gosal.

**Pam Gosal:** Thank you, convener.

I will stick to the matter of the surge in community participation and empowerment. It has been described, as you have probably heard, as a “tick-box exercise”. Diving a bit deeper, the committee inquiry heard about a

“a lack of visibility of the CPP in the wider community”,

and it is clear that certain groups feel that their voices are not being heard. Will the Scottish Government take the opportunity, during its review of part 2 of the 2015 act, to help to renew the focus of CPPs on empowerment and participation by identifying opportunities to drive improvement and share best practice? That question is for the minister.

**Joe FitzPatrick:** We know for sure that there is some really good practice going on. It is important that it is shared across Scotland. It is also important to remember that we would not expect all community planning partnerships to look the same. By definition, they are impacted by their localities and communities, so there will be a degree of variability.

However, it is reasonable to assume that we should be trying to drive up the standards and effectiveness of all CPPs. That should not be done in a top-down way, in which we tell CPPs what to do or how to operate. It is about making sure that platforms exist for sharing best practice, and about looking at whether, based on that, there is a need to adjust guidance at some point in the future.

The Scottish Government works collaboratively with other bodies to ensure that we are sharing best practice. Obviously, COSLA, as the other arm of government, takes a very close interest. Crucially, however, there is also the community planning improvement board. It is a product of the pandemic, but I think that its role of bringing together people from across the CPPs to ensure that we are sharing best practice is still really useful.

There is also the community planning network, which Councillor Heddle mentioned. Using those bodies, we can make sure that we are sharing best practice. If the discussions around that suggest a need to update guidance, we can also look at doing that.

However, it is important that we do not ever suggest that we have got community empowerment and community planning right and that that box is ticked. We need to continue

looking at how CPPs operate and how they represent the communities.

In some communities, I have engaged with people whose initial response when they have been spoken to about their CPP is that they really do not have any engagement with it. Obviously, the CPP is not an entity in itself—it is a body of its parts. When we drill down, we often find that many of the partners of the CPP are engaging directly with people. Maybe there is a need for those partners to think about how they can better articulate how they feed back into the CPP, whether those connections are through the police, the fire service, the local council or the third sector interface.

No one is suggesting that everything is perfect and that we cannot make improvements. I think that everyone in this field wants to do more and recognises that we are on a journey and that we can make this better.

**Pam Gosal:** It is good to hear that you are working with many partners. There are two areas that it would be good to hear about from both ministers. The first area is the digital divide. We all know that it is so hard for people who are in digital poverty to participate in democracy—ultimately, they cannot participate. How are you looking to work on that?

The second area, which I spoke a lot about in the Equalities, Human Rights and Civil Justice Committee, is outreach—making sure that we are reaching out to all communities, including the disability community and black, Asian and minority ethnic communities. How are you looking to reach out to those communities to encourage them to participate and to empower them?

**Joe FitzPatrick:** I will pass over to Tom Arthur in a minute to talk about the “Democracy matters” conversation. Although there is a big digital part to that, it goes beyond digital. It is so important that we reach the communities that do not normally engage. Tom Arthur will be able to talk about how some of the partners in that conversation are helping to ensure that we do that.

Such engagement is the responsibility of all CPP partners in all of their work, not only in their work as part of the CPP. They are statutory members for a reason, and they have a responsibility to ensure that they engage across our varied and diverse communities. Having that meaningful engagement in everything that they do will enable us to get things right.

We have talked about the successes of CPPs, and maybe one of the successes—which is not really measurable as such; it is difficult to report—is the recognition by all partners of their role in engaging with all parts of the community. That

engagement is in a better place than it would have been without CPPs.

**Pam Gosal:** I will ask Councillor Heddle the same question.

**The Convener:** I will bring in Councillor Heddle and then Tom Arthur can add his comments.

**Councillor Heddle:** Thank you for that question. I really hope that empowerment is not a tick-box exercise. If we have one job, it is to serve our communities. Clearly, our ability to do everything that we would like to do is compromised by the resources and manpower that we have available. With regard to the point about community voices not being heard, I acknowledge that that is probably true. It is not solely the fault of the community planning partnerships; it is a function of inequality, which we need to address through all of our policy areas.

There is also an issue, not so much of voices not being heard but of voices not being expressed. It is about what we can do to reach out to help people to express their voices and, subsequently, to be heard. That works across a number of the planning areas that we have highlighted, such as locality plans and local police plans. There is a risk that the communities that are well resourced in time and money can shout louder than the impoverished communities that lack both of those things. The question of how we can help those communities has to permeate all of our thinking.

As the minister said, we need to consider engagement alongside our partners. I acknowledge the help that we get from our partners in the community planning partnerships. In my area, the third-sector interface has developed the community engagement principles that all of our community planning partners use. It has conducted a number of exercises that involve physically going to every area of our community in the Orkneys, which is dispersed over 20 inhabited islands.

We need to make it better. As mentioned before, sharing best practice is absolutely something that we have to do, and we have various vehicles through which we can do that.

**The Convener:** Thanks very much. Tom, do you want to come back in?

**Tom Arthur:** I will briefly build on what has already been said. The point about digital divide is well made. That is why we employ a multitude of channels to engage with individuals and communities collectively. When we jointly launched phase 2 of the “Democracy matters” conversation last week, it was an in-person event with a range of stakeholders present. Recognising the need to ensure that we are not relying only on one means of communication and engagement is

important, and that informs all of our approaches to wider engagement.

The point about ensuring that all voices are heard is absolutely paramount. I come back to my earlier point in response to the question of how we define a community. From our engagement in our respective constituencies and regions, we will all be conscious that there can be voices that purport to be the voice of a community, but that would be contested by other people in the wider community. We must always bear that in mind.

Ensuring that we hear the fullest range of voices is important, not just from the perspective of inclusion, equality or rights, but to enable us to harness the collective expertise, knowledge, insight and lived experience that exists across our communities and to bring those to bear. Those voices not being included would not only be a failure of inclusion but would be a missed opportunity to bring to bear the knowledge and insight that different groups bring from their unique and particular sets of experiences.

Often, we find that some of the groups that have historically been the most marginalised in the democratic process are those that engage most frequently with public services. As such, they can bring a powerful set of insights to the conversation. We engage communities from the principles of inclusivity and equality, but we also want to bring the collective expertise of our communities to bear so that we can all benefit from that.

**The Convener:** We will move on to the more detailed topic of community planning.

**Miles Briggs (Lothian) (Con):** On two occasions, ministers, when both of you have been at the committee, you have outlined how important the third sector is in our communities, and how much of a role it played during the pandemic. However, in an evidence session, the community planning minister acknowledged that there are places in Scotland where third sector involvement “is not happening”. The committee’s report recommended a new requirement for CPPs to invite the third sector to engage in community planning. The Government has not accepted that recommendation. What do you intend to do to try to make sure that our third sector is part of the conversation, going forward?

**Joe FitzPatrick:** I think that I am the minister that you are quoting. However, if I suggested that it was not happening at all in Scotland, that was probably unfair—I am not sure that that was what I said.

Clearly, in some areas, there is particularly good practice. For example, I am aware that Argyll and Bute Council and Perth and Kinross Council have particularly good interfaces with the third sector. In

at least one of those locations, the third sector shares the chair of the CPP. I could be wrong, but I think that all CPPs involve the third sector. Can that be done better or could there be more involvement? I think so.

The current guidance provides the flexibility for that involvement to be approached in a way that works for different localities. We need to be careful that we do not say: "Well, this works really well in Perth and Kinross; therefore, you should all follow this model." For the Government to instruct in that way would not be appropriate. However, it is appropriate to make sure that we are sharing best practice. The community planning improvement board helps us to do that along with the community planning network. It is right that the third sector is involved in that process.

The pandemic showed us that CPPs created the connections that provided resilience during that time. Some things during the pandemic could not have been delivered or achieved without a good interface with the third sector. Because of the work of the CPPs, connections had already been made, so there was no need to bring everyone around the table in order to be able to deliver for communities.

I am not suggesting that every CPP has it right, but I am suggesting that it would be wrong of us to impose particular models. The committee's comments have been heard by Greg Colgan, chair of the CPIB, who will help us to look at the guidance. If there is a feeling that we need to refresh some of that guidance, then we will do that. Once we have had those conversations and have looked at the work of the committee—you took a huge range of evidence, which is helpful—it may be that we decide that there is a need for a short-term working group in order to look at how we improve the guidance so that we can encourage best practice everywhere.

10:00

**Miles Briggs:** It is good to hear that you are willing to look at that. Our evidence pointed towards the need for some sort of formalised role. I sat on another committee where we heard that one of the lessons was that not including the third sector in the work of integration joint boards had prevented some progress. I am interested to see what will happen.

As the minister said, by not including the third sector, we are missing an opportunity. A formalised role would be helpful. Community engagement and expertise is key. I know from our evidence that local authorities do not necessarily have leadership skills around collaboration. I think that Councillor Heddle pointed us towards that. Do the witnesses believe that community engagement

is a professional skill set? What work will be done to help to develop those skills, given that, in many councils, there are maybe not the resources to deliver individuals with those skills to work or training?

Councillor Heddle, I pointed towards what you said last time, so I will bring you in.

**Councillor Heddle:** Before I answer your specific question, I will add some further examples of the best practice that is under way. In Dumfries and Galloway, the third sector interface officers chair and support their four locality hubs, which are geographic forums in the structure. Perth and Kinross has already been mentioned. We understand that the TSI in South Ayrshire is an active member of the community planning board and has representation across the strategic delivery partnerships. In my own area, our local TSI—Voluntary Action Orkney—is a leader of one of the thematic groups, and we very much value its support.

We do not feel that changing the act is necessary. We are cautious about that because we feel that that might limit local flexibility in ensuring the best vehicle for engagement with the third sector. We absolutely value the work of the CPIB and agree that a change in guidance would be most appropriate, and we would support the minister's suggestion about a short-term working group.

On whether leadership in community planning or in general is a professional skill, at present things such as the Scottish Leaders Forum can support collaborative leadership in the public sector. There is a degree of mutuality in supporting leadership in a community planning partnership. People should be expected to help to bring one another along. That is valuable in understanding shared perspectives and in ensuring development within a community planning partnership.

**Miles Briggs:** Thanks. Does anyone else want to come in on that point?

**Joe FitzPatrick:** I agree with what Councillor Heddle has said about leadership, and I will add a couple of examples.

Part of the issue is that we need to ensure that it is not simply assumed that the local authority will always be the provider of leadership. That is not always the case. I have a couple of examples from recent visits in which other skills were brought to bear.

I mentioned previously the Wester Hailes community. In producing its local place plan, it used consultancy to supplement its skill set and that of the local authority. That worked for Wester Hailes and it gave the community more

independence than there would be from a local authority person taking that leadership role.

One of the communities that I visited during my summer tour was the Struan community on Skye, which is looking at repurposing a building as a community asset for the future. The Struan community pulled in the support of Planning Aid Scotland to supplement the skills that it had around the table, although the community was pretty rich in that respect. It is not a case of one size fits all, but we need to avoid assuming that the leadership role should always be performed by Government, whether at national or local level, because that could remove a community's independence.

**The Convener:** I want to get into the granular detail. It is great to hear that you recognise the importance of having the skill sets around the table. One of the things that came to light when we gathered evidence was that there is a need for acknowledgement that community engagement is a professional skill that needs to be resourced, whether that role is performed by local authorities or the third sector. That must be recognised, because there is so much work that needs to be done right now and so many changes that need to be made for which such facilitation and engagement skills are crucial.

Earlier, we talked about the fact that voices are not being heard. Councillor Heddle talked about the need to create the space in which people feel comfortable and safe to express themselves. We must recognise that a professional skill set is needed to enable that to happen and that we need to resource that. That is not about dictating what the arrangement will look like at local level, but we must get out of the situation that we are in. In Scotland, we face a challenge regarding the budget situation, but we need to start looking at how we get that soft infrastructure in place so that we have people who are able to engage with and to facilitate work with communities to ensure that they are not trapped in a cycle of one-year funding. As our witnesses well know, that one year is taken up with getting the money in the first place, then having to report on how it has been used.

We need to continue the conversation on that, but I would be interested to hear your initial thoughts.

**Joe FitzPatrick:** I definitely agree with what you are saying. The committee might find it valuable to hear about the experience of the Wester Hailes community—which has been a particularly deprived community, many parts of which have been marginalised—in producing one of the first new-style local place plans in the country. That plan has been agreed by the council, so it has a new status. It is one of many communities that are

showing the way for others, so it might be worth the committee's while to look at what it has done.

**Tom Arthur:** I have two points to add. First, it would be remiss of us not to recognise the huge contribution that many partner organisations that are supported by the Scottish Government, such as the Development Trusts Association Scotland and the Scottish Community Development Centre, make directly to communities.

Secondly, I very much recognise the concerns that the convener has expressed about the funding environment in which we operate. We all understand that a cascading effect occurs when budgets are set by the UK Government, the impact that that has on our ability to forward plan and the subsequent impact that that has on local government and other partner organisations, despite the degree of certainty or confidence that we seek to provide through medium-term financial strategies and indicative budgets. I also recognise the specific challenge that exists around resourcing to provide the level of engagement that we want.

It is important to bear in mind that, when we speak about engagement, for example with local government, there is an element of it almost being viewed as something additional. Part of the agenda of empowerment, the review of local governance and the move to a more participative form of democracy involves no longer viewing such engagement as something additional but integrating it as part of the approach. With community wealth building, the situation is analogous.

When it comes to the economic element and the democratising of our economy, some of the narrative is about that being something additional. Additional support is required in that transitional phase, but the destination is something that is much more integrated and mainstream. That is an important point. Notwithstanding that these are medium-term to long-term aspirations that we will seek to advance in partnership, there is a continuing need for support in the immediate term.

**The Convener:** I agree that that is absolutely what we need right now, in the transition that we are going through as we move to fulfil the aspirations of the community empowerment agenda. It is about how we get there and having that additional support in place.

Councillor Heddle, did you want to come in, or shall we move on?

**Councillor Heddle:** I—

**The Convener:** You are happy to move on. Okay—super.

**Councillor Heddle:** No, no—sorry. I was going to come in.

**The Convener:** Oh, you are coming in. Go on.

**Councillor Heddle:** It is this new Zoom environment; I do not know what the rules are.

**The Convener:** I know.

**Councillor Heddle:** I just wanted to say that I generally support what Mr FitzPatrick and Mr Arthur have said, in particular about the fact that the resourcing of community planning partnerships is not something that has to, or should, come solely from local government—it is the totality of the resource from the partners. It is a matter of enabling all the partners, including local government, to have the financial flexibility to be able to do this.

In general, COSLA is not in favour of ring-fenced allocations of pots of money, as we do not think that that allows authorities the flexibility to deliver best value across all the service areas that we have to cover. That is the case here, too—we will not support a directed budget in that regard. We would certainly support guidance to all partners as to how community planning partnerships should function and be supported, but, in this case, we support the general principle of having the financial flexibility to be able to do that.

**The Convener:** Great—thank you for that. It seems that there might need to be more discussion with all the partners in the CPP, with everybody getting involved in how to bring about that improvement in skill sets. I recognise that there are some CPPs for which it is working very well, and there are other places where it is not. There is an equivalence that needs to be recognised in terms of the contribution to how CPPs are run.

I will move on and bring in Marie McNair.

**Marie McNair:** Good morning, ministers, and Councillor Heddle and officials. It is great to see you here this morning—we really appreciate your time.

I will touch on community councils. They have been around for many years—50 years, in fact. What role do you see them having in helping to deliver on the aspirations of the Verity house agreement?

I have two other questions. Should legislation be used to give community councils an enhanced role in local democracy? Are you confident that they are sufficiently representative of the local communities that they serve?

**Tom Arthur:** Thank you for the questions. I join all of you in wishing our community councils—all roughly 1,200 of them across the country—a very happy 50th birthday. I certainly know, from my experience as a constituency representative, the

invaluable contribution that they make to communities in undertaking a range of activities and providing important insight and scrutiny for the decisions that are taken not just by councils but by parliamentarians.

I will ask Mr FitzPatrick whether he wants to come in on any specific aspects of the Verity house agreement. I think that community councils have a very important role to play. As we undertake the second phase of the democracy matters programme and consider the ways in which further power can be put in the hands of communities, I go into that process with no pre-set ideas of what the outcome should be. That could lead to calls or suggestions for a more enhanced role for community councils.

I am conscious that the committee might have some interest in the parish council model south of the border and how that links in with the quite varied landscape of local government in England—there is sometimes almost a tripartite structure, with the district and county councils.

I am not going into that process with any pre-set ideas about what the future of community councils should be. It is imperative that, as the review progresses, any of the ideas that are put forward are considered in consultation and collaboratively with our partners in local government and with communities, recognising that various models, including new models, might emerge from the review process, which might enhance the current structure of community councils.

10:15

As I said, community councils do an invaluable job and make a huge contribution to Scotland. I want to work constructively to maximise their impact. If, through our deliberations and engagement, we land on a position that involves an enhanced role for them in statute, I would not close off that option at this stage.

**Joe FitzPatrick:** There was a question about the Verity house agreement. The main point in relation to that is the commitment to the conclusion of the local governance review and the recognition that it needs to be completed in this parliamentary session.

**Marie McNair:** Councillor Heddle, do you have any points to make on community councils?

**Councillor Heddle:** Yes, I do. I absolutely believe that community councils have a role in community empowerment, as envisaged in the Verity house agreement. I hope that that will be explored fully in phase 2 of the democracy matters conversation. I also believe that the empowerment of community councils should primarily be

explored by local government in line with subsidiarity.

I should have declared an interest and said that I am a former community councillor—I was a community councillor for four years before I became a councillor.

In my area, community councils fulfil a very important role, primarily as a sounding board for local members but also in actively doing things. In Orkney, we resource community councils and ensure that they have a paid clerk to enable them to have an administrative function. That is an example of how we could enhance powers for community councils. At present, they are limited in what they can do because they cannot be employers and, in some cases, they have to rely on the local authority as a proxy to do things for them.

Community councils could be more empowered, but we have to explore that carefully so that we do not end up closing off examples of good practice by focusing on a prescriptive model that might have unintended consequences.

**Tom Arthur:** I agree with what Councillor Heddle has said, particularly on subsidiarity and recognising local government's statutory oversight of community councils. I also agree with his point about not taking an overly prescriptive approach and recognising that different models might be suited to different areas. It is important that we go through the democracy matters process and are collectively open to the outcome. Any next steps would be taken in accordance with the principles of the Verity house agreement, through close partnership working.

**The Convener:** We move on to questions from Ivan McKee.

**Ivan McKee (Glasgow Provan) (SNP):** In our report on part 9 of the 2015 act, which is on allotments, we suggested actions for the Scottish Government and for local authorities in relation to waiting lists, access to land, integration with wider priorities, sustaining allotments, the creation of a national forum and other things. I thank the Government for its response to that. We have also taken evidence from interested groups, such as GrowGreen Scotland and the Glasgow Allotments Forum, who express frustrations about the lack of progress on delivery of the act on the ground—excuse the pun.

I would like to explore the Government's perspective on that. Do you recognise those frustrations and the lack of progress that those groups cite? What work has been done, and what progress has been made, on improving access to allotments and community growing spaces?

**Joe FitzPatrick:** The frustration, particularly from the groups that you mentioned, is partly because recognition of the value of community growing has grown in the past number of years and there are increasing numbers of community growing organisations across the country using lots of different models. The Scottish Government supports that work. Since 2012, we have awarded more than £1.8 million through various grants and funding mechanisms to directly support community growing and increase the land that is available for it.

I visited lots of communities through the summer. In some cases, I was specifically visiting a community growing facility. In others, I was looking at some regeneration but, often, even when I did not expect to visit a community growing facility, the organisers would say, "There's where we are going to put the community growing facility." One of the communities in Shetland was going to build a particular structure. I have forgotten the name of it but it was a Shetland-specific polytunnel that was able to withstand the winds. The community showed me where that was going to be fitted.

There is a recognition of the benefits of community growing. There is absolutely a role for allotments, but there is a wider movement and a range of community growing organisations in virtually every community. The benefits of those organisations need to be fully recognised. Community growing is not just about the growing of food, which is really important, given the crises that we currently face. There are wider benefits to community cohesion, mental health and physical health.

There are also education benefits. I visited a community growing scheme in Dunoon that was attached to a school. It was an old school garden and the community growing organisation went in. All the people involved were properly certified to work with the kids, so the kids were able to go in. Initially, it was a case of, "This is all really dirty and yucky and look at thae worms!" but now it is so successful that the school is saying, "Thanks very much. I think that we can do this now," so the group is now looking for another area to develop.

We—the collegiate "we" not just of public Scotland but the wider community, because business plays a big role in this as well—need to think about what more we can do to enable that. One of the big opportunities is the Good Food Nation (Scotland) Act 2022, which enables us to tie together a number of strands.

Last week, I was at a conference organised by SURF—Scotland's Regeneration Forum—that specifically considered community growing as part of regeneration across Scotland. It was a really good conference. It had a combination of people

from the standard regeneration groups across Scotland and a range of people who were involved in all sorts of models for community growing. We need to share the energy that was in that room more.

For its part, the Scottish Government supports a lot of the organisations involved through regeneration grants or other empowerment grants. Specific aspects of the 2015 act relate to allotments and waiting lists for them. The Government has surveyed local authorities to try to identify the work that is continuing.

Obviously, allotments are a local authority responsibility rather than one for the Scottish Government, but we are keen to work with COSLA and our local government partners to see whether there is more that we can do, particularly in light of the Good Food Nation (Scotland) Act 2022. We now have contact points for allotment services across Scotland and are working with authorities to share good practice.

I have touched base with Councillor Gail Macgregor, the COSLA lead, to suggest that we might consider how we can better support local authorities across Scotland. We need to be careful not to cause an additional layer of bureaucracy with reporting, and we are keen to work with local government partners to see whether there is a way to bring commonality to the reporting that local authorities already do to make it easier for committees such as this to have transparency on what is happening across Scotland.

A huge amount of work is going on, and a huge amount of progress is being made across Scotland, particularly in the community growing forum. Previously, the only option for growing your own food was to have an allotment. That is really challenging for many people, and it is a substantial amount of land per person, whereas the use of community growing can potentially reduce waiting lists for allotments, including by giving some people more appropriate access.

It is a really exciting time in this area, particularly with the opportunities that the good food nation plan brings.

**Ivan McKee:** In my constituency, there is a great project in Ruchazie, which is part funded by the Scottish Government, to implement allotments. That works alongside the Scottish Pantry Network and is very effective.

I recognise your comments on community growing, but Government recognition of the frustrations that such groups are expressing on allotments would be very valuable. Some straightforward things on data, definitions, waiting list management and so on could be implemented that would really help to address many of the frustrations.

**Joe FitzPatrick:** We are working with partners on that, and the tripartite group is one of the groups that is helping us to do that. Through that, the Scottish Government, local authorities and the Scottish Allotments and Gardens Society work together.

There has been a slowing down of that work, because of our work on the good food nation. It tends to be the same people who are doing the work, and the good food nation has been prioritised. I do not think that that is necessarily a bad thing, but you are right that there are probably some easy gains that we need to make. However, we need to do that in partnership rather than telling colleagues what to do.

**The Convener:** The name of the windproofed polytunnel that you were trying to remember is Polycrub. They are popping up across my region.

I will give Councillor Heddle the opportunity to comment on that.

**Councillor Heddle:** I can declare another interest: I have a local authority-provided allotment. People's cultivation of 100m<sup>2</sup> of weed-bearing soil fills me full of admiration.

I waited a few years before I managed to get an allotment. It has been a source of frustration and joy for me, so I absolutely support the expansion of allotment provision. It is a powerful force for wellbeing, as well as being a food supply source.

COSLA's ability to support wellbeing is, sadly, limited by the challenging financial constraints that local government is facing. I wonder to what extent planning can take a role in wider community wellbeing. Perhaps mandatory green spaces can become mandatory brown spaces with new planning developments.

I also note the development of the community gardens and the Polycrubs. Our local health board has placed a Polycrub inside the new hospital. Again, that is a very positive development for everybody who has the chance to interact with it.

My personal perspective is that I am generally supportive. However, I know that not all councils provided evidence to COSLA's inquiry on allotments, so I will not purport to represent all of our member councils.

**The Convener:** It is great to hear about your experiences, Mr FitzPatrick—the Dunoon story is tremendous. I declare an interest in that, when I lived in New York city, I was majorly involved in community gardens there.

10:30

I notice that we have a direction of travel in the Community Empowerment (Scotland) Act 2015 around allotments, and Ivan McKee mentioned the

frustration in that regard and our desire for that direction of travel to be paid attention to. Recently, it was brought to my attention that an allotment community garden project has been told by a local authority that it will now have to pay full ground rent, on common good land, which will be £13,000 a year. That cannot be paid out of the project's charity fundraising money. Therefore, there seems to be more work to be done to support the community empowerment agenda, particularly under part 9 of the 2015 act, to flow through to the most local level.

I totally understand that local authorities are potentially having to take difficult decisions, because it is a very difficult time for local authority funding and finance, but how do we start to recognise where we are all going together? Mr FitzPatrick, it is fantastic that you are highlighting the good food nation plan, and local authorities will be coming up with their plans. I hope that they will work synergistically with the local food strategy plans that have come out of the 2015 act.

There is still more work for us all to do to highlight the importance of the matter and the enthusiasm of communities in seeking the opportunity to be resilient and to have access to locally grown food and all the value and co-benefits that come from that.

We will move on to a slightly different topic, and I will bring in Mark Griffin.

**Mark Griffin:** Good morning. I have a few questions about the powers in the act relating to participation requests and asset transfers. I will kick off by asking whether you think that the two instruments around asset transfers and participation requests have helped to empower communities.

**Tom Arthur:** Yes, I do—they have played and continue to play an important role. It is important to recognise that they operate within a broader context of rights and that they are just two particular mechanisms at our disposal. However, since the respective powers came into force, we have seen some 79 participation requests and more than 200 asset transfer requests, with many more applications having subsequently been made. They are playing an important part in the ecosystem of community empowerment, and they are important tools in enhancing a more participatory approach to our democratic culture and as a key lever and enabler of not only regeneration but community wealth building, specifically with regard to asset transfer requests.

**Mark Griffin:** You talked about the number of applications for asset transfers and participation requests, and we heard that the number of participation requests is a good bit lower than the number of asset transfer applications. Does the

Government have an opinion on why that might be? Do you consider that more work needs to be done to improve awareness and encourage communities to go down that route?

**Tom Arthur:** On the latter point, yes. That is being considered through the work that is being undertaken as part of the 2015 act review. We have seen development and evolution of participation requests. At the outset, to an extent, they were still predominantly coming from community councils, but the subject of the participation request—the relevant public service authority—is no longer exclusively local government. We are seeing a wider range of partners, and the requests are being used to allow communities to engage in a range of decision making around roads and other local assets, for example. We must have a more detailed understanding of the landscape, and that work is being undertaken through the review. That information should become available as we move towards the completion of the review in the early part of next year.

There is learning to be taken from the experience today. Previous consideration has demonstrated that the legislation was working as intended, but we recognise that there might be some opportunities for further development. One particular issue that has been raised previously is the absence of an appeals or review mechanism. Again, we will give that further consideration. I look forward to engaging with the committee at the conclusion of the review of the act and exploring your findings.

On the asset transfers, we are seeing that aspect grow. It is one of a number of tools that are available. As I look towards the introduction of legislation on community wealth building later in this parliamentary session, I keep in mind that one of the key tools and enablers that has helped us to make progress in a way that is consistent with community wealth building aims has been asset transfer requests—admittedly, it is one tool of many, but I think that it has been an important one and will have a pivotal role to play. Again, the review of the act will inform our thinking on what further steps, if any, we have to take, in partnership with local government and other public bodies, to further enhance that tool and on what further support is required.

**Mark Griffin:** In the previous parliamentary session, the Local Government and Communities Committee flagged up the issue of the lack of an appeals process for participation requests, so it is good to hear that the Scottish Government is considering that. That committee also raised concerns about the asset transfer process sometimes being overly bureaucratic, cumbersome and difficult for local organisations to

navigate. We heard particular examples around the opportunities for community groups to take over areas of ground for use as allotments. Has the Government done any work on how to make the asset transfer process easier and more accessible for community groups that have that aspiration to take on a piece of land or asset that is held by a public authority?

**Tom Arthur:** There are two aspects to the issue: the authority; and the community group that wishes to take on the asset.

On supporting community groups, we have provided funding to the community ownership support service, which provides expert support and guidance to organisations seeking to take on an asset. More broadly, we have seen the establishment of the national asset transfer action group, which has been working to address the issues around consistency and the sharing of best practice. Kathleen Glazik can talk about some of the work that has been undertaken in that forum.

**Kathleen Glazik (Scottish Government):** We have been working with a group of experts and have looked at various parts of the asset transfer process and pieces of legislation. We are engaged in a piece of work on the review, and are working closely with the group to determine whether each part of the 2015 act is fit for purpose or whether any changes need to be made.

**Mark Griffin:** Councillor Heddle, do you have any points to make regarding the effectiveness of the participation request or asset transfer powers in the legislation?

**Councillor Heddle:** First, I welcome the fact that community bodies have the opportunity to make participation requests and, indeed, to request asset transfers. Those are both useful tools that communities and public authorities can use to influence and shape public services.

I note that participation requests are only one of a number of ways in which communities can get involved in shaping public services. There is also participatory budgeting—I am delighted to trumpet the fact that local government has met the target in that regard—as well as local access panels, community consultation on council plans and so on.

On the specific point about the appeals process for participation requests, COSLA does not have a mandate from our members to introduce an appeals process. If one was required, we would have to consider carefully with our members the best way in which that could be supported, given the resource implications and the work that is already in place to ensure community participation.

As for the question about there perhaps being a lower uptake of participation requests compared with asset transfers, that is possibly due to higher levels of awareness of asset transfers. In that case, we can do more to raise awareness of participation requests through the various fora at our disposal. It is probably also due to the more tangible and finite nature of asset transfers.

We are certainly aware of a number of good examples of groups being supported to take direct ownership of an asset—or, indeed, not to take direct ownership but to take over its management. I think that, in the past, I have made in this forum the point that some groups prefer simply to manage the asset instead of taking on the liabilities and to leave those with the local authorities. Of course, authorities will have mixed views on that, but they currently support that mode of operation.

**The Convener:** We move on to questions from Willie Coffey.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** I want to ask about two aspects of the 2015 act that have not yet been brought into force. As you know, the act came into force in 2015, so we are now eight years on, but I would just note part 7, which is intended to facilitate supporter engagement in football clubs, and part 10, which enables ministers to require public authorities to help the public to participate in the decision-making process. What are your views on those provisions? Will you be bringing them into force any time soon?

**Tom Arthur:** With regard to part 10, I would want to situate that issue in the context of the review and not presuppose any outcomes. I appreciate that the wider issue of the “Democracy matters” initiative has been referred to several times, but I would also recognise that, although we in Government might operate through distinct reviews, people will bring forward ideas as and when they see fit.

As for the requirement that is set out in part 10, it has not been introduced, and we certainly have no plans to take it forward at this stage. Any move to introduce that or some similar mechanism would require very detailed consideration, very close engagement and a clear rationale. However, I would say that, in recent years, we have seen a significant improvement in communities’ abilities to engage with and participate in decision making and to take on assets not just through statutory means but through non-statutory means. Councillor Heddle has touched on participatory budgeting—let me again, as I did in the summer, commend and congratulate COSLA on achieving that 1 per cent target. Participatory budgeting is an example of communities being given an

opportunity to have much more of a say in the allocation of resources in their area.

Something that has been very encouraging about participatory budgeting is not just the benefits that it confers but the move away from discrete pots of money being specifically allocated to authorities challenging themselves to find ways of giving communities more say over existing budgets for, say, roads and maintenance or the environment. We have seen some really excellent examples of that; indeed, I have to commend the work of one of the local authorities in my constituency—Renfrewshire Council—and what it has achieved in that respect.

With regard to the overall culture surrounding community empowerment, I would say that, notwithstanding what has been achieved through statutory mechanisms, we are seeing non-statutory mechanisms being used, too. Through the work of the local governance review and the work in partnership through the provisions in and the spirit of the Verity house agreement, we will achieve much more by changing culture and practice instead of necessarily having more statutory mechanisms.

However, I do not want to pre-empt the review's outcome, and I reiterate that any decisions will be arrived at in a spirit of partnership that is consistent with the Verity house agreement.

**Willie Coffey:** Thanks very much for that good response, Tom.

Before we come to the football issue, which I think Joe FitzPatrick might be addressing, I wonder what Councillor Heddle's view is on this question. Are we saying that the purpose behind the intention is in effect and working well? I am certainly aware of participatory budgeting successes here, there and everywhere in Scotland—and particularly in East Ayrshire. Are we saying that we do not need to bring the provision into force? Is the practice that is taking place good enough so that we do not need to bring it into effect?

10:45

**Councillor Heddle:** I am sorry—I thought that your question was going to be specifically on football clubs. Can you clarify what you are asking about?

**Willie Coffey:** I have referred to two parts of the legislation. Part 7 is about football club supporter engagement. I am asking you about part 10, which has not yet been brought into effect, and which requires ministers to enable public participation in the decision-making process. The minister has set out some good examples from across Scotland where that is happening anyway, without those

provisions being brought into effect. I am wondering whether that is your experience, too.

**Councillor Heddle:** I would say so. I think that having a requirement is perhaps using a sledgehammer to crack a nut, although I am not suggesting that community participation is not extremely important. I think that all spheres of government would be extremely unwise not to wish to do that as a matter of course in all the business that we do. My belief would be that it is not necessary to enact that.

**Willie Coffey:** Thanks for that, Councillor Heddle. Joe FitzPatrick, can you speak about part 7, on supporter engagement in football clubs?

**Joe FitzPatrick:** Part 7 gives ministers power to make regulations to facilitate supporter involvement and to give fans rights in a number of areas. The Scottish Government held a consultation on that in 2016, and no action has been taken since. The matter sits within the portfolio of the Minister for Social Care, Mental Wellbeing and Sport. If colleagues are okay with this suggestion, maybe you could ask her to give you a written update on the Government's views in light of the responses to the 2016 consultation.

**Willie Coffey:** Finally, when will the Government conclude its overall review of the 2015 act? When do you expect that to be published?

**Tom Arthur:** The aspiration is that it will be in the first half of next year. As I indicated earlier, I would be more than happy to appear before the committee to discuss the outcome of that and the next steps once it is published.

**Willie Coffey:** Many thanks.

**The Convener:** I direct this next question to Councillor Heddle, because I think that he has mentioned this issue more often than anybody else has this morning. What is your thinking on what the process will be for phase 2 of "Democracy matters"? We are familiar with phase 1, which we took evidence on as part of other work that we were doing. It would be interesting for us to hear what engagement you will be doing and what the timeframe for that will be.

**Councillor Heddle:** Convener, with your indulgence, I would like to bring in my colleague Mr Smyth on that question. He will be more familiar with the timelines and so on.

**Garrick Smyth (Convention of Scottish Local Authorities):** Good morning. The launch took place on Monday, and COSLA will be doing our best to promote awareness of phase 2 of "Democracy matters". In terms of specific actions, we have yet to thrash out how we can ensure that the work is as effective as possible, and how we can engage as many and as wide a range of views

as possible on future models for Scottish communities. For the time being, I will leave it at that.

**The Convener:** Thanks very much. Mr Arthur wants to come in.

**Tom Arthur:** We anticipate that the consultation will run for about six months, so that should take us to February 2024, roughly coinciding with the timescales for the review of the 2015 act.

We are working with partners to facilitate a range of engagements that will take place across Scotland and we are publishing materials as well, so a number of pieces of work are taking place to facilitate that activity. If it would be helpful to the committee, I would be happy to provide a written update towards the end of this year or the beginning of next year addressing the progress that has been made to date. Of course, at the conclusion of the work, we will be more than happy to appear before the committee to discuss the matter further.

**The Convener:** Thank you. You are certainly lining up some more work for yourself for when you come back to see us.

I thank everyone so much for joining us this morning and helping us to understand your perspectives on community empowerment and the direction of travel for the community empowerment agenda in Scotland.

I briefly suspend the meeting to allow for a changeover of officials.

10:49

*Meeting suspended.*

10:54

*On resuming—*

## **New Deal with Local Government**

**The Convener:** We turn to agenda item 4, which is evidence on the new deal with local government that was agreed between the Scottish Government and COSLA and published in June. We are joined again by Joe FitzPatrick, Minister for Local Government Empowerment and Planning. The minister is supported for this item by Ellen Leaver, deputy director of the local government and analytical services division at the Scottish Government. Councillor Heddle also joins us for this item and is supported this time by Sarah Watters, who is director of membership and resources at COSLA.

Mr FitzPatrick and Councillor Heddle intend to make short opening statements; I invite Mr FitzPatrick to go first, followed by Councillor Heddle. I will then go to questions from members.

**Joe FitzPatrick:** I thank the committee for the opportunity to make some brief opening remarks. We collectively recognise that the two spheres of government play a vital role in delivering sustainable public services that our communities across Scotland rely on. Building, maintaining and valuing a strong working relationship with local government is therefore a key priority for this Government.

As the committee will be aware, the need for a reset of the relationship between local and national Government was first set out in the resource spending review last year. The First Minister reiterated the commitment to a new deal with local government in his policy prospectus, "Equality, opportunity, community: New leadership—A fresh start", in April and again on 30 June, when he, the Deputy First Minister and I signed a partnership agreement to be known as the Verity house agreement, alongside the COSLA presidential team and political group leaders.

I believe that the Verity house agreement will better enable both spheres of government to work effectively together to achieve improved outcomes for communities across Scotland. However, the agreement marks only the beginning of the new deal with local government. COSLA and the Scottish Government are working jointly at pace on a new fiscal framework and shared work programme, including an outcomes and accountability framework, to underpin the Verity house agreement. Taken together, those should balance greater flexibility over local financial arrangements with clearer accountability, while demonstrating strong delivery of better outcomes for people and communities. If we can get the new deal right, I believe that it will make a positive

difference to our communities and the lives of the people whom we serve.

**Councillor Heddle:** I echo the minister's remarks, and I acknowledge that we are in the early days of the Verity house agreement, so we very much anticipate on-going discussions with the committee as the agreement matures and becomes the default mode of operation.

The agreement will set the tone for positive joint working in a range of key areas, including the community planning agenda, which we have just discussed, and where we need to work together to ensure that local community planning partnerships are able to maximise the role that they can play in strengthening local democracy and acting on decisions made locally in the way that the convener highlighted in the previous evidence session.

Signing the Verity house agreement at the end of June marks a positive step in our shared task of resetting the relationship between local and national government, which the minister just mentioned. I, too, believe that as we make progress, the agreement will enable us to secure one of COSLA's key priorities, which is a renewed relationship with the Scottish Government that is based on trust and mutual respect.

Having said that, I am encouraged by the impact that the agreement has already had on working relationships, even before it was signed. We recently held several engagements involving officials from both spheres of government, and that momentum is set to continue in the future.

In addition, as Mr FitzPatrick said, the agreement marks only the beginning, and is just one element of a new deal. I sense fresh optimism and willingness among politicians and officials alike to make the most of this opportunity. I am looking forward to seeing communities across Scotland reaping the rewards that will come from our spheres of government working together to secure all the empowerments that we want to see devolved to the local level.

**The Convener:** I am heartened to hear about the progress that has been made since we were all together in May in Edinburgh for the evidence session that the committee held on the new deal. It is great to see that things are moving along swiftly. We are passionate about keeping an eye on the issue—obviously, local government is in our title, so it is important for us to support the process as much as possible.

The new deal highlights three shared priorities for the Government and COSLA—tackling poverty, a just transition to net zero and sustainable public services—and notes that there will be a focus on achieving “better outcomes”. I am interested to hear from you both about what discussions you

have had on how you achieve those outcomes, and also how the priorities were identified and agreed.

11:00

**Joe FitzPatrick:** It would be good if Sarah Watters and Ellen Leaver could contribute on that issue, because they have been very much involved in the actual day-to-day work on that. The three shared priorities roughly align with the priorities in the resource spending review. Obviously, there was a degree of work, which Sarah and Ellen will have been involved in, to look at the priorities in the spending review and take something back to the politicians. However, I do not think that there was a particular argument around the three priorities, because they make sense. That is shown by the fact that the Verity house agreement, with those three priorities, was supported not only by the Scottish Government and the COSLA presidential leader, but by political leaders across the COSLA organisation—all parties were able to sign up to that.

I guess that that is the strength of looking at top-level outcomes and the difference that we are trying to make. On many of the issues, whatever our political perspective and our differences about how we get there, we share a common desire to improve the lives of people in Scotland, and the three priorities help us with that.

**The Convener:** Do you have anything to add, Councillor Heddle?

**Councillor Heddle:** On the identification of the priorities, Mr FitzPatrick essentially explained where they came from. The priorities also chimed very well with the priorities that we have articulated in our COSLA plan. They are so fundamental that it would be difficult to argue with them, and many good things will flow from them, should we be successful in tackling the three issues. On the face of it, they are fairly simply expressed ambitions, but they are absolutely fundamental to the wellbeing and future of this country. We have not really had any disagreement on the priorities. Pretty much from the start, it has been agreed that they are the fundamental things that we need to work on. They are about tackling poverty to eliminate inequality, recognising the existential threat of the climate crisis and the need to be able to provide the services that matter so much to our communities.

**The Convener:** Thanks for underscoring the fact that it is difficult to argue against the three priorities.

Mr FitzPatrick suggested that Ellen Leaver and Sarah Watters might want to come in with a bit more detail, so I will start with Ellen. One of my challenges in facilitating the meeting is that I tend

to go to the people in the room, but I am mindful about the need to go to people online. However, first I will go to Ellen, who is in the room, and then to Sarah.

**Ellen Leaver (Scottish Government):** I echo what the minister and Councillor Heddle said. There was never any sense of disagreement—the three priorities were very naturally arrived at, reflecting first on the resource spending review and the commitment to a reset, as well as the wider context of the resource spending review. In the discussions over the past 12 months and more since the resource spending review—among officials and among ministers and politicians, and through the multiple governance structures that we have in place to support the relationship—the focus has been on how we go about that relationship. The sense of coalescing around the three priorities came very early and fairly easily to provide that focus point.

**The Convener:** It sounds like a constructive process.

Sarah, do you have anything to add?

**Sarah Watters (Convention of Scottish Local Authorities):** I think that you mentioned the Covid recovery strategy, which was something that both spheres of government jointly signed up to. The three priorities in that were financial security for low-income households, wellbeing of children and young people, and good green jobs and fair work. The person-centred service focus was threaded through the Covid recovery strategy. Combined with the resource spending review, the priorities just seemed the natural place to go.

Given the resource constraints and demand pressures, reform is never far away from all the agendas. I echo what colleagues have said. Those were the key areas that the priorities flowed from.

**The Convener:** Thank you for reminding us about the Covid recovery strategy, which is an important part of the background.

Willie Coffey has some questions.

**Willie Coffey:** Joe, you and I are the two members here today who were around at the time of the historic concordat in 2007. You will recall that that concordat was connected to the structures within the national performance framework. The new deal does not connect with the national performance framework, but you mentioned an outcomes framework. Can you give us some insight into how we will measure progress and outcomes this time?

**Joe FitzPatrick:** The NPF is still there and still exists, but it is probably useful at this point to recognise that the new deal is not only the Verity house agreement. It is important to say that

because those terms are sometimes used as if they mean the same thing.

The Verity house agreement is part of the new deal with local government and is the partnership agreement. There are three other aspects underneath that, one of which is important to what we are talking about here. The first aspect is the fiscal framework, the second is the completion of the local governance review, which we have talked about, and the final strand is the joint work programme, which has an outcomes and accountability framework. That is really important and is the big difference between the Verity house agreement and the concordat.

The concordat served a really important purpose and was transformational at the time. In our new deal with local government, we are learning from some of the challenges of that concordat. Let us be honest: the lack of an outcomes and accountability framework meant that, over time, we reverted to old ways and ring fencing was used as an easy way of ticking a box and sometimes of being accountable to this committee. It is really important that we get the outcomes and accountability framework right. It is not something that we can do overnight, but the Verity house agreement gives us a set of agreed ways of working to achieve an outcomes and accountability framework that we hope will stand us in good stead well into the future.

**Willie Coffey:** I recognise what you have said. Are all the participant councils in COSLA signed up to the new deal? The issue before was that not all councils carried that through, which led to a reliance on ring fencing that none of us would want to see now. Do you have a broad sense that there is agreement among the participating councils?

**Joe FitzPatrick:** I have met the leaders of all Scotland's local authorities and, as part of that, with the leaders of all the political groups. The appetite is clear. Folk see a real opportunity to reset not only for this year and next year but for the long term, and to reset the way in which the Scottish Government and local government work together to benefit our communities.

There is an appetite for change across the parties in a way that did not exist before. That may be due to the fact that there may be a little less flag waving than there was with the concordat. It is clear that we are on a journey and that there is a lot of work to do. The Verity house agreement is a really important part of that process and an important partnership agreement, but it in no way concludes the new deal with local government. It is a starting point to a deal that is about how we are going to work together while respecting both democratic mandates.

**Willie Coffey:** Thank you. I would appreciate hearing Councillor Heddle's view on that. What might make this more successful than the 2007 concordat?

**Councillor Heddle:** The previous concordat was welcomed by councils at the time. I, too, was around at that time—I was a new councillor in 2007. The fundamental principles of the concordat in relation to local government's need to take the totality of the resource and apply it to a smaller set of defined outcomes is not dissimilar to what is being spoken about here. As Mr FitzPatrick says, the Verity house agreement goes further—and there is more to the new deal than just the Verity house agreement. What the previous concordat lacked was accountability and the accountability framework that is proposed here.

Mr FitzPatrick made a very good point about how the agreement relates to the national performance framework. Local government and the Scottish Government are co-signatories to the national performance framework. In the spirit of proportionate reporting, we will want to see where the national performance framework indicators and local government benchmarking framework indicators that we already have in place will map, or can be amended to fit, the monitoring and accountability framework that is to be developed.

On the buy-in, there has been unanimous support for the Verity house agreement at our leaders meetings. All the group leaders co-signed the agreement at the end of May. We all recognise how good it could be for our communities if we can make it work. At this stage, the buy-in is good, although it can never be taken for granted. We anticipate that there will be areas where we disagree, perhaps within local government or between local government and the Scottish Government, and we will need to resolve those respectfully and with understanding in the manner that is outlined in the Verity house agreement.

**Sarah Watters:** I repeat Councillor Heddle's point on buy-in. Not a month went by in the first half of 2023 when we did not speak to our political group leaders about the agreement, through our leadership sounding board. Every month, we discussed the tone and content of the Verity house agreement, focusing on how we could develop jointly the way in which we would work together. As Councillor Heddle said, to get to 30 June, we got the buy-in from the group leaders, who eventually went on to sign the agreement. That was no mean feat.

We are now working jointly with Scottish Government to develop what we are going to do. Similarly, we are involving professional associations from across Scottish councils and we will continue in that vein, which is really positive.

**Pam Gosal:** In the past, considerable amounts of local government budgets have been ring fenced to deliver Scottish Government priorities. If councils have that independence, what assurances are there that there will be a positive impact on the delivery of shared priorities and outcomes? What mechanisms are in place to ensure that the Scottish Government does not roll back such independence?

**Joe FitzPatrick:** That is an important question. That is why our approach is not to say that the Verity house agreement means that it is all completed. There is a lot of work to do to get it right in a respectful way, with COSLA and the Scottish Government working together. The work that Sarah Watters mentioned is happening now in order to get the outcome framework right. Part of the work that is on-going relates to finding a better way to take the fiscal framework forward and identifying where we could have different arrangements in order to agree our shared outcomes.

**The Convener:** I would like to go a bit deeper on that. What would the Scottish Government's role be if a local authority were failing to make progress on shared priorities or if services in key devolved areas such as education or social care were perceived to be underperforming? Have you got as far as that in the agreement work?

11:15

**Joe FitzPatrick:** The starting point is respect for our different democratic mandates, because this cannot ever feel to local government that the Scottish Government is coming in to check its homework. An important part of the outcomes framework will be increasing transparency in a way that works for all of us; by that, I mean not overreporting but ensuring transparency and clear lines of accountability so that people know who is accountable for what part of decision making. That will allow our electors to challenge us and local government's electorate to challenge it. It is important that we get that right; it will take time, but that work is on-going.

**The Convener:** Thanks very much. Did you want to follow up on anything, Councillor Heddle?

**Councillor Heddle:** This goes back to Mr Coffey's question about the accountability framework. We have made the point—and it has been accepted in the Verity house agreement—that the default position from this point onwards should be no ring fencing or directed funding, unless there is a clear joint understanding of the rationale for such a move. That is based on our feeling that, if we had the flexibility to allocate our limited funding in our local authority areas and across our services, we would be able to achieve

the best value and the best balance of outcomes for our communities as well as the ambitions that we share with the Scottish Government.

Mr FitzPatrick made the very good point that we are accountable not solely to the Scottish Government, this committee, the Accounts Commission or Audit Scotland but to our own electorate, who will very much hold us to account to deliver services as best we can. If we are not delivering the services that people expect, we need to explain why and how and hope that there is a degree of understanding.

With regard to some of the areas that have been highlighted, the minister talked about marking our homework, but we have regular education inspections and our social services are inspected by the Care Inspectorate. There are mechanisms in place, along with Audit Scotland and the Accounts Commission, to keep an eye on local government and how we are delivering services.

The key thing is going to be the accountability and outcomes framework that we were talking about in response to the previous question. We need to be able to get that right, because the quid pro quo of the presumption of local by default, national by agreement and no ring fencing is an improvement in, rather than a diminution of, services. However, the issue needs to be looked at in the context of the totality of the services that we provide.

**The Convener:** Minister, you indicated that you wanted to come back in.

**Joe FitzPatrick:** Actually, Councillor Heddle has just made the point that I forgot to make about independent scrutiny and the range of bodies that play that role.

**The Convener:** Teamwork, right? It is great.

I see that Pam Gosal wants to come back in.

**Pam Gosal:** Under the new Verity house agreement, councils will have more flexibility to spend as they see fit. We have already talked about that; we have heard that it is very welcome, and it sounds great.

However, my question is about where accountability will lie. As we all know, it was recently revealed that councils are expected to make cuts of around £300 million. If, for example, a council were to decide to access funding from the education budget and attainment were to begin to fall, who would be accountable? Would it be the Scottish Government, which left councils no choice but to make those cuts, or would it be the council for taking money out of the education budget?

**Joe FitzPatrick:** It is important that we develop clear lines of accountability and make clear who is

accountable for what, and that is part of the work that we are doing.

Part of the question was about local government finance and it is appropriate to recognise that all public services currently face massive inflation, including energy price inflation, and that that causes challenges for all aspects of public service. To respond to your point, the Accounts Commission's report makes it clear that we have increased local government funding over the years, but that does not by any means take away the challenges that local government is facing.

It is appropriate that we have a mature and transparent conversation so that we can show who is accountable, how the money has been spent, which outcomes have been achieved and where accountability lies if outcomes are not being achieved. It will be important to get that accountability framework right.

**Councillor Heddle:** I do not want to spoil the teamwork, but the Accounts Commission also noted that local government funding had decreased over the years in real terms, which is clearly a problem for us.

Regarding accountability, various functions and services are devolved to local government and the accountability for those lies with us in the first instance. It is important to acknowledge that. We have to tell our communities why things are the way they are and they will hold us to account if we do not have a good explanation.

We have made the point in the past that there is a risk of the Scottish Government feeling that it has ownership of all problems, including our own, and feeling that it must address those problems directly, which leads to ring fencing and directional budgets. From our perspective, that creates a situation where we have to rob Peter to pay Paul. If you want to know what ring fencing and direction of spend means, one often-cited example would be the condition of roads. That area is not protected, so it takes the brunt of cuts.

I freely admit that local government will find itself more accountable, but appropriately so, for the services that it provides as part of the agreement.

**The Convener:** To continue that theme, I recognise that you are involved in a process of co-design of some of the aspects that you have outlined. Councillor Heddle, you have talked about things being local by default and national by agreement. Have you discussed what mechanisms would be put in place to resolve any disagreements between national and local government? Have you explored yet what you would do when there is a disagreement about the rationale for a national approach? Are those mechanisms in place?

**Councillor Heddle:** We are in the early days of the agreement. We have to recognise that it is a work in progress and that lots of things still need to be bottomed out.

If you refer to the agreement, you will see that the first section sets out how we should carry things forward and work together by starting from a position of trust and mutual respect. If we do disagree on issues, we will deal with matters constructively and in a spirit of co-operation, through the engagement mechanisms that are described in section D of the agreement, which sets out the forms of dialogue that are to take place. That will happen primarily between the First Minister and the COSLA president but also through the leadership sounding board and groups of Cabinet members.

That is augmented by the almost continual dialogue that I can already see happening between our respective officers. Sarah Watters might want to come in on that. The positive thing that I want to emphasise is that our dialogue is already much better than it was and that the prospect of being able to resolve things in an informed and mutually respectful way has been greatly enhanced.

**The Convener:** It is great to hear that the dialogue is much improved. Minister, would you like to come in?

**Joe FitzPatrick:** There is not much to add. Having that spirit of partnership at the centre of all of our interactions is crucial. Clearly, there will need to be a mechanism for how we deal with disagreement, but, if we have that spirit of partnership as a starting point, I hope that disagreements will be the exception rather than the rule.

**Ellen Leaver:** The only thing that I will add is that a lot of the engagement mechanisms build on what is already in place and has been working well. Those mechanisms might have been in place for some time, or we might have established them as part of the process of negotiating the Verity house agreement. We have decided on the mechanisms that are relevant, and they are embedded in the agreement. That is particularly the case in relation to the joint meeting, to which Councillor Heddle referred, between COSLA's leadership sounding board and senior Cabinet ministers. That was a key part of the process that resulted in the Verity house agreement, and we think that there is merit in continuing it.

**Marie McNair:** Minister, the new deal states that the local government settlement will be simplified and consolidated. Will you expand on how you are progressing towards a settlement and on the benefits that that approach will deliver?

**Joe FitzPatrick:** A fair bit of work is already taking place to develop the fiscal framework. Part of that work involves looking at all the areas of ring fencing and direction and at where there are opportunities to relax that.

The starting point is that, going forward, we should not have ring fencing. About 7 per cent of council funding is currently ring fenced. However, in the spirit of partnership, it is fair to recognise that, even when funds are not ring fenced, there is often a degree of direction. If you speak to senior council officials, they will tell you that, even when there is no ring fencing, the reporting is sometimes overly burdensome. If we can find mechanisms that give us assurance on outcomes, we can remove some of the unnecessary bureaucracy. That is a work in progress, but a significant amount of progress has been made, and we hope to have made some progress for this year's budget.

**Marie McNair:** Councillors would very much welcome that. As I mentioned, I was a councillor previously, so I get it.

We heard that some councils are unhappy with the current funding formula. Will the fiscal framework and related work address those concerns?

As has been mentioned, one of the new deal's stated priorities is tackling poverty. Some people feel that the current funding formula does not recognise or give enough weight to poverty and deprivation levels. Will you consider that issue?

**Joe FitzPatrick:** Such matters have to be taken forward in collaboration with our partners. It would be absolutely wrong, and against the spirit of the Verity house agreement, for the Government to say that we will change the funding formula unilaterally. Any changes in that regard must be made in partnership.

By giving local authorities more flexibility in how they use their budgets, I hope that many of them will choose to use that flexibility to tackle poverty. That is one of the three outcomes that we have agreed, so it absolutely should be a consideration. I know that my local authority—Dundee City Council—took the decision to fund many anti-poverty measures beyond the statutory requirements because of the city's particular circumstances. If we give local authorities more flexibility, they will be able to make the choices that work for their areas. That is the principle of subsidiarity. Such decisions can be made at the correct level, and we can respect the democratic mandate that our local government colleagues have in their own right.

Ellen Leaver might be able to say a little bit more about the work on the fiscal framework.

**Ellen Leaver:** I am happy to do so. I am sure that Councillor Heddle and Sarah Watters will have a view on the matter—obviously, it is for them to give the views of local government—but we have had long discussions about the fiscal framework, and we continue to have those negotiations.

The questions about quantum and how we come to that figure are key, but distribution is an element of how the local government settlement is delivered to councils. It is something that is relevant to the discussion, but those are live negotiations, and the minister has succinctly made the point about the purpose being to empower local government to make those decisions locally. Our ambition is to get to a point in relation to the fiscal framework where that is as smooth and transparent as possible.

11:30

**Councillor Heddle:** There are two aspects: the simplified quantum and the consolidated quantum. The consolidated quantum involves the removal of ring fencing and directed spend. In local government, we feel that there is a lot of that. We have the ability to vary only about 30 per cent of our budgets, which is the element that is not ring fenced or directed—Sarah Watters might be able to correct me on that figure, but that is my recollection of what it is.

Simplifying the quantum should enable us to have a shared understanding of what it all means. At present, every year, we have a post-budget bun fight where the figures that are presented by the Scottish Government are at odds with the figures that are presented by local government in terms of their interpretation. If we want to carry forward a mutually respectful relationship, we need to get away from that, which is why this is a key aspect of what needs to be done.

Fundamentally, we cannot get away from the fact that local government needs more money if it is to be able to carry forward its aspirations, because, at present, we are struggling even to provide all the services that we wish to. Since 2013, we have lost a significant chunk of our workforce and it really is a struggle. I have been a councillor for 17 years, and I think that it is as hard as it has ever been to come up with a budget that is not going to devastate the services that we provide for our community.

However, regardless of the amount of money that we get, the removal of ring fencing and directed spend will enable us to prioritise it appropriately according to the needs and aspirations of our community.

**Marie McNair:** Sarah Watters, would you like to make any further points?

**Sarah Watters:** As you know, the local government settlement is extremely complicated. It is made more complicated not only by the existence of ring fencing but by the in-year transfers that come from different portfolios. Part of the work that Ellen Leaver and I are doing involves consolidating some of that so that we do not face the annual questions about whether a certain portfolio will transfer in some money and, instead, we have certainty about the money coming in because it is the funding for a function that local government will carry out.

On the funding formula, that would very much be a decision that leaders would have to take, because it would impact all councils. As Councillor Heddle said, there is an issue with the overall quantum, but we do not want local government tearing itself apart in relation to how the money is distributed. As Joe FitzPatrick said, if councils have more flexibility in the way in which they can use resources, that will aid their budgeting as much as redistributing money would.

In 2018—I think—we reviewed the funding formula and looked at the funding floor. At that point, professional advisers who advise leaders said that stability was extremely important, so it is worth noting that, with redistribution, there could be volatility.

Councillor Heddle mentioned that we get into a post-budget bun fight every year about ring fencing and so on. Currently, COSLA's position is that around 65 per cent of our budget is not able to be used for local priorities and instead goes on things such as teachers' pay and pensions and all the other things that councils have to provide for. As part of our work on the fiscal framework, we are really working hard to get that common understanding of the challenges on both sides. Some of that challenge comes from the fact that, although the Scottish Government has a top-line budget of figure of around £59.4 billion—that was last year's figure, I think—not all of that is at the discretion of the Scottish Government, as there are sums that come out of that that have to be factored in. We want to get to the point with the budget engagement between Councillor Haggmann, the Deputy First Minister and Mr Arthur where there is that common understanding on each side. We have struggled to do that in the past, but we are really working hard to get to that position.

**The Convener:** It is interesting to hear that level of detail and to hear about the common understanding that is being worked on. I imagine that part of the demonstration of success—it might not happen this year, because it is early days, but it might happen in the future—will be that we will not have the bun fights, because so much co-

design has been done up front to lead into the budget discussions.

I will bring in Ivan McKee.

**Ivan McKee:** I would like to turn to public sector reform. The new deal talks about

“working constructively and quickly to remove barriers which hinder flexibility”,

with a focus on enabling innovation and whole-system improvement. Clearly, that gives an opportunity not just to improve service levels but—reflecting back on the previous question—to potentially find ways to do things more efficiently and effectively by taking down barriers and removing duplication between the Scottish Government and local government. I would like to explore a wee bit further what is happening in that regard. Are there any examples of barriers or opportunities being identified and the process to tackle and remove those?

**Joe FitzPatrick:** I will pass that to Ellen Leaver, if that is okay.

**Ellen Leaver:** The Verity house agreement contains a commitment to a shared approach to public service reform, and there are discussions about a joint programme to look at public service reform with local government and what that means. I think that Sarah Watters has been more closely involved in those discussions than I have been, as that sits with some of my colleagues. That process is very much focused on the person-centred approach, which was central to the Covid recovery strategy, and involves learning from the range of pathfinder and project approaches that have taken place across the country.

It is about building on that and looking at where we can scale up the learning from those pathfinders, start to see things take place and build on that in local government. It is also about being very conscious, in our decisions as the Scottish Government and in the public bodies landscape, of how public service reform can impact on local government. To go back to what was mentioned in the earlier session, we need to think about the role of the partners in community planning partnerships. We need to see the issue holistically.

Sarah Watters will perhaps have more to say on the detail, but we would be happy to take that back to colleagues and arrange for a letter to the committee setting out more of the information on that programme.

**Ivan McKee:** Thanks for that. That sounds relatively top level, so it would be good to get into some of the specifics of where opportunities have been identified and quantified, and what work is happening to take those forward.

Councillor Heddle, do you want to comment on that?

**Councillor Heddle:** Ellen Leaver has beaten me to the punch in mentioning the Covid recovery strategy as a template for where we could go. I want to highlight the on-going work that the community planning improvement board is doing on three main areas, which are climate change, financial security for low-income households and the wellbeing of children and young people. The board leads on that work, and I hope that it will feed into this aspect of the Verity house agreement.

**Ivan McKee:** Sarah Watters, do you want to comment on any of the specifics?

**Sarah Watters:** A lot of what you are alluding to and asking for information on is coming through the officer discussions that we are having. We have held a set of workshops between senior Scottish Government deputy directors et cetera, COSLA staff, the Society of Local Authority Chief Executives and Senior Managers, and directors of finance. In those workshops, many of the barriers to reform have come up. Through the shared work programme, we will have to develop solutions to the things that are getting in the way, such as data sharing issues, accounting regulations and funding flexibilities. We have to work through those things.

COSLA wrote to the Finance and Public Administration Committee with much more detail on that, so we could perhaps share that letter with you. One of the key concerns that we raised in our submission to that committee was that there will be some key touch points between wider public service reform of the 129-odd bodies that are part of the Scottish Government’s programme and local government. In the resource spending review, local government was invited to take a complementary approach to public service reform. Local government is doing a huge amount in that area and, as I said, the letter articulates some of that. However, there are some touch points around things that the police and fire services, Skills Development Scotland and all the other bodies will do that will have an impact locally.

That brings us back to community planning as the key driver of local resource decision making and working through some of those person-centred service challenges. National bodies could take decisions about reform that actually make no sense locally on the ground for the delivery of a service in a particular place.

We are working closely with Màiri McAllan’s team to ensure that we do not create tensions between national programmes for public service reform and local approaches to person-centred services. We have to ensure that those touch points make sense and that local government is

fully involved, as is articulated in the Verity house agreement.

**Ivan McKee:** I understand that, and I can see the importance of it. I suppose that what I am not hearing, and which I might have expected to hear, is that areas of duplication have been identified. You mentioned data sharing and the opportunities with regard to the ability to move data, common approaches to digital and so on. There are overlaps between the work of different agencies, Government and local government, where people are all in the same space trying to do the same thing. Clearly, in an era where there are cost challenges, identifying and freeing up resource from those areas has to be a prize worth seeking.

**Sarah Watters:** Local government is doing a huge amount in the area of shared services. Even within COSLA, we have the Digital Office, Trading Standards Scotland, Business Gateway and myjobscotland services, which are shared by local government across Scotland. As I have said, the letter that we sent to the Finance and Public Administration Committee goes into more detail on that.

**Ivan McKee:** I look forward to seeing that.

My other question concerns the situation with the UK Government in this regard. We are increasingly seeing a situation in which the UK Government is seeking to engage with local government through a variety of mechanisms. Has that been considered in the discussion on the new deal, or has the question of how that relationship potentially cuts across some of the work that you are doing been left out of scope?

**Joe FitzPatrick:** The new deal in the Verity house agreement is between local government and the Scottish Government, so those are all factors that we need to be alert to as we move forward.

**Ivan McKee:** Okay. So that elephant in the room is being considered.

**Joe FitzPatrick:** Well, the agreement is between the Scottish Government and local government.

**Ivan McKee:** Okay. Thank you.

**The Convener:** Did you want to ask another question?

**Ivan McKee:** No, that is fine.

**The Convener:** Great. I will bring in Willie Coffey.

**Willie Coffey:** I will stick with the scrutiny function for a moment, as I have a couple of questions on it.

This is a new deal and a new arrangement, and it is about enhanced representation, let us say, with our COSLA colleagues. Does that imply that there could or should be a rebalancing of the scrutiny function? As a member of the Public Audit Committee, I know that we get some sight of the reports from the Accounts Commission and Audit Scotland about performance in local government, but there is by no means the same degree of direct scrutiny that the Parliament has of Government in Scotland. Does there need to be a bit of a rebalancing, or are the mechanisms that are already in place sufficient?

**Joe FitzPatrick:** I do not think that it is unreasonable for the bodies mentioned by Councillor Heddle that carry out independent scrutiny—scrutiny that goes wider than that by, say, Audit Scotland and the Accounts Commission—to check their processes. The Accounts Commission, in particular, is likely to do that.

However, it is important that those of us with a democratic mandate to serve our constituents in this Parliament respect the democratic mandate that local councillors receive in their elections. If we all sign up to that, we can have appropriate scrutiny. If a policy area is shared, let us have those lines of accountability and ensure that Scottish ministers are challenged on the policy areas that we have set. Ultimately, though, local government will be challenged by its electorate on the decisions that it is making—and there might well be different decisions in different localities.

11:45

**Willie Coffey:** Thanks for that. Councillor Heddle, COSLA has an increased role in national policy development. Does that suggest that people like the members of this committee should seek to scrutinise that aspect of your work more effectively to ensure that the outcomes of the framework agreement are being delivered, or are you satisfied that the current scrutiny models are sufficient?

**Councillor Heddle:** At this point we are satisfied that we have appropriate scrutiny. However, we recognise that it is a work in progress. We overtly recognise that in section C of the Verity house agreement, on accountability and assurance, which says:

“Audit Scotland and the Accounts Commission Scotland will be invited to support and provide independent evaluation of progress.”

We have already had high level discussions with the Accounts Commission on that. Moreover, the Local Government, Housing and Planning Committee already exists and has the ability to scrutinise local government as it sees fit.

At this point, we have to respect the fact that the agreement between local government and the Scottish Government is voluntary. Looking at the way in which we work in partnership, I would point out that a system of scrutiny is already applied to what we do. Working together differently should mean that, in general, things work better. I am sorry for being vague, but it is important to recognise that this is a journey rather than a destination.

Joe FitzPatrick made a good point, which I will pick up on: the principles in the Verity house agreement are underpinned by the European Charter of Local Self-Government, which we are keen to see legislated for, too. Alongside that sits the principle of subsidiarity, which respects the devolution of powers to the appropriate level.

I seek your indulgence not to become too heavy handed in respect of scrutiny at this point, and I assure the committee that local government will do its utmost to live up to the things that we are promising.

**Willie Coffey:** Okay. Thank you for both those responses.

**Mark Griffin:** Recently, the First Minister said that any issues relating to pay negotiations are for COSLA, councils and their employees. However, I have sat here long enough to have heard previous First Ministers, finance secretaries and local government ministers say the same thing, only to get involved in negotiations when strikes cause school closures and the rubbish starts mounting.

Given that councils rely overwhelmingly on the Scottish Government for the vast majority of their funding and the majority of that funding is spent on wages, what should be the Government's position in supporting pay negotiations? Does it mean just getting around the table or does it mean putting more money on the table to ensure that local services remain sustainable?

**Joe FitzPatrick:** It is important to emphasise that local government pay negotiations are a matter for local government as the employers, and for the unions. It is enshrined in the Verity house agreement that that is the correct procedure and that the Scottish Government should not interfere in the process. However, in line with the Verity house agreement and despite the cuts that it has received, the Scottish Government has already committed to £155 million to support a meaningful pay rise for local government workers.

We have done things differently this year. In previous years, there might have been a threat of strike action and then Government would have come in and provided additional funding. We have recognised the challenges that you have outlined and £155 million was provided up front to support COSLA in its role as employer.

**Mark Griffin:** There are three key strands to the Verity house agreement, one of which is sustainable public services. Who has ultimate responsibility for ensuring that those services remain sustainable? What is a sustainable service, if pay inflation reaches the point where public services stop being provided? Are we talking about services reaching a level at which Government and councils say, "We can provide X, Y and Z sustainably, but A, B and C will have to go," or are we talking about sustaining the existing level of service? How is pay inflation impacting on that?

**Joe FitzPatrick:** Pay inflation is a real challenge for all parts of the public sector. Local government, the Scottish Government and other public sector bodies are facing pay inflation driven by general inflation and the cost of living crisis. We are facing in-year challenges that we have never had to face before. I am trying to be as non-political as possible, but the impact of the mini-budget is being felt in every area of public service across Scotland and in the rest of the UK. That is a real challenge.

The Verity house agreement means that we can take those things forward together by working in partnership. What is right for one area might be different for another, which is why we want to empower local government to make choices and decisions. I hope that, instead of directing from central Government, we can allow local government to make the choices that will have the greatest impact on local areas.

As I mentioned earlier, my local authority, Dundee City Council, made a budget choice last year to provide extra funding for anti-poverty measures, because of particular challenges in the city. A huge amount of money has already been spent on mitigating Westminster policies. If we did not have to do that, the money could be deployed in different ways. Dundee City Council took difficult decisions not to do some things, because other things were thought to be really important. It is absolutely appropriate for such decisions to be made by politicians who are elected by their constituents to make them at local level, instead of their being directed by the Scottish Government in order to make life easier when we have to answer questions in front of committees such as this one.

**Mark Griffin:** Councillor Heddle, is it possible for local government to meet the Verity house agreement's key commitment to sustainable public services while also meeting pay demands from local government staff?

**Councillor Heddle:** That takes us back to the fundamental principle that local government should be adequately funded, which includes being able to pay our workforce in a way that is equitable and in line with other areas in the public

sector. Our ability to do that fundamentally depends on how much money we get, and the next budget will be crucial to that.

I absolutely acknowledge the £155 million of Scottish Government funding that Mr FitzPatrick alluded to, which has enabled us to construct a pay offer for our workforce that we believe matches other parts of the public sector. That is a solution for this year, and it has yet to be accepted. In fact, it has been rejected. It is clearly a hot topic for local government, and we will be having a special leaders meeting to discuss pay this very afternoon.

Returning to your question, I think that it is undeniable that the overall quantum is fundamental to the services that we can provide, and I fully acknowledge that that is true for the Scottish Government as much as it is for local government. Ultimately, however, if local government is not adequately funded, we will not be able to do everything that we want or need to do.

**The Convener:** Miles Briggs will ask a range of questions to wrap up the session.

**Miles Briggs:** I have a couple of questions regarding the scrutiny of the new deal, specifically the refreshed role and remit of the Scottish Government place directors. The committee has had no previous engagement with place directors—they seem to have been misplaced, for some reason. Can you outline their role and how you envisage that working in practice? What opportunities will there be for the Parliament to scrutinise the additional role that they will play?

**Joe FitzPatrick:** Place directors have been around for a while. They try to understand, promote and support how public services work together, and that role has been reinforced in the Verity house agreement. I would not expect place directors to be accountable directly—that would be quite strange, because they are doing a piece of work; they are not making decisions as such.

Ellen, do you want to come in? I guess that you are a place director for some place.

**Ellen Leaver:** I am indeed—I am a co-place director for Renfrewshire. Place directors were formerly known as location directors, so members might have heard of them in that terminology. They are senior civil servants who, alongside their regular job, are appointed to be a liaison and a point of contact and to participate in community planning meetings and other meetings with local councils and local partners. They engage regularly, and they are able to feed that local intelligence into local government, as well as taking it back to the Scottish Government through a range of discussions.

We recognise that the role has varied over time, with more or less focus. It works really well in some areas, much like community planning partnerships, as we discussed earlier, which are very much part of the process, too.

Again, there is a deliberate choice, as with the community planning references, to bring place directors into the engagement mechanisms in the Verity house agreement in order to reinforce the role and give it a place and more emphasis. I am not saying that it works brilliantly, but we explicitly reference that we need to look at how we make the most of it.

Much like community planning partnerships, if we did not have place directors, we would have had to invent them for the Verity house agreement, in order to be able to have the maximum impact and gather soft intelligence locally. That is why they are situated there, but we recognise that there is much more to build on.

**Miles Briggs:** Thank you. The committee might want to follow up on how that is taken forward.

The new deal states:

“The Strategic Review Group ... will provide assurance that Scottish and Local Government are maintaining all commitments set out in this agreement.”

What opportunities will there be for scrutiny of that group’s work? For example, will it be required to publish progress updates at regular intervals?

**Joe FitzPatrick:** First, the strategic review group is not new—it involves the Deputy First Minister and the COSLA president meeting to look at, generally, all matters of shared interest. The outputs from that would probably normally be scrutinised through other parliamentary channels rather than directly through that channel.

**Ellen Leaver:** The strategic review group was actually established following the previous Scottish Parliament election. The current Deputy First Minister was then the Cabinet Secretary for Social Justice, Housing and Local Government. She took the view that we needed to increase our formal engagement mechanisms to create a space for regular discussions about issues that were coming up; to provide an escalation route if things were challenging; and to have a focused space in which to discuss our key priorities, such as tackling poverty, and how we can work together to advance those.

The intention was not to replace any of the portfolio or thematic groups that already existed elsewhere, but to provide overarching dialogue and engagement. As part of the Verity house agreement, we took the decision that we need to continue that and bake it into the agreement.

**Miles Briggs:** Thank you. It would be useful if we had a flow chart to show how all those strands connect.

The Verity house agreement reiterates the commitment to incorporate the European charter of local self-government into Scots law. Could you outline the timescale in which you expect that work to be completed and any parliamentary timescales that will be needed?

12:00

**Joe FitzPatrick:** We remain absolutely committed to supporting Mark Ruskell in bringing his bill forward at reconsideration stage, and the Verity house agreement is absolutely explicit in saying that we are committed to incorporating the charter. In fact, the language used in the agreement draws largely on it. Just because the European charter has not been enshrined in domestic legislation does not mean that we are not allowed to meet the aspirations of the legislation. Clearly, that was an aspiration of the Parliament.

Mr Ruskell took the view that we should wait until the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill was taken forward for reconsideration. We have had that announcement, and we will now continue to work at pace to bring the bill back for reconsideration, but this is a complex issue and we need to make sure that we get it right. It is an absolute commitment, and COSLA raises the matter at virtually every opportunity, because it is important to local government that the charter is enshrined in law in future. I hope that all members agree that it is important that we take that forward.

**Miles Briggs:** That is helpful. It would be helpful if you could keep the committee updated on that.

**Joe FitzPatrick:** Sure.

**The Convener:** Councillor Heddle, do you have any response to any of the questions?

**Councillor Heddle:** I think that the provision relating to place directors in the Verity house agreement is very useful, and it clearly relates to paragraph 6 in the same agreement, on community planning partnerships, which it says

“will be recognised as a critical mechanism for the alignment of resource locally, focussed on prevention and early intervention, and delivering our shared priorities.”

The paragraph goes on to say:

“Scottish Government will ensure that those public bodies that can contribute to community planning, play their part, including in involving local third sector and community bodies in promoting and improving wellbeing.”

That is where the place directors come in, because they will be able to support or encourage

our agency partners to progress with aligning their budgets and policies in order to support the work of CPPs on place. The committee has already recognised the need for agency partners to be empowered in that respect, so this will be a key area for place directors to come in.

**Miles Briggs:** We agree with you, but it is important for the committee to consider the place directors’ scrutiny role.

Minister, can you say a bit more about your plans to conclude the review by the end of this parliamentary year? Is it still expected to result in the local democracy bill being introduced in the current session?

**Joe FitzPatrick:** As Tom Arthur said in the previous evidence session, we expect to get the output of the local governance review by the beginning of next year—I think that “early next year” was the language that he used. A really important on-going piece of work is the “Democracy matters” conversation, but an equally important piece of work involves looking at single authority models, with Orkney Islands Council, Western Isles Council and, I think, Argyll and Bute Council looking at whether such a model will work for them.

As I have been going around local authorities, I have been saying to them, “If there’s something that, two years ago, you thought might not work”—which is where Argyll and Bute Council was a few years ago—“and you want to look at it again, do not hesitate.” Argyll and Bute Council is likely to come forward with a single authority model that it thinks might help it get sustainability. These things need to be worked through in partnership, and that will, I hope, allow us to make the changes. I do not expect these things to be carbon copies of one another. If we end up with three single authority models, I expect that each will be unique and will work for what is right for the area.

I know that other island authorities, particularly Shetland Islands Council, do not want to take the same route. Instead, they talk about the partnerships that they have developed under the current arrangements, and we would hold them up as exemplars.

There is a lot of learning to be done, and any changes that we make in this respect will be looked at by other authorities. I hope that, even if we do not end up with a single authority, the work that we have done in looking at the issue will help us to improve the sustainability of public services as a whole.

**Miles Briggs:** On the single authority model, when we were up in Orkney, we had very constructive discussions with the council about its plans in that respect, but I did not think that it was quite clear where, if councils were to move

towards such a model, any future discussions on a funding formula would take place, especially with regard to health and council funding. Is any work taking place on what that might look like?

**Joe FitzPatrick:** Work is taking place on the overall issue, but you are probably jumping three steps ahead of things. Clearly, though, that will be part of the work that will need to take place. Equally, we will need to look at how we might resolve the issue of accountability with regard to matters that are the responsibility of Scottish Government ministers. We will do that in the spirit of partnership enshrined in the Verity house agreement, and I hope that that will help us to take things forward in a way that works for everyone.

**Miles Briggs:** Thank you.

**The Convener:** That concludes our questions in what has been a very useful session. It sounds as if it is a case of “So far, so good”—you seem to have a constructive relationship, and the trust is there. That is tremendous, and we look forward to getting updates on how things are going.

I thank everyone who has given evidence today, particularly the minister and Councillor Heddle for staying for such a long meeting. You did well.

At the start of the meeting, we agreed to take the next items on the agenda in private. As that was the last public item, I close the public part of the meeting.

12:06

*Meeting continued in private until 12:20.*

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