

# PERTH AND KINROSS COUNCIL

19 December 2018

## NATIONAL JOINT REVIEW OF LOCAL GOVERNANCE

### Report by Depute Chief Executive (Report No.18/417)

This report presents a draft response from Perth and Kinross Council to the National Joint Review of Local Governance and asks Council to approve the response.

#### 1. BACKGROUND/KEY ISSUES

- 1.1 All Scottish public service reform legislation in the last decade (spanning health and social care, children and young people, education and community justice) incorporates the principle of subsidiarity. Every public service whether administered nationally, regionally or locally is ultimately *delivered locally* – to individuals, families and neighbourhoods.
- 1.2 Subsidiarity means allowing decisions to be made at the most local level where decisions will have most impact. It implies that more centralised public bodies – Councils, regional structures or national government – make decisions only where necessary to support good local decision making. For example where a decision has wide strategic implications such as building a cross-border railway line; deciding where highly specialist health care services are best located; or decisions requiring professional/technical expertise such as child protection.
- 1.3 The Community Empowerment (Scotland) Act 2015 aims to strengthen community participation and engagement through various new duties and powers. This Review aims to take the agenda further. It launched in November 2017 as a joint exercise between Scottish Government and COSLA. The Review aim is to *consider how powers, responsibilities and resources are shared across national and local spheres of government, and with communities*. Ministers have stressed they want to see all public bodies engaged in the Review and that both national and local democratic decision-making processes should be examined. A link to the Review microsite is [here](#).
- 1.4 The Review included an initial information-gathering stage to which we responded (**Appendix 1**). It is currently focused on asking Councils and other public bodies for proposals on what successful reform looks like, accepting that different solutions will suit different areas. For example the Islands have long advocated a Single Public Authority where Councils, NHS and other public services will work jointly as part of a new constituted structure requiring primary legislation (The Islands Act 2018). In Perth and Kinross, the Health and Social Care Partnership integrates social care services delivered by the Council with clinical care delivered by NHS Tayside. In England, Combined Authorities have emerged such as in Greater Merseyside, incorporating 9 Councils with a strong focus on economic development and urban regeneration. Other Councils in Scotland, including us, are pursuing wider Regional Collaboratives on key services including education (the Regional

Improvement Collaborative) and economic development which is integral to the Tay Cities Deal.

- 1.5 Final input to the Review is requested by December 2018. **Appendix 2** is the commissioning letter from the COSLA President and Deputy First Minister setting out the Review 'ask' from public bodies.
- 1.6 The 2018 Programme for Government (September 2018) confirms that Review recommendations will be built into a 2019 Local Democracy Bill.
- 1.7 The question of how to make democracy work better is huge, and very current. Social media enabling mass online public debates and the rise of populist/anti-establishment movements are a factor. Broadly speaking we can think about democratic tools in three ways:
  - **Representative democracy**, where elected representatives make decisions on behalf of their constituents locally, regionally or nationally.
  - **Participative democracy**, including Citizen Juries, Participatory Budgeting and online debates and voting.
  - **Administrative boundaries** within which local, regional or national public services are delivered with accountability to elected or appointed bodies.
- 1.8 Key considerations for us include:
  - The **benefits** of subsidiarity – decisions about local public services are better informed by a broad and diverse spectrum of community views.
  - The **risks** of subsidiarity – decisions may be hijacked by vocal minorities; scarce public resources are not targeted effectively across different localities because an overview of overall priorities is lost.
  - How decisions can be improved through more participative democracy (for example planning local community health services or deciding local speed restrictions)
  - Which decisions need to be taken by professional/technical experts or representative democracy (for example planning or licensing).
  - The shift required to be an 'enabling Council' which fosters subsidiarity. This means accepting we will not control all decisions but we are important influencers in delivering better outcomes for everyone in Perth and Kinross.
  - Implications of this cultural shift for our organisational structure, skills and ways of working.
- 1.9 We explored these issues and more during Councillor workshops in November 2018, summarised in section 2. **Appendix 3** is the draft response to the Review Team based on the views expressed by members.
- 1.10 A COSLA Special Working Group is developing a common statement of principles which it will promote for inclusion in the Local Democracy Bill. These will be considered by COSLA Leaders in January 2019 based on:
  - Community empowerment
  - Functional empowerment
  - Fiscal empowerment

## **2. PROPOSALS**

### **Workshop feedback**

2.1 The workshops covered a wide range of issues. Key points raised were:

- There was a strong view that decisions are frequently made at too high a level and the degree of centralised decision making in Scotland is significant.
- There was a view that Scottish Councils vary too much in population and geographical size – they could be smaller and more responsive, based on area rather than population size.
- The importance of fiscal autonomy including local taxation powers if local decision-making structures are to have ‘teeth’. English Parish Councils were highlighted as effective local decision making structures with appropriate financial and wider decision-making roles.
- Local decision making should be the starting point for reform proposals, followed by an aggregation upwards where necessary to regional or national level (rather than deciding what can be devolved ‘downwards’)
- The breadth of community organisations at local level including Community Councils and the complexities this raises for effective local decision making and accountability. For example Community Councils are statutory consultees; Development Trusts are good at mobilising communities as they often have significant funds at their disposal.
- There was some appetite to build the role of Local Action Partnerships giving them more decision-making powers including financial decisions, and a clear role in monitoring, scrutinising and holding to account local public services. LAPs have already made inroads to strengthening participatory democracy through Participatory Budgeting.
- There were also some views expressed on the possible use of Area Committees as a forum for local decision making.
- Recognising that not everyone is interested in the detail of which body runs different public services and determining the key issues which communities want to decide themselves; otherwise consultation and volunteer fatigue sets in.
- The importance of consistent, high quality public consultation processes where the public can trust that their views will be considered and, if not acted on, the reasons why are clear.

## Wider considerations

2.1 As well as consultation with Councillors, evidence was gathered through other means including from other Councils and the Council Modernising Governance Member Officer Group (MOWG). The main points considered were:

- Increasing use of deliberative democracy tools, like Citizen Juries and Mini-Publics, to inform and strengthen local decision making by encouraging a wider range of community views.
- At local authority level, scope to create new governance arrangements via the Community Planning Partnership within which CPP partner budgets, skills and other resources are better aligned to the shared priorities of the Community Plan.
- At regional level, scope for further collaboration and integration across public services and Councils as well as with social enterprises and the third sector to create more economies of scale.
- Scope for greater fiscal power and autonomy to deliver local services such as discretionary local taxes.
- How new models of municipal/civic government can support more creative, less risk-averse approaches to public service design and delivery – for example, by mutuals, social enterprises and stimulating local markets for services which deliver social benefits like improved local employability/employment and strengthened local supply chains. This issue is not highlighted in the Review but has been the focus of other public policy organisations such as APSE<sup>1</sup>.

## 3. CONCLUSION

3.1 The evidence gathered to feed into the review has raised a number of key points which suggest some key principles for this Council and for the development of wider reform proposals:

- A focus on making local community planning work more effectively; in Perth and Kinross, this would suggest strengthening the Local Action Partnerships.
- Start local with what can be aggregated upwards, rather than what might be devolved ‘downwards’
- The importance of local fiscal powers and responsibilities to build and encourage community participation in local decision-making.

3.2 Council is asked to:

- a) **Note** the progress of the National Joint Review of Local Governance.
- b) **Approve** the key principles in **3.1**
- c) **Approve** the draft response set out at **Appendix 3**.

### Author

Name	Designation	Contact Details
Fiona Robertson	Head of Culture and Public Service Reform	01738 475000

<sup>1</sup> *The New Municipalism: Taking Back Entrepreneurship*, Association for Public Service Excellence, June 2018

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	7 December 2018

## IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>No</b>
Workforce	<b>No</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>None</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>No</b>
<b>Communication</b>	
Communications Plan	<b>No</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1. This report relates to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of all priorities.

#### Corporate Plan

- 1.2. This report relates to the achievement of the Council's Corporate Plan in terms of all priorities.

### 2. Resource Implications

#### Financial

- 2.1. There are no direct financial resource implications to this report.

#### Workforce

- 2.2. There are no direct workforce implications arising from this report.

#### Asset Management (land, property, IT)

- 2.3. There are no direct asset management issues arising from this report.

### 3. Assessments

- 3.1. This report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

(i) Assessed as **not relevant** for the purposes of EqIA.

#### Strategic Environmental Assessment

- 3.2. The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

Assessed as not relevant for the purposes of Strategic Environmental Assessment

#### Sustainability

- 3.3. None.

#### Legal and Governance

- 3.4. There are no direct legal and governance implications to this report but there will be governance implications which arise from any new legislation. These will be examined and reported to the Committee as part of the next stage of work.

#### Risk

- 3.5. There are no immediate risks arising from this report; the Council's strategic risk register reflects the significance of the community empowerment agenda and the Council's response to it.

### **4. Consultation**

#### Internal

- 4.1. The following have been consulted in the preparation of this report:

#### Internal

- Elected members
- Executive Officer Team

### **5. Communication**

- 5.1 Not applicable.

**2. BACKGROUND PAPERS**

None.

**3. APPENDICES**

Appendix 1 – PKC initial response to the Local Governance Review

Appendix 2 – background letter from Scottish Government and COSLA

Appendix 3 – draft PKC final response to the Review