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<b>Report To:</b>	<b>Inverclyde Council</b>	<b>Date:</b>	<b>29 November 2018</b>
<b>Report By:</b>	<b>Steven McNab, Head of Organisational Development, Policy and Communications</b>	<b>Report No:</b>	<b>IC/06/18/SM/LM</b>
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<b>Subject:</b>	<b>Response to Local Governance Review 2018</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present Inverclyde Council's response to the Local Governance Review, as requested by Scottish Government. The deadline for responses is 14 December 2018.

## **2.0 SUMMARY**

- 2.1 COSLA and the Scottish Government have embarked on a review of local governance. The review remit is open, offering local government an opportunity to place key issues onto the reform agenda. While the first strand of the review focuses on a programme of engagement with communities, the second strand invites councils and wider public services to identify proposals that can improve outcomes, reduce inequalities and drive inclusive economic growth.
- 2.2 The first strand of the review involves engagement with communities via Democracy Matters. The Scottish Government has given a commitment to review how responsibilities and resources can be shared across national and local government in a way that delivers the greatest benefit to Scotland's different communities. The Government is asking communities to respond to a series of questions, which will inform the review.
- 2.3 The second strand of the Local Governance Review is broad in scope and it is anticipated that all public services will wish to offer proposals to improve governance arrangements at their level of place. This is based on an acceptance of increasing variation in decision-making arrangements across the country: what is right for one place will not necessarily be right for another.
- 2.4 The two strands of the Local Governance Review have run in parallel for a period of around 6 months and will end in December 2018. These will inform a programme of change in governance arrangements in different places, where these can increase the pace and scale of public service reform; focus on shared outcomes and strengthen local decision making. In the event of legislative change being required, a Local Democracy Bill is provisionally scheduled for introduction later this parliament.
- 2.5 For the first strand involving and engaging communities, the Chief Executive and officers held a Democracy Matters event with members from the Port Glasgow West Community Council on 22 August 2018. The Port Glasgow West Community Council also responded to the Democracy Matters Consultation.
- 2.5 For the second strand, involving public bodies, a Local Governance Review Workshop was delivered in Inverclyde by COSLA and Scottish Government to Elected Members and officers on

23 August 2018. This workshop sought to capture suggestions for devolving power to local areas and twelve elected members participated.

2.6 The responses and key themes from the workshop and feedback from individual members include:

- Devolution of fiscal powers to local authorities to raise taxes locally, to have more financial autonomy over the resources available and to avoid over reliance on funding from Central Government.
- Ring fencing of budgets by Central Government should cease as Local Authorities should be allowed to determine local priorities and allocate resources accordingly.
- Local demographic accountability to improve collaborations between social enterprises and communities working together. Establish a clear role of community councils to ensure communities are representative and everyone is engaging in the decision making process.
- Apply principles of subsidiarity - Central Government needs to let go of some power and respect the democratic mandate of Local Government to make democratic decisions for the best interest of their communities. There needs to be more discussion on decision making taking place at different levels. Creating conditions to allow the implementation of local approaches that work for the local area and build on this with communities.
- Local public services led by local authorities should be empowered to roll out the Single Public Authority Model to maximise efficiencies and effective delivery of services.

2.7 The key themes and consultation responses gathered from the Elected Members will form the response to be submitted to the Scottish Government by 14 December 2018.

### **3.0 RECOMMENDATIONS**

It is recommended that the Council:

- a. note the key themes and outcomes to emerge from the workshop consultation, and
- b. approve the Inverclyde Council Local Governance Review response and key themes in 5.1.

**Steven McNab**  
**Head of Organisational Development, Policy and Communications**

## **4.0 BACKGROUND**

- 4.1 The Programme for Government 2017-18 set out the intention to “decentralise power to a more local level in Scotland and launch a comprehensive review of local governance ahead of a Local Democracy Bill later in this Parliament”. In December 2017, the Scottish Government and COSLA jointly launched the Local Governance Review.
- 4.2 The Scottish Government recognises that decisions about the issues that affect different communities in Scotland should be taken with the active involvement of those communities. Whether that is communities in different places organised at a very local level, or communities with a shared interest organised at a more regional level. This enables public services to work in ways which meet local circumstances and reflect the priorities of different communities.
- 4.3 The Government wishes to review how powers, responsibilities and resources are shared across national and local spheres of government and with communities, in the context of significant change to the governance of Scotland over the last two decades.
- 4.4 The Review of Local Governance explores what might be achieved in regard to local and community decision-making and democratic governance in order to improve outcomes in local communities, and highlight opportunities for positive change. In doing so, it brings a wide range of Scotland’s public services into scope, takes cognisance of reforms where work is already progressing, and will include powers and functions held at national level.
- 4.5 The Government is very keen to engage with public services about how changes to Scotland’s governance could make the lives of Scotland’s people better. This engagement is taking place in two strands.
- Strand 1 involves a programme of engagement with communities.
  - Strand 2 involved the Scottish Government, local authorities, community planning partnerships and other public sector organisations proposing approaches to governance, powers or ways of working that could improve outcomes, reduce inequalities and improve democracy locally.
- 4.6 The Chief Executive contacted representatives from Community Councils in order to raise awareness of the Democracy Matters element of the review, and offered to listen to what ideas they might have in regard to local governance. A meeting was held with Port Glasgow West Community Council in August 2018, who subsequently submitted their response.
- 4.7 In relation to strand 2, a Local Governance Review Workshop opportunity was hosted by Inverclyde Council and delivered by COSLA and Scottish Government to Elected Members and officers on 23 August 2018. This workshop sought to capture recommendations and suggestions for devolving power to local areas. Twelve Inverclyde Council Elected Members participated in the workshop. The outcomes and themes from the workshop have been collated and are outlined in the response in 5.1.
- 4.8 The two strands of the Local Governance Review have been running in parallel for a period of around six months and are due to end in December 2018. The deadline for written responses is 14 December 2018. In the event of legislative change being required a Local Democracy Bill is provisionally scheduled for introduction later this parliament.

## **5.0 Proposal**

- 5.1 In recognition of the matters arising from the workshop and feedback from individual members, it was considered that the Council respond to Local Governance Review as follows:
- Devolution of fiscal powers to local authorities to raise taxes locally, to have more financial autonomy over the resources available and to avoid over reliance on

funding from Central Government.

- Ring fencing of budgets by Central Government should cease as Local Authorities should be allowed to determine local priorities and allocate resources accordingly.
- Local demographic accountability to improve collaborations between social enterprises and communities working together. Establish a clear role of community councils to ensure communities are representative and everyone is engaging in the decision making process.
- Apply principles of subsidiarity - Central Government needs to let go of some power and respect the democratic mandate of Local Government to make democratic decisions for the best interest of their communities. There needs to be more discussion on decision making taking place at different levels. Creating conditions to allow the implementation of local approaches that work for the local area and build on this with communities.
- Local public services led by local authorities should be empowered to roll out the Single Public Authority Model to maximise efficiencies and effective delivery of services.

## 6.0 IMPLICATIONS

### 6.1 Financial Implications - One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a					

### Financial Implications - Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

6.2 Human Resources: none at present

6.3 Legal: none at present

6.4 Equalities: none at present

6.5 Repopulation: none at present

## 7.0 CONSULTATIONS

7.1 The Chief Executive, Corporate Director and twelve elected members participated in a Local Government Review workshop opportunity in August 2018.

## 8.0 CONCLUSIONS

8.1 The Local Governance Review provides an opportunity for Inverclyde Council to be involved in a dialogue around how local democracy could work better and how communities can be better involved in local decision making and achieving better outcomes. The Local Governance Review Workshop opportunity was delivered in Inverclyde by COSLA and Scottish Government to Elected Members and officers on 23 August 2018. This workshop sought to capture suggestions for devolving power to local areas twelve elected members participated. The outcomes and themes from the workshop have been collated and are outlined in section 5.1 of this report.

## 9.0 LIST OF BACKGROUND PAPERS

- 9.1 <http://www.gov.scot/Publications/2018/05/6780/354026>  
<https://www.inverclyde.gov.uk/meetings/meeting/1716> Agenda item 7: Effective  
Democracy: Reconnecting with Communities  
<http://www.localdemocracy.info/2014/08/14/time-to-rebuild-scottish-democracy-what-the-referendum-decides/>