

**FINANCE COMMITTEE CALL FOR EVIDENCE
COMMUNITY EMPOWERMENT (SCOTLAND) BILL;
FINANCIAL MEMORANDUM
SUBMISSION FROM COSLA**

COSLA welcomes the opportunity to respond to the Financial Memorandum on the Community Empowerment (Scotland) Bill. We have consulted with our members on the Financial Memorandum and detailed comments can be found annexed to this letter, however, we have also taken the opportunity to highlight our key concern below.

The Community Empowerment (Scotland) Bill is proposing a number of new burdens on local government. While individually these are not overly onerous, they have the potential to combine to create a significant increase in work for councils. COSLA is firmly of the view that any part of the legislation proposing new duties on Local Authorities requires to be appropriately financed and resourced by Scottish Government and be cost neutral to local government.

Given the lack of clarity over both costs and the uptake of the provisions proposed in the Bill, COSLA strongly believes that further work requires to be undertaken on the Financial Memorandum to quantify the cost to Local Authorities before the Bill is passed.

If you have any questions regarding our submission, please do not hesitate to contact me.

Yours sincerely,

Cllr Kevin Keenan

**Resources and Capacity Spokesperson
COSLA**

Key Messages

- The Community Empowerment (Scotland) Bill is proposing a number of new burdens on local government. While individually these are not overly onerous, they have the potential to combine to create a significant increase in work for councils.
- Any part of the legislation proposing new duties on Local Authorities requires to be appropriately financed and resourced by Scottish Government and be cost neutral to local government.
- Where costs are indicated in the Financial Memorandum, COSLA is concerned these are understated.
- COSLA seeks reassurance that further work be undertaken to better quantify these costs before the Community Empowerment (Scotland) Bill is passed.

Community Planning

The Bill proposes to extend the list of key Community Planning Partners to include a wider range of public bodies that may have a role in influencing local outcomes, including Scottish Natural Heritage, Skills Development Scotland, and the new integration joint

boards formed under the Public Bodies (Joint Working) (Scotland) Act 2014. Individual partners have a duty to work collaboratively and to take into account the plan for local outcomes when setting their individual priorities. These partners are also expected to commit resources to delivery of the plan and report to the CPP on their contribution. While the extension of the current Community Planning arrangements are welcomed, it is still unclear exactly how other bodies will be compelled to contribute resources and clarity around this at the outset is important if the arrangements are to work as intended.

The Financial Memorandum assumes that there will be minor additional costs for Local Authorities with the changes to Community Planning. COSLA agrees that the additional costs to Local Authorities in this area would appear to be minimal.

Participation Requests

The financial impact of the Bill in this area is two-fold. Firstly, the resource required to enable communities, on an equal basis, to have the ability and capacity to take a proactive role in how services are planned and delivered. Secondly, the staff resource required to set up and manage a new process for participation requests within Local Authorities. However, the main concern from COSLA centres around the difficulty of anticipating the demand for this legislation and, in turn, quantifying the costs that will be incurred by Local Authorities.

It has been suggested that the impact could be similar to the current Freedom of Information process and COSLA is therefore concerned by the potential administrative burden that these new duties could create.

Asset Transfer Requests

This aspect of the proposed legislation is increasingly relevant and important to Local Authorities. Given the current fiscal challenges presenting local government, many Local Authorities are already undertaking this type of work, looking at property rationalisation in terms of community halls, village facilities and cultural facilities, such as museums and working on the development of the Community Sports Hub style models with sports clubs, teams and joint management arrangements.

However, this work is highly reliant on council support and provision of community capacity building assistance, which can be very resource intensive and continues for an undefined period of time. Initial capital investment is also required to cover the cost of the standard lease arrangements required for asset transfer and there will be internal costs associated with property and assets and legal aspects would also involve staff time in the preparation of leases and conditions surveys and any other necessary work to support a transfer. The costs are also highly variable, given that they are dependent upon the size and location of asset as well as they size and capacity of the Community Body. Again, it is also unclear what level of demand there will be from communities for this and as such it is difficult to quantify the administrative and financial impact on councils.

COSLA welcomes that the Financial Memorandum takes cognisance of the fact that Local Authorities may choose to transfer assets for less than market value and that this will have a financial consequence.

The Financial Memorandum makes mention that there will be envisaged cost savings to Local Authorities in operating this model of asset transfer, both in terms of property management and increased outcomes. Very little information on the potential cost savings have been outlined, as again this will be demand driven and COSLA is concerned that

these savings may have been overstated. COSLA would welcome clarity around this area of the Financial Memorandum.

The Finance Committee should also note that there is no reference in the Financial Memorandum of the impact on reductions to a local authority's asset base and COSLA is concerned that this could adversely affect Local Authorities' ability to take out loans.

Common Good Property

The Financial Memorandum states that there will be some additional costs for Local Authorities are anticipated, but does not quantify these. COSLA accepts that establishing and maintaining a register of Common Good property should not present a significant additional financial cost, but stresses that there will still be a cost, and this will vary from Local Authority to Local Authority.

Additionally, there will be a financial impact regarding the requirement for Local Authorities to consult with Community Councils and Community Groups in the establishment of the register and any disposal or any change in use of common good property. The impact of which would be dependent upon current models of engagement within the planning system of the local authority, but still presents an additional burden on local government and one which the Financial Memorandum does not take full account.

Allotments

This section of the Bill looks to update the current legislation on Allotments. While this is to be welcomed, there a number of proposed new duties which place an additional administrative burden on councils.

The costs associated with the creation of additional allotments varies significantly from Authority to Authority. Scotland is a diverse country made up of Islands, urban, rural, and city areas. Demand for allotments and potential availability of land therefore differs significantly between Local Authority areas. Again, it is very difficult to quantify a cost for local government as a whole for the reasons outlined above, especially given the inability to predict the demand that the new legislation will create.

Further to this the Bill prescribes a trigger point for the provision on new allotments, which is 'no more than one half of the total allotments owned and leased by the authority' and this may not practical for all Local Authorities. There is potentially a significant financial implication with the development of land for new allotments. In particular, where this includes the provision of roads for access and facilities such as toilets and access to water on site. COSLA is concerned that the Financial Memorandum does not take into consideration routine allotment site maintenance carried out by local authorities or the associated utility costs that will increase with the provision of new or increased allotment sites.

Additionally, there are likely to be cost implications associated in producing the Food Growing Strategy and annual report which is required by the Bill. The Financial Memorandum suggests costs of these should not be particularly resource intensive, however, they are still a new burden on local government and as such require to be appropriately funded by Scottish Government.

Non-Domestic Rates

COSLA responded positively to the original consultation on Non-Domestic rates called "Supporting Business, Promoting Growth", and the proposals are very much in line with

COSLA's vision for increased local flexibility on funding and local taxation powers. Therefore, COSLA does not have any concerns about this section of the Financial Memorandum.

General Comments

The Community Empowerment (Scotland) Bill is proposing a number of new burdens on local government. While individually these are not overly onerous, they have the potential to combine to create a significant increase in work for councils.

COSLA is firm the view that any part of the legislation proposing new duties on Local Authorities requires to be appropriately financed and resourced by Scottish Government and be cost neutral to local government.

Furthermore, in a number of areas, most notably that of participation requests and asset transfers, it is difficult to anticipate the uptake and demand that will be placed upon Local Authorities. This makes it very difficult to quantify the financial cost that will be placed upon local government in complying with the legislation and indeed the Financial Memorandum makes no attempt to quantify a cost for these areas of the proposed legislation. Where costs are indicated, COSLA is concerned that these are understated. Therefore, COSLA seeks reassurance that further work be undertaken to better quantify these costs before the Community Empowerment (Scotland) Bill is passed.