

FINANCE COMMITTEE CALL FOR EVIDENCE

COMMUNITY EMPOWERMENT (SCOTLAND) BILL;

FINANCIAL MEMORANDUM SUBMISSION FROM FIFE COUNCIL

Consultation

Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

1. Yes a consultation did take place and comments on the financial assumptions were made.

If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?

2. For the main part the assumptions in the FM have been accurate. However due to the length of time from the beginning of the consultation period to the current stage of the Bill's evolution Fife Council has already had to react to communities' anticipation of the changes. Several groups have come forward in anticipation of changes to the law with requests and the Council has had to respond. Responses have required officer time, effective community engagement and the development of new processes to manage requests which have mainly been in relation to Community Transfer of publicly owned land and buildings.

Did you have sufficient time to contribute to the consultation exercise?

3. Yes.

Costs

If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.

4. It is becoming clearer that the Bill will have financial and other resource implications for local Councils as they respond to increasing numbers of community requests.

Community Planning – Consideration may need to be given to levels of staffing needed to take on the organisation, assessment, and administration of additional requests from Community Groups. Any investment in additional staffing may not be significant to Fife Council as a whole but Services such as Community Learning & Development are already under pressure as a consequence of needing to respond to e.g. requests from local groups to take over Community Centres and Halls.

Community Transfer of Council owned land & buildings is anticipated to be a pressure point as a consequence of the Bill, and having sufficient professional Community work capacity within Community Learning & Development Services will be essential if the stated outcomes and ambitions for this piece of legislation are to be realised.

Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

5. Based on previous experience the savings will be difficult to estimate, especially if assets are being disposed at less than market value (as has been the case in transfers to community organisations).

Local Councils may need to develop a cross Service team with a suitable skill mix to fully implement and manage any programme of transfer of assets. There is also an unknown potential cost to Councils as they will require to be reactive to communities' aspirations. In addition to suitable community work expertise to engage with local organisations, legal, financial and property management skills may be required.

If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?

6. There will need to be additional funding allocated to some Services which have been highlighted elsewhere in this paper - although these costs will not be prohibitive in terms of implementing the bill. Resourcing of Council capacity for effective community engagement is likely to be an issue in Fife and in other parts of Scotland.

Does the FM accurately reflect the margins of uncertainty associated with the Bill's estimated costs and with the timescales over which they would be expected to arise?

7. The Bill as drafted does not amend the law of common good to enable local authorities to use certain categories of common good land for other purposes – 'appropriation,' in the wording of the existing legislation. Recent cases have shown that appropriation of land, for example, new schools, is not legally possible.

This may have unintended financial consequences for local authorities. It will reduce the number of options local authorities have for using all land within their control, and may force them to acquire land from third parties at cost rather than making best use of existing resources.

Wider Issues

Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?

8. The Non-domestic Rates (NDR) proposal contained within the Community Empowerment (Scotland) Bill proposes that Local Authorities be given delegated powers to reduce or remit the amount of non-domestic rates levied by it. In effect it proposes the establishment of localised relief schemes, which could be used to help incentivise development and investment in areas deemed appropriate by the Local Authority e.g. a Town Centre.

Whilst this can create opportunity, there are also additional costs that could arise: The cost of localised schemes in terms of both administration of the scheme and actual cost of the relief itself will be borne solely by the Local Authority. It is explicit in the Bill that the Local Authority will not have the delegated power to raise NDRs in other areas to compensate for localised schemes.

The Scottish Government expects that the income derived from rates will remain the same and as land/buildings subject to Fife Councils proposed interventions do not

currently generate any NDR income, the incentives will initially be cost neutral, other than costs of administration. To Fife Council/Scottish Government. The expectation is that these properties will then generate an NDR income (subject to National reliefs) post development/conversion and the rates holiday.

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

9. It is not currently possible to quantify this as this will depend on what the subordinate legislation is and its impact locally on each Local Authority.