Local Government and Communities Committee

Call for Views on the Long-Term Financial Sustainability of Local Government

Submission from Bill Howat, former Chief Executive of Western Isles, and other former CEOs of Scottish Councils

1. We are a developing informal network of former CEOs of Scottish Councils (list below). We welcome the chance to respond to the Committee’s request for evidence on the Long-term Financial Sustainability of Local Government. We note this is in the context of its pre-budget scrutiny role as a committee of the SP.

2. Our view is that Scotland needs a fundamental review of the role, functions, responsibilities and financing of local government that learns the lessons of the last 50 years, starting with Wheatley.

3. We worked throughout the period since the 1975 reorganisation that followed Wheatley. Our view is that local government has become increasingly restricted in its ability to deliver local public services effectively or make provision for the changing economic and demographic characteristics of its communities. We offer considered, experienced and evidence-based views to stimulate debate.

4. We welcome the committee’s willingness to consider long term issues, albeit focussed on financial sustainability in the context of pre-budget scrutiny. We hope the Committee’s work will set the scene for serious consideration of the role, functions and financing of local government in Scotland in the context of the current debates on constitutional changes at EU, UK and Scotland levels.

5. We argue that long term financial sustainability of local government will only be possible if there is a ‘settled political will’ about the role, functions and financing of local government within Scottish civic society. We would also argue that achieving a ‘settled political will’ requires an open debate about the principles on which decisions on these matters should be based - as happened following the Wheatley Commission.

6. In support of our view we attach an article we have submitted to the Municipal Journal outlining our views on the need for a ‘root and branch’ review of local government a la Wheatley. This will be the first in a series of articles setting out our views on the lessons of the post Wheatley experience.

7. We recognise that the committee is working in pre-budget scrutiny mode and may have limited time and resources to address the much wider issues we raise. Equally, the committee has built a considerable evidence base from its work over the years relevant to the issues we raise.
We suggest the committee is well suited and equipped to champion the kind of root and branch review we advocate. We are willing to co-operate with the committee in whatever way it decides to respond to our evidence.

Members

Tom Aitchison, City of Edinburgh
Bill Howat, Western Isles
David Hume, Scottish Borders
Phil Jones, Dumfries and Galloway
John Mundell, Inverclyde
George Thorley, South Ayrshire
Gavin Whitefield, North Lanarkshire
Keith Yates, Stirling

23 August 2019
Appendix 1

Restoring Local Democracy in Scotland – Part One
Wheatley at 50 – Plus ca change?

The first sentence of the Wheatley Report published September 1969 stated:

“Something is seriously wrong with local government in Scotland. It is not that local authorities have broken down, or that services have stopped functioning. The trouble is not so obvious as that. It is rather that the local government system as a whole is not working properly – it is not doing the job that it ought to be doing.”

1

If you think this still resonates 50 years, two reorganisations and a Scottish Parliament later, then consider this further quote:

“5. Looked at as part of the machinery for running the country, local government is less significant than it ought to be. It lacks the ability to speak with a strong and united voice. Local authorities have come to accept, and even rely on, a large measure of direction and control from the central Government. The electorate are aware of this. They are increasingly sceptical whether local government really means government. The question is being asked – and it is a serious question – whether, as an institution, local government is worthwhile maintaining at all.”

2

This article sets out the context of Wheatley, its main points, and suggests lessons we can learn. It is written on behalf and with the support of a developing informal network of former Chief Executives of Scottish Councils (Appendix 2).

The Context

Wheatley’s opening statements were unchallenged because there was a consensus that local government was in need of reform and the structure was wrong. The Commission therefore had

- Cross Party support
- Membership reflecting civic society
- A Senior Judge as chair
- Time and Resources to gather evidence and reach conclusions
- A consensual approach recognising there was no ‘single solution’

Appendix 3 outlines Wheatley’s views of the essential objectives of local government and lists the key points from its approach.

Wheatley was widely applauded and remains the only comprehensive, rigorous review of Scottish Local Government. We consider it an exemplar of evidence-based policy making and worth revisiting for its approach and basic principles.

1 Royal Commission on Local Government in Scotland 1966-69 Command 4150
Despite wide acknowledgement of its rigorous analysis, Wheatley’s recommendations were not implemented in full. They were mangled in the complex process of turning the concepts into legislation. Reference 2 provides a concise review of what happened when principles met politics.

**Wheatley’s Approach**

We do not advocate a re-run of Wheatley. Our argument is that the basic approach outlined in Appendix 3 is worth reviewing as a starting point for a ‘national debate’ about delivering and accounting for public services at ‘local’ level. We also have to consider the European Charter on Local Self-Government and the many changes since Wheatley. We should seek to establish a consensus in Scottish civic society that the current systems for delivering and accounting for public services should be reviewed against an updated set of principles.

Wheatley’s approach (six short paragraphs) involved

- examining functions and areas separately
- seeking to match them and then
- testing the matched structures and functions against a ‘variety of local government structures’

The approach is easily replicated but depends on a broad consensus on the principles and cross-Party willingness to act on the recommendations. That is the first lesson we can learn from Wheatley.

**Lessons and Relevance 50 Years on**

Wheatley did not offer a comprehensive solution to the challenges it identified. It was careful to acknowledge the complexity of the challenges.

It was also a product of its time and context. 50 years have seen massive changes in every aspect of our lives – the economy, changing nature of the workforce, technology, social media, social mores…the list is endless. More important, our governance structures have changed dramatically. We have a Scottish Parliament sucking in powers and responsibilities from Westminster and Local Government as we will outline in later articles. Local Government has been reformed twice and seen its powers, responsibilities and financial independence eroded as new Scottish quangos have been established and functions and resources have been transferred or significantly reduced.

Wheatley’s opening sentence remains chillingly relevant.

Perhaps the most important changes are around attitudes to public services. In a world of instant communication and gratification, and ‘false news’ (to name but three factors) there will be little sympathy and less patience for the considered, rigorous and near-philosophical approach of Wheatley. Moreover, concepts of ‘local’, ‘community’ and ‘public service’ have changed. Fewer people now care how they get the service they want. They simply want it as quickly and cheaply as possible. The political/ideological
boundaries have shifted considerably and especially since constitutional issues became the dominant issue in the UK from the mid-1990s.

Yet Wheatley offers some important lessons including

- The need for a broad consensus in Civic Scotland on the need for a ‘root and branch’ review of our Public Services – a ‘settled Political Will’.
- Acceptance that ‘one size does not fit all’
- Willingness to compromise where there is clear evidence
- The need to cover all public services – not just those currently allocated to councils
- Avoid discussing structures until there is a settled will on the principles
- Flexibility in time and space about allocating roles and responsibilities

I offer a final, personal thought that we may have to establish a continuing process for delivering public services at a local level – constant evolution – rather than a new structure.

Wheatley remains the only comprehensive review of Local Government in Scotland. It set a benchmark in terms of the philosophical basis for local government in Scotland, and established reference points for the allocation of functions and powers between Central and Local Government.

Above all, it had a degree of intellectual rigour that stands in stark contrast to the 1996 Reform of Local Government that will be covered in our next article.

**Bill Howat**

**Appendix 2**

**The Author**

Bill Howat, former Chief Executive of Western isles, is lead author for a developing, informal network of former CEOs of Scottish Councils. They see a need for a fundamental review of the role, functions, responsibilities and financing of local government that learns the lessons of the last 50 years, starting with Wheatley.

The members worked throughout the period since the 1975 reorganisation that followed Wheatley. Their view is that local government has become increasingly restricted in its ability to deliver local public services effectively or make provision for the changing economic and demographic characteristics of its communities. They offer considered, experienced and evidence-based views to stimulate debate.
Appendix 3

MJ Article – Wheatley at 50

Wheatley stated local government has ‘a two-fold purpose’;

“...it exists to supply public services. These may be national services which have to be administered locally, or they may be services of a purely local character. The distinction is rarely clear cut, and we would prefer to put it that local government exists to provide services locally, on such scale and of such character as the nature of each service requires.

Secondly, it exists to provide local government. This means that services are in a real sense locally controlled. There must be an element of choice exercisable locally. More than that, it is implicit that local authorities should in some degree provide a means for self-expression of local communities.”

Wheatley outlined the essential constitutional features of local government as;

“local as distinct from central
neither sovereign nor legislative
elective in character
has the power to raise taxes
discharges a variety of functions”

Wheatley argued the above constitutional basis was ‘sound and should not be disturbed’.

Wheatley set ‘Basic Objectives’ – on which a reformed local government system should be based.

“...reorganisation should seek to secure for local government the following advantages

Power. Local government should be enabled to play a more important, responsible and positive part in the running of the country – to bring the reality of government nearer to the people.

Effectiveness. Local government should be equipped to provide services in the most satisfactory manner, particularly from the point of view of the people receiving the services.

Local democracy. Local government should constitute a system in which power is exercised through the elected representatives of the people, and in which those representatives are locally accountable for its exercise.

Local involvement. Local government should bring the people into the process of reaching decisions as much as possible and enable those decisions to be made intelligible to the people.”
Wheatley recognised the significance of their recommendations

“What we have in mind here is nothing less than a shift in the balance of power and responsibility between central and local government.

If local government is to be stronger, its working relationship with the central Government cannot remain as it is now.

But if Government and Parliament are to entrust more power and responsibility to local government, local government itself must justify that trust.

Plus ca Change?