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Social Justice, Housing and Local Government Committee

Comataidh a’ Cheartais Shòisealta, Taigheadas agus Riaghaltas Ionadail

Wednesday 4 November 2026

Session 7

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SOCIAL JUSTICE, HOUSING AND LOCAL GOVERNMENT COMMITTEE
7th Meeting 2026, Session 7

CONVENER

*Craig Hoy (Dumfriesshire) (Con)

DEPUTY CONVENER

Thomas Kerr (Glasgow) (Reform)

COMMITTEE MEMBERS

Steven Bonnar (Uddingston and Bellshill) (SNP)
*Gary Bouse (Falkirk West) (SNP)
Kate Campbell (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
*Mark Griffin (Central Scot and Lothians West) (Lab)
*Morven-May MacCallum (Highlands and Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Mo Baines (Association of Public Service Excellence)
Elizabeth Docherty (Scottish Community Alliance)
Jennifer Henderson (Accounts Commission)
Justin Kenrick (Action Porty)
Julie MacDougall (Mid Scotland and Fife) (Reform) (Committee Substitute)
Fulton MacGregor (Coatbridge and Chryston) (SNP) (Committee Substitute)
Pippa Milne (Society of Local Authority Chief Executives and Senior Managers Scotland)
John Mooney (Unison)
Councillor David Ross (Fife Council)
Pauline Smith (Development Trusts Association Scotland)
Heather Yedigaroff (Local Government Information Unit)

LOCATION

The Adam Smith Room (CR5)

Scottish Parliament

Social Justice, Housing and Local Government Committee

Wednesday 4 November 2026

[The Convener opened the meeting at 09:02]

Decision on Taking Business in Private

The Convener (Craig Hoy): Good morning, and welcome to the seventh meeting in 2026 of the Social Justice, Housing and Local Government Committee. We have received apologies from Thomas Kerr, Kate Campbell and Steven Bonnar. Morven-May MacCallum joins us remotely. I welcome to the committee Julie MacDougall, who is attending as Thomas Kerr's substitute, and Fulton MacGregor, who joins us remotely as Steven Bonnar's substitute.

Agenda item 1 is a decision on whether to take item 5, which is consideration of a draft letter to the Cabinet Secretary for Social Justice and Housing as a result of our pre-budget scrutiny, in private. Do members agree to do so?

Members *indicated agreement*.

Local Government

09:03

The Convener: Item 2, which is our substantive business of the day, is a local government stakeholder round-table evidence session, primarily on the Government's reform programme. I welcome to the room Jennifer Henderson, who is a member of the Accounts Commission; Pippa Milne, who is the chair of Society of Local Authority Chief Executives and Senior Managers Scotland and the chief executive of Argyll and Bute Council; John Mooney, who is a regional organiser at Unison. We are also joined remotely by Professor Mo Baines, who is the chief executive officer of the Association for Public Service Excellence—otherwise known as APSE; and Heather Yedigaroff, who is the chief operating officer of the Local Government Information Unit.

I will start with a question for Mr Mooney. The Scottish National Party Government's local government reform agenda took a number of people by surprise, in relation to both its potential scale and the rapidity with which the Government intends to press ahead with it. Is there a risk that the Government has potentially announced the solution before identifying what the problem is with the present structure, form and function of local government in Scotland?

John Mooney (Unison): That is absolutely the case. At the moment, it is unclear what the proposed restructure of local government is designed to achieve. Unison would suggest that the number 1 issue across local government is the funding crisis that it has been embroiled in for more than a decade. It is clear that there are key challenges for the country as a whole due to the constraints that have been put on local government over the past decade. There are issues with recruitment and retention—we are talking about essential roles such as those in social care, trading standards and old-style environmental planning. There are issues with delivering basic services to the people of Scotland.

Unison wants a plan that tackles those issues and that gets us back to considering the preventative nature of local government services. Rather than councils having to scrimp and save and find a way to deliver essential statutory services, we need to consider the services that reduce the impact on our other services. Instead, we have a proposal that, frankly, came out of the blue. There was no consultation with trade unions or the workforce. There are a lot of very worried people working in local government—and a lot of them are low paid, because 85 per cent of council staff earn less than £40,000 a year. Those

dedicated public servants are worried about the future of their jobs.

Instead of what we wanted, we got a four-and-a-half-page proposal that essentially sets out how something might look at the end of a process but contains no real ideas about what the service would look like or cost, how the changes would impact on service users and how they would make things better. More important, is the plan simply a vehicle for cuts?

The Convener: Is the three-month consultation timeframe credible?

John Mooney: Of course it is not. Look at previous local government reorganisations—granted, those were 30 years ago. These things take time. The sheer complexity of what we think is being proposed is off the scale.

I will focus on two issues. The first is the proposal for social care. There is no understanding of how deep that goes. Are we clear about what social care is? Does the proposal impact on social work? I also have a personal question: does that simply mean that the procurement vehicle is moving from local government to the national health service? How would that improve anything?

The second issue is impact on the ground. Take Glasgow City Council. It has not even finished with its new pay and grading model. The Scottish Government is proposing that councils are divided into six to 10 regional bodies and 120 to 160 community bodies. What will happen with the harmonisation of employees' terms and conditions? That is the bread and butter of having people working for you. Not only is three months nowhere near long enough to fully understand the implications of that change, but we do not know what its costs would be. There is talk of the need for job losses, savings and all the other stuff, but what is actually happening is that a huge piece of work is being created. That requires investment, not cuts.

The Convener: Pippa Milne, I will bring you in on the same two points. Were chief executives blindsided by this reform? Elected members that I have spoken to have said that they did not see it coming. Was there a discussion through SOLACE and other bodies about what the Government was thinking before its announcement?

Pippa Milne (Society of Local Authority Chief Executives and Senior Managers Scotland): SOLACE had been engaged in discussions following the May election, but the shift at the release of the programme for government was unexpected. It did not feel as though we could fully build on the work that was already under way.

SOLACE would agree with many of John Mooney's points. Our view has been that we need that clear national vision. The proposed reform should start with outcomes, and form should follow function.

The other point to note in relation to that is that the approach should be asymmetrical. Scotland is not homogeneous. Coming from Argyll and Bute, which has 28 islands and remote rural communities, I can say that what works there is very different from what works in Glasgow or Edinburgh, for example.

Our view is that we need to look at the whole system. We are not just looking at structural change in local government; we are looking at the situation with regard to the health service and other public bodies, which all interrelate as part of the whole system of public service in Scotland. What we have not seen yet is how that interaction will work. The move to two health boards and the question mark over what will happen with integration joint boards and health and social care partnerships is a live question that is relevant for how local services work.

Linked to that, our view is that there needs to be a systematic review of national, regional and local responsibilities, which should inform what the structures that deliver those responsibilities look like and help us to decide whether various responsibilities might best sit at a local or regional level, which would involve further devolution.

To pick up on John Mooney's point, there needs to be strengthened local capability, as the workforce and finances are strained currently, and there needs to be sufficient time and space for genuine co-design with communities, staff and partners. Three months is a very truncated period in which to look at that.

The other thing to bear in mind in relation to that is the fact that there will be local government elections next May, and there must be certainty about whether prospective candidates can stand in those elections with a clear mandate. The need not to interfere with those elections must be considered.

The Convener: The Government has been quite prescriptive. It has said that there would be six to 10 regional authorities and 120 to 160 new, more localised bodies. Looking from the outside in—you are obviously more involved than I am—would that lead you to think that the Government has already redrawn the map and that, basically, this is a bit of a window-dressing exercise?

Pippa Milne: There is a fear that there is already a plan, and there is a question about how tokenistic or otherwise the engagement that we will have in the consultation period will be. The proposal could lead to quite a shift that would probably be back towards where we were with

regional councils, and how that would work with the community bodies is not clear to us. However, yes, the Government's statements lead us to think that a plan is already in place.

The Convener: You also mentioned the uncertainty around the elections process. Chief executives often lead the election processes. Would there be merit in pausing the cycle of elections, as happened in England, although, admittedly, that was open to a court challenge? The uncertainty caused by the likelihood that the authority could change in a matter of years is probably not a good basis on which to run elections.

Pippa Milne: It is certainly a question that we asked as soon as we saw the proposals in the programme for government. I think that you would want to be clear about what the timescale is for deciding on the proposals and on the implementation of the change. If we are talking about a five-year implementation, going ahead with the elections might be reasonable. However, if we are talking about a change midway through the next council term, with a solution being clear within a year or two, that is a different prospect. As we do not yet know what the timescales are or what the final solution will be, it is quite difficult to make a definitive judgment.

There is a danger that the proposals will have an impact on candidates' decisions to stand and on the basis on which they stand, and on whether current councillors seek to continue to participate. That will have an impact, as it is already difficult to get people to stand, so anything that disincentivises that is an issue in terms of ensuring good democratic accountability.

09:15

The Convener: Professor Baines, I will ask a really trite question. You represent the Association of Public Service Excellence. Is this process the way to achieve excellence in local government?

Mo Baines (Association of Public Service Excellence): That is a very good question, convener—and I apologise for not being with you in person today. There are serious difficulties in, effectively, prioritising form over function. That is not to say that any good government should not always consider which structures best deliver local public services. However, there are dangers in relation to some of the serious problematic issues around local government finance and the delivery of services in remote parts of Scotland—rural areas are not awfully dissimilar to the island economies in terms of the delivery and cost of specific services such as social care. The big question is, does the proposed form really come as part of a genuine discussion around what functions should sit at various tiers of government?

I am reminded of the debates that we have had in relation to English local government reorganisation, where devolution has been the starting point and has been linked to the approach towards good growth across the United Kingdom, which everybody wants. However, if you tie that into the disruption of local democratic institutions, that begins to cause a serious issue in terms of what that means for local public service delivery. Does it start to address some of the ingrained problems that we have with local government finance and the unfair and disproportionate reductions in neighbourhood-level services such as parks, environmental services, recycling and waste? I would seriously question whether prioritising the form of local government—that is, devolution—over function is the correct starting point.

The Convener: Heather Yedigaroff, English local authorities have been through this process, and it hit a brick wall in some respects. What is the view of the LGIU? Is the Government effectively biting off more than it can chew in this process, given its scale and timescale?

Heather Yedigaroff (Local Government Information Unit): I think so. I can only echo the points that have been made by some of the other witnesses—including my apologies for not being there in person.

On your specific question, which is a very pertinent one, the timing of the announcement was extraordinary. Just at the moment that the English reorganisation proposals were imploding, to an extent—they were certainly being paused—a similar reorganisation was being announced by the First Minister in Scotland.

In England, we are at the back end of two years of back and forth between Westminster and English local government on the purpose of local government reorganisation and the process that needs to be followed to deliver it. As Mo Baines said, the purpose was very clearly stated as being devolution. That has been completely uncoupled, and we are now looking at a heavily watered-down system in which devolution is no longer the primary objective.

We can learn a lot from England about how not to conduct the process. There was a lot of unnecessary focus on form, size and structure. Initially, that was very clearly set out by the Government, which had specific targets for the size of local government. However, all those targets were then watered down or disappeared from the process. There is much to be learned from the fact that councils were not engaged at the outset of the process. We have heard from Pippa

Milne about the importance of co-design, which we simply did not see in England either. In England, we had a case of sloping shoulders: the UK Government said to English local government, "Here is the destination. We want you to sort it out between you." There was a lack of understanding about the different tiers of local government and what each is accountable for. As I said, there is a lot to be learned about what not to do.

Another aspect that clearly emerged from the English process—which we are still in—was the huge impact on staff morale, capacity and so on. The success of such processes is completely dependent on the people who live and carry out the reforms. Local government reorganisation in England has sucked up a huge amount of time. Chief executives have said that, throughout the process, they have been required to have, in essence, two jobs: their chief executive job and their local government reorganisation job. That will, of course, lead to serious fatigue and serious issues with retention and recruitment in relation to the pipeline of talent. We can learn an awful lot from England about how not to conduct the process.

The Convener: Before I bring in Julie MacDougall and Morven-May MacCallum, I want to ask Jennifer Henderson a quick question about the timetable. The Scottish Government said that one of the reasons for having a three-month consultation was that it wanted the consultation's outcome to inform the budget. Has the Accounts Commission been asked to cost the proposals—as loosely defined as they are at the moment—in any way? If not, at what stage would you expect the Government to reach out and ask you to start to consider the financial implications of the proposals?

Jennifer Henderson (Accounts Commission): We have not been asked to cost the proposals. The financial sustainability of local government is key, and one of our concerns with the proposals is that it is not clear to us how such sustainability is at the heart of them, how the proposals will deliver a better way of managing local government finances and how they will help with the affordability of the services that local authorities need to provide. We will wait to see what budget the Government sets before trying to understand what the settlement for local government might mean. As I said, we have not been asked for our input in that process of budget scrutiny.

The Convener: The Scottish Fiscal Commission has said that transformation costs money, even if it might save money over time. Do you subscribe to that view?

Jennifer Henderson: Absolutely. Our questions about the reforms are about how they will be funded and how the savings that are expected to be generated will be evaluated to ensure that the reforms deliver what they are meant to deliver.

The Convener: Mr Bouse will ask about the financial implications later.

Julie MacDougall (Mid Scotland and Fife) (Reform): I declare an interest in that I am a local councillor at Fife Council.

I have a number of questions written down. A lot of the information that has been provided by the witnesses has not been dissimilar, whether it was said by Heather Yedigaroff, Pippa Milne, John Mooney or Jennifer Henderson. Clearly, there is a lack of understanding, there has not been a huge amount of consultation, and the impact has not been thought through. The current lack of funding for councils across Scotland has been a huge concern, and I understand that we might face a £520 million budget gap.

You have set out your concerns loud and clear, so I can really ask only one question: what would you like to see done? If each of you had a wish list, what would be your first ask of the Scottish Government in this situation?

John Mooney: What would we like to see done? We would like there to be an urgent inquiry into what the reorganisation could look like. It is very easy to say, "Let's scrap things," but we need to look at the evidence base for any new structure. Why was the proposal developed? Were alternative options considered? How will the reform be funded? How will things work better for the people of Scotland?

You mentioned that you are a local councillor, so you will know that, whenever trade unions work with councils on any sort of transformational change, we always begin by thinking about what we are trying to achieve and about the different options, views, costs and implications. We would like to see those things.

As I mentioned, we want local government to be strengthened and to see a shift to prevention. We want local government to do the things that it used to do in relation to culture, leisure, libraries, housing and youth services. What is the plan to allow those services to be provided again? What is the plan for delivering any of this stuff for rural and island communities, which have a different set bill? There are the same challenges, but they are experienced differently and perhaps to a greater extent in certain areas.

We would also like to see some basic evidence on the proposals for social care reform. That is an absolutely massive issue. I was going to describe

the demographics of the country as a time bomb, but it is a time bomb that has been exploding for about 10 years now. It is an ongoing explosion, so social care reform needs to be done with a degree of carefulness, pre-planning and thought. These workers are the people who were applauded during Covid and told that things would change for them, but things have not changed for them.

Pippa Milne: We agree with that. It needs a co-designed, evidence-led process that focuses on how we can effect change in outcomes, move prevention upstream, address the financial challenges that are faced and consider what functions are needed to sit at the local and regional levels. Structures will then fall out of that.

Jennifer Henderson: There are a few points to make on what the Accounts Commission is looking for. Outcomes are key: we want reform to be driven by outcomes and not structures. In our work, we see demand for services increasing, and the cost of providing them continues to grow. How will the reform programme address that? Where does financial sustainability sit? Beyond financial sustainability, we are curious to understand whether reforms to governance can succeed without reforming how the finances and funding arrangements work in councils. Whatever the future structure is, what will councils' financial autonomy and accountability be? On financial sustainability, you quoted the current £520 million budget gap, and that is forecast to get worse, so sorting out financial sustainability is probably top of our wish list.

I echo colleagues on the interplay between social care and how the reform works. It is a big part of what councils deliver, and you cannot redesign one without thinking about the other. It is on our wish list to understand how the work will solve some of the problems that councils are currently having to grapple with. However, what will it not fix? I do not think that anyone has the view that it will solve everything, and we want to understand what would be left for any future structure to figure out how to solve.

That is a rather long wish list, I am afraid.

The Convener: I do not know whether there is anything to add from an LGIU perspective, Heather. You are not directly impacted by this in the same way that local authorities are, but what is your view?

Heather Yedigaroff: No, as a member organisation, we are not directly impacted, but we work with almost all the Scottish councils and they are all directly affected. We are hearing really serious concerns from our members about capacity and uncertainty.

Thank you for that wonderful question about what we would like to see done. We know very clearly from our work in looking at local authorities around the world from different international systems that places that do reform well look at reorganisation along with purpose and financing, which very much echoes the points made by the other attendees. We also know from looking at different systems around the world that there are really clear design lessons that we can follow. We can look at expenditure assignment, with clarity on tier and responsibilities. We can look at revenue assignment, making sure that functions are matched to suitable sources. We can look at equalisation, which is where there are transparent mechanisms that separate need from local capacity. Where outcomes are falling short, we can look at accountability, making sure that it is clear who is answerable.

At LGIU Scotland, we would like reorganisation, purpose and finance to be considered together. You should consider the questions of what local government is for and what it needs to be able to deliver for residents and citizens in terms of powers, structures and flexibility. It is really important to ensure that, whatever system we have, it is designed to meet the four design tests that I already outlined.

At the top of the wish list, of course, has to be financial stabilisation. We conduct an annual survey of financial confidence in the system, and it will have been clear from the one-pager that we submitted that financial confidence is incredibly low. That must increase, and there are clear methods for doing that.

These things must be tackled first, before we start to redraw lines on a map, because we know very well that simply redrawing lines on a map when there have been no changes to powers and what local government is enabled to do will not have a long-term beneficial impact.

The Convener: You mentioned international best practice. Is there a country that has gone through the reform process successfully and that we should be looking at?

09:30

Heather Yedigaroff: We can draw on practice from many places. At the LGIU, we have worked with Professor Kevin Muldoon-Smith from Northumbria University to look at lessons from around the world, including from Germany, France, Japan and some of the Nordic countries. Obviously, we have looked deeply at Scotland and England and how some of those countries compare. There are good things that can be drawn on from different places. For example, in Germany, local government is in a clear situation in which

new burdens come with new funding and new powers. In Japan, there is clear evidence of subsidiarity and equalisation.

There are good things that we can draw on, and the four design tests that I mentioned—the four clear tests that I think Scotland needs to be able to meet—come from the look that we have done across all those jurisdictions. I am happy to share further details on that with the committee.

The Convener: That would be helpful. I am looking round, and I think that a lot of people are booking tickets to Tokyo on behalf of the committee at the moment. We are being encouraged to get out of the building more, but that is perhaps a bit far.

I will bring in Morven-May MacCallum, who has questions on the evidence base for the Government's decisions.

Morven-May MacCallum (Highlands and Islands) (LD): Before I ask my questions, I highlight that I am a councillor on Highland Council. I apologise for not being able to join you all in person.

Argyll and Bute Council and Highland Council are similar in that they are among the largest councils and cover an extensive area of Scotland. On the Scottish Government's plans to merge the 32 local authorities into as few as six regional authorities, will you highlight some of the challenges that larger local authorities will face?

Pippa Milne: In Argyll and Bute Council, we are looking at a single authority model, which is on the back of some of the island councils starting to look at that for that reason. We have a population of around 87,000 and, as I mentioned, we also have 28 inhabited islands. We do not have the scale of population, but we have the scale of geography and we need to deliver in pretty bespoke ways across those communities, which are not homogeneous. That is a concern for us. We are certainly pleased to be able to look at the issue from the single authority perspective as a means of getting scale and a whole-system place-based approach.

That will also be the case for authorities such as Highland Council and other councils in the south of Scotland, where there are large geographies but not necessarily large populations. The considerations are very different in the more populous areas than in our remote rural areas. That is why we strongly advocate for an asymmetrical approach. There should not be a one-size-fits-all approach across Scotland.

We would be nervous about increasing the geographic scale. For some of our elected members to get to some locations and engage with their communities, it can take days to undertake the travel, because of the ferries and what have you. That needs to be a consideration in thinking about where we go and the outcomes.

Gary Bouse (Falkirk West) (SNP): Exactly on that point, I am not making a case either way, but would the 120 small authorities not be a benefit with regard to exactly what you are talking about? You would then have people in a smaller area who would probably be better able to serve it.

Pippa Milne: There is an important point there about how we represent communities. In my council, we have four area committees, which are for subsets of the larger area. Whatever the solution is, it needs to balance the economies of scale and the issues of where, one might argue, we need to work on a more regional basis because of the scale, with engagement at local level so that the community voice can shape the direction of travel.

The point about the need to be fairly bespoke is probably still relevant. What works on an island, and on the different sizes of islands—in my experience they are all very different—might not be the same as what works in Oban or Campbeltown. Whatever the system is, it must have flexibility, because a similar size of population in a city such as Edinburgh will need different means of representation.

The Convener: Morven-May, do you have any further questions?

Morven-May MacCallum: I do. What evidence have the organisations that are represented today seen to support the Scottish Government's proposal for local government reform?

Jennifer Henderson: I will start on that, and I will also add a point on Ms MacCallum's previous question. Our evidence does not suggest that there is a perfect size of council. In the scrutiny work that we do across all 32 current local authorities, we find great examples of smaller and larger councils—in terms of population and geography—that are doing things well. Therefore, I echo Pippa Milne's point that, whatever the arrangements look like, asymmetry will be important.

The evidence base for the need for reform is clear. As I have said, our work suggests that the financial gap is getting bigger and demand is growing, so councils have to rethink how they deliver their services. What is not clear is that the current structural proposals address the problems that councils need to tackle. The Accounts Commission has been calling for the pace of reform to accelerate and saying that the innovation around reform needs to accelerate. Therefore, we welcome the ongoing interest in the issue but, as I said, we cannot yet see the evidence that the

current proposals will solve the problems that we have identified and that reform should fix.

John Mooney: To answer the question directly, Unison has seen no evidence on that, although I am not suggesting that there is no evidence, and I have already outlined what we would like to see as part of reform. One of the big concerns about the three-month initial consultation is that, as well as the fact that three months is not long enough, no information was given to us to allow us to consider why it is happening. There is a massive gap. I know that Mr McKee has made comments in Parliament that there has been extensive consultation with the trade unions. All that I can say for definite is that that has not been with local government trade unions.

The Convener: I will bring in Fulton MacGregor. His question might relate to an earlier point, but he signalled that he wants to come in.

Fulton MacGregor (Coatbridge and Chryston) (SNP): My question is roughly in the same area, and it is a general one, but I will try to direct it to one person.

Naturally, I guess, the conversation so far has been pretty negative, but we should say that there is, I think, general consensus that we need some sort of reorganisation of public services and local government. I, too, have concerns about the reform agenda, but we must remember that the public perception might be different from the perception of those of us who are more involved, such as everyone who is round the table today. I say that because I have been quite surprised by the public reaction to the proposals. There is quite a lot of hope that things can be made better. That is coming from many of the constituents who I speak to, including a lot of local council workers. We need to be open to the huge possibilities.

How much of an influence will current councils have in the process? I pick up the feeling that they do not think that they will have much influence and that the path is already set. However, that is balanced out by the Government saying that it is open to discussions and wants to hear from everybody. I hope that councils will have a big say in how the process moves forward. I really hope that there will be an opportunity for my council, North Lanarkshire Council, to get involved in the process. Councils know our communities best. Do they feel that they will be involved in the process? How can we make that change?

To make things easier, I direct that question to Pippa Milne.

Pippa Milne: We absolutely agree that there needs to be change. We are not for one minute trying to be defensive and suggest that that is not the case. Indeed, SOLACE was already working on transformation activity at its own behest. The proposals are not in that place. I have seen concern from elected councillors that they have not been more involved to date in the design for the reorganisation. As we picked up in the answers to the first question, the proposals came out of the blue for everybody. Engagement events are now planned. I understand that not every council has an opportunity to participate in those directly, so the effectiveness of that approach still needs to be addressed. It remains to be seen what that will be like, but it is a concern for councillors.

There is a lot of experience and expertise in the system among not only officers but elected members that could be harnessed. I refer to the points that were made earlier about the appropriateness of the three-month timescale for the discussion of the reorganisation. The Convention of Scottish Local Authorities has expressed concern about the timescale that is involved.

Anybody in the sector would hope that any change that we consider will address some of the challenges. I refer to some of the points that were made about financial sustainability. At the moment, we are not clear about the extent to which the reorganisation proposals will address that issue, but it is a concern, particularly in relation to social care.

COSLA has been clear that there is systemic underinvestment in social care. We have not seen evidence that a structural move to put it with the NHS would address the funding issue. It is not the only issue in social care, but the issue of the investment that is required is undoubtedly important. I am not surprised that there is hope that the structural reorganisation will address it but the question is whether there is a connection between it and the structural reform that has been suggested and whether there is evidence to suggest that the proposal will address it. We have not seen that yet.

The Convener: Professor Baines, do you want to respond to Mr MacGregor's question?

Mo Baines: In essence, the question concerns what optimal efficiency is. When we get into issues of structure, it is too easy to assume that bigger is better in terms of what should be devolved to ensure optimal efficiency. Flipping that down, in the smaller authorities, there is potential for economies of scale to be lost. That is why everything goes back to the issue of what sits best at what level of government. It might be that some things need to sit centrally, some at a sub-regional or regional level and some at a hyperlocal level.

Going back to Fulton MacGregor's point about what the public really think and whether there are grounds for reorganisation, I think that the public

are concerned about the efficacy of local public services and whether they are best served by local structures.

09:45

Lessons from England suggest that, in relation to very large local authorities, there is now a push towards the idea that local authorities should have a footprint of 500,000 residents, with a move towards much smaller councils, with almost hyperlocal councils, at town and parish levels, delivering some local services. The risk in relation to efficiencies concerns certain services that require much bigger infrastructure to keep them going, with lots of capital. For example, the cost of a waste collection truck is £300,000 or £500,000, or more than £1 million for hydrogen ones. How do we have a debate about the most optimal and efficient models for public services?

Following on from a point that Pippa Milne made, some of the delivery models for social care could lend themselves to hyperlocal models, in rural or in island economies, where people are identified to provide local support. However, there may still be a need for national, Scotland-wide standards for access to care and funding for care, and that leads us to a question about the redistribution of funding to enable that. On many occasions, APSE's research and work carried out with the University of Staffordshire has shown that there is always overambition in what efficiencies can be achieved through structures.

We need to think about changing systems, rather than simply changing structures. Systems that move to prevention in social care would be the key to optimising efficiency, as opposed to asking what the structure itself looks like. We will not solve the ingrained issues of local government financial strain unless we consider system change in some of the big areas of spend. That covers social care, housing, homelessness and ill health prevention, which must be part of the debate. Truncating the debate into structures alone is damaging to the discussion that we need to have about optimal efficiency and optimal models of delivery for local public services.

I would also like to come back to the point about workforce, which Fulton MacGregor mentioned. We need to bear in mind that there is ongoing uncertainty for the local government workforce, but there are protections in place. Having in place something like the Transfer of Undertakings (Protection of Employment) Regulations in all but name, through a public administration transfer, will seek to protect those workers. "Scaremongering" is probably the wrong word, but I do not think that we should frighten people. Protections would have to be in place for the workforce, as came out clearly with the proposals within England. In fact, the people at risk in England were the local authority chief executives, not the tiers of staff below them. It is important to bear in mind that those protections are part and parcel of local government reform in any country, including in countries across Europe.

Mark Griffin (Central Scotland and Lothians West) (Lab): My apologies for arriving late, convener. I want to come back to an answer that Pippa Milne gave to Gary Bouse on how local area committees operate to provide a more local perspective in larger councils. From a SOLACE perspective, do local area committees function across all 32 councils? Is there a uniformity of powers and responsibilities in those local area committees? I know that some of them have local development budgets for regeneration, and some deal with local planning applications. From SOLACE's point of view, how are those local area committees working across the board?

Pippa Milne: No, there is not uniformity in that regard. I do not have the overall figures, but a large majority of councils have some sort of arrangement—not everybody, though. There is a range of different arrangements and powers that sit with those area committees, or the equivalent, in different areas. Many people argue that that is to reflect local circumstances.

Another point to touch on in that regard is the fact that resource needs to be provided to service things such as the democracy matters route map and to ensure that they operate effectively. Whatever the design of the system is, thought needs to be given to the fact that resource will be required to service it.

Mark Griffin: I asked that question because I am conscious of the huge organisational change that would be involved in introducing 120 smaller authorities. Would the local area committees that have already been set up not be a much simpler and less costly and burdensome way of addressing some of the reforms that the Government is talking about?

Pippa Milne: If I understand the question correctly, I think that there is scope to look at things that would not require widespread structural change but which could effect change. In my area, there is a plethora of different groups. We have area committees, area community planning groups and health and social care locality groups. We could undoubtedly look at further integration and consider how improvements could be made that would join those things up in a place-based system without requiring full-scale organisational change. There is what I would probably class as a further transformation activity that could play into the reform process.

Obviously, we have bodies such as community councils and community development trusts. We could look at how they operate with a view to making communities feel that they have an effective stake, because some of those groups have very limited powers. Each of those bodies needs to be resourced, not only by the council but by the local community, and there is a capacity issue in both those regards at the moment.

Julie MacDougall: Having read the submissions and listened to what has been said today, my understanding is that there has been a period of decline in this area for the past 15 years. Mention has been made of the use of ring-fenced funding. We have talked about the need for effectiveness and efficiencies, but the joining together of the NHS and social care would be a huge undertaking. Given that we are looking for better outcomes, in the light of the information that has emerged today, what could the Scottish Government do at this moment in time that would have the greatest impact on the services that are delivered in our communities?

John Mooney: At the moment, to be honest, it all comes down to finance. As I said earlier, there has been an ongoing financial crisis in local government. We believe that funding for local government is around £10 billion behind where it should be, overall. If we had that funding, that would allow there to be a true transformation of services in specific areas.

Mention has been made of the idea of area committees. Councils should be able to be responsive to what their areas actually require, but, for them to be able to do that, they need not only to have money, but to have control of that money. For many years, Unison has spoken out against the ring fencing that has taken place. Although we welcome the funding that has been provided to do things such as increase early years provision—of course we do—the more funding is ring fenced by the Scottish Government, the less local democracy we have, because it is simply not possible to be responsive in the same way.

Therefore, it all comes down to money, does it not? Additional funding would allow councils to be a bit more responsive. I remember speaking to a council leader in the early days of austerity. They said, “I used to lie awake at night worrying about how we could best spend the money that we have to change people’s lives, but now I lie awake at night worrying about having to make people redundant.” We need to get back to worrying about the old problems.

The Convener: Gary Bouse wants to ask about financial sustainability, which is a critical element. I will bring him in in a moment, but I bring Heather Yedigaroff in now.

Heather Yedigaroff: I will start with the recent question on what the Scottish Government provides, but it would be worth going back to the issue of local area committees, because there are some useful things in other jurisdictions that we might touch on.

On what the Scottish Government could provide, I echo the convener. Financial stabilisation is absolutely key and, until we get to a stable place, some of the big reforms will simply not be successful. While councils are firefighting and crisis fighting, they are not in the best place to deliver the reforms.

The best thing for me to do is to refer back to input that we recently received from one of our member chief executives at our webinar on finance and reforms, which is very much linked to some of the topics that we are talking about today. The first ask of that chief executive was that we trust the local democratic leadership and ensure that decisions are taken at the closest effective democratic level.

He had four clear further asks, which I will summarise briefly. The first was financial certainty, which is absolutely integral. Multiyear council-level settlements are really important to provide the longer-term view that councils need in order to invest in things such as prevention and transformation. The second incredibly important point was about flexibility, which means less ring fencing and greater local revenue flexibility.

The third point was about demand. We have heard very articulately from lots of speakers today that one of the critical issues is that demand is going up and up. Funding needs to keep pace with demand. Funding that is going down when demand is going up is an equation that will not balance; funding needs to respond to changing demand and demographic change, both of which are significant.

The fourth ask, which I completely agree with, is about clear accountability, and clear responsibility for decisions, outcomes and public money. The reason why I repeat those asks is that I do not think that we could say it better at LGIU.

The Convener: That is helpful. I will bring in Mr Bouse, in relation to the financial rationale for the changes and the broader point about sustainability.

Gary Bouse: I start with a declaration of interest, which is that I am a sitting Falkirk councillor. I think that I have met you before, John Mooney.

On the discussions so far, you need to listen to my questions in the chamber more often, because I have asked about local government, and whether there will be further discussions beyond the 10

weeks. The answer was yes, but it has been painted a bit today as if there is a 10-week cut-off. However, there will be more discussions to come.

It has been interesting to hear the Accounts Commission pushing us to go faster, while others want to put the brakes on. There is a balance that all councillors have to find, especially when it comes to finance. For the first five years of my nine years as a councillor, I was resources portfolio holder, which covers the budget and finance side. For the past four years, I have been doing housing.

John Mooney, you talked about retention. You are spot on. I find the staff in councils, particularly in Falkirk, outstanding. The council retained all its apprentices this year, so retention is getting better, which is good to see, despite what is going on at the moment—it is sort of bucking that slight trend.

As Fulton MacGregor touched on, the feedback that we have had from the public so far has been either very quiet or very positive. Pippa Milne was talking about people standing for council next year. What is becoming an important issue is the reform of councils, which is something that people are looking for, and at the moment we are working on the details of how that will happen.

10:00

In fact, that is what I want to get into right now—the finance details. As a Falkirk councillor, I know that hard decisions have had to be made for more than nine years now. I have not been a councillor that whole time, but I knew what was coming. That said, no one quite realised where things were going to go, and some really tough decisions have had to be made. Some councils have managed to get themselves into a reasonable financial position, but others are not quite there yet; I do not think that it is covered in the papers, but something like 68 per cent of councils are concerned about balancing their budgets over the next five years.

I suppose that this question is for Pippa Milne, which is why I am looking at her. What if three or four councils get put together as a regional council or organisation, but only one of them has done the hard work to get themselves to a balanced position? What challenges might arise if some of those councils are badly struggling, while others have taken the hard decisions? I hope that you get where I am going with this, because I really see some big challenges arising in that respect—indeed, I have already voiced that opinion. You can also add council tax into the mix, as it will be at different levels in each of the organisations. I see challenges coming there, too.

I guess that this is all about where the money is coming from. As I have said, I hope that you get where I am going, but where do you see the challenge arising on the finance side? I have highlighted just two items, but I am sure that there are a few lines in your budget that would give you concern if you were tied into other councils. You would, of course, want to be tied into a council that has done better, because you can also get the learning from it—I understand that the learning will come in any case. How do you see that initial challenge affecting your own council, Pippa, and councils throughout Scotland?

Pippa Milne: Thank you for that question. There was a lot in it.

You are right that the position will be different for different councils, and for a number of different factors. Local government finance is complex, with its distribution formulas and things that I am sure you are well aware of, and different councils have different views as to whether they get a fair share. You can argue those points, but generally we would always come back to the overall quantum.

As I have said, you are right that councils will be in different positions. Sometimes that will be a matter of size and scale, the distribution of the challenges being faced in local areas or the local democratic choices that have been made in an area. As a result, councils will be starting from different positions.

In my own area, we have been looking at a single authority model with the aim, we hope, of addressing the issue of scale by bringing more services into that new entity. We see some efficiencies there, but, as we have heard in some of the themes that we have been discussing, that will go only so far in addressing the issues. We need to be able to work in different ways through the system, and to join things up in a single system to deliver better outcomes. Such an approach will not deal with all the financial issues, but it might stem the challenge that we are facing, all things remaining equal.

At a national level, the big challenges that you have asked about arise where there are mergers or disaggregation, whichever it might be. How do you get harmonisation, given that the areas in question might well have different council tax rates, different service standards or different pay and conditions? That will undoubtedly cause concerns. For example, will an area benefit from merging with another that is perceived to be better off? Will it lead to money being transferred out of that area? We have certainly seen that sort of thing happening in my own area with the public, and things will become quite difficult if you are looking at disaggregating, say, council tax income, parking income and so on to individual areas, because of the different peaks and troughs of need.

This will always be a complex and contentious issue, and it might become a concern to members of the public as we go through the process.

Because of the undoubted complexity, any such transition or structural change will need careful planning. I hope that that is what you were getting at.

Gary Bouse: Before anybody else comes in, I also want to ask you about the related matter of capital spend. I can see a potential big positive from having a bigger entity in that respect. Instead of me trying to explain it, though, would you mind explaining to people what the difference will be in capital spend from having a larger entity?

Pippa Milne: There will be a greater pot and the potential for borrowing. Again, though, you will be covering a bigger area, and capital is a challenge. My area is big, geographically, and our approach is to be equitable across that whole geography; after all, somebody in Oban will not see the investment that we might be making in Helensburgh, and vice versa. Moreover, the challenges that we face are changing, with climate impacts and so on. In short, there might be more capital, but potentially we might have to spread it over a larger area.

Gary Bouse: And potentially do larger projects.

Pippa Milne: Yes.

The Convener: Jennifer Henderson, you note in your submission that

"Councils continue to make savings and draw on reserves, alongside increasing council tax and other income",

which obviously has

"consequences for individuals and communities."

Given that we are here to serve those individuals and communities, can you tell us how they can insert their voice into the discussion about the financial sustainability of councils?

I will put that together with a second question. The Government is focusing on preventative spend, but what if a council closes a community centre or withdraws funding from a youth group in year and, five years down the line, you have a major antisocial behaviour problem? How do you ensure that communities are involved in the process, and how do we stop making short-term savings that bring long-term pain?

Jennifer Henderson: That is a really interesting question. We in the Accounts Commission have been looking at where councils are doing participatory budgeting and are properly consulting on their budget. If a council is transforming, it is important that it has conversations with the local community about the choices that it is making, where the investment is going to go and what might have to stop as a result, and it is important that communities are given the opportunity to input into that.

In that respect, the picture is mixed across Scotland. Some councils do that sort of thing well and can really demonstrate that the decisions that they make have been influenced by their communities, while others have faced significant legal challenge to some of their decisions and have had to reverse out of them because the consultation has not been appropriate.

Therefore, it is incumbent on councils to set out not just the choices that are being made but their long-term consequences. In the short term, there might be a choice about closing a community centre and investing in something else, but it is really important that councils help communities understand the long-term consequences of such a move.

We have also seen some good examples of councils that have had very specific and separate consultations with children and young people to get their input into decisions, as theirs might well be an underrepresented voice in some of these things. There are some good examples out there. I know—and I am sure that Pippa Milne will confirm this—that councils talk to each other regularly about the good practice that goes on and look to learn from each other.

I come back to Mr Bouse's point. On the hope for communities arising from the potential reform, it will be really important that communities are engaged in understanding what the consequences will be. One of the Accounts Commission's recurring messages is that communities need to understand the choices that are being made and their impact, and to have an input into them, rather than reaching the point at which the consequences become apparent, realising what they mean and regretting the position that has been reached.

To add to my wish list, we want there to be real engagement on what might come as a result of the reform programme and we want communities to have a genuine voice in helping to shape that.

The Convener: I will bring in Heather Yedigaroff, then Pippa Milne.

Heather Yedigaroff: In her initial response, Pippa said that the position was different for different councils. I echo and reinforce that. As she was speaking, I was thinking about the clear parallels with conversations that are happening south of the border in relation to the new Prime Minister's announcement of his rewiring the state agenda. His vision is for a complete rewiring and resetting of the different tiers of local government.

The LGIU is very clear that, in order to do that meaningfully, you would need a strengthening of the whole tier of local government, regardless of whether you have small councils or regional councils. Where there are regional arrangements,

those will be only as strong as the constituent councils that sit beneath the regional tier. Therefore, consideration must be given not only to the different circumstances that councils face but to a general strengthening of the regional tier.

On the point about feedback from the public, which is really important, I would simply echo that there is a real need for change and that we need to meet the public's expectations of what good service looks like. It is also relevant to say that most members of the public do not have a clear understanding of what local government does or what it is for. Councils deliver a huge number of very complicated services, most of which people do not know anything about. There is a need to educate people to ensure that they understand the diversity and complexity of council services and of what local government reform means and how it can enable such diversity.

The other important aspect is the need for a collaborative approach in which that complexity and diversity are recognised, and meaningful dialogue and co-design, with central Government working with local government on a meaningful and detailed process. There is an opportunity for improvement through reform, and we must ensure that the right conditions are in place so that we seize, rather than waste, that opportunity.

Unfortunately, however, if we look back at lessons from previous reform processes, or at the recent experience in England, we see that reform and reorganisation can do the opposite of what we want and pull money and leadership away from improving services. We need reform to do the exact opposite; we need it to improve services and outcomes for people.

Pippa Milne: I absolutely echo Heather Yedigaroff's point that people understand the services that they most often come into contact with. For many, those are simply roads and bins, rather than the services that support the most vulnerable in our communities.

From time to time in our area, we make a budget simulator available and try to get people to balance the council budget. They often say, "It's too difficult. I just can't do it." At the very least, that gets across the message about how difficult it is.

On preventative spend, a number of councils have reached the point at which they are having to protect statutory services and are going to the extent of taking those services to the finest margins of what they feel meets the statutory requirement.

10:15

For example, a decision to close a community centre is often taken reluctantly, but preventative measures sit within a council's controllable spend, so there is flexibility there, whereas there is no flexibility in other areas. There are all sorts of arguments about what is and is not ring fenced, but my council calculates it from time to time and, the last time we did so, we calculated that we have control over roughly 30 per cent of our budget spend, so we are often forced to make decisions on preventative measures. We have also not seen the transfer of resources from acute settings into community settings that was envisioned through the creation of health and social care partnerships. I just make the point that, when such decisions are taken, they are often made reluctantly and out of necessity.

Mo Baines: I want to row back slightly to the point about debt overhangs when councils merge and the question of capital. In England, not just with the current round of reorganisation proposals but with previous proposals, the question of debt has had to be addressed through central Government intervention. The Government has had to either allow debt run-offs or provide further financial relief to prevent debt from becoming an issue for the new authority.

On the question of capital, in the run-up to reorganisation, Governments usually prevent local authorities from carrying out what are seen as vanity projects by stymieing capital investment in them in advance. Usually, there is some form of statutory regulatory prevention in relation to big capital schemes, so there is a danger that, rather than investment in some capital schemes accelerating, the process will result in the schemes needing to be slowed down.

Another issue relating to capital is that proposals do not necessarily provide a route to coterminosity of local public services. The natural relationship between necessary investments in health, education, social care and non-statutory services might be lost because of a lack of coterminosity, so that issue must also be considered when thinking about future financing and structures.

Julie MacDougall: I noticed in the submission that Heather Yedigaroff provided for the Local Government Information Unit that every council that was surveyed was reducing its service spending, as was touched on earlier. The submission notes that 89 per cent of the authorities that were surveyed believed that the cuts increased risks to vulnerable people and that 92 per cent cited problems with staff recruitment and retention. Could the Scottish Government's proposed council reorganisation risk worsening capacity in the short term by diverting council staff from their core responsibilities?

Jennifer Henderson: One of the Accounts Commission's concerns about the reform

programme is about whether it will stall progress on all the transformation that needs to happen within councils. We know from our work that councils are already struggling to find the capacity to deliver essential transformation to close budget gaps. If a huge number of people are diverted to other work, that work cannot be done.

A more general point is that councils do not have the workforce to do many of the things that they would like to do. They struggle with recruitment and retention, and they have an ageing workforce and an ageing population, with different needs, to serve. We need to be clear about how the outcomes of any reforms of structures are intended to provide a more sustainable workforce as well as more sustainable finances. Otherwise, the same problems will reoccur.

John Mooney: I want to make a point about the lack of detail and understanding at this stage. Mr Bouse's comment about the 10-week period was well made, but that period must produce something; if the next set of consultation is based on what has come in during those 10 weeks, but no one has had any information to feed in, I respectfully suggest that we will still have a problem.

You have talked about workforce issues: 97 per cent of councils report staffing issues in social care—91 per cent for social workers, 75 per cent for council planning staff, 72 per cent for environmental health officers and 75 per cent for mental health officers. Unison, and I personally, are already taking calls from members who are worried about the impact of that situation and being thrown on the scrap heap, and who are asking, "How do we jump now?"—that is the type of advice that people are asking for.

I was in B and M two weeks ago and a person who used to work beside me in my local council asked me what the plans will be for severance. People are really concerned about their job security and how their worth will be assessed. The stats show that recruitment and retention is already an issue; if we do not get the messaging right up front, it will become an even bigger issue, and the only people who will suffer are the constituents.

The Convener: I have a couple of final questions for you, John. There is a big focus on terms and conditions in the public sector, and the Government says that it is not entering into the process of public service reform to save money or to cut the workforce. Do you believe it?

John Mooney: Do I believe it? I cannot see any other way to do it, because what is public service? The cost of public service is your staff—that is the biggest cost across local government. Any savings at all will need to come from either the numbers of staff or their terms and conditions.

I cannot remember who it was, but someone mentioned TUPE rights. The committee needs to consider the two sides of that coin: first, there needs to be absolute certainty about terms and conditions because it is correct that TUPE protects them. Secondly, however, I respectfully suggest that the happiness from that protection will last only about six weeks, because once someone is in the new organisation, working beside a colleague from Argyll and Bute or Fife—which I think someone mentioned—and realises that they are all getting paid different amounts to do the same job, there will be industrial unrest, with people essentially demanding a harmonisation of contractual entitlements. Then, you will be in the situation where costs are driven through that process again. So, I urge the committee and the Government to go into this with open eyes as to what the impact on the ground will be.

The Convener: The national care service legislation hit the buffers in the previous parliamentary session because of trade union and local government opposition. Local government collectively, and trade unions in particular, hold a huge amount of power in the process, which you are perhaps understating to the committee in some respects. If you must go toe to toe with the Government on the issue, are you ready to block its proposals? If the Government wants to go in one direction but local authorities and unions do not want to go on that journey, where does that leave the Verity house agreement?

John Mooney: Unison was very supportive of the Verity house agreement, and I have already made comments about the ring fencing. However, in fairness, we were really pleased that some of that started to get walked back. As colleagues have outlined, there is still an issue.

On whether we are prepared to block proposals, we are prepared to do whatever is necessary to protect our members. My evidence has indicated that we are not saying, "Stop, stop, stop!"; instead, we are asking whether we could have an evidence-led review of what local government reorganisation might look like, because it really depends where we end up. Unison believes in local government, in the work that our members do daily and that local government should be defended. If the proposals are a vehicle to further weaken local government, I imagine that our members will have something to say about that.

The Convener: We are over time, so I thank everybody for joining us for what has been a really helpful session. I suspect that it is not the last discussion that the committee will have on the

matter and I look forward to seeing you all to discuss the plans as they emerge.

We will suspend briefly to allow for a change of witnesses.

10:25

Meeting suspended.

10:29

On resuming—

The Convener: We move to the second stakeholder session. We will focus on empowering communities across Scotland, but we will obviously also touch on the local government reform programme that we have been discussing, because that is a critical part of the process of empowering Scotland's communities.

I welcome to the committee Elizabeth Docherty, director of the Scottish Community Alliance; Justin Kenrick, chair of Action Porty, which is Portobello, for those who are not in on the lingo; Councillor David Ross, leader of Fife Council and a Scottish Labour councillor; and Pauline Smith, chief executive of the Development Trusts Association Scotland.

I open with my first question to Mr Kenrick, because the community in Portobello is very actively engaged and probably feels quite empowered. However, what are the challenges that the community faces in pushing forward with that process?

Justin Kenrick (Action Porty): For a start, the earlier evidence session was really interesting. Community empowerment and local democracy dovetail strongly, and I hope that we touch on the connection between the two.

We have benefited hugely from the Scottish land fund, the Land Reform (Scotland) Act 2003, the Land Reform (Scotland) Act 2016 and the Community Empowerment (Scotland) Act 2015. We are quite an empowered community that gets on with it and does stuff. People step forward. Communities do not happen out of nowhere; they happen when individuals step forward, take action and come together. We have done that, which has been great.

We have benefited from the Scottish land fund, which, in 2016, helped us to do the first urban community right to buy—of Bellfield parish church—and then, this year, the community right to buy of the old police station, which used to be our town hall back in the 1870s. We have benefited hugely from that process, but there have been large barriers for us, as well. If those barriers are there for us, as a resourced community, they are certainly there for other communities that are not resourced in the same way.

There are many barriers, but I will touch on a couple. The first is the lack of core funding for core staff. We are a community benefit society and a development trust. We are an organisation that relies on volunteers, and we have hundreds of volunteers who step forward. Listening to the earlier session, I was interested to note that that discussion lacked the presence of volunteers and the amount of resource that there is in communities when people step forward and feel as though they can take action, when their responsibility is taken seriously. Instead of us voting in politicians every five years and then blaming them, which as citizens we love to do, how can we empower people to step forward, take responsibility and be willing to put in energy when they have the time? They get huge social benefits and skills from doing so.

As I say, there has been a block around having no core funding available for core staff. That is not available for anybody, so we do not have a development manager. We now employ five people, who are on a range of hours, we have hundreds of volunteers and we have people like me, on the board, who put in a lot of free time—I will attend three evening meetings this week. That is okay, but we do not have somebody who can take on the central role, which we need.

The second large barrier is that, back in 2016, registering for the community right to buy was really cumbersome. We were trying to buy the old parish church. The Church of Scotland was merging three churches into one, and we said to it, "Could you pause for six months so we can raise the funds to buy the church off you?". It said, "No, we want the highest amount of cash we can get," which was a very church-like thing to do—apologies for that. We were only able to buy it because the Church of Scotland could not work out the boundaries. It is an 1805 parish church, and working out the boundaries took time, as it had to go back so far. We had enough time to get 10 per cent backing from the community, by going door to door and getting 1,500 signatures to say, "Yes, we support you," and then to get 97.8 per cent of the community to vote for the buyout in the ballot. We would not have been able to do that first part if the Church of Scotland had not stumbled with the boundaries, so there is a real need to support communities by giving them the right to be able to stop such sales, and by demanding that large landowners must notify communities well in advance if they are going to sell.

There are some practical issues, including the really practical issue of cash, which came up in the previous session. Last year, the Scottish land fund was supposed to arrive at £20 million in terms of

what it could use to support communities, but it was down to £7 million. The fund needs to be not just ring fenced but increased dramatically in this parliamentary session. I really hope that it is, because it allows communities to take action across Scotland. More than 500 communities have now got assets back, and that inspires communities around them. It did not just happen to us; since then, we have gone to Newhaven and elsewhere to support other communities to do it, particularly through development trust support. I should stop—sorry.

The Convener: I have a further question in relation to that. I am wondering what you meant by "resourced" communities. The recent Scottish household survey shows that 17 per cent of Scottish people feel that they can influence decisions affecting their local area. I suppose that that is a question for you, Mr Kenrick, and then for Elizabeth Docherty.

You say "resourced". Portobello is now quite a prosperous area, with active, well-educated middle-class people. Is there a risk that communities such as that, being well resourced and well organised, can end up drawing in resources that more socially disadvantaged areas perhaps do not, because they lack the capacity to come together in that way?

Justin Kenrick: Totally. I have been in Portobello for 30 years. It was quite a different place 30 years ago; there were all sorts of things going on. My experience was that individuals stepped forward and did stuff, which drew people into the community. That happens everywhere.

What you point to is a real concern, but that should not stop communities from taking steps forward, showing what is possible and helping other communities to do the same. The funds and the core staff need to be there to support that, however.

The Convener: Elizabeth, could you comment on the broader point about ensuring that every community is empowered? How do we go about achieving that?

Elizabeth Docherty (Scottish Community Alliance): We have to realise that communities are starting from different points, with different infrastructure. Capacity building is desperately needed within our communities, with requirements for community-led development and infrastructure around that. Investment into our communities is also required. We know that prevention will happen only with investment, and we would advocate for that to be considered for our communities.

There are things that stop that from happening, however. There can be a lack of decision making regarding what communities can do on their own behalf. We have a flurry of policies and mechanisms, but they can sometimes be more of a hindrance than a help. We really need to consider what we are looking at when we are developing things, so as to create a less confusing and less cluttered landscape for our communities so that they can understand where they can and should play a role, and where they have the experience and expertise to make changes happen for themselves.

The Convener: I invite Pauline Smith to come in on that broader point about how communities are organised—including through trusts.

Pauline Smith (Development Trusts Association Scotland): Development Trusts Association Scotland—DTAS for short—represents more than 400 community development trusts, such as Action Porty, across rural, island and urban areas and in the most deprived areas as well as the most affluent areas across Scotland. Everything that Justin Kenrick mentioned has been unfolding across the whole of Scotland. Our network of 400 organisations, plus other community and social enterprises, are taking on assets such as churches, community halls, pubs, shops and various other pieces of infrastructure across our country, and they are doing it really well.

As Elizabeth Docherty said, however, we need to shift that power and decision making to allow people in communities to do that and to make life a little bit easier for them. We can prove that we can do that really well: jobs are being created. More than half of our members responded to our most recent member survey. There are 13,000 community volunteers—active citizens in communities—running services valued at about £37 million. However, we need to shift things so that there is a much more stable environment for them all to work in. They are creating jobs, attracting investment and bringing life back into town centres, creating wealth within communities.

When it comes to the infrastructure and the support mechanisms from the Scottish Government and others, there may be some good funding pots, but we need local decision making, and the new local democratic bodies will allow the funding, the finances, the control and the decision making to flow much more easily and in a better way through communities, so that they can make decisions at the heart of where it matters.

We have evidence of that happening across the country. All of you will know of somewhere where a community hall has been brought back to life after the local authority was potentially going to shut it down, for instance. The Church of Scotland has shut churches and is selling them on, but

communities have been bringing them back to life and making them productive assets, and then circulating the wealth.

The Convener: I will bring in Morven-May MacCallum now. The discussion that we have just had about local government reform is key.

Morven-May MacCallum: This question is possibly directed more towards the councillors present. I would be curious to know a bit more about those councillors who will be asked to sit on both regional and community authorities. Do the councillors who are present today feel that that is workable, particularly regarding the workload?

The Convener: That is one for you, David, I think.

Councillor David Ross (Fife Council): From our point of view in Fife, we have a dual-level system. The council covers the whole of Fife, but we also have seven area committees that councillors sit on. Councillor Julie MacDougall is one of those councillors. I think that it works well when they are part of that overall Fife council. We can decide what powers, funding and so on the area committees have, and can judge between them on a fair basis. It is then much easier for them, at that level, to engage with very basic community issues, which would be more difficult to engage with from a higher level.

I do not necessarily think that it is an issue of workload. Our experience would reflect the things that have been said up to now. It is very dangerous to see voluntary effort as a substitute for mainstream core services. Local authorities have a duty to provide those statutory services and can do so on an equal basis. Voluntary and community groups can add a tremendous amount to that, but they are probably not providing comprehensive general services. There is a danger, in some areas, of seeing that as a way of cost cutting and getting services on the cheap. We need to resist that.

Our experience reflects the things that have been said up until now. We need resources to go in to support communities and basic community development support, which has been lacking. Given the pressures on local authority finance, it is very difficult to continue to keep that up.

Pauline Smith: I certainly would not disagree with community development support. However, public sector reform, and the local democracy matters work that we have been involved in, is very much about investing in communities to do things for themselves as well.

I mentioned the buildings that communities are running. Communities are also doing a lot of preventative health services, education and employment; they are doing a lot of things that were previously classed as statutory. There is an opportunity here to get that investment straight into the grassroots organisations, on a local democratic basis. That supports local authorities, which sometimes do not have the ability to get into those communities. There has to be investment in community infrastructure.

I agree with the community development support element, but there is also an opportunity for the Scottish Government and others to truly turn the tables on local democratic powers in local communities, and to make that change now. We are not advocating for mini-local authorities; it is very much about a local, democratic, place-based approach to democracy. I hope that we can seize that opportunity.

Elizabeth Docherty: I share Pauline Smith's views. For us, there is still uncertainty around the regional community authority structure and who has what power. We know that it is not clear cut that the power will sit in one or the other, because they cross over. That makes it a bit more difficult for us in communities to understand where our community-led local democracy structure would fit in. I agree with Pauline that we cannot lose sight of the fact that that structure needs to exist.

We appreciate that the model being presented is that community authorities will bring decisions closer to communities. However, in our local democracy work, and in the democracy matters work, we are asking for communities to have influence and to be able to make those decisions. That might feel nuanced, but we are coming at it from different angles, and we cannot lose sight of the angle that we are focusing on as part of this structural reform.

10:45

Morven-May MacCallum: That leads very nicely to my next question. The Accounts Commission has praised Fife Council's community engagement, particularly through its area committee. How do you see area committees differing from the Scottish Government's proposed community authorities, or is there no difference? What could be the effect for communities?

Councillor Ross: There is a fundamental difference. I have worked in a regional council and in a district council, and I was part of the shadow authority in 1996 when we set that up. The move to unitary authorities has been very positive, because there were all sorts of disputes between regional and district councils about whose budget it was and whose responsibility it was, and I certainly do not want to go back to that.

The fundamental difference, as I understand it—there is a contradiction here—is that the Scottish Government proposals would create separate,

one-size-fits-all authorities at community level, whereas I would argue that the local authorities are much closer to what is needed in their areas. That, for me, was the message in the "Democracy Matters" document on how to move forward. It was not a one-size-fits-all approach.

Morven-May MacCallum: Does anybody else want to come in on that before I ask my next question?

The Convener: Nope, you are free to go.

Morven-May MacCallum: Fantastic. One of my main concerns about the Government's proposal on local government reform is that it does not seem to devolve any real powers from the Scottish Government to local communities. Is that a fair reading of the proposals, and if so, what powers would you like to see, particularly for community empowerment?

Councillor Ross: I am not sure that we necessarily need more powers. I would like the Scottish Government to trust the local authorities more. We could put more duties on the authorities, but there are already duties on decentralisation and community empowerment, and I am not sure that those have been particularly pushed.

It is, in a way, a cultural thing about understanding and winning hearts and minds at the local authority level. There are numerous ways of involving and empowering communities. We have a range of examples in Fife going way back to local regeneration approaches and forums where communities developed community-based housing associations to choose between competing developers as to what their plans for the local area would be, including demolition and new housing.

We also worked with the Scottish Community Development Centre to develop standards for community engagement, which are still in place today, so there is a long history of a variety of things. More recently, as you have probably seen, we worked with the Scottish Government on the Dunfermline citizens assembly. We have done citizens juries and other such things in the past, so there is a wealth of experience and examples, and I would like the Government to come out and talk to authorities such as mine more, because we are not the only authority doing those things. There is a lot of positive partnership work to see how we can develop that more, and for me, that was the message in the "Democracy Matters" document.

Justin Kenrick: I take Councillor Ross's earlier point about not wanting voluntary work to replace actual sustainable work. That is why I said that we need to have core staff at the local level who can take things forward, rather than relying on everybody putting in hours out of time, although people doing that in addition to core staff is great and it mobilises huge amounts of community support.

I am not so sure about involving communities in decision making. It is more that communities need to have the power to make decisions. That is my concern.

I listened to the evidence from your previous panel, which was really interesting, and I heard the convener's example of a sports club or youth club being closed down and, five years down the line, the community experiencing antisocial behaviour. We have had that situation in Portobello and we have been responding to it. Part of the reason why Police Scotland was happy to sell to us at a lower price the old town hall, police station and magistrates court—it is an 1870s building—was our willingness to engage with youth. Rather than having increased police presence to deal with the consequences of not involving young people and ensuring that they feel included and involved, we are addressing that at the cause, as it were.

If we are thinking of having 120 to 160 community authorities, it is important that we think about communities having decision-making powers. We engage with the City of Edinburgh Council, and the local councillors that we have had from all parties have been really good. They have been really helpful in relation to the community council and so on. However, our community council stopped functioning because nobody put themselves forward. Out of 12,000 people, we did not have seven people stepping forward. That was not because Portobello is not an active place. It was because people could no longer see any point in being on a community council because the City of Edinburgh Council as a whole just does not listen. It engages and engages until people shut up and go away.

The idea of being engaged is not as helpful as the idea of communities having powers to block sales, to step forward and get funding and to work with local authorities in a positive way. I am not saying that there are not good people in the council. It is just that the process seems to involve endless consultation rather than communities having the power to make decisions. We need communities to be decision-making bodies. I am not talking about development trusts; I am talking about whatever community councils would be called when they are beefed up.

I would be worried if there was a one-size-fits-all approach. Councillor Ross said earlier that he is also opposed to that. People see Leith and Portobello as communities, but they are different sizes. If the 120 to 160 community authorities each represent an average of 37,000 people, we would have areas of between 12,000 and 50,000 people,

but we have to ensure that they are real communities where people feel a real sense of ownership, rather than that being imposed by diktat, in which case people might not identify with the areas and we would have the same problem again.

Elizabeth Docherty: I completely agree with Justin Kenrick. I do not want to repeat what he said, but we have to understand the difference between community development and local democracy. They go hand in hand and both are extremely important things that need investment. However, community development involves enabling people to use the methods and participation powers in the Community Empowerment (Scotland) Act 2015 to get things done in their community, whereas local democracy is about where the accountability and the power sit. We think that the latter is missing in the proposed model, and that is why we have been having conversations about a new model for local democracy.

There needs to be a statutory community-led mechanism for local democracy in our communities. As Justin Kenrick said, it is about where decision-making lies. It is not solely about the consultative approach or influence.

The Convener: Morven-May, do you have any further questions?

Morven-May MacCallum: No. That is perfect. Thank you, everyone.

The Convener: Mr Kenrick referred to the fact that, around the country, there are some powerful community councils that fully utilise their statutory powers to good effect, while some are moribund and others have in effect been wound up. Do any of you have an impression as to where the Government is going in relation to community councils? They are defined by statute and local government runs them, but is there a risk that they will be the ultimate victims of this process?

Pauline Smith: I do not know the answer because we have not had any direct feedback on that from the Scottish Government. However, I note what Elizabeth Docherty said about the blueprint for reforming community councils. I hope that the Scottish Government is proposing to create stronger local democratic bodies that will involve the people who have been involved in community councils and that they will be given resources and finances.

We do not advocate getting rid of community councils. We advocate having stronger local democratic bodies that will build on community councils and council ward areas, involve those people and give them powers. That would attract more people to the bodies, because they would have a stronger role to play. If they just have £500 and a couple of planning things go through them, nobody will want to be involved. There are some good ones, especially in islands and other areas, but who would not want more powers, more strength and more structure for them? That is what we advocate for. I do not know what angle the Scottish Government is coming from.

The Government is talking about 120 community authorities. We are talking about 350 local democratic bodies based on council ward areas. We are happy to discuss that proposal and give you further details on it.

Gary Bouse: I have seen the challenges with community councils that were mentioned. There was one in my local area that ran for 20 years and then just did not get the people it needed. However, community planning partnerships seem to be getting stronger and bigger. Is that a potential future model? I will ask you a second question on community asset transfer in a minute, but do you see community planning partnerships as being the way forward? They involve all parts of society, not just the public or the council; the fire brigade, the police and everybody else gets involved in them.

Elizabeth Docherty: We see a role for community planning partnerships, but it is probably not how it looks just now. In our model for local democracy, we want to create a community statutory body that is strengthened in legislation, that has investment and resources and that creates the priorities that the community wants. The community planning partnership and the partners within it would respond to that community plan. The community action plan would be the lead plan that community planning partners would implement, support and invest in. The relationship would look a bit different from how the hierarchy works now. Communities would lead the discussions and community partners would be invested in them. It would turn round where the dynamics lie at the moment.

Councillor Ross: Local councillors are embedded in, and part of, their communities. I do not see another tier of elected representatives—we already have them—as encouraging participation and empowerment. We are in danger of replicating things.

To be honest, if we are talking about communities of 50,000, that is not local to me. That is not where a lot of people, particularly in more deprived areas, see their communities or where we should put the effort and time into developing representation. It is inextricably joined to decentralisation of service delivery, how we tackle poverty, community wealth building and community planning. In a lot of our mining villages, we have worked with the Coalfields Regeneration

Trust to develop local action plans and are delivering those in partnership with those communities.

Justin Kenrick: I completely agree that we should not talk about numbers such as 50,000. Leith is an example of a community of 50,000 that people identify with. Portobello is 12,000. The numbers should not play a part. It is about people's sense of community, where they belong and where they care about and about that care being able to be mobilised.

Action Porty has not been involved in the community planning partnership. It seems to happen at a different level. It involves all the people who have been mentioned, but we are not a part of it. That is our experience. However, such a process that was led by communities rather than by other levels would be incredibly helpful.

Elected officials at a community level were mentioned. Community councils are elected when more than seven, 14 or whatever number it is people want to stand and there is a competition. We could strengthen them. So far, they get £500 and just comment on licensing and planning applications. That is important, but there is no power there. Obviously, anybody has power when they take actions. A community council can take action that is not statutory but done through its own efforts, so they can be powerful just as development trusts can be.

There is a point to be made about moving towards a kind of deliberative democracy. We are trying to do that in Portobello, where we have a meeting in a couple of weeks' time on whether we can resuscitate the community council, for all its flaws. That would allow there to be a deliberative process whereby people are not elected but there is instead an assembly in which people discuss the issues and think them through. We are trying to have an approach that is not based on parties saying, "You are wrong and I am right," but based on a process in which disagreements are used to arrive at a deeper understanding rather than meaning, "I am here and you are there."

11:00

The Scottish Government has attempted to oversee a shift towards deliberative democracy. I was part of the climate citizens assembly, which was not very effective for various reasons, but citizens assemblies can be incredibly effective if they are allowed to think freely rather than within a straitjacket. Deliberative democracy is fundamental.

Having community resilience criteria in planning is also fundamental. Rather than the developer always having the last word, community resilience should be seen as the fundamental aspect. Having a deliberative approach to democracy and a community resilience approach to economics is fundamental. It would be a game changer to think, "How does that make this community resilient?" rather than asking who can make the most money out of housing, or whatever else the situation involves—housing is probably a topic for a different discussion.

Pauline Smith: On the community planning issue—this goes back to David Ross's point—it is about finding a balance, because everywhere works slightly differently. A couple of years back, we did a survey of our members on what they know about community planning partnerships. You would think that 400 community-based development trusts would know about community planning partnerships, but the majority of our members did not know who was on their CPP and how they were being represented. However, that was not the case everywhere, and there were some pockets of areas in local authorities where people did know about their CPP and were trying their best to understand it.

The whole process is about rebalancing those things to ensure that the community is at the heart of every decision that gets made. As Elizabeth Docherty said earlier, the way to do that is to build the community action plan right from the grass roots and move upwards. We always talk about the grass roots, and we know the right words to use, such as "grass-roots development". We want grass-roots development to be at the heart of the process, but we are not doing that very well; we still just say the words. We now have an opportunity to put community action plans at the heart of communities and to drive what communities can do first up into local authorities, the Scottish Government and so on.

It is about enabling the doers in communities—all the development trusts and voluntary social organisations—to do what they are doing really well, but that is so difficult just now. We need to give them the control to then ask for help up here—I hope that that makes sense.

The Convener: Definitely, yes.

Gary Bouse: I will take us back to the issues of community ownership and community asset transfers. For those who were not here in the first evidence session, I declare that I am a councillor on Falkirk Council, which has done some incredible work on community asset transfer. We cannot take all the credit for that, because we learned from what East Ayrshire Council was doing before we started our own work. We realised that the biggest challenge is finding money for capital repairs, so we started up a multimillion-pound fund to provide support for the capital that is needed for a community asset transfer. I

understand that Falkirk Council has now reached 26 community asset transfers.

Is lack of money a problem that stops community asset transfers in other areas? David Ross could probably touch on that question. What other barriers are there? I know that Falkirk has a positive story to tell on community asset transfers at the moment, but I do not know how it is in the rest of the country—you guys can give us a better picture.

Pauline Smith: At DTAS, we run a community ownership support service that helps thousands of communities through navigating the asset transfer process. Any funds that come into the process are welcome.

There is a reason why an asset transfer will be happening. In some cases, local authorities or private businesses cannot manage or develop their vacant and derelict land, so communities will seek to pick it up. However, they cannot do that for free; they cannot just take someone's liability and problem and make it the community's problem.

Our role is about ensuring that people make the right decision for them. There is often a lot of passion and personal attachments to the land, especially when it comes to churches and some other pieces of land, so it is easy for people to get sucked into a vision for something until they then think, "How do I find £10 million to refurbish it?" Therefore, the Scottish land fund and funds such as the one that has been created by Falkirk Council are welcome when it comes to physical asset refurbishment. The Scottish Government's regeneration capital grant fund is another way of providing funding. There are probably also ways of getting such support even further down into local community decision making.

It is also about how you run the asset after you have built it. There is a serious lack of funding and investment in enterprises in the aftermath of the refurbishment of buildings. That is a key area for us to look at. We are willing to sit round the table and help to shape how that looks and consider how we invest further in that. From the start, there are enterprise activities in buildings, which ultimately can make money and deliver on the preventative health agenda. We are saving money for the Scottish Government and local authorities. We have the evidence on that, and we would welcome working with you on it.

Elizabeth Docherty: I echo everything that Pauline Smith said.

Taking a step back, I think that the process is complex and could be made a bit simpler for folk. That is about how people approach the process and the expert advice, but there are also simple issues such as the asset register and land register being up to date and having as much information as possible. We know that people sometimes get stuck when they try to find out who owns an asset or land, so it would help if registers and so on were up to date. Also, the process that people need to go through could be simplified or made easier for communities.

The Convener: Mr Kenrick, you have been through the process of bringing a police station or town hall into community ownership. Which element created the most avoidable delay?

Justin Kenrick: In our case, bringing the church into community ownership was a community right-to-buy process. What Gary Bouse talked about in Falkirk sounds fantastic, especially if that is done for free. We had to pay £460,000 for the police station building, so there was the issue of raising the funds, and there are blocks there.

I agree with Elizabeth Docherty's point about the need for clarity on ownership. There is also the question of whether you should pay for something that you paid for in the first place. As a community, Portobello paid to build the original town hall in the 1870s. The community also paid to build Bellfield parish church—it was paid for by public subscription, so why did we have to buy it back from the church? That is another question. There is a question of who owns the building, and the ownership is then seen as private or public ownership, but the community is not seen as the owner. If something is passed back for free because it belonged to the people in the first place and the council has been holding it in trust, as it were, that is fine.

There are blocks around core funding for staff to carry out the work. They will be supervised and supported by volunteers, but we need to have them in place, as well as having clarity on the process. We have had really good support from Scottish land fund stage 1 funding, which has been vital, and we had the Scottish Government making places funding when we wanted to save football pitches that were to be sold off so that the City of Edinburgh Council could make money. We negotiated with the council and said that it could make some money but that we needed to keep some of the pitches.

It is about being clear about what is happening but also about having the first right to take control and being informed early enough rather than suddenly finding yourself in a situation in which you are trying to get hold of an asset but do not have time or support to put in the work on that.

The Convener: Julie MacDougall wanted to come in a while back.

Julie MacDougall: Convener, you asked the question that I was going to ask, and Justin

Kenrick has answered it, so thank you. However, I have a question for my colleague Councillor David Ross. I again declare that I am a councillor on Fife Council.

Councillor Ross, in light of your written submission, I want to ask about housing. Do you believe that the Scottish Government's attempted reorganisation of local government will have an impact on any future authority's ability to meet its targets in the strategic housing investment plan?

Councillor Ross: I am not terribly sure about that, but the general position is that I am not sure that we have enough resources going into housing. We have had a programme for the best part of 15 years now and, with our housing association partners, we have built about 7,500 new homes, but we are running out of the funding to be able to afford to continue that.

That is another example of potential partnership. I go back to the discussion about working closely with housing associations and the opportunities for community-based housing associations. Sadly, many community-based housing associations have gone out of business or merged with bigger ones. That is regrettable, because they formed a nucleus of community empowerment and action in their local authorities. I saw an example of that in one of our estates in Leven, where the community came together to demand change, got it and took over. A single mother who was going along to the community flat became the chair of the community group, and that led to her securing significant employment afterwards. We need to be supporting that kind of individual journey.

The Convener: As there are no further thoughts on that, I will bring in Mark Griffin.

Mark Griffin: I want to get the witnesses' reaction to the Scottish Government's programme for government announcement to establish a last provider fund to support the last remaining shops, pubs and community facilities, particularly in rural areas, and to ask whether you have had a discussion with your wider membership about how you are feeding into the consultation, how you would envisage the fund operating, and whether you think that the measure is worth while.

Pauline Smith: We have not had much contact about that. The measure is certainly needed, but we will need to seek our members' perspectives, so we will have an internal discussion with them about exactly how to feed into the consultation. Apologies, but I do not have that feedback right now.

Elizabeth Docherty: One of our members, Scottish Rural Action, has hosted sessions on the proposal and has kindly provided us with some insight into it. I will mention some of the key points that were raised. As Pauline Smith said, the fund is welcome—any fund is. However, the proposal needs to cover all community spaces rather than be limited to the facilities that are outlined in the programme for government, including youth centres, village halls and other spaces that are crucial for rural and island communities, and, indeed, for all our communities. The proposal needs to be flexible and place based to enable communities to make genuine decisions about what those spaces should be.

This will not come out of the blue, but other requests include multiyear funding and unrestricted funding. We really cannot continue without knowing what will happen year on year. That is just not sustainable.

On business support for the fund, we need to learn the lessons from what already exists, including from the Scottish land fund and community-led local development. We need business support to be delivered by experts in their areas to ensure that it is delivered effectively.

One crucial point was the need to intervene before a closure occurs. Therefore, it is not necessarily about waiting for that last shop or community facility to close but about intervening well in advance, before crisis hits.

As Pauline said, we will continue to have conversations on that as the consultation continues.

Justin Kenrick: The fund sounds crucial if everything is closing, but if you have a community resilience focus, you will be building up rather than defending the last bit of the sandcastle in that process. It is about a shift in focus: asking what a community wants and then enabling the community to have the authority and the power to build. That would be a lot more helpful. I am not saying that the measure will not be useful, but it feels like a somewhat defeatist approach. However, if a defeat is happening, it is definitely useful to have the fund. I would have hoped for a much more positive approach that builds community power in that way.

In a personal capacity, I will say that there is plenty of wealth around; it just happens to be concentrated in a few pockets. I will note the elephant in the room: there are plenty of resources for local authorities, central Government and communities, but they are not available because they are in somebody else's pocket. I just wanted to put that on the table. Often, there is talk about scarcity, as though there is not enough to go around. Whether there is enough is a political decision that is made by the population at large, including me. Are we willing to ensure that we pay the taxes, and that other people who have considerably more wealth also pay the taxes, that

would enable us to have the central Government, local government and community-level government that we need? Behind all this, there is always a sense of scarcity, as if we do not have enough, but we have plenty. The issue is the decisions that we make—and by that I mean all of us and not just politicians alone. Sorry, but I just had to get that off my chest.

11:15

Mark Griffin: The last provider fund has just been announced and its details are still to be confirmed, but there are many other initiatives that we could point to. Local growth deals, the pride in place programme, city region deals and economic partnerships are all already in existence, and some of them are already handing out money. What input do you have into those initiatives that are already in place, which are supposed to be improving our communities?

Justin Kenrick: From the Scottish Parliament information centre report that I looked at in preparation for this meeting, it seems as though a lot of that funding is going into artificial intelligence and efficiency—which means redundancies—and all sorts of things that do not seem particularly helpful. We have certainly not had any input at those levels. I am talking about getting resources into the community level, as opposed to the levels way above that.

Pauline Smith: From our perspective, the short answer is that the more spend that goes into the grass-roots level, the better. All the pride in place funding went through local authorities. From a development trust point of view, some good impacts have been made in some areas, but that is not the case across the board. We want to be able to change the way in which people are elected to the decision-making boards. We want open election processes to be held, which would enable people to have a say in how the money is spent before it even arrives. A lot of the time, decisions have already been made before the funding gets to the community.

As Justin Kenrick said, many of the projects are big infrastructure projects that sit at a regional level rather than a grass-roots level. We have not struck the right balance with regard to how much money goes into local areas at grass-roots level. I am not having a dig at anyone. I think that everyone has the best of intentions. It is simply that we do not have the right system or the right structure to enable us to do things better, which is the position that we are trying to get to.

That might mean that some things will have to be disbanded or that duties will need to be transferred from some community planning partnerships to local democratic bodies. Are we brave enough to do that? There are smart, skilled local people who are doing the work already. When are we going to trust that we can give them the powers, the finances and the decision making to do things for themselves? That will involve restructuring where those powers and duties sit. We need to be brave enough to do that.

All the networks and forums that you mentioned have some sort of role to play, but is it the same role that they have always had, or should we have a discussion about how we can change those roles? We need to think about where responsibility for local economic policy sits. Could it sit at a local level, with certain other things sitting at a regional or national level? I am keen for us to have such discussions and to be open about the fact that now is the time for change.

The Convener: Councillor Ross wants to come back in on asset transfer.

Councillor Ross: We support asset transfer through our third sector interface. We had transferred assets in the past. In our experience, the process was much easier until the regulations came in. That was certainly the case in the first couple of years, although I think that we have now worked through that.

Justin Kenrick is absolutely right to say that the big barrier is the state of some of the buildings and the repairs that are required. If the councils had had the money to do it, we would have done them up. The danger is that we pass on a pig in a poke to the community groups that want to take them over. If they can find the additional money that is required, that is great—it will be a win-win—but we need to avoid passing over something that will be a weight around their neck. We find that many community groups do not want to take on the responsibility for running assets. They simply want to use them, and they want the council to look after them. We need to be careful that we do not force people down a particular route that they might not want to go down.

I will contact the council offices in Falkirk and Kilmarnock to find out what is being done there.

Gary Bouse: I would be delighted to make the introductions for you.

One of the things that our offices are doing is taking the savings from those asset transfers and capitalising them; that way, there is no direct extra cost to the council. We also do not just hand over the asset—business plans must be done, buildings are properly surveyed and we then look at supporting the groups with the repairs. People would literally start a war with you if you tried to take assets off them—Polmont is one of the best examples of that. That is community ownership,

and one of the most important things is to allow the community to have that passion and to support it.

The Convener: To go back to Mr. Kenrick's point about scarcity, there is one pot of money that, in my view, is not fairly shared, and that is community benefit from renewables developments, which often go to the hyper local—you will find that one community council has a large pot of money behind it. Have you given any thought to how particular developments such as AI data centres and battery storage—which, in the view of the community, have community harms—have potential community benefits? Have any of your organisations thought about how we could share those more fairly and harness them more effectively on a Scotland-wide basis?

Pauline Smith: We are involved in the Scottish community coalition on energy with Community Land Scotland and Community Energy Scotland. Although we have very much focused on onshore and offshore wind and renewables, we are also looking at solar and heat power through the launchpad projects that we work with the coalition on, and AI is coming into the field of what we are talking about.

Generally, we have been encouraging people to set up consortium approaches to community benefits so that they have ways to spread them across the communities that they work with on a much larger scale. We also have a Scottish community wealth fund proposal out there, which focuses on onshore and offshore wind but could be adapted. As we have said from the start, this is about creating wealth right across Scotland and spreading community benefits as wide as possible, and our proposal is about how to have regional, local and national benefits through the use of the Scottish wealth fund. I would be happy to share it with the panel if it is of interest.

Justin Kenrick: To give an example, we were trying from 2010 to 2014 to put up a wind turbine on Seafield sewage works, with support from Scottish Water, the City of Edinburgh Council and Veolia. Everybody was fine with it bar a Californian finance company that had a stake in it and said no, so it did not happen. However, our plan was to then use the funds not only for Portobello but for Craigmillar, too. It is about trying to think about supporting communities where they can succeed and securing finance to ensure that it also benefits those communities near them who need it more. It is about doing that work from the ground up.

Julie MacDougall: I want to come back in on what you mentioned earlier about the challenges that you faced at the beginning, maybe with funding. What other challenges did you come across that you could help other people with who are going through a similar transition of purchasing a community building? Other than funding, what sort of things did you face that were the most challenging in trying to bring that together?

Justin Kenrick: Well, as I said earlier, there are the structural things such as ensuring that whoever the large landowner is—the church or whoever else—notifies the community well in advance, so that the community has enough time to get its act together. We managed to get Bellfield going at the old Portobello parish church only because it had a problem with the boundary. So, there is something about ensuring that the structure is such that the community has enough time to do it.

The funding is crucial, obviously, but the most crucial bit is for people to believe that it is possible. A lot of people said that we would not be able to save that church; after people said that we could not do that, we then saved the football pitches. People have now given up saying, "You can't do it," because we are doing it, but you are up against people who have basically been feeling powerless to do anything. That seems to be the case in our general system.

Convener, you said that the percentage of people who sense that they can influence local decision making has gone down from, I think, 23 per cent to 17 per cent in the past 10 years. The key is people having decision-making power rather than influence. Getting that community authority level in place so that people can make those decisions instead of feeling as if they are trying to influence somebody else is key.

Julie MacDougall: I have a general question on what I think was touched on earlier with Councillor Ross. Some communities do not have the strength of a community council or the expertise of people who know how to navigate their way through the system. Would we not fail people in other communities that maybe do not have that resource and leave them behind to apply for funding? How do we reach those communities at the grass roots, as you have mentioned? What could we do better in the system between councils and communities to empower those communities that might not have that knowledge or expertise?

Justin Kenrick: DTAS helps to fund community exchanges, and I know that, when we were doing Bellfield, people from Newhaven came over and asked for help with saving a building in their area because they did not have the capacity or whatever else. I met somebody last year when we were doing the Bellfield's big build community share campaign, who said, "Oh, we found the people, we just didn't believe they were there"—once they found them, they had the meeting. There is something about exchanges to support other communities to be able to take that kind of action.

Pauline Smith: I would probably say this, but one of the answers is development trusts. By setting up a development trust, you set up the structure and the governance arrangements to take forward exactly the type of work that Action Porty and other communities have done. It is about the support mechanisms, which are already there—community ownership support, democratic finance, and the other intermediary support—to handle people through that asset transfer process and to organise learning exchanges and so on.

One of the sticking points is around business planning, which slows down the whole process as you go through its structures. To ensure that it is not a liability from an enterprise or organisation point of view, we definitely could put in extra business planning support for people such as board members who do not have the skills but have the passion, the desire and the ideas.

The Convener: I have a final question, because time is quite tight. You obviously welcomed in the programme for government the partnership agreement that will potentially be developed with the third sector. We have touched on a lot of those points, but to recap, what would be intrinsic and core to that from your point of view and perhaps that of other organisations?

Pauline Smith: It is a huge opportunity and all of us are welcoming it for the voluntary sector. It would be good to get fairer funding and, obviously, multiyear funding, which we have already touched on—that is a no-brainer for most people. However, it is not just about funding for funding's sake. Development trusts are always enterprising activities, so it is about investment in their enterprise and what they are trying to build on and strengthening their structures of governance.

Linked to that, and key to the whole conversation that we have had, is the local governance and local democracy work. If we can push that forward and have the communities blueprint that we have been working and consulting on with hundreds of communities to see how we strengthen that structure, that will be key. The door is open at the moment for all to consider how to work together and strengthen the sector.

Elizabeth Docherty: I agree that it is a huge opportunity, which, for us, is about looking at consistency across departments and the public sector and about understanding the relationship between statutory provision and the third sector and the community sector, and where they fit, alongside our communities blueprint. It is about harnessing our shared priorities and outcomes so that we are all on the same page with regard to what we are looking to achieve.

It would also help massively to have a mutual understanding, in which people in the public sector understand the community sector and the third sector and people in those sectors understand the limitations and restrictions on the public sector. We need to be able to have those honest and transparent conversations, in which there is parity, and we need people not to feel threatened when we have to have them.

The Convener: That has been really helpful. Are there any final remarks in relation to that?

Justin Kenrick: It seems to me that we have been focused on tying community empowerment to community democracy—those two things are seen as distinct but connected. My day job is working in east Africa to try to help forest peoples secure the rights to the land: they tend to have a governance arrangement with a kind of clear council that is drawn up not through voting but through discussion among the community—which could be equivalent to a community authority here; then, they have more of a non-governmental organisation-type body, which gets on and does stuff. I could see that dynamic and that relationship work really well in our context. It is not what we tend to think about—we tend to see democracy over here and empowerment over there as separate—but I think that bringing them together would be really empowering and democratic.

The Convener: That has been really helpful. I thank everybody for coming. I suspect that we will return to this issue. Next week, we will continue with our themed round tables by having two sessions on housing, so I say to those people who are tuning in to make sure that they tune in again next week.

11:29

Meeting continued in private until 12:21.

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