

# **LOCAL GOVERNMENT COMMITTEE**

Wednesday 3 May 2000  
(*Morning*)

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## LOCAL GOVERNMENT COMMITTEE

14<sup>th</sup> Meeting 2000, Session 1

### CONVENER

\*Trish Godman (West Renfrew shire) (Lab)

### DEPUTY CONVENER

\*Johann Lamont (Glasgow Pollok) (Lab)

### COMMITTEE MEMBERS

\*Colin Campbell (West of Scotland) (SNP)

\*Mr Kenneth Gibson (Glasgow) (SNP)

\*Donald Gorrie (Central Scotland) (LD)

\*Mr Keith Harding (Mid Scotland and Fife) (Con)

\*Dr Sylvia Jackson (Stirling) (Lab)

\*Mr Michael McMahon (Hamilton North and Bellshill) (Lab)

\*Bristow Muldoon (Livingston) (Lab)

\*Mr Gil Paterson (Central Scotland) (SNP)

\*Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

\*attended

### WITNESSES

Norie Williamson (Convention of Scottish Local Authorities)

Councillor Craig Roberton (Convention of Scottish Local Authorities)

Ailsa McKay (Engender)

Irene Graham (Engender)

### CLERK TEAM LEADER

Eugene Windsor

### ASSISTANT CLERK

Craig Harper

### LOCATION

Committee Room 1



## Scottish Parliament

### Local Government Committee

*Wednesday 3 May 2000*

*(Morning)*

[THE CONVENER *opened the meeting at 10:02*]

### Budget Process

**The Convener (Trish Godman):** Good morning, comrades.

If the SNP and Johann Lamont stop talking, we can start.

**Mr Kenneth Gibson (Glasgow) (SNP):** Does Colin Campbell speak for all of us?

**The Convener:** Yes, he speaks for all of you.

**Colin Campbell (West of Scotland) (SNP):** What did I say?

**The Convener:** We will take evidence this morning from the Convention of Scottish Local Authorities. We have with us Councillor Craig Robertson, who is the COSLA spokesman on finance, and Norie Williamson, whom we have met before, who is head of finance. The procedure is that they will give us a short presentation. Members will then ask questions.

**Councillor Craig Robertson (Convention of Scottish Local Authorities):** Thank you very much.

We are pleased to be here today and welcome your invitation. We have circulated a paper, which gives some detail on the case that we will make today. I will briefly go over the main points in it; after that, we will be happy to answer any questions that the committee might have.

The second page is headed "Existing Resource Pressures". I will start by giving the committee our views on that. Members will see further down the page that, since reorganisation in 1996-97, the local government share of the Scottish block has declined from 40 per cent of the block to 36 per cent, which equates to a 10 per cent decline in our share. There has been an absolute decline. Had local government received the same funding that other services in the Scottish block have received, we would have had an outturn of about £0.5 billion more than we currently have. That is an increase, but in revenue terms we have had a decrease of £100 million.

That has had serious implications for local government over the period. As we state in our

submission, facilities have closed, charges have increased and there have been 13,000 job losses and a fairly substantial increase in the council tax levied in aggregate overall. The 41 per cent figure for the increase in council tax income equates to the increase of last year, but in the current year there has been another substantial round of increases. I am not sure what the figure since reorganisation stands at now, but it might be 50 per cent.

We are at odds with the Executive in respect of the allocation of resources. We feel that there is evidence that someone has got their figures wrong. The Executive established expenditure for local government through grant-aided expenditure figures. The figures in annexe B show that GAE, in aggregate, for Scotland for the current year is £440 million less than the budget of local government. As a councillor, I would say that the last thing that any council wants to do—for political reasons as much as any others—is to increase its council tax, yet that makes up the difference. What we spend, and therefore what we have to levy, is £440 million more than the money that the Government feels is appropriate for local government to spend. There is obviously room for analysis and a review of the methodology that is adopted by the civil service in respect of the allocation for each service in each local authority. I do not believe that we would be spending £440 million more if we did not need to do so.

We have had to absorb a number of elements over the period. The most significant is the pay rises that we have had to absorb. Since 1993, no provision has been made in any allocation by central Government for the pay rises that local authorities have to deal with year on year. We estimate that they have cost about £700 million, which has had to be absorbed within current expenditure.

Another significant element is the fairly massive reduction in capital allocations. We estimate that about 50 per cent of the capital allocations that were given a few years ago have been removed from the current allocation. That has an impact, especially in terms of efficiency. As I am sure all committee members are aware, local government is a labour-intensive service, so the only major improvements that can be made in efficiency are brought about by capital investment, perhaps in new technology or new buildings. Capital investment has been seriously curtailed over the past three or four years, which has had an impact.

Members will see a number of headings in the section on future funding requirements, which shows the increasing demand that we have had to absorb over the past few years, including demand arising from demographic changes, demand for new services, and demand arising from social

changes and legislative changes brought about by central Government and from maintaining assets. Those are all matters that we have had to do our best to accommodate within the reducing resources that we have received. We state in our submission that the Executive's

"simplistic approach of assuming that such cost pressures can be met by efficiency savings is not consistent with open, honest and transparent arrangements."

McIntosh referred to that in his report. I know that the committee has taken on board McIntosh's belief that the present arrangement does not provide for transparency or accountability in the provision of local government services. It would be a start if the Executive were to recognise that the present allocations do not take into account adequately all the pressures on local government.

The last page of the paper contains some of our suggestions for improvements. There are some helpful trends of which we approve, such as agreeing joint service priorities, to try to get community planning to operate in a way that allows us to kick the ball into the same goal mouth. Local government will find three-year planning useful, because year-on-year uncertainties have always presented local government with difficulties, which three-year planning might address. While I might return to the relaxation of controls in my summary, we also mention the pooling of funding streams and reviewing public expenditure definitions—the latter point might be useful in relation to self-financed expenditure and section 94 consents. That is a somewhat technical issue, which I will not go into, but suffice it to say that section 94 implies double consent for all capital expenditure made by local government, which we do not think is necessary. If that requirement were lifted, the level of capital expenditure, to which I referred earlier as being reduced, could be reinstated.

We are looking for agreement that a partnership exists between local government and central Government and that there are shared priorities on many issues. We agree with the Government's priorities, which are often the same as those indicated to local government by our own electorate. However, the key to achieving that partnership is to allow local government the flexibility and freedom to operate in whichever way it sees fit to reach those outcomes, and for central Government not to dictate to local government.

We are looking for three things. First, we want a review of the allocation methodology, to ensure that all 32 authorities in Scotland receive adequate grants that are appropriate to the demands placed upon them. As I said, we think that there is something at odds with the methodology that is in operation, in terms of GAE—we think that we are spending more than GAE and there must be a

reason for that difference. That issue must be examined.

Secondly, we would support the return of the business rate to local government control as another useful development. I know that McIntosh made much of that issue—indeed, I think that that was his recommendation. We believe that returning the business rate to local government control would extend the local tax base. It would also provide the means for a dialogue between local authorities and the business community, rather than the totally spurious dialogue that exists at present, with every local authority being seen as just a tax gatherer for central Government. Local authorities do not set the business rate and, while they collect it, they do not receive, pro rata, exactly what they collect—they receive only a pooled share. The business rate has become part of central Government taxation. We believe that returning business rates to local authority control would provide scope for considerable improvement in the relationship between businesses, local authorities and the local electorate.

Thirdly, we want flexibility. I referred to the fact that we are unhappy with ring fencing and with the trend that appears to be emerging from the Executive whereby around 10 per cent of local government expenditure is ring-fenced. That is particularly the case in education, where the minister decides not only what money will be spent but how that money will be spent. We do not think that that is appropriate, as every authority in Scotland has a different approach and a different demand base. If we had that flexibility, we could achieve the same outcomes, but in a way that was more appropriate to each local authority.

We have had ludicrous situations where money has been available for particular services, but the local authority has been unable to spend it. There might, for instance, be money for classroom assistants but no money for teachers. That sort of thing demonstrates the inadequacy of the system.

That is all we have to say. If we had had an adequate allocation over the past few years, some of the other issues might not have arisen. We feel that adequate recognition has not been given to the fact that, since reorganisation, the replacement of the old regional and district system by 32 unitary authorities has not been reflected in the new financial arrangements—either in the global allocation or in the detail of distribution. We believe that that should be examined, which is why we would support a review of all or part of local government finance as it is currently organised.

I am happy to take any questions that the committee has.

10:15

**The Convener:** Thank you. As you know, the Executive has considered some of the things that you mentioned, such as the possibility of three-year funding. This committee has spoken to Jack McConnell on more than one occasion about the amount of ring fencing that exists and the difficulty that councils have in funding pay awards. Only so much can be achieved through best value and efficiency, and councils can lose out because money that they have saved is assigned elsewhere. If you have read the *Official Report* of our committee meetings, you will know that we are supporting you on that issue.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I would like to ask you about two things, one of which you have touched on and one of which you have not. Many of us who were councillors in the past had concerns about the increase in fees, to which you refer under "Existing Resource Pressures". We wondered what the effect of that might be, particularly on the social work front, and whether it has caused a drop in take-up for helplines and so on. Is COSLA able to quantify the effects of the increases in charges over the past few years? You might not be able to, but I would be interested to know whether you can.

The second point is a detailed one, which has been brought to my attention by Highland Council, on which I used to serve. It relates to the ability of police and fire boards to requisition the funding that they need. As you know, that is completely separate from the budgetary process. When a chief constable is able to persuade his board members to go for growth, that can have a considerable knock-on effect on local authority budgeting. I would be interested to hear your thoughts on that. Have you given any detailed consideration to whether in future those arrangements could be tweaked or altered?

**Councillor Robertson:** It would be difficult to give you a figure for charges now. We could provide figures for the overall increase in charges, but its implications for services are more difficult to quantify. I am certain that the increase in charges has had an effect—obviously, if charges for home helps are increased, the take-up of the service might decline.

As you know, the police and fire services in most areas operate under joint board regimes. Both the police service and the fire service receive specific grants, up to a point. Beyond that, it is incumbent on the unitary authorities in the areas concerned to provide top-up funding for the services in their area.

I am not certain that this is true everywhere, but I know that in Strathclyde the practice has been to

accept that the level of funding for all other services should be replicated for police and fire. Police and fire boards accept that they must be subject to the same level of cuts as any other service. They do not make a case for receiving additional resources and it would be extremely difficult for them to do that. Strathclyde, for example, has 12 unitary authorities, and the authorities already feel that to meet the level of expenditure to which they are committed is a considerable burden. There would be considerable difficulty in making the case for increasing that commitment.

I accept that police and fire services have a problem, but that is because of the nature of the structural arrangements that were put in place through the joint boards. Those services do not lose out, but I cannot see that there is a mechanism under the present arrangements that would allow them to gain more than any similar authority.

**Mr Stone:** Do not the witnesses agree that there is a potential problem because that arrangement is based on a gentlemen's agreement, which means that the members of the joint boards have the power not to pay any heed to an individual council?

**Councillor Robertson:** I am not certain that a police board or a fire board would act in unison in that respect. They would find it difficult to reach consensus on an increase—there would be dissent within the boards. Everybody on the boards represents an authority and some members of the boards might have difficulty with such action. That would not happen in practice.

**Norie Williamson (Convention of Scottish Local Authorities):** I would like to make a couple of comments.

When local government was reorganised, it was recognised that there might be a problem with—if I may say this—people being caught and going native once they are on the boards. As Councillor Robertson has indicated, there are control mechanisms in place—the boards are made up of representatives of councils. We hope that they would take account of the circumstances in their own authorities. Mr Stone is, however, correct to say that if a board decided that it would spend at a certain level, the constituent councils would have no fallback. They would have to meet the requisition that was required of them.

In many respects, the issue goes back to the overall regime of control of local government. If a board decided to inflate its expenditure, the constituent councils would need to make cuts in other services so that they could operate within the overall controls that were set by the Executive. As Councillor Robertson stated, our submission

says that we would like greater flexibility to take account of local circumstances and the abolition of spending control regimes.

Another slight aberration in the boards—which we are trying to address—is that there is no flexibility for them to carry over surpluses or reserves from year to year. There might be a tendency to spend budgets before 31 March so that the money is not lost. We understand that a change to that would require legislation, but we want flexibility.

On the question about fee increases, we can—as Councillor Robertson stated—do some background work on the levels of increases and, perhaps, the impact that those increases have had on service demand.

The situation regarding the elderly was touched on. In our submission we pointed out that, in some respects, there is a ticking time bomb in respect of the demographics of the elderly. The Registrar General's figures show that over the next 15 years or so there will be a 20 per cent increase in the elderly population. That represents a significant resource pressure that will be faced by local government. That must be addressed in settlement calculations.

**The Convener:** Before Kenny Gibson asks his questions, I would like to say that community councils and other such groups that are concerned about crime in their areas are always asking for extra policemen on the beat and for greater input from the police. My experience in Strathclyde has been that the police regularly looked for more money. The police do, in a sense, have councils over an emotional barrel, so I can see where Jamie Stone is coming from. However, I accept your point that budgets require examination.

**Mr Gibson:** Thank you for your excellent document and presentation; I wish that the Scottish Executive produced such clear-sighted documents.

**The Convener:** Just ignore him.

**Colin Campbell:** He will not go away, however.

**Councillor Robertson:** Perhaps we have better officers than the Executive does.

**Mr Gibson:** We took evidence from the Scottish Executive last week; the *Official Report* was published only this morning, so you will not have had the chance to see it. I raised an issue that you have touched on—section 94 consents. I said:

“COSLA has raised the issue of section 94 consents. Public expenditure appears to be counted twice”.

You will be able to read the full details of the reply of the official from the Scottish Executive development department, but part of it was:

“Although COSLA has raised the issue, it is inaccurate to say that section 94 leads to public expenditure being counted twice”.

Then, at the end of a reasonably lengthy answer, the official said:

“I would be very surprised if the answer that you receive did not reflect that in some way.”—[*Official Report, Local Government Committee*, 25 April 2000; c 810-11.]

I had asked the same question two months ago; I received the answer just the other day. The answer that I received did not reflect the official's answer. The answer that I got from the Scottish Executive said that if it was to alter the system so that public expenditure was counted only once, the assigned block would be reduced by the equivalent amount. Therefore, in effect, the amount available to the Scottish Executive would be reduced by about £350 million.

Does COSLA have any plans to sit down with the Scottish Executive and its technical advisers to achieve a final resolution? The Executive is saying that COSLA is wrong, and you are saying that the Executive is wrong. To avoid further confusion, it is important that we sort this out to find out who is right and who is perhaps mistaken.

**Councillor Robertson:** To someone of your political viewpoint, it is of interest that these rules are Treasury rules. There seems to be a contradiction in the responses that you have had from the Executive—first saying that public expenditure is not counted twice, and then saying that, if it changed the system, we would lose £350 million, which may well be true. Under Treasury rules, that is how section 94 operates—it is counted twice. The Treasury has exercised its judgment in that way; it may well be that, if the Executive chose to take a different view, it would lose that money. However, I am not sure about that, and I would like to pass your question over to Norie. It is quite a technical and obscure subject.

**Norie Williamson:** Annexe A of our submission is a straight copy of the statement made by the Minister for Finance last October. The top two lines of the table are of special significance to local government. The end column gives the figures for the financial year 2001-02. The top line gives the capital consent figure of £364 million. To explain: consents are not real money; they are just permission to borrow or to invest. They are a paper, or accounting, transaction in central Government. The second line shows aggregate external finance grant support to local government. It includes a figure of some £740 million or £750 million in support of loan charges, which is the annual support towards capital investment.

We have put the case that there is double counting through the revenue support of loan



charges and the notional paper figure for net consents. We recognise that all that comes under current Treasury rules, but we are very interested in developments that are taking place in England whereby joint proposals have been developed by the Department of the Environment, Transport and the Regions and our sister organisation, the Local Government Association, to consider a more prudential and self-regulated system for capital controls. They are, in effect, talking about doing away with the consent regime in England. The Treasury is fully involved in that process. The Government is currently considering the issue, and we expect a green paper in the summer, outlining its proposals. If changes were made in England, it would open the door for us in Scotland to consider similar mechanisms.

The Government has discretion over the definition of its accounting. It could redefine the arrangements without about £360 million being lost to the assigned budget.

**Mr Gibson:** It depends on whether a common view can be reached on that.

**Norie Williamson:** It was interesting that down south there was a joint approach by the Department of the Environment, Transport and the Regions and the Local Government Association. That is what we are trying to foster in Scotland. We recognise that COSLA's view might be regarded as one-sided, so we want to take this forward jointly with the Scottish Executive.

10:30

**Mr Gibson:** I have a supplementary question on the amount of money that is raised by council tax. In his presentation last week, Professor Midwinter said that the proportion of overall expenditure that is raised by council tax has increased to about 18 per cent from about 12 per cent five years ago. How do you square the circle?

We are all trying to make local government accountable and I think that we agree that local government should raise more funds directly. However, how does one counter the argument that that is politically unacceptable for many electors, as their council tax would have to increase if the amount that was collected locally were 40 per cent?

**Councillor Robertson:** Council tax is only one of the three elements of local government funding. Council tax replaced the poll tax, which replaced the rating system. Historically, that element only provided about 10 per cent of local government expenditure until recent times. The fact that it has doubled is a reflection more of the withdrawal of grant from central Government than of any ambition by a local authority to raise its council tax.

In effect, council tax is not a supplementary but a substitute. Although we have advocated flexibility, we think that there are authorities that are able to raise council tax because they have a lower than average level of council tax. If they were faced with the dilemma of whether to close facilities or to raise council tax, they would choose to raise council tax if they were at liberty to do so.

The Executive has taken the view that council tax should not rise by more than 5 per cent in aggregate across Scotland. The logic to that view is that the Executive regards council tax expenditure as part of public expenditure. However, council tax expenditure has an impact on the Executive's expenditure only to the extent that it has implications for council tax benefit. As I understand it, the UK benefits system deals with demands for council tax benefit, but if the amount were to increase above the amount that is currently assigned for it, the Scottish block would need to bear the excess.

The 5 per cent increase in council tax—this is a rule-of-thumb guess—relates directly to the fact that 2 per cent of that would be a call on council tax benefit. The assumption is that if council tax rose by 10 per cent, the call on council tax benefit would be 4 per cent. I understand that the Executive does not want to have to draw money from the Scottish block to cover that.

However, a one-size-fits-all approach is not appropriate. We have 32 different councils in Scotland. As Kenny Gibson knows, Glasgow City Council has the highest council tax in Scotland. We will make every effort to ensure that it will not get any higher. At the other end of the scale—I will not name names—there are councils whose council tax is half that which is imposed by Glasgow. Those councils would admit that, if push came to shove in the provision of resources, they could increase their council tax. If a local authority's council tax is £600, it could increase council tax by 10 per cent and the effect would be negligible.

It is likely that the authorities that have such flexibility are not those that could have an impact on council tax benefit. They are probably better-off areas. If those authorities raised their council tax, the impact on the benefits system might be less than in other authorities. However, that cannot be known unless the flexibility that we are asking for is allowed. Those authorities that want to raise council tax should be allowed to do so. Authorities such as mine, in Glasgow, would do anything rather than raise council tax; therefore, I do not think that that would have an impact.

**Mr Gibson:** But you think that the—

**The Convener:** Kenny, I have to stop you. Six other members want to speak. If there is time at

the end, you can come back in.

**Donald Gorrie (Central Scotland) (LD):** I would like to pursue the same line of questioning. There seems to be a serious disagreement between the Executive's civil servants and people in local government over whether there are cuts.

First, is it your opinion that what the Government provides in real money each year, in the aggregate external finance, is marginally less than what it says local government should be spending under grant-aided expenditure, and do you think that that gradually widening gap should be filled by council tax? Secondly, is it your understanding that, for several years, councils have had to make cuts in real services, not merely cuts in what they hope that they might be able to spend?

**Councillor Robertson:** I agree wholeheartedly with all those points, Donald. If you look at annexe A, which gives the expenditure that was provided by the Scottish Executive—they are not our figures, but the Executive's figures—you will see that, in the top two lines that Norie referred to, there has been a clear reduction in resources.

The main reduction took place between 1996-97 and 1997-98, when there was a substantial reduction in revenue costs. These are real figures of comparable cost, which are adjusted for inflation. The best year was 1998-99, as far as I know. You can see from the current revenue expenditure that there has been a sharp decline, approaching £300 million in expenditure. There has also been a substantial reduction in capital investment of £200 million or £300 million. The figures speak for themselves: there has been a reduction in allocations.

I draw your attention to the bottom line of the same table, which shows the Scottish block. From 1997 to 2001, the Scottish block has risen from around £15 billion to around £16 billion, yet local government has received considerably less than that pro rata. You are absolutely right to say that the cuts that have been made by local government have been real cuts, not notional ones. We estimate that we have lost 13,000 members of staff, and that must have implications for the work of local government, which is labour intensive. We would never claim that local government could not make efficiency savings, but we are talking about a 10 per cent reduction in resources over three or four years. I doubt that we can continue to make such efficiency savings and cuts while maintaining the level of services, as demand for the services is increasing each year.

**Bristow Muldoon (Livingston) (Lab):** You raised the issue of business rates, which many local authorities have raised with us in the past. You will be aware that the Executive is reluctant to go down that road. How would local authorities

raise the level of business rates if that power were given to them, and what would be the response of businesses if that happened?

**Councillor Robertson:** Much would depend on the way in which the matter was handled. Businesses are generally fearful of the idea of business rates being returned to the control of the local authorities. However, if that happened, a reduction in rates would be equally likely as an increase. It may well be that many authorities would like to reduce business rates because it would make their areas more attractive to business. Many local authorities are upset about the fact that many areas, particularly the cities, collect much more than is returned to them in the pooled allocation.

Last year, Glasgow collected £264 million and the amount returned through grant directly from the unified business rate was £201 million. Glasgow could find a lot of things to do with that £63 million. Glasgow might reduce its business rate in order to make the area more attractive to business. One of the anomalies that arises from the unified business rate is the fact that, no matter how much the economic development of an area increases, the local authority sees no benefit. Because of the pooling of the business rate, it is possible for major developments in an area to be of no direct benefit to the local authority, although there might be an indirect benefit in terms of employment. That is not necessarily the case in cities, however, as about half the working population of any of our cities commutes from outside the city.

A dialogue with the business community could provide opportunities for improvement. We have raised with the Executive the possibility of developing business improvement districts, which are add-ons to the existing business rate set-up. In the districts, the local authority establishes an objective that the local business community would like to support and hypothecates an element of the business rate to provide that. The amount that can be collected that way depends on the project for which funding is required. However, if the business rate were returned to local authorities in total, the money would be there in any case. We think that it would be useful to have more flexibility.

We return to the question that McIntosh raised about the accountability of local government and the fact that local government raises only 20 per cent or less of its income. The business rates would bring that figure up to about 45 per cent.

**Bristow Muldoon:** As a result of the way in which the safety net operates, the grant of one or two local authorities in the area that I represent is reduced every year, although their populations—and therefore their service costs—are rising. I

recognise that that situation affects only a small number of local authorities but, in any revision of the allocation system, would COSLA have a view on addressing the situation?

**Councillor Robertson:** We feel that population is the main driving factor in the allocation of central government grant and we have no problem with that. The safety net system is in place because of a failure of the mainstream system. If there has to be a special arrangement to take account of things that have not been taken account of, the system has obviously failed. The system needs to be reviewed and such a review would remove the need for things such as the safety net system. Nobody would lose out if that happened and the authorities that you mentioned would be on a level playing field with everyone else.

**Mr Michael McMahon (Hamilton North and Bellshill) (Lab):** I did not think that I would ask my question, as it is almost identical to the one that Kenny Gibson asked earlier. However, I was not clear about the answer that he received, so I shall ask again. I do not understand the argument that you are making about the level of grant and the amount that is collected locally. You did not argue for a reduction in grant; you asked for flexibility so that the level would stay the same, although the way in which you spent it would be different. You also argued for an increase in the amount of tax that is collected locally. Is not a trade-off required so that both could be done? Are you arguing for both to be done, or are you saying that the flexibility includes taking grant or increasing local revenue as each authority sees fit?

10:45

**Councillor Robertson:** I am sure you understand that the three elements of income for local authorities are interlinked. An increase in one could imply a decrease in the others. If there was an improvement in the grant allocation for an authority, its requirement to increase the council tax would be diminished. At present, that is not the case. The grant allocation from central Government has at best stayed level and may in fact have declined over the piece. That has been compensated for by an increase in council tax.

If local authorities are allowed flexibility in collecting council tax, those authorities that need more headroom will be capable of raising council tax levels. At the moment, they are constrained from doing that and every council is limited to about 5 per cent of an increase. We think that that is unfair on those authorities that feel that they could raise council tax beyond 5 per cent without difficulty, as their present level of council tax is relatively low. That is the flexibility argument.

The other argument, about increasing the local

tax base, concerns the methodology of raising it. If we include the element of local government control in setting business rates, that is a whole new area that local government becomes responsible for. The rate at which it is set would be a matter for each local authority.

Do you follow what I am saying? The bits of the cake and the slices of the cake are the two separate arguments.

**The Convener:** Six more members want to ask questions, so I ask everybody to come to their questions quickly without prefacing them with long stories. Colin Campbell is next. That warning is not to you, Colin.

**Colin Campbell:** I know that, Trish. I trust you almost totally. In the interests of shortness, this will not be a technical question.

We all believe in subsidiarity. The problem among the Government, the Scottish Executive and councils is that perhaps the spirit of subsidiarity does not become reality as it channels its way down through the system. I have no quarrel whatsoever with your concluding sentence, which urges the Executive

“to relax central controls and trust local government”.

What we are doing today is trying to build the necessary trust. How do you think that we can further that?

**Councillor Robertson:** I could give you a shopping list. We are asking central Government and the Scottish Executive to accept that local government has a political mandate. We are not agents of central Government. If we were, our *raison d'être* would disappear. Many MSPs were once councillors and must be well aware that councillors are elected on a local manifesto and give undertakings to the local electorate to deliver services as best they can. Imposing another mandate on top of that, as we know from 20 years of history, is a big mistake. Central Government should also realise that it is a big mistake to assume that it can dictate where and how every pound is spent.

Scotland's 32 authorities range in size from Glasgow, which has a population of 630,000, to Clackmannan, which has about 40,000 people. The authorities include four cities, the Highlands and vast rural authorities. There is a tremendous diversity in the type and size of local authorities in Scotland. Each one has different problems and should be allowed to find different solutions. We need to agree with the Executive that we should be allowed the flexibility, within reason, to fulfil our own mandate. We are well aware of the fact that there will always be limitations, but if we can agree common objectives and outputs, we will take things forward.

It is interesting to note that, in England, the Treasury and the DETR are entering discussions with the Local Government Association precisely to identify common objectives and outcomes and to decide how to measure the success of initiatives. The implication is that they will do what we have been advocating—allow local government to get on with the job. We decide where we want to go and the local authorities will get us there, rather than the authorities being told whether to get a bus, a train or a taxi, which, I regret to say, is what some ministers, if not all, are guilty of.

**Dr Sylvia Jackson (Stirling) (Lab):** I want to explore a little further two issues that came up last week. The distribution formula was one of the things mentioned in the complex papers we received from the Scottish Executive on the special working group between the Executive and COSLA. Kenny Gibson attempted to read out the formula and it was very complex. We were told that you are working on simplifying the distribution arrangements. How you are getting on with that?

Secondly, there was a comment about the distribution committee. I am sorry to say that I did not ask whether the committee is at Scottish Executive level, but I assume that it is. Its top priority for this year was a review of deprivation. Many of us are aware of the roads infrastructure and the lack of money to spend on roads, not only in rural but in urban areas. There seems to be an expectation that work in that area may lead to that situation being taken into account. Do you have any idea about that?

**Councillor Robertson:** I will refer you to Norie Williamson in a minute, as he is involved in the distribution committee and will be able to give you an officer's point of view of it.

The present distribution system is overly complex. There are far too many indicators—primary and secondary indicators; you name it, there are all sorts of indicators—and the system could be streamlined and simplified. That is what the distribution committee is working on now. Work on deprivation is on-going. The steering group, of which I am a member, has met once. We agreed the terms of reference and a preliminary study will report later this month on the technical aspects of how the work can best be done.

The terms of reference may not be to everyone's liking, but I see no way round that. We decided that we did not want to establish the existence of poverty or deprivation, but wanted to identify those factors of poverty and deprivation that have an impact on the provision of local government services. Central Government has a considerable amount of data on community deprivation and so on for the purposes of the benefits system, the urban aid system and the social inclusion

partnerships.

It is early days, but we are hopeful that something will come out of the study. Its use may be marginal, but it will be useful for authorities that have particular difficulties. Norie will be able to give a bit more detail about the work of the distribution committee.

**Norie Williamson:** Speaking personally, I am involved in the detail and I find statistical techniques complicated and difficult to understand. Therefore, I am a supporter of simplifying the distribution system. At the end of the day, we must bear in mind the fact that the distribution system arrives at one figure for each council. In the past, it has been used, or misused, to provide targets for individual services, but that is not what it was intended for. We are looking for something to simplify the system, to make it more consistent with an open and transparent arrangement.

To follow up Bristow Muldoon's comments, if we achieve our goal, undoubtedly one element of the safety net will be the implementation of some kind of smoothing measure, to try to avoid year-on-year significant changes for individual councils.

As Councillor Robertson indicated, deprivation is a priority. The present client-based approach recognises the symptoms of deprivation on the ground, but it does not try to tackle the causes of deprivation, which can only be addressed, under the present arrangements, by injecting additional resources into the system. Roads are also a clear priority and, as we tried to emphasise in our submission, they are one of the casualties. There is a significant need to invest in the infrastructure of roads.

All these issues link up with the identification, and freeing up, of controlled arrangements and with putting in place public service agreements, which will let councils get on with doing their business, while recognising the priorities in the programme for government. If we had that freedom, instead of ring-fencing resources for priority services, local authorities would be allowed to deliver locally on a best-value basis. They would also deliver, on a more general thematic basis, the priorities of the programme for government, releasing resources to address the problem issues of road maintenance and the like.

**Dr Jackson:** May I ask a quick supplementary question?

**The Convener:** No. I will let you back in at the end if I am able to.

**Johann Lamont (Glasgow Pollok) (Lab):** I want to pursue the issue of needs. I was interested that Sylvia Jackson's definition of deprivation included roads—I would not stop with the roads if I were defining needs in Glasgow

Pollok. That is one of our problems—when we start to talk about distribution and the technical details, we lose the commonsense picture.

Last week, during our dialogue with the Scottish Executive representatives, I was struck by the fact that, when anything that relates to humanity is brought out, figures are mentioned and then people completely lose the point. Councillor Robertson talked about the impact of demographic developments; however, in an area such as Glasgow, the situation is exacerbated by the fact that the elderly population is also poor.

I understand that no account is taken of the drugs problem when defining needs. In an area such as Glasgow, the drugs problem gives rise to not only an increase in the number of young people going into care, but an increase in mental health problems for young people. We are moving towards more community support, which is much more likely to impact on local government services than the medical model for mental health problems did.

How optimistic are you that, when discussing distribution and deprivation factors—or needs factors—we can move away from the territorial view? Even within COSLA or local government in general, people define those factors in their own terms, rather than looking at the bigger picture. Do you think that COSLA would embrace the notion that there should be a special case for Glasgow, both because COSLA has a national role and because cities have specific needs?

You may be aware that, following your evidence, we will take evidence on gender impact assessment. Is COSLA open to the idea of assessing its budgets to determine how the needs of women are served by local government?

11:00

**Councillor Robertson:** I would like to ask Norie to answer that question while I drink a glass of water—that is a ventriloquy joke.

The deprivation review is still in its early stages, but there are many implications for social work services. The authorities in cities such as Glasgow have faced surprising increases in the demand for their services as a result of drug abuse. That has been against the trend in Scotland. The figures from the social work department in Glasgow show that the number of children who are taken into care has declined in other parts of Scotland, but in Glasgow that number is increasing dramatically. Obviously, those are the kinds of conclusions that will emerge from the review.

The review must be regarded as fair and based on robust figures that will stand up to scrutiny and criticism. If it is to have any value at all, it will imply

a shift in resources—if only a small shift—and any such shift will be met with concern from those authorities that feel that they might lose out. In our view, the review must be robust and established on substantive data with which no one can find fault, so that the authorities that lose out will not be able to do anything about the shift in resources, although they might be unhappy about it.

The difficulty that we have faced is that the statistics that are collected by the Government have not been particularly useful on this issue. The irony is that some local authorities have those figures. However, I worry that it is the local authorities with problems that have the figures, while the local authorities that do not have problems do not have the figures. That could prove a difficulty for those conducting an independent review of the situation. I shall pass the question to Norie, who can talk about the technical details of the review.

**Norie Williamson:** There is a need to improve the quality of the statistics that are available; local government is working to improve existing databases. Similarly, we hope that the Government, through Benefits Agency statistics and the like, will improve the availability of information.

The current system recognises the symptoms on the ground; additional resources are required to tackle the causes of drug abuse, which is a problem throughout the country, in rural as well as urban areas. One of the key features of the deprivation review is its keenness to take account of the rural as well as the urban aspects of that problem.

I do not think that much work has been done on the gender assessment, but we can pursue that issue. I shall have a word about it with my equal opportunities colleagues back at the office.

**Mr Gil Paterson (Central Scotland) (SNP):** The real problem is funding. Does the fact that there is control of only one element of funding mean that a scenario could arise in which rates went through the roof? Is not the real problem in local government the fact that the Government has made a political decision to shift the tax burden from income tax to hidden forms of taxation? It seems happy for council tax to rise while it is clawing back money. Do you agree that that is the real problem?

**Councillor Robertson:** You would have to address your second question to the Scottish Executive; I am not here to account for its motives. The three elements of income for local government can be re-examined and I doubt very much that rates would go through the roof if the power to set them was returned to local authorities. As I said, in some authority areas,

rates might be reduced. Giving the local authority that control and source of income could have a revitalising effect on local government. At the moment, 80 to 85 per cent of local government expenditure is covered by another agency—central Government. That means that the direct connection with the electorate is pretty tenuous. The electorate understand that, which could be one of the reasons for the low turnout at local elections. The big game is central Government; people's appreciation of local expenditure is fairly limited. If business rates were also set by local authorities, that would concentrate minds in some quarters.

**Mr Paterson:** Is it not the case that local government is the prisoner of central Government? If councils control only council tax, there is only one way to square the circle. In order to maintain staff and services, they would have to put the squeeze on the only funding that they control. In the past, rates were forced up dramatically and local government did not come out covered in glory. I do not share your confidence. A cry for control of only one element would be wrong. The right cry would be to ask for a review of local government finance so that local authorities gain control of all the elements. To restore democracy to local government, we need to give control to the people who are elected locally and to take it out of the hands of central Government.

**The Convener:** That was a long question—almost a political speech.

**Colin Campbell:** It makes up for my short questions.

**Councillor Robertson:** The flexibility that we would get from having control over the three elements, rather than only the one, would allow us to tweak the edges more. Council tax has doubled in the past five or six years because it is the only thing over which we have control; it is the only thing that we can increase in order to maintain services. I am not sure in which direction rates would go, although they go up yearly in line with inflation. I cannot say how the 32 authorities would approach that.

The root problem is the grant allocation. When councils had control of the business rates, the rates went up in order to compensate for a reduction in grant allocation. If the grant allocation from central Government were adequate, the need to increase council tax or rates would diminish considerably.

**Mr Keith Harding (Mid Scotland and Fife) (Con):** We all agree that local government needs to raise more of its funding. The Scottish block is determined by Westminster and the expenditure levels will be determined by the Scottish

Executive, so how will the return of business rates to local authority control address the budget differences that you identify in your report?

**Councillor Robertson:** It may not. As members know, the setting of business rates used to be the responsibility of local government. If that responsibility were returned to local government, we would gain a flexibility that does not currently exist. Although the rates in aggregate are part of the Scottish block, the Executive determines that level. It increased the take from business rates this year—it was £1.5 billion last year and this year it is £1.66 billion. Is it better that the Executive makes that decision for the whole of Scotland, or is it better for each local authority to make that decision?

**Mr Harding:** It is better that we have a uniform business rate that is the same throughout the country. There are alternatives; we have come up with the idea of removing education from local government control.

**The Convener:** I should clarify that the collective "we" is not this committee.

**Mr Harding:** Are you suggesting that more of the tax burden should be transferred from the council tax payer to businesses, which would have a detrimental effect on jobs.

**Councillor Robertson:** No, not necessarily. I am saying that control should be transferred to local authorities to make them more accountable to local communities and to local businesses, and to give them flexibility. Local authorities are accountable. I am sure that, if they put up business rates by an enormous amount, that would have a political impact of one kind or another.

**Mr Harding:** Businesses do not have votes.

**Councillor Robertson:** Businessmen have votes.

**Mr Harding:** One.

**Norie Williamson:** There are ways of getting round this problem. The Government or individual councils could determine that the business rate increase would be comparable or consistent with the council tax increase, which would mean that there was some link. We acknowledge the concerns of the business sector from some time ago, but local government has moved on. We are keen to open up a dialogue with the business community, but systems must be put in place to assist in that dialogue.

**The Convener:** I have no problem with having a business rate across Scotland. One of the difficulties for me as a Glasgow councillor was that we did not fully get back what the businesses in Glasgow paid. That issue might be worth

examining.

**Mr Gibson:** I agree with what you have just said, convener.

Other than increasing local authority capital or current expenditure, if you could wave a magic wand, what one change would you like the Executive to make?

**Councillor Robertson:** I would like it to accept the role of local government—that we have an independent mandate and are not an agent of central Government. We would like an acceptance of the fact that central controls are not efficient and that the Government has no democratic mandate to control local expenditure and local business. We would ask it to remove those controls.

**Dr Sylvia Jackson:** With Raploch and Culterhove in my constituency, I share Johann Lamont's point of view about deprivation. In the wider debate on rural areas, a common link has been the role of the public services. Infrastructure is an important issue, in terms of access not only for people in rural areas who may be poor and have no transport—that matter is indirectly linked to the state of the roads—but for business. We have particular problems in relation to the timber industry—the roads cannot carry the timber lorries. Perhaps I should come clean and say that that has a tenuous link with the deprivation indicators; perhaps the issue about roads is separate. My question follows on from Gil Paterson's. Would there be sufficient money if ring-fencing was removed and funding was made more flexible? Have we still got enough money to tackle some of the big issues to do with roads, not just in Stirling but across Scotland?

11:15

**Councillor Robertson:** My recollection is that the allocation for roads has diminished considerably over the past five years or so, which is obviously a major issue. At one remove, that has an implication for poverty, because it is an economic development issue and infrastructure relates to the economic viability of an area. Indeed, the issue relates as much to Glasgow as to the Borders, the Highlands or anywhere else; the committee might know that we have tried to make a case for the completion of the M74, as that part of the infrastructure will be important to Glasgow's economy.

However, I doubt that the deprivation review will take that into account. For example, I am sure that there is deprivation and poverty in every part of Scotland and that there are some extremely poor people in the Highlands and the Borders. However, the importance of deprivation is directly related to its impact on the demand for a local authority's services. The matter has less to do with

identifying poverty than with identifying the implications of poverty for local authority services. As we have said, it is clear that the benefits system, which is administered by central Government, deals with individual poverty and that community poverty is dealt with through social inclusion partnerships.

We are talking about the provision of mainstream local authority services and areas where poverty means that demand for local authority services is over and above the expected level and has considerable impact on the authority's ability to deliver those services. Although I will probably be shot in the back for saying this, I would guess that 20 of the 32 authorities in Scotland do not have a particular problem with poverty and can deal with it adequately with their available resources. However, the other dozen are having great difficulties because, as Johann pointed out, there is much demand for services relating to drug abuse, children in care and elderly people. The deprivation review is trying to identify such aspects and to decide whether the present system adequately deals with them. Although the view might be that it does—we have a blank sheet of paper before us—that is the objective of the exercise.

**The Convener:** Jamie Stone has promised me that his question will be very quick.

**Mr Stone:** It will be. At the start, you mentioned balances in police budgets. What is the current situation across local authority expenditure in general, and where are we trying to go on that issue?

**Norie Williamson:** On balances in general?

**Mr Stone:** Yes, bearing in mind the fact that, in the past, we could not accumulate year-on-year balances. Are we close to resolving that problem?

**Norie Williamson:** With the police service?

**Mr Stone:** No, just in general.

**Norie Williamson:** That would be considered when a council sets a budget; auditors closely examine councils' prudent approach to keep an adequate working capital reserve through their balances. However, councils have experienced difficulties—for example, the inherited deficit from Strathclyde Regional Council. The lack of balances to subsidise council tax levels is perhaps one of the reasons why council tax has increased so much over the years.

**The Convener:** Thank you very much. You will notice that I did not ask any questions, which means that I get to sum up.

One of the ways forward seems to be in the relationship between COSLA and the Executive. I

want to extend that relationship to this committee, which has an important role to play in listening to both sides.

COSLA must get involved with the Executive on the subject of priorities, which will allow both parties to address matters such as the diversity and size of councils and the different problems that they face. Furthermore, we must investigate simplifying distribution; statistics—even though we might not always believe them—must be improved.

I thought that Sylvia Jackson's question was interesting. Recently in my area, two bus routes had to be withdrawn because buses could not travel across a bridge. As a result, people who live in the village in question are cut off, unless they have another form of transport, which has major implications for women and children. You said that you will pick up on the gender assessment, and we will keep our eye on that. The two ladies—sorry, women—sitting behind you will certainly keep their eye on that.

Thank you for coming. This has been an interesting session. The clerk had it down for 45 minutes—I want it on the record that he has again made a mistake, because it has gone on longer. You made a very interesting presentation and, as Kenny Gibson said, your paper was readable, which is more than can be said for documents that we get from the Scottish Executive.

**Councillor Robertson:** We would be happy to co-operate with the committee if it wishes to pursue any of these issues further. We would also be happy to assist with any review of local government finance that you decide to initiate.

**The Convener:** I apologise for keeping our next set of witnesses waiting; I hope that they found the previous evidence session interesting. I also apologise for calling them ladies.

Our first witness is Irene Graham, who is wearing red. She is a networks officer in the Glasgow Council for the Voluntary Sector and is involved in working with all the equality networks. She is also a councillor on Glasgow City Council. Ailsa McKay is a lecturer in the division of economics and enterprise at Glasgow Caledonian University. She is a social economist with a background in welfare rights and housing. After the witnesses have spoken, they will take questions from members.

**Irene Graham (Engender):** I thank the committee for inviting us to make a presentation on gender impact analysis. I am here representing Engender and in my capacity as networks officer for GCVS. I carry out work across all the equalities networks. I am also a member of the Glasgow women and social inclusion working group and of the Scottish women's budget group that is about to

be set up.

Why are we making a case for gender impact analysis? It was interesting to hear the earlier discussion of deprivation and distribution; I would like to articulate one aspect of that. There is little evidence to suggest that women have achieved equality. They have not even reached parity of pay with men. The overall gap in hourly pay between women and men in the UK narrowed between the 1970s and 1990s, but women's earnings remained at around 80 per cent of men's earnings. Furthermore, the difference in earnings between women who work part time and men who work full time has barely changed since the mid-1970s. That suggests that women who work full time may have made progress, but that very few of those who work part time have. Women still constitute 70 per cent of low earners and earn 30 to 40 per cent less than men in similar jobs when they work part time.

Women are much more likely than men to find themselves in poverty, and they are likely to remain in poverty for longer periods. Statistics in the report on households below average income identify single pensioner and lone parent households as the two, predominantly female, groups that have the highest risk of poverty in the UK. Data gathered for the Scottish house condition survey in 1997 indicate that households headed by females are overrepresented among those households experiencing poverty.

Women's vulnerability to poverty and their lowly position in the labour market are the result of a combination of economic and social factors. Those include their continued role as primary carers for family and home, lack of adequate and affordable child care and tardiness in adopting family-friendly policy initiatives on the part of both the Government and major employers.

Because of that, many women have interrupted work histories and often work in low-paid jobs so that they can cope with their family commitments. Many are consequently denied access to national insurance and occupational benefits or pensions. They are, therefore, more likely to experience poverty in later life, as was discussed in an earlier debate.

For those—such as lone parents—who cannot work because of family responsibilities, the situation is worse because they are, generally, entirely dependent on benefits. A recent survey found that in Britain one in 20 mothers—largely lone parents who are on income support—go without food to meet the needs of their children. My colleague Ailsa McKay conducted a survey in Glasgow that backs that up.

Women are not a homogeneous group and some face multiple discrimination. Women can be



disabled and suffer from discrimination based on that. They can also suffer because of their race or sexual orientation. Equality for women is a long way off, and the Scottish Executive's commitment to mainstreaming equality will deliver only if there are robust systems in place to measure who benefits and from what. Similarly, the cross-cutting approach to social inclusion and equalities will succeed only if appropriate measures are in place.

We argue that conducting a gender impact assessment will give disaggregated statistics that will not only show how women are faring, but accurately tell which men are benefiting. Gender impact assessments can provide a detailed breakdown of which men and which women benefit and can break down beneficiaries by race and other categories.

Gender impact assessments focus on results and so are a useful tool for examining whether money is being well spent. It is important to recognise that, if a gender impact assessment is initiated, it must be part of a process and not merely an add-on. It must not be seen as what some economists call the "add women and stir" approach.

Why is this an issue for local government and what can the Local Government Committee do? This year, local government received 36.1 per cent of the Scottish Executive's total spend. Although the percentage has declined since 1994-95—when it was 42.8 per cent—local government continues to be the major recipient of Scottish Executive resources. Only spending on health comes close. We do not propose changes to the allocation of local government finances, nor are we saying that more resources should be spent. This is about establishing where resources are currently being spent and whether they are meeting objectives.

The resources that are allocated to local government have a direct impact on every citizen, but they have a special impact on those who are most socially excluded. Scottish ministers have set priorities within local government spending for education, social work, police and fire. Under the heading of single allocation, public transport has been targeted. Additionally, local government provides a range of services that impact on the quality of peoples' lives. Those services range from cleansing to museums and libraries, and from sports facilities to housing.

The potential for local government to make a difference is enormous, but without disaggregated statistics it is difficult to be absolutely clear who is benefiting. An example of that is investment in child care and education. The increase in resources to child care and to pre-school education is welcome, but Engender is concerned about the cost of the child care strategy because

of the low wages that are paid to child care workers, the overwhelming majority of whom are women. Ailsa will say more about that. As we know, low-paid and part-time workers tend to be poor in their old age because of their lower pension contributions and savings.

A more positive example is, however, investment in public transport, through initiatives such as the quality bus corridors in Glasgow and the conversion of the FirstGroup plc fleet into accessible low-floor buses and that company's attempt to reduce fares. Such initiatives will be of great benefit to women, who are major users of buses. Women constantly demonstrate low car ownership and a complex set of public transport needs.

How can the Local Government Committee play its part? There is a cross-cutting role for it in relation to other committees, especially the Social Inclusion, Housing and Voluntary Sector Committee. Social inclusion partnerships are important at a local level and through them and a gender impact analysis the committee could develop a clearer picture of who benefits. That is doubly important for the Local Government Committee because part of the ethos of SIPs is to persuade the various partners to bend their mainstream budgets towards social inclusion priorities.

If SIPs are completely free to determine their priorities at a local level and do not operate within a strategic framework, there is a danger that local government spending might be skewed to follow a non-strategic and localised agenda. As Engender knows from experience, that is unlikely to prioritise tackling women's poverty.

Secondly, there is an important role to play in monitoring the spending of budgets from Europe, which crucially depend on match funding, mainly from local government and increasingly through social inclusion partnerships. Europe has introduced increased requirements for mainstreaming gender equality in structural fund programmes. The Equal Opportunities Commission has developed a toolkit that is designed to support that. The toolkit was launched recently by Jack McConnell, who has taken great interest in it. It could be used as a model for the Scottish Executive and local government to mainstream gender equality, and it could be a scrutinising framework for the committee.

Thirdly, the committee could take the lead in scrutinising how ring-fenced and top-sliced allocations are spent. There is also a role to play in assessing who the beneficiaries are in the unhypothecated allocations to local government.

11:30

This is an ideal time for the Scottish Parliament and the Scottish Executive to take the lead in gender impact assessments, not just because your processes are new, but because we are not starting from a blank sheet. Engender has produced a gender audit over the past nine years. The committee could lend support for resourcing the audit through the Scottish Executive. At national level, the Westminster women's budget group is focusing on the gender impact of tax and benefits policies, such as working families tax credit. Also, a wealth of experience has been acquired in Canada in the past 25 years and in South Africa more recently. Experience has also been gained from the Commonwealth gender budget initiative.

As the nature of local government changes, it is essential to establish a reliable mechanism for the clear measurement of the gender impact of policies and spending so that we know which men and which women are benefiting.

**Ailsa McKay (Engender):** I want to develop a few points that Irene Graham made and give a couple of policy examples in which the issue of gender might not be immediately obvious, but in which, on further research, the implications for differential impacts on men and women become clearer.

The policy outcome that is identified for the national child-care strategy may be to address the problem of unemployment, either by getting more young women into work or by ensuring that more young women are trained as child-care workers. If we investigate it further, we can conclude that in essence the outcome of that strategy is that we are paying poor women to allow other poor women to enter poorly paid jobs. There is evidence to support that in a recent study conducted by the trade union research unit and the Scottish Poverty Information Unit. The study examined stakeholders' perceptions of child-care workers in the new sector and what was happening to them. It found that the sector is dominated by women—that is an example of gender-disaggregated statistics.

The study also found that recruitment and retention problems abounded. The problems related to low pay; the demanding nature of the job; the low status attached to the occupation; and the lack of training, formal career structure, and formal employment rights in areas such as maternity, sickness and pensions. The study also found—this is supported in the literature—that child care is not valued by society. The kind of unpaid work that women do in the home is traditionally not valued by society. In conclusion, the study found that child-care workers face an insecure labour market and are employed in

projects for which funding is usually insecure. Therefore, there are implications for women bridging the gap between benefit and work—women would have to move from a position that had very little risk to one that was risky.

The study concluded that that situation could be improved by giving local authorities a role in improving access to training and increasing awareness of employment rights. We can go into that in more detail if there are any questions. I have given an example of an area in which gender may not be immediately obvious. The outcome may be to get more women into work, but we are getting more women into poorly paid, low-status occupations. That has implications for child poverty and the welfare of children in those families, and there is then an effect on the costs of education and health and so on.

**The Convener:** Thank you. I have read your paper. I had a letter from the convener of the Finance Committee, Mike Watson, asking us, when looking at the budget for 2001-02 and passing comments on to the Finance Committee, to look at gender issues. I wrote to him and said that we had invited you along. I am pointing that out to you because that shows that the convener of the Finance Committee is becoming aware, if he is not already, that there are gender issues in the budget.

In your document you say that you would want to be involved at stage 1. This meeting is pre-stage 1, so you are being involved in a pre-legislative look at proposed bills, which does not happen at Westminster: it happens only in Scotland. You have been called in early on and I hope that that means that we will continue to build on this and that we will use you appropriately.

I have a quick question. On page 1 of your submission there are examples—Irene Graham mentioned Canada and South Africa—of where women's budget groups are more directly involved in the process of Government spending. Can you give me a quick example of how that happens—can you tell me where they fit in to the system? That would give us an idea of how we can process this matter.

**Ailsa McKay:** With regard to the Australian example, the change of Administration has meant that a lot of the work on women's budgets has been temporarily shelved. The South African case is much more akin to what is going on here, because of the devolved nature of the Parliament and the similarities with South Africa. I know that you asked for quick examples, but from the literature we have identified two approaches: a leg inside government and a leg outside government. The South African approach involves both. There is an input from non-governmental organisations' representative groups to the legislative process,

but there is also an input to the civil service agenda.

In Canada—which probably has the most developed system, but which has different implications with regard to the different geographical situation—there has been a firm governmental commitment for 25 years. Status of Women Canada has been developing gender impact analysis toolkits to be used throughout government. Canada also has the leg outwith government, where NGOs and women's organisations are developing the alternative budget, but within government there is a process of engaging in gender impact analysis throughout the policy process.

**Johann Lamont:** I will make a couple of suggestions and ask a question. The point that you made about working with the Social Inclusion, Housing and Voluntary Sector Committee was also made at the Equal Opportunities Committee. There is a clear role for working with those committees. I hope that this committee will agree to try to liaise with the Social Inclusion, Housing and Voluntary Sector Committee, particularly in relation to what it is saying about the budget process.

It is clear that the gender audit has been done voluntarily for a number of years and has provided significant information. I hope that we will lend our weight to urging the Executive to take on the gender audit. The Equal Opportunities Committee has been pursuing that.

I was interested in what you said about looking at a policy that does not seem to be about women. You talked about child care. The interesting point is whether we are putting women into low-status jobs. Why are jobs such as child care low status? Is it because women do them? If you put women into jobs that are not low status, it is less likely that there will be other women there. It is a challenge for our priorities. Women do important jobs in a lot of local government services, but because women do them they are not highly rated.

We have often reflected on the importance of the Government determining priorities centrally and the right of local government to determine its priorities independently of that. One area where I think it is quite useful for the Government to discuss priorities centrally is in relation to women because of the point you make about being afraid that women's priorities do not emerge at a local level. Women's organisations such as Rape Crisis are asking for central funding because funding at local level is insecure, yet our instinct on this committee is to say that the more influence and decision making is exercised at local level, the better.

Do you have any views on how the tension

between supporting local decision making and recognising that women's priorities may not necessarily emerge if decisions are made locally can be balanced? Women's priorities may not emerge as strongly as we would like centrally, but they emerge perhaps more strongly than they do locally.

**Irene Graham:** I will attempt to answer that. Taking that question a step further, we can examine the social inclusion partnerships. My experience at local government level in Glasgow is that there is a strong argument for local SIPs determining their own priorities and responding to local need. In some cases, that has meant that women's projects have lost their funding or that women's issues have been addressed by setting up a project related solely, for example, to domestic violence, the assumption being that that will take care of women's problems.

I see nothing wrong with the Scottish Executive and the Scottish Parliament giving a lead on gender impact analysis, which would show not only how women, but how men are faring. It would show which men benefit—their ages and, for example, whether they were long-term unemployed—as well as which women benefit. There is a need for the lead to be taken, although that will not resolve the tension. I listened to Craig Robertson, who basically said, "Give us the money and let us decide." At least, that was part of what he was saying.

The Scottish Executive has taken a decision on ring-fencing and top-slicing some budgets and said that money should be spent on x, y and z—one of the areas that has been identified is child care, which we have mentioned already. If the Executive accepts that principle at some levels, why should it not accept it at other levels? Why is the Executive not courageous enough to take a lead in this regard? We are asking for a commitment to statistics being disaggregated to show gender and who is benefiting. That would allow us to make a decision further down the line about whether the policies and spending programmes are being directed at our targets. Frankly, at the moment, we do not know.

**Mr McMahon:** My question, which is directed more at Ailsa McKay, is about the type of resources required to provide accurate statistics.

I, like Johann Lamont, am on the Equal Opportunities Committee. The first thing we discovered was the lack of statistical evidence for some of the arguments that people put forward. We need much more information. Even when the information is disaggregated, how can we rely on its accuracy? How big is the gap between the accuracy and the quality of the figures? How much more resource is needed and how much does the statistical analysis have to be improved?

**Ailsa McKay:** I cannot give an absolute figure for how much needs to be done. The annual gender audit that has been produced for the past 10 years provides information, disaggregated by gender, on a range of areas. The audit is produced by Engender, whose resources are pushed to capacity—the report is produced largely by individuals working on a voluntary basis.

Engender has decided that this is the last year the report can be produced. We request that the Scottish Executive take on a responsibility to continue with the gender audit, given that it would not be starting from a blank sheet. The experience and will to continue exist.

There is a wealth of research material in the academic and non-academic sectors. We have to pool that information and make policy makers aware of the material. That would involve a central co-ordination process—a fact that we brought up when we met Jack McConnell.

11:45

**Mr McMahon:** Your written submission talks about the under-resourcing of the voluntary sector. Given that it is a disparate sector, how accurate can the information on it be? How far can the statistics that would be used to form policy in relation to the voluntary sector be trusted?

**Irene Graham:** The point about the resourcing of the voluntary sector relates to the funding of the main infrastructure of the voluntary sector by the Scottish Executive and, formerly, the Scottish Office. It can be shown that that has been reduced. Furthermore, since the reorganisation of local government—which also funds the voluntary sector—some 100 projects have closed in Glasgow as a result of funding being withdrawn. Although other projects have started, the situation points to the difficulty of sustainability at a local level. Given that women are often the beneficiaries of community projects, the diminution in that area is a cause for concern.

There is no doubt that the voluntary sector has to produce some continuing and credible statistics. The only way to ensure that that happens is to provide resources.

**Donald Gorrie:** I suspect that women make more use of local government services than do men. If that is the case, a cut in local government services would affect women more than men. Is there any practical information on that?

You talked about women taking poorly paid jobs looking after the children of other women who have poorly paid jobs. Has there been any research into whether it might be better to pay women or men a wage to look after their own children, perhaps added to some sort of training

grant for when they come out of that age group?

You mention in your submission that about 80 per cent of the people on the new deal are men. The deprived area that I know best is Muirhouse, in my Westminster constituency, and—although I admit that this view is subjective—I believe that there are a lot of youngish women who need some attention. Has any work been done on trying to help them form local co-operatives that would employ their talents in local businesses as opposed to simply going through the new deal?

**Irene Graham:** I am not sure that I can answer all of your questions and I will not pretend to.

My impression is that there are no statistics on whether women make more use of local government services than men do. That is not how statistics have been gathered. We have been examining the overall budget and have not considered disaggregating the statistics in the way that you suggest.

**Ailsa McKay:** A piece of research has been commissioned recently, which sets out to do just that. However, a six-week deadline was set, and the person who was asked to undertake the research said that it would not be possible to collect that kind of information in six weeks. That indicates why there is a gap with regard to those statistics.

**Irene Graham:** The local government poverty unit at Glasgow Caledonian University conducted an assessment of four social inclusion partnerships, probably before the issue transferred from the Local Government Committee to the Social Inclusion, Housing and Voluntary Sector Committee. That report is with the Scottish Executive and has not yet been published. You might want to get hold of it, to see what the research showed.

Your third question concerned what initiatives have been undertaken to persuade women to enter community or local businesses. In Glasgow, the Wellpark women's business centre, which is funded by the council and through European moneys, has been set up with the specific aim of getting women into business. A micro-credit scheme is also being promoted, which is aimed at getting fairly small amounts of money to the poorest women, to support them in developing their businesses.

The interesting conclusion to come out of Wellpark's experience, over the years, has been that the traditional ways in which Europe and councils supported the creation of small enterprises are not applicable to women: a different approach must be taken. A longer lead-in time is needed and the resources that are required are often not so great. Micro-credit has come into vogue because the loans that are associated with

traditional business loan schemes are often too great to benefit the poorest.

I was talking to the Scottish Crofters Union recently. Its biggest problem is that although the Government will give a £15,000 grant for a farmer to buy a new tractor, nobody will lend the money for what the farmer can afford and really wants to buy, which is a reconditioned tractor that is worth £500. The new micro-credit scheme that has been established by the Government may allow such investments to be resourced and may address those needs much more appropriately.

If traditional business methods are applied to women's enterprises throughout Scotland, results will not be achieved. However, if the experience of the Wellpark women's business centre and of micro-credit loan schemes—both here and in the developing world—are considered, mechanisms can be found that can support women in business.

If you know your own community, you will know that women have child care responsibilities and perhaps parental care responsibilities. They run households and do all the things that women need to do, while trying to develop a business. Therefore, the support needs that have to be in place for them are varied and complex. I suggest that you look to the experience of Wellpark and consider how successful it has been. You should learn from the failures as well as the successes. I think that we are not good enough at doing that.

I shall hand over the second question to Ailsa.

**Ailsa McKay:** I am not sure whether you are familiar with the wages-for-housework debate, but the "add women and stir" approach, as Irene mentioned, similarly does not change the nature of gendered social relations. The implementation of a policy such as that assumes that men and women will alter their individual preferences, and that men will indicate a preference for staying at home. That would change only the economic constraint, not the norms and cultural values or any other constraints that affect our decision-making processes.

That kind of policy assumes that the outcomes will be the same for men and women, although they will not: more women will stay at home and society will continue to devalue child care. Staying at home will mean accepting a lack of employment rights and career structure and a lack of access to the formal labour market when someone's home skills are redundant. Like the arguments in the wages-for-housework debate, the "add women and stir" approach reinforces gender-divisive responsibilities in the household.

**Mr Gibson:** Irene Graham has more or less answered the first question I was going to ask. In section 4.3 of your submission, on enterprise and lifelong learning, you say:

"Funding should be allocated to specific positive action initiatives which address gender segregation in enterprise, training and in the labour market."

Micro-credit has been very successful and has been promoted almost worldwide. The Bangladeshi green bank idea has benefited a lot of women in poverty in the third world. Can you expand on that a wee bit? This whole thing opened up my eyes, and it is extremely important for us to consider it. Given the shortage of statistics, are you looking for a timetable whereby statistics can be gathered so that an account of gender can be made in 2002-03? I understand that none is possible in 2001-02 because of the statistical shortfall.

**Irene Graham:** There are really three questions there. You asked about gender segregation in the labour market, about micro-credit and then about a timetable.

**Mr Gibson:** Yes.

**Irene Graham:** I will try to address the question on gender segregation and the labour market first. I am not sure whether you have seen my visual aid for today, the "Toolkit for mainstreaming Equal Opportunities in the European Structural Funds—A practical guide to plan preparation and implementation". The issue has arisen because, in Europe, it is recognised that mere lip service to equal opportunities will no longer be accepted. It says that all programmes must demonstrate how they address gender inequality. One of the things in the toolkit is a gender impact assessment—I can leave copies for members to look at.

The Equal Opportunities Commission, supported by the Scottish Executive, is implementing a whole new toolkit, which I think is relevant not just for European social funds. It is, I think, a useful model for how to view developments in the labour market. Analysis of European social fund training programmes seems to show that men and women are accessing training equally, but when we look beyond that to see which training they are accessing we find that women are tending to access gender-stereotype jobs, which, as we know, are low paid. The toolkit aims to change that and to show how practically to do so.

I have already said that I will leave some copies, but the document is freely available. It is a useful framework for this committee, for example, to consider. The committee could investigate how to apply it beyond just the training and employment initiatives linked to Europe.

Your second question, Mr Gibson, was about micro-credit. I am very familiar with the concept worldwide, and there is a big micro-credit movement. When women in poverty in Bangladesh or Latin America were asked what they needed, they said access to credit. There is

another debate at a national level about banking, which also involves the change in the nature of rural post offices and the effect of that on women's access to finance and credit and their requirement for a bank.

The international and development movements have come into their own. Micro-credit has given women in particular access to credit that they could not get anywhere else. The main micro-credit project in this country has been organised through Wellpark women's business centre. A project in Castlemilk has now extended to Drumchapel. It took about three years to develop. It does not follow exactly the same principles as the Bangladeshi green bank model. It has developed the model and applied it. One of its features is women working and supporting each other—not quite in a co-operative, but supporting each other to ensure that they are able to repay the loans.

We should consider Wellpark's experience of micro-credit, because it has spent three years developing it. We should consider how it has been applied in the United States—in Miami, for example—to give access to poorer people. Government grants and bank loans tend to set too high a level of interest for people to access and repay credit. Micro-credit provides a model, but I do not think that it is the answer; it is one of many answers.

**Mr Gibson:** And my other point was about a timetable.

**Ailsa McKay:** The short answer to your question on whether we had considered a timetable is no. When we got together to discuss ways in which we could influence the political process, we invited someone from the women's budget group at Westminster. Our work is not completely relevant to the work of that group: its focus is on revenue raising as well as expenditure, whereas our focus, for this Administration, is only on expenditure. The Westminster group has also decided to focus particularly on income maintenance policy.

However, the group came to talk to us, and pointed out that a lack of political will could be one of the main obstacles to progress. It had taken the group about four years to get anywhere with the Treasury. We immediately assumed that we would have a similar process to go through in Scotland, which would have meant that timetables were not an issue. However, we were presented with an open door, and were invited to a meeting with Jack McConnell almost immediately. We had not considered the possibility of that happening, because we had thought that there would be a lot more work to do before we would get through the doors of the Parliament.

12:00

**Johann Lamont:** It is wonderful what Labour women can do to concentrate the minds of Labour men. We cannot expect too much too soon, but it is encouraging that the debate has opened up across the committees of the Scottish Parliament.

Donald Gorrie asked whether there was more impact on women than on men when cutbacks were made in local government services. Have any surveys been done to determine who does the work if women lose their jobs as home helps? It is much more likely that women will be the volunteer carers who fill the gap when a statutory service is not being delivered.

How can we make a positive case for supporting women? I have met women in my constituency who are in very difficult circumstances but who are holding their communities together—it is often the women who do that. It strikes me that, if we were supporting women who are doing that work, our social inclusion policies would be much more likely to be effective at local level. Without necessarily couching our arguments in terms of women being a special case in budgets, we should argue that it is common sense to target women.

Challenging attitudes is the crux of the argument. I remember, many years ago, arguing with members of what was then Militant Tendency, although it has now evolved somewhat into a separate party. Their argument, to deal with the question of the unequal work load on women and men, was to have 24-hour laundries, 24-hour restaurants and 24-hour nurseries. When it was pointed out to them that it would be women who would be staffing those laundries, restaurants and nurseries, as well as looking after their own child care, we came to a dead end. That argument exposed a reluctance to address the central question of the roles of men and women.

Many of our social policies assume that women will be the carers. To what extent can a discussion on the budget process be used to encourage discussion on those issues? There has been a clear shift in attitudes, but how can we develop that further?

**Irene Graham:** Your first question was about the impact of local government cuts on women and about who does the work in care in the community. The interesting thing about the shift to care in the community is the assumption that much of the work will be voluntary and unpaid, and that it will be done mainly by women. Even when care in the community is resourced through a shift in resources from the health sector to social work budgets, that is done on the premise that there will be a lot of informal care in the community anyway. That informal care is generally provided by women.

Not much training is available to women who are providing care in the community, yet when men provide that service, although there are far fewer of them, the evidence is that they get much more support than women. Perhaps it is assumed that men are not used to that sort of work and therefore need more support. There is an imbalance.

My experience, like Donald Gorrie's, is that there is an impact on women in communities when local government budget allocations result in cuts in services and in changes for low-paid workers. However, I do not think that sufficient research has been done to show that. We should start to do that research and examine that impact.

How do we argue the case for women? I was reading up on what has been happening in South Africa with women's budget initiatives. One of the pieces of advice given there was to talk about gender rather than about women. Gender impact assessments are not just about women. They allow the people conducting them to see who the beneficiaries are, whether they are men or women. If some programmes are aimed at the long-term male unemployed, are those people the beneficiaries? If we are targeting women, are they the beneficiaries? A gender impact assessment, rather than a women's impact assessment, can gather that information.

I was reading the *Official Report* of the Finance Committee meeting of 4 April, at which David Davidson said that MSPs could not look only at gender—to him gender means women—because other groups would also demand attention. A gender impact assessment allows you to look at every group—men, women, boys and girls. It lets you see which people benefit from the education system, and how race or disability fits into the picture. All those things can be measured by a gender impact assessment.

**Ailsa McKay:** I would like to pick up on the point about challenging attitudes. As Irene Graham said, a gender impact assessment is not just about women. It is not about having a separate heading for women's issues in a document. It involves a change in attitude in the policy process. We would like there to be a gender impact assessment not only for the budget but for the whole policy development process that is finalised in the resource allocation statement.

Policy analysis usually begins by identifying a specific problem or opportunity that requires an intervention or development. We would like a process to be set in place whereby, at the initial identification of that problem, the relevant questions are asked. Why is it a problem? Who says that it is a problem? What are the root causes of the problem? What do people understand by the problem? What defines or

determines the root causes of the problem? After that, we can go on to identify the alternative interventions that could be made to resolve the problem.

Only when that information is in the public domain can we have an informed debate on priority setting. Only when gender is taken into account in asking those questions can a real gender impact assessment be conducted. That is where we would like the process to begin. It would take a long time to bed in and reach through to the budget stage, but we would like it to begin. The Canadians have been doing it for 25 years and have developed a toolkit for implementing gender policy analysis in the corridors of power. It was suggested to Jack McConnell that that toolkit be adapted for a Scottish audience and used in the policy process.

**Irene Graham:** The Scottish Executive has set up the equality unit. Gender impact assessments are something that we could highlight as a key issue for the equality unit. It is in its early stages and the consultation period on its strategy has just concluded, so we could urge it to move in that direction.

**Johann Lamont:** I agree that if we carry out an analysis on the basis of gender, we will identify not only what is happening to women. However, we need to expose the fact that the current system disadvantages women and to name the inequality. We have to say that we want to do this because there are currently assumptions about what women's lives should be like that we think should change.

**Ailsa McKay:** The point that we were making is that the term gender is not synonymous with women. However, it so happens that the social and economic relations that dominate our society today overwhelmingly disadvantage women.

**Dr Sylvia Jackson:** I was interested in the dialogue in the Parliament's committees to which Johann Lamont referred. The European Committee is also becoming more alive to the issue of gender. The issue has arisen during discussion of European structural funds. In our constituencies, voluntary organisations, which are often run by women for women, have been experiencing difficulties because of the gap between the present funding period and the new regime. You may know that the Scottish Executive agreed to tide over organisations during the gap period, which has been very helpful. That was the result of pressure being brought to bear by the European Committee. In her role as rapporteur to the committee, Cathy Jamieson is heading up an area called capacity building. Knowing Cathy, I am sure that it will include gender. I know that she was gathering information on that during our visit to Brussels.

There is no doubt that there are issues for women relating to European structural funds. One is child care. There may be a gap between women finishing training and getting a job. How should women pay for child care during that time? There is another issue, which I have not yet explored fully. It appears that if funding is switched from social inclusion to enterprise and lifelong learning, for example, women may be disadvantaged, as males may have to be allowed into the system. As Johann Lamont said, we may want to start on the basis of addressing the inequalities that still exist. It appears as if there are still difficulties with European structural funds. Perhaps you would like to explore some of those issues further and follow them up with the European Committee.

**Irene Graham:** Engender welcomes invitations to appear before any committee, but it suffers from the fact that it is not a resourced organisation. Engender depends on people being able to take time out of their jobs to appear before committees on its behalf. However, if the European Committee expressed an interest in hearing from us, I am sure that we could arrange for someone appropriate to speak to it.

**Mr McMahon:** In section 4.7 of your written response, on the environment, you state:

“We note that this section is the only one with a research heading, but we are unclear whether this is additional to Scottish Executive Secretariat research on Environment.”

Since you produced your response, has that been clarified?

**Irene Graham:** We do not know.

**Mr McMahon:** Could we clarify that question, as it might be of assistance in the long run?

**The Convener:** We can find out.

I was interested to hear you say that you had an audit for last year. I would be keen to see that, if possible. If you send one copy, we will copy it to committee members. As you know, this committee has said publicly that it is looking to carry out a review of local government finance. We will certainly take into account the comments that you made in your paper and the audit that you carried out last year when we review local government finance. We will also take up the point that you made about not being resourced by the Scottish Executive, although if you were, that probably would not change your life overnight. We will consider that and pass the comments to the minister. I doubt that there will be much dissent in the committee on that.

12:15

I thank members of Engender for coming along—it has been an interesting discussion. A number of years ago, I talked to Irene Graham

about her visits abroad. We considered the groups of women who were able to borrow small amounts of money and watch that develop. As you say, it is a gender issue; that should also be applicable to men, if that is what they want. I am sure that they have the same problems with banks as women do.

Thank you for coming along—I am sure that we will see you again. It would be helpful if you sent me a copy of your most recent audit. I will send it to the rest of the committee.

At 12.45 pm, there is a shadow Cabinet meeting in this room. As Kenny Gibson is the only member of the shadow Cabinet—and Colin Campbell, excuse me—we will all have to leave.



## Subordinate Legislation

**The Convener:** The Transport and the Environment Committee is the lead committee on this subordinate legislation; that committee will take our views into account, if we have any. The Town and County Planning (Fees for Applications and Deemed Applications) (Scotland) Amendment Regulations 2000 (SSI 2000/draft) is a straightforward Scottish statutory instrument, which determines the charges levied by councils for planning permission applications. If anybody has anything to say on it, we will pass it on to the Transport and the Environment Committee. If not, we will inform the committee of that.

Is that agreed?

**Members** *indicated agreement.*

## Petition

**The Convener:** The next item concerns the Tayside valuation joint board. The petition is from Ian Cantwell, and is concerned not so much with the valuation of his property but the way in which it was conducted. Members will remember that he was not on his farm at the time of the assessment and that the two assessors climbed over the fence and started to take measurements.

On page 3, there are three suggestions for resolving the matter; it is up to members to decide which we choose. I ask you to consider paragraph 15, about the way in which the assessors conducted their business. There seems to be a system whereby, if someone's property is valued at such-and-such an amount, they can appeal and that appeal can be moved through to the various groupings. However, there does not seem to be a system for complaining about the conduct of an assessor.

Members will read that Ian Cantwell made a complaint and received an apology. However, he continued to pursue the matter on the basis that there should be something other than an apology.

I leave it open to members to decide which of the three suggestions you would accept or indeed whether there is anything else that you wish to do.

**Mr Gibson:** I suggest that we delay any decision until the committee can consider a detailed report.

**The Convener:** So that would be the third suggestion.

**Mr Gibson:** There are wider implications.

**Donald Gorrie:** Paragraph 15 seems to be contradictory. The first sentence says that

"there does not appear to be any individual or body to whom complaints can be taken about the *conduct* of Assessors."

Two sentences later, the paragraph reads:

"the Assessor is answerable to his employers"—

which I take to be the joint boards—

"on matters such as . . . alleged misconduct".

There seems to be a contradiction between the two. Mr Hancock, who wrote that, is not here to explain, but it seems peculiar.

**The Convener:** Yes, it does.

**Donald Gorrie:** I know that the assessors are keen on their independence and that people cannot lean on them. That is important, but if chaps are climbing over hedges when they should not and are trespassing, that has nothing to do with their independence and might well come within the remit of the joint board that ostensibly looks after the assessors. It would give that board something to do.

**The Convener:** That section is badly written. However, the second paragraph on page 1 states:

"On receipt of the complaint it was accepted that the staff in question had no authority to do this. The Assessor's Office and the Depute Assessor (on behalf of the Assessor)"—

who, I guess, climbed over the fence—

"apologised immediately and on a number of occasions since."

They have obviously taken up the complaint.

**Mr Paterson:** As we are talking about apologies, I would like to make one to the assessor's office. I have already written to that office, but as I said something in error in public, I feel that I should apologise in public. I raised the specific issue of people jumping fences and not going through the due process of law. I said that that was wrong and that the assessor's office should apologise for that, but that office has, apparently, done so. I was not aware of that.

I would like to talk in general about the recommendations in the paper and not about this specific case. Those who are employed by the assessor's office are public servants and, although they do not come under the jurisdiction of local government, they are housed in local government premises and perform a service for local government. All such bodies should be accountable and we—as individuals, business owners or big companies—should not need to resort to a process of law to gain additional information or for policing.

The public sector ombudsman would be the ideal means of dealing with such a problem. Although the office of the assessor is not a local

government office, it is in that area and the ombudsman is at the right level to deal with it. It is not enough to leave it to a senior person in a department to police it and to be the final arbitrator in disputes. That role should be filled by somebody from outwith the department.

**Bristow Muldoon:** I have read the report and I am not convinced that there is a major issue for the committee to address. It seems that what is before us is an individual complaint. The complainer has received an apology and the office of the assessor has accepted that its staff were in the wrong. In addition to that, the valuation for the year has been deleted and the complaint has been resolved by the assessor. If the issue is the conduct of an individual and whether that individual should have been disciplined, that is not something that the ombudsman would be likely to get involved in. If the issue is valuations, there is an appeal system.

No major issue arises that would result in the committee wanting to amend legislation. I recommend that there is insufficient reason for amending the current legislation and that we maintain the status quo.

**Mr McMahon:** I am caught between agreeing with Kenny Gibson and agreeing with Bristow Muldoon. Bristow is right up to a point, because Mr Cantwell's complaint has, to all intents and purposes, been dealt with. It could, therefore, be argued that the system operated to his satisfaction because the problem was resolved. Why, therefore, should the system be changed?

There might equally be something going on that requires further examination. I tend, in that case, to agree with Kenny Gibson that the third option is the best. We might need to have a more detailed examination of the issue to see whether there are wider implications. In the case of this individual, the problem seems to have been resolved, but there might be a bigger issue that needs more detailed analysis.

**Mr Paterson:** We should separate the issues.

The appeals system is thorough. To be frank, I have been through it a number of times, in different business premises. It is cheap, cheerful and quite user-friendly. In the past, householders could appeal against their rates, but nowadays only businesses may appeal rates—there is no argument about that. However, the appeals system part of the process is not regulated. We have just debated standards for councillors, and we would all like MSPs to be included in those standards.

I am quite worried that, because people are under pressure to assess properties, they think that they can jump over fences and do things that no one else can do, with no threat of retribution. It

is clear that an apology was made for that action in this case, but, on the other hand, just a little bit more should be done to reassure the public that there is someone above the head of department concerned to whom they can go. Just one extra yard is needed—just a little reassurance.

If Michael McMahon and Kenny Gibson are suggesting that we should revisit the issue in order to find out more information, I would support that approach.

**Johann Lamont:** We must clarify what we mean by requesting a fuller investigation. Although people may persuade me otherwise, I do not think that it would be appropriate to go into the specific case of this petitioner. However, if we are talking about the extent to which the public sector and public employees are answerable for their actions, that is a separate matter from valuation decisions and is part of the debate about the police policing themselves—many other professional bodies also police themselves. There is a broad question about where people can go if they are dissatisfied. For example, if a council employee speaks to a member of the public in a particular way, that member of the public will often approach their councillor or their MSP. We might want to clarify where people can go, if they still feel dissatisfied.

If we were to consider conducting a fuller investigation, I would be far keener to investigate the way in which the assessment procedures work and how user-friendly they are in general, rather than investigate this particular case. However, I am conscious that we are dealing with a petition.

The committee must be clear about what the investigation will look into, if it wants to have a fuller investigation, as well as acknowledging the much broader question, which perhaps we should explore in tandem with the Ethical Standards in Public Life etc (Scotland) Bill. We could consider putting in place structures that go beyond the straightforward management of the work force that is in place at present.

**The Convener:** The Executive would be willing to carry out a report, which we could consider, or we could carry out a report. The issue seems to have broadened out. I take Johann Lamont's point—I do not think that we can go into more detail on this particular petition than we have done on others. There has been a satisfactory outcome for the petitioner, but perhaps we should examine the procedure.

If we agreed that we should go with the third suggestion, we would then have to make three decisions. Should we carry out a report; should we ask the Executive to carry out a report, which we could consider; and/or do we try to broaden out the investigation? However, I am not sure what the Executive would say about broadening out the

investigation, as it has said that it would be happy to investigate the matter and come back to us with a report.

**Johann Lamont:** Is the Executive talking about the specific experience of Mr Cantwell?

**The Convener:** No—it is talking about the general principles. It is not talking about the policing or about any of the other issues that the discussion has widened out to consider.

**Donald Gorrie:** To my knowledge, the assessor is in a unique position. However, there appears to be some ambiguity in the report on whether, in the circumstances of misconduct, the assessor is open to disciplinary action or whatever by the relevant council committee. We must clarify that point, because if he or she is not under a committee's control in that sense, perhaps an amendment to the legislation or to a regulation is required. If we look at it in that way, we might make some progress. Personally, I think that we should go down that route, rather than go down the ombudsman route.

**The Convener:** Kenny Gibson has proposed that we go for the third option, which is to obtain a report. Do members think that the Executive should do that report, which we should consider? We do not have much time, and I think that the Executive should do a report.

**Members:** Yes.

**The Convener:** But will we understand it? *[Laughter.]* I hope that the official reporters will not pick that up.

**Johann Lamont:** We need the report to be easy on the algebra.

**The Convener:** That would be helpful.

Are we agreed that we will go with the third option, and ask the Executive to come back to us with a report?

**Members** *indicated agreement.*

**Bristow Muldoon:** I remain less than convinced about the issue. However, there is obviously a consensus in the committee, so I will go along with that.

**The Convener:** You might be right.

I do not think that we need the official reporters for the next item—they may go for lunch.

12:30

*Meeting continued in private until 12:37.*



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